

HURON MEADOWS

LIMITED WARRANTY

1. Name and Address of Warrantor. The name of the Warrantor (i.e., the entity making this Limited Warranty) is Oak Builders, Inc., a Michigan corporation, also referred to herein as the Builder, whose address is 904 Starkweather Avenue, Plymouth, Michigan 48170.

2. Terms. The terms of the various coverages of this Limited Warranty begin on the date on which your condominium unit is deeded to you. That date is referred to in this Limited Warranty as the "Closing".

3. Coverage. We, as Warrantor, warrant that for a period of one (1) year after Closing the structural components of the dwelling and other improvements constructed in it which are not covered by other portions of this Limited Warranty will be free of defects in materials or workmanship.

4. Manufacturers' Warranties. We assign and pass through to you the manufacturers' warranties on all appliances and equipment located in your condominium unit. The following are examples of such appliances and equipment, although not every condominium unit necessarily includes all of these items and some condominium units may include appliances or equipment not in this list: refrigerator, range, furnace, water heater, water softener, sump pump, washing machine, dishwasher, garbage disposal, ventilating fan, and air conditioner.

5. Exclusions from Coverage. We do not assume responsibility for any of the following, all of which are excluded from the coverage of this Limited Warranty:

a. Defects in appliances and pieces of equipment which are covered by manufacturers' warranties and any damages suffered as a result of their failure to function properly. (We have assigned these manufacturers' warranties to you, and you should follow the procedures in these warranties if defects appear in these items.)

b. Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of your condominium unit, including nicks or cracks on plumbing fixtures, appliances, mirror bifold doors, mirrors, counter tops, ceramic tile, scratches or chips on tubs, marble or other materials will not be repaired unless noted on your final closing checklist. You should review these items very carefully before closing.

c. Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping, drying, separating, and deflection of wood; fading, chalking and checking of paint due to sunlight; minor cracks due to drying and curing of wood, drywall, asphalt, concrete (except at expansion joints, tool cuts or saw cuts where separation is anticipated), stucco, plaster, bricks,

and masonry; drying, shrinking and cracking of caulking and weather-stripping; minor cracks in tile or cement and heaving of tile or cement; nail pops in drywall; obvious joints in drywall; discoloration of plumbing or electrical fixtures; minor settlement of your condominium unit or the ground under or around it. Minor shall be defined as cracks or variations in elevation that are 1/4" or less, or settlement that has no structural consequences.

d. Damage or destruction of any tree, shrub or plant growth which remains after completion of construction of your condominium unit, regardless of Warrantor's care to protect any tree, shrub or plant growth in either its original or relocated site.

e. Defects in items installed by you or by anyone else, except us or (if requested by us) our subcontractors.

f. Work done by you or by anyone else, except us or (if requested by us) our subcontractors.

g. Loss or injury due to the elements and nature, such as damage caused by windstorms or tornadoes, shingles blowing off, trees being uprooted, etc. Also, damage caused by temporary flooding due to abnormal downpours, leaks resulting from wind driven rain or snow, or water infiltration due to the build-up of ice, leaves or debris on the roof, or in gutters and downspouts. Also, the invasion and growth within your condominium unit of insects, rodents, animals, fungus, molds, or any other organisms, or any allergic reactions caused thereby.

h. Conditions resulting from condensation on, or expansion or contraction of, materials.

i. Statement of Nonwarranted Conditions.

This statement of conditions that are not subject to the Builder's warranties explains some of the changes and need for maintenance that may occur in a new condominium unit over the first year or so of occupancy. A condominium unit requires more maintenance and care than most products because it is made of many different components, each with its own special characteristics.

The Purchaser understands that like many products made by humans, a condominium unit is not perfect. It may show some minor flaws and unforeseeable defects, and it may require some adjustments and touching up.

As described in the limited warranty provided to the Purchaser of which this statement of "Nonwarrantable Conditions" is made a part, the Builder will correct certain defects that arise during defined time periods after construction is completed and final inspection is performed during a walk through the condominium unit by the Purchaser prior to closing. 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 nonwarrantable conditions, are not covered under the Builder's warranties. The Purchaser should read these carefully and understand that the Purchaser has not contracted for the Builder to correct certain types of problems that may occur in the Purchaser's new condominium unit. These guidelines will alert the Purchaser to certain types of maintenance (a) that are the responsibility of the Purchaser and (b) that could lead to problems if they are neglected.

The following list outlines some of the conditions that are not warranted by the Builder. The Purchaser should be sure to understand this list. If the Purchaser has any questions, the Purchaser should ask the Builder and feel free to consult an attorney before signing the acknowledgment.

(1) Concrete. Concrete foundations, walks, drives (including asphalt), and patios can develop hairline cracks that do not affect the structural integrity of the condominium unit. These cracks are caused by characteristics of expansion and contraction. No method of eliminating these cracks exists. Spalling or chipping may occur on the surface of concrete and this is usually caused by salt or deicers used on sidewalks and driveways. These conditions do not affect the strength of the building materials.

