



Property Address: _____

Radue Homes Inc. New Home Warranty regarding completed homes is as follows:

01 Contractor provides a limited warranty for a period of one year from the date of issuance of a certificate of occupancy (whether temporary or permanent) for the Project and any Change Orders thereto, to be performed in a workmanlike manner and free from Construction Defects, excluding any work performed by Buyer and/or Buyer's subcontractors and any other exceptions contained in this Agreement.

02 Construction Defects means a deficiency or omission in the completion of the Project that results from defective material, a violation of applicable building codes, or a failure to comply with current adopted standards. For purposes of this Agreement, the Project shall be deemed to have been performed in a workmanlike manner and free of Construction Defects if it is in compliance with the "Construction Industry Quality Standards" published by the Wisconsin Home Builders Association existing at the time of execution of this Agreement. If any work does not meet the above-referenced performance guidelines, the corrective measure shall be limited to that referenced in the guidelines. Contractor's warranty under this paragraph is limited to a period of one (1) year from a certificate of occupancy unless another date is specifically agreed to in writing by the parties. This warranty shall not apply and is void immediately if Buyer assumes occupancy prior to obtaining a Certificate of Occupancy or Buyer fails to authorize final payment pursuant to the terms of this Agreement.

03 The Contractor's warranty does not extend to the following items and shall not be deemed Construction Defects:

- a. Any and all defects or misuse of appliances or equipment (e.g., sump pump, furnace, water heater, etc.) covered by a manufacturer's warranty.
- b. Incidental, consequential, or secondary damages caused by a breach of this warranty.
- c. Defects which are the result of characteristics common to the material used, such as (but not limited to) warping and deflection of wood, mildew and fading, chalking and checking of paint due to sunlight, cracks due to drying and curing of concrete, stucco, plaster, brick and masonry, drying, shrinking and cracking of caulking and weather stripping.

- d. Conditions resulting from condensation on, or expansion or contraction of materials.
- e. Defective design or material supplied by Buyer or installed under his direction, or defects caused by anything not built into or installed in the project pursuant to the contract between contractor and buyer.
- f. Damages due to ordinary wear and tear, abuse, or lack of proper maintenance of the Project.
- g. Loss or injury due to weather, natural or manmade disasters, pollutants, infestations, falling objects or aircraft, riots, or civil unrest.
- h. Landscaping or any portion thereof is expressly excluded from this warranty, including sod, seeding, shrubs, trees, planting, and retaining walls.
- i. Insect damage of any nature whatsoever.
- j. Non-uniformity in the appearance of brick, stone, tile, or any other product not expressly identified to the contractor prior to closing.
- k. Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, plastic laminate, and glass not expressly identified to the contractor prior to closing.
- l. Dripping faucets and toilet adjustments.
- m. Utility service lines installed by developer, municipality, or service company and settling, backfilling, and landscaping thereof.
- n. Any settling or backfilling around the perimeter of the foundation after closing. Any settling around utility trenches installed by the builder after closing is also not covered by this LIMITED WARRANTY. Any settling that affects landscaping will be the responsibility of the homeowner.
- o. Deterioration or defects in concrete.
- p. Movement, shifting, expansion, or plasticity of the soils beneath the project, changes in the underground water table, and subsurface soil structures beyond the contractor's control or intentionally or unintentionally modified by Buyer.
- q. Changes, additions, or modifications of any kind made by Buyer after the warranty begins.

04 Notice of Defect. Buyer shall complete a Final Walk-Through as provided in Section 3.07. Thereafter, Buyer must provide notice in writing to Contractor of any Construction Defects prior to the expiration of the one-year warranty. Upon receipt of notice from the Buyer, the Contractor shall either replace or repair the Construction Defect, at the Contractor's sole discretion, in a reasonably prompt manner subject to the terms and conditions of this Agreement. Where the Contractor has determined that replacement is necessary and an identical replacement is not reasonably available, the Contractor may substitute a similar product in kind and quality after consultation with the Buyer. If notice is received prior to the expiration of the one-year warranty, the time to cure the specific defect may extend beyond the one-year period. However, this shall not extend the warranty period for any new Construction Defects or for Defects previously cured.

05 Notwithstanding the above and except for installation labor, the Buyer's sole remedy relating to any and all items, including but not limited to, flooring, windows, security systems, shingles, appliances, siding, plumbing and heating components, which are covered by a manufacturer's warranty, shall be to assert a claim under the respective manufacturer's warranty. These items are not covered under the warranty provided by the Contractor. The parties agree to cooperate in exercising the rights under warranties by third parties.

06 Non-transferable. All warranties provided hereunder are between Contractor and Buyer and are not transferable to subsequent owners of the real estate and improvements. The limited warranty contained herein is immediately terminated upon the sale of the Project to a subsequent owner.

