

EXHIBIT C  
**NEW HOME LIMITED WARRANTY**

**I. WARRANTY**

Henderson Brothers Construction, LLC (Contractor) warrants your home against defects in materials and workmanship for a period of one (1) year following occupancy or close of escrow, whichever occurs first, as set forth in this warranty. This warranty does not cover ordinary wear and tear, abuse, neglect or general maintenance connected with home ownership, and is not transferable. Any obligation under this warranty terminates if the property is resold or shall cease to be occupied by the Buyer to whom it is originally issued. This warranty does not cover components which Contractor has not manufactured, including, but not limited to any air conditioner, water heater, refrigerator, range, dishwasher and other appliances, equipment or consumer products. Contractor hereby assigns to Buyer the manufacturer's warranty without recourse and Contractor makes no warranty as to such manufactured components.

Should there be a failure in structural materials or workmanship, and upon written notice regarding such defect, Contractor will inspect your home promptly and make reasonable and necessary repairs or adjustments without cost to Buyer.

The benefits to Buyer of this Warranty are expressly conditioned upon proper completion of a walk-thru inspection report before the date that Buyer moves in.

**II. NON-WARRANTABLE CONDITIONS**

Buyer understands that the following conditions are not covered by this Warranty. Contractor has made every effort to follow standard home building practices and Buyer purchases the property with knowledge that these conditions shall not constitute defects and are not covered by this Warranty.

A. **CRACKS/COLOR:**

1.) **Concrete:** Concrete foundations, floors, patios, walks and drives can develop cracks due to their inherent character of expanding and contracting and/or that of the soil on which they are laid. Settlement will contribute to this phenomenon. There is no known method of eliminating this condition. Concrete will change color as it ages. This condition may be exacerbated by rain or sprinkler run-off or by innate materials in the concrete mix.

2.) **Mortar:** Cracks can develop in the mortar used in bonding bricks together. This is a normal condition due to shrinkage in either the mortar or the brick.

3.) **Sheetrock/Paneling/Wood:** Shrinkage cracks can appear during the "drying-out" process of your home. This is normal and should not be cause for concern.

4.) **Stucco:** Stucco, like concrete and mortar, will develop cracks. Generally, expansion and contraction is responsible for cracks in stucco exterior walls, and interior walls, whether plaster or sheetrock. Such cracks are commonplace and are not an indication of structural inadequacy or deficiency. The exterior stucco finish contains an integral pigment and is not painted. The color will change over time. This is part of the beauty of this type of stucco color system. As the color changes with age, some of the cracks may become more evident.

B. **FLOOR SQUEAKS:** Extensive research and writing on the subject of floor squeaks concludes that much has been tried, but little can be done, to eliminate floor squeaks. Generally these will appear and disappear with changes in weather conditions.

C. **SPOTS ON MARBLE, CONCRETE, GRANITE, STONE OR TILE:** These materials are soft and will absorb oil and other materials if they are allowed to stand and penetrate. The best protection is regular cleaning, care and sealing.

D. **BRICK PAVERS/DISCOLORATION:** Brick pavers may discolor due to the elements, rain or sprinkler run-off, weather or its innate materials.

E. **NON-UNIFORMITY OF MATERIALS:** Marble, granite, stone, tile, glass, antique (used) brick, wood, wood paneling, doors, concrete, masonry and finishes all have variations and non-uniformities which cannot be controlled

F. **GLASS AND MIRROR DEFECT(S):** Quality mirrors have been used. Possible defects such as waves in glass, scratches, or silvering failure, are not warranted unless noted within thirty (30) days from move-in. Mirror silvering can be affected by steam and minute oil particles; take care not to touch the silver with cleaning compounds or oil.

G. **PAINT:** Quality paint and/or stain has been used internally and externally on your home, properly primed and finished. Color fastness under conditions of exposure to extreme sun and weather conditions cannot be maintained, although wood surfaces will still have protection. Chips, cracