

## Highlands Village I, LLC

### Limited Warranty

This Limited Warranty is extended by Highlands Village I, LLC, (Builder), whose address is 702. West Idaho Street, Suite 300 Boise, ID 83702, to \_\_\_\_\_, (the Buyer), who is the original Buyer of the property at the following address: \_\_\_\_\_ Bogus Basin Road, Boise, Idaho 83702

#### 1. WHAT IS COVERED BY THE WARRANTY

The Builder warrants that all construction related to the condominium unit substantially conforms with the plans and specifications and change orders for this job. The Builder warrants that during the first 30 days after the Buyer moves in, the Builder will adjust of correct minor defects, omissions, or malfunctions, such as missing equipment or hardware; sticking doors, drawers, and windows; dripping faucets; and other minor malfunctions reported by the Buyer upon inspection of the property.

Within one (1) year from the date of closing or occupancy by the Buyer, whichever is first, the Builder will repair or replace, at the Builder's option, any latent defects in material or workmanship by the standards of construction relevant in the community or area where the condominium home is located. A latent defect is defined as one which was not apparent or ascertainable at the time of occupancy. The Buyer agrees to accept a reasonable match in any repair or replacement in the event the original item is no longer available.

#### 2. WHAT IS NOT COVERED

This Limited Warranty does not cover the following items:

- Damage resulting from fires, floods, storms, electrical malfunctions, accidents or acts of God.
- Damage from alterations, misuse, or abuse of the covered items by any person.
- Damage resulting from the Buyer's failure to observe any operating instructions furnished by the Builder or equipment manufacturer at the time of installation.
- Damage resulting from malfunction of equipment or lines of the telephone, cable, gas, power, or water companies.
- Any items as Nonwarrantable Conditions on the list that is incorporated into the Contract: the Buyer acknowledges receipt of the list of Nonwarrantable Conditions. \_\_\_\_\_ **(Buyer's Initials)**
- Any item specified, furnished or installed by the Buyer.
- Any appliance, piece of equipment, or other item that is a consumer product for the purpose of the Magnuson-Moss Warranty Act, 15 U.S.C. Sec. 2301 et seq., installed or included in the Buyer's property.

The only warranties on items listed below are those that the manufacturer provides to the Buyer:

Appliances: Clothes dryer, Clothes washer, Dishwasher, Freezer, Garbage disposal, Ice maker, Food processor, Microwave, Oven and hood, Refrigerator, Range, Stove or Cooktop, Trash Compactor.

Heating and Ventilation: Air-conditioning, Boiler, Electric air cleaner, Mechanical and/or Electrical: Burglar alarm, Central vacuum system, Chimes, Electric meter, Exhaust fan, Furnace, Heat pump, Fire extinguisher, Garage door opener, Gas meter, Gas or electric barbecue grill, Space heater, Thermostat, Humidifier, Intercom, Smoke detector, Water pump, Fire alarm.

Plumbing: Garbage disposal, Water heater, Whirlpool bath, Water softener.

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

(A) The Builder has made such warranties available to the Buyer for Buyer's inspection and the Buyer acknowledges receipt of copies of any warranties requested.

\_\_\_\_\_ (**Buyer's Initials**)

(B) The Builder hereby assigns) to the extent that they are assignable) and conveys to the Buyer all warranties provided to the Builder on any manufactured items that have been installed of included in the Buyer's property. The Buyer accepts this agreement and acknowledges that the builder's only responsibility relating to such items is to lend assistance to the Buyer in settling any claim resulting from the installation of these products. \_\_\_\_\_ (**Buyer's Initials**) \_\_\_\_\_ (**Builder's Initials**)

(3) HOW TO OBTAIN SERVICE:

If a problem develops during the warranty period, the Buyer must notify the Builder in writing at the address given above of the specific problem. The written statement of the problem should include the Buyer's name, address, telephone number, and a description of the nature of the problem. The Builder will begin performing the obligations under this warranty within a reasonable time of the Builder's receipt of such a request and will diligently pursue these obligations.