(2) Masonry and Mortar. Masonry and mortar can develop cracks from shrinkage of either the mortar or the brick. Natural salts in the soil used to make bricks occasionally "bleed out" of the brick as a chalky looking substance. These conditions are normal and should not be considered a defect.

(3) Wood. Wood, including wood flooring, will sometimes check, crack, or "spread apart or gap" because of the drying out process. This condition is most often caused by the heat inside the condominium unit or the exposure to the sun on the outside of the condominium unit. This condition is considered normal, and the Purchaser is responsible for any maintenance or repairs resulting from it. Use of a humidifier inside the condominium unit is recommended. All workmanship shall conform to the guidelines of the National Oak Floor and Manufacturer's Association, Inc., as set forth in its publication *Cracks in Hardwood Floors*.

(4) Sheetrock or Drywall. Sheetrock or drywall will sometimes develop nail pops or settlement cracks. These nail pops and settlement cracks are a normal part of the drying out process. These items can easily be handled by the Purchaser with spackling during normal redecorating.

(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.

(6) Floors. Floors are not warranted for damage caused by abuse, neglect or the incidents of use, such as high heel marks or animal scratching. Wood, vinyl, tile, and carpet all require maintenance. Floor protectors on table and chair legs are recommended to prevent scratching or chipping of wood, vinyl or tile, and stains should be cleaned from carpets, wood, vinyl, 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. The Purchaser should periodically inspect all exterior caulking to avoid water and moisture intrusion. Maintenance or repairs resulting from them are the Purchaser's responsibility.

(8) Brick Discoloration. Most bricks may discolor because of the elements, rain runoff, weathering, bleaching, or by being hit by water from lawn sprinklers.

(9) Broken Glass. Any broken glass or mirrors that are not noted by the Purchaser on the final inspection form are the responsibility of the Purchaser.

(10) Frozen Pipes. The Purchaser 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 condominium unit 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 texture of the woods. Because of weather changes, doors that have panels will sometimes dry out and leave a small space of bare wood. These normal conditions should not be considered defects.

(12) Paint. Good quality paint has been used internally and externally on this condominium unit. Nevertheless, exterior paint can sometimes crack or check. The source of this defect is most often something other than the paint. To avoid discoloration and other problems with the paint, Purchasers should avoid allowing water from lawn sprinklers to hit painted areas, washing down painted areas, and so on. Purchasers should also not scrub latex painted inside walls and be careful of newly painted walls as they move furniture. The best paint will be stained or chipped if it is not cared for properly. Any defects

in painting that are not noted at final inspection are the responsibility of the Purchaser.

(13) Cosmetic Items. The Purchaser has not contracted with the Builder to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features in the condominium unit. Chips, corrosion, scratches, or mars in 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 recognized and noted by the Purchaser at the final inspection are nonwarrantable conditions, and the upkeep of any cosmetic aspect of the condominium unit are the Purchaser's responsibility.

(14) Plumbing. Dripping faucets, toilet adjustments, and toilet seats are covered by the Builder's warranty for a thirty (30) day period only. After that, they are the Purchaser'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 Purchaser will be billed for the call. Noises such as squeaks and vibrations relating to plumbing lines are normal, will occur, and are not eligible for repair.

(15) Roof Damage. The warranty for material on the Purchaser's roof is prorated over the period of the lifetime use of the roof. Warranty claims for any defects in materials will be handled with the manufacturer with the Builder's assistance through the condominium association. The Builder's warranty for labor on the original installation of the roof is limited to twelve (12) months. Shingles blown off in high winds will not be warrantable.

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.

Freeze and thaw cycles and the heat from your condominium unit may cause ice to build up on the roof, usually near the outside walls. This buildup of ice dams, if severe enough, can result in water entering your condominium unit and damaging walls and ceilings. You should watch for large accumulations of ice or snow on the roof in order to prevent this. If a certain area is a chronic problem, you or the condominium association may have to keep the area clear from the buildup of ice and snow. The repair of damaged areas from ice dams and preventive measures to avoid them are the responsibility of the unit owner and/or the condominium association. In no event will we be responsible for damages resulting from ice dams or the accumulation of ice, leaves and other debris in gutters and downspouts. The Purchaser should make periodic inspections of attic spaces for evidence of water or moisture intrusion.

(16) Heating and Air Conditioning. The Purchaser's source of heating and air conditioning is covered by a manufacturer's warranty. The Purchaser is responsible for making sure the filters are kept clean and/or changed every thirty (30) days. Failure to do so may void the warranty. Having the equipment serviced or checked at least yearly is a good idea. Noises such as "ticking," "cracking," etc., relating to heat ducts are normal, will occur and are not eligible for repair.

(17) Indoor Air Quality. The Purchaser acknowledges that Builder has made no warranties with regard to indoor air quality in the dwelling. Due to the fact that your condominium unit is sealed tightly from the weather, certain areas are likely to have noticeable cold air infiltration or leakage into the condominium unit during the winter. This air infiltration is normal and will occur at spots such as electrical openings in insulated ceilings and outside walls, ducted fans in bathrooms and kitchens, and to some extent at windows, the base of walls and outside doors. The Purchaser should periodically inspect vent fan connections and intake pipes to make sure that they are connected and in good repair.