07 Notwithstanding the above, the following items are not within the scope of this warranty due to inevitable forces of nature, naturally occurring shrinkage and expansion, and the variations due to the use of natural products such as wood or stone:

- a. Any and all concrete work.
- b. Final grade due to settling.
- c. The visibility of vinyl and carpet floor seams.
- d. Any maintenance or touch-up work resulting from shrinkage or expansion is not covered under this warranty. Painted and finished surfaces shall be free of observable mildew and fungus at the time the job is completed but are not warranted to be free from mildew or fungus over time because of heat and moisture.
- e. Shade, grain, and color variations of cabinetry, doors, moldings and trim, and other woodwork as well as any natural stone or brick product used in the project due to the fact that the nature of wood, stone and stains result in a certain degree of shade and grain variation.
- f. Landscaping provided under this Agreement becomes the responsibility of the Buyer upon installation.

8 Exclusive Remedy. Contractor makes no implied or express warranty of merchantability or fitness for a particular use for any of the work completed under this Agreement. This disclaimer means that the only warranty being provided to the Buyer is the one specifically referenced in this Article IX. This warranty shall be the sole and exclusive remedy under the Offer to Purchase for any and all claims regarding Construction Defects, design deficiencies, material deficiencies, construction deficiencies (i.e., poor quality or substandard workmanship), and negative site conditions, whether claims are based on tort, strict liability, statute, breach of contract, or breach of express or implied warranty claims. ALL EXPRESS OR IMPLIED WARRANTIES ARE HEREBY DISCLAIMED (INCLUDING WITHOUT LIMITATION ANY WARRANTIES SET FORTH UNDER 706.10 (7) OF THE WISCONSIN STATUTES). BUYER WAIVES ANY AND

ALL CLAIMS FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO CLAIMS BASED ON TORT, STRICT LIABILITY, STATUTE, BREACH OF CONTRACT, AND BREACH OF EXPRESS AND IMPLIED WARRANTIES.

9 Warning. Energy efficiency in the Project is achieved by construction methods that reduce air infiltration and air circulation. Products, including but not limited to stoves, fireplaces, furnaces, air conditions, fans, dryers, range hoods and vents selected by Buyer may require additional air input into the home. The energy-efficient construction methods, products or combination thereof may result in a concentration of water vapor and/or changes in air quality. In addition, concentrations of mold, radon or chemical compounds released from soil, household furnishings, personal possessions, and building materials, may, at excessive levels, create irritant effects or health hazards. Buyer can minimize adverse effects by proper utilization and maintenance of ventilation fans and/or other ventilation devices installed by the Contractor and by opening doors and windows to increase ventilation. Buyer hereby acknowledges that Buyer has been informed of these health risks and assumes all risks of damage or injury which may arise as a result of or in any way connected with construction methods and products contained in the Project. Buyer fully and finally releases and discharges Contractor, its officers, employees, subcontractors, and agents from any and all claims, liabilities, expenses, and damages arising therefrom, whether now known or hereafter known, which Buyer may hereafter have against the Contractor, its officers, employees, subcontractors, and agents regarding the matters referred to in this paragraph. The Contractor makes no express or implied warranty of habitability, fitness, or good workmanship with respect to air quality or the products, building materials, or construction methods that may impact air quality. Buyer is encouraged to have the home tested for air quality, including radon, after completion of the Project.

10 The Buyer shall be provided the "Radue Homes Homeowner's Guide" and Welcome Home kit which shall assist in operating and maintaining the improvements in the Buyer's home. Buyer will be provided owner's manuals for various improvements within the home at the time of closing. This documentation will outline the process for making warranty claims against Contractor and product manufacturer's and avoiding common issues with home maintenance and ownership.

11 Fit and Finish Repairs. Within the first 60 days of the final walk-through, Contractor may, in its sole discretion, assist Buyer with items relating to the Fit and Finish of the Project. Fit and Finish items may include adjustments to operating doors and cabinetry, repair of cracking plaster, adjustments to plumbing fixtures, and other minor repairs. This work is not considered a Construction Defect and any Fit and Finish adjustments made by Contractor do not extend any warranties provided herein or constitute any waiver by Contractor.

12 Repair or Replacement. The decision of whether to repair, replace or make payment of damages to the Buyer for a Construction Defect shall be at the sole discretion of the Contractor. Damages for any Construction Defect shall be limited to the actual cost of the material and associated labor for repair or

replacement and shall not include any incidental damages, including but not limited to the loss of use of the Project or portion thereof, real or perceived diminution in the value of the Project, or damages due to Buyer's failure to provide notice of the Defect when Buyer knew or should have known of the alleged Defect.

Agreed to and Accepted:

_Builder's Signature:  Date: _____

_Buyer's Signature: _____ Date: _____

Buyer's Signature: _____ Date: _____