Repair work will be done during the Builder's normal working hours except where delay will cause additional damage. The Buyer agrees to provide the Builder or Builder's representative access to the house. The Buyer also agrees to provide the presence (during work), of a responsible adult with the authority to approve the repair and sign a call-back ticket upon completion of the repair.

(4) WHERE TO GET HELP:

If the Buyer wants help or information concerning this warranty, the Buyer should contact the Builder.

(5) THE ONLY WARRANTY GIVEN BY THE BUILDER:

The Buyer acknowledges (a) the Buyer has read and understands the Limited Warranty, and (b) that the Builder has been made no guarantees, warranties, understandings, or representations (nor have any been made by any representatives of the Builder) that are not set forth in this document.

(6) REMEDIES AND LIMITATIONS:

A. The buyer understands that the sole remedies under this Limited Warranty Agreement are repair and replacement as set forth here.

B. With respect to any claim whatsoever asserted by the Buyer against the Builder, the Buyer understands that the Buyer will have no right to recover or request compensation for, and the Builder shall not be liable for:

(1) Incidental, consequential, secondary, or punitive damages;

(2) Damages for aggravation, mental anguish, emotional distress, or pain and suffering; and

(3) Attorney's fees or costs.

C. The Builder hereby excludes all implied warranties, including the implied warranties of habitability, and workmanlike construction.

D. These limitations shall be enforceable to the extent permitted by law. If it is determined that exclusion of any or all of the implied warranties above described is not enforceable, then any such implied warranties shall be limited to the duration of one (1) year from the date of closing or the date of occupancy, whichever comes first. \_\_\_\_\_ (Buyer's Initials)

(7) ARBITRATION

Any and all claims, disputes and controversies by or between the homeowner and the Builder, arising from or related to this Warranty, to the subject Home, to any defect in or to the subject Home of the real property on which the subject Home is situated, or the sale of the subject Home by the Builder, including without limitation, any claim of breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this arbitration agreement, and breach of any alleged duty of good faith and fair dealing, shall be settled by binding arbitration. Agreeing to arbitration means you are waiving your right to a jury trial.

This arbitration shall be conducted by the American Arbitration Association pursuant to its Construction Industry Arbitration Rules in effect at the time of the Effective Date of Warranty; or by Construction Arbitration Services, Inc., pursuant to its applicable rules in effect at the time of the Effective Date of Warranty; or by DeMars & Associates, Ltd. pursuant to its applicable rules in effect at the time of the Effective Date of Warranty. The choice of arbitration service shall be that of the homeowner if the homeowner is a claimant. If the homeowner is not a claimant, the choice of arbitration service shall be that of the Builder. Any dispute concerning the choice of an arbitration service shall be submitted to a court of competent jurisdiction, which shall have authority to enforce this paragraph.

This arbitration agreement shall inure to the benefit of, and be enforceable by, the Builder's subcontractors, agents, vendors, suppliers, design professionals, insurers and any other person alleged to be responsible for any defect in or to the subject Home of the real property on which the subject Home is situated. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning the interpretation or the enforceability of this arbitration agreement, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver, estoppel or laches shall be decided by the arbitrator.

The initiation of or participation by any party in any judicial proceeding concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement, and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement.

The arbitrator shall possess sufficient knowledge in the residential construction industry as determined by the arbitration service. The arbitration hearing shall occur whenever possible in the home which is the subject of the arbitration.

All administrative fees of the arbitration service and fees of the arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

The parties expressly agree that this Warranty and this arbitration agreement involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) now in effect and as the same may from time to time be amended, to the exclusion of

any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding be conducted, the latter rules shall govern the conduct of the proceeding.

If any provision of this arbitration agreement shall be determined by the arbitrator or by any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms.

**I acknowledge having read, understood, and received a copy of this Limited Warranty.**

\_\_\_\_\_  
(Buyer's Signature)

Highlands Village I, LLC  
(Builder)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
William R. Hodges  
Co Managing Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date