6. No Other Warranties. THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY WE GIVE. SUCH IMPLIED WARRANTIES AS ARE REQUIRED BY MICHIGAN LAW, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND HABITABILITY ARE LIMITED TO THE WARRANTY PERIOD SET FORTH ABOVE, UNLESS A LONGER PERIOD IS REQUIRED BY LAW.

7. Claims Procedure. If a defect appears which you think is covered by this Limited Warranty, you must write a letter describing it to our office at the address appearing in paragraph 1 of this Limited Warranty. We suggest that you keep a service record on your condominium unit and make a list of things that need attention. That list should be sent to us after you have lived in your condominium unit for at least six (6) months. Notification of material defects which appear within six (6) months of closing need not be delayed until the six (6) month list is prepared. Please allow thirty (30) days after receipt of your list for repairs to commence. We will not assume responsibility for responding to any written letter delivered to us more than fourteen (14) days after the expiration of the one-year warranty period, even if the defects that are claimed in the letter may have arisen within the one-year warranty period. You must tell us in your letter what times during the day you will be at home so that we can schedule service calls appropriately. In case of electrical, heating, plumbing, telephone, cablevision, or security system repairs, a direct phone call to one of the following pertinent sub-contractors will suffice. If you call any of the listed subcontractors for warranty services and they find it is not covered under warranty, YOU WILL BE BILLED ACCORDINGLY FOR SERVICES RENDERED.

ELECTRICAL: _____

HEATING: _____

PLUMBING: _____

TELEPHONE: _____

CABLEVISION: _____

SECURITY SYSTEM: _____

If delay will cause extra damage, telephone us. ONLY EMERGENCY REPORTS WILL BE TAKEN BY PHONE.

8. Foundation. Foundation and basement walls are subject to many stresses and strains. The base of the wall, being in the ground, maintains a fairly constant temperature, whereas the top portion, extending out of the ground, is subject to extreme temperature changes--from summer heat to winter cold--which cause concrete and other masonry to expand and contract. The soil on which the foundation is placed may settle slightly and create additional stresses. These stresses may cause some minor cracks. These surface cracks do not affect the strength of the wall in any way and it is not necessary to repair them. Concrete walls are not water-proof in themselves. To prevent the entrance of ground water, we have applied a water-proof material to the outside of the underground foundation. To further prevent the entrance of ground water, we have installed drain tiles outside the concrete footing. Sump pumps, if installed, should be checked periodically for debris in the sump basin. Sump pumps should be cleaned and replaced when inoperative. Personal property should not be stored in the basement if it can be damaged as a result of a back up occurring due to the failure of a sump pump. Basement walls should be inspected periodically for evidence of water intrusion. Condensation may cause damp basement walls and floors from time to time. To eliminate, keep your basement well ventilated when weather conditions permit; you may need to use a dehumidifier.

9. Repairs. Many construction trades are involved in many aspects of making warranty repairs, even the very simplest of adjustments. The job of scheduling and coordinating trades for these repairs is very time-consuming and often creates problems which require patience and understanding on the part of all parties involved. It simply takes time. Upon receipt of your written report of a defect, we will inspect your condominium unit. If a defective item is covered by this Limited Warranty, we will repair or replace it at no charge to you within sixty (60) days after our inspection (longer if weather conditions, labor problems or materials shortages cause delays). The work will be done by us or subcontractors chosen by us. The choice between repair or replacement is ours.

10. Arbitration Rights of the Parties. At the exclusive option of the Purchaser, any claim which might be the subject of a civil action against the Builder which involves an amount less than \$2,500.00 and arises out of or relates to this Limited Warranty, or the breach thereof, or the

unit or project to which this Agreement relates shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable Construction Industry Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

At the exclusive option of the Builder, any claim which might be the subject of a civil action by the Purchaser against the Builder which involves an amount more than \$2,500.00 and arises out of or relates to this Limited Warranty, or the breach thereof, or the unit or project to which this Agreement relates shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable Construction Industry Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

The parties may also agree to any alternative form of arbitration or the use of any alternative rules with regard to said arbitration.

11. Not Transferable. This Limited Warranty is extended to you only if you are the first purchaser of your condominium unit. When the first purchaser sells the condominium unit or moves out of it, this Limited Warranty automatically terminates.

Purchaser acknowledges having read and understood and received a copy of this Limited Warranty, including the outline of nonwarrantable items. Purchaser understands and agrees that these nonwarrantable items are conditions for which Purchaser has not contracted and will not hold the Builder liable.

Date of Closing: _____, 200__

Agreed to and accepted by:

OAK BUILDERS, INC., a Michigan corporation, Warrantor and Builder

Purchaser: _____

By:  _____

Purchaser: _____

Its: MEMBER _____

Address: _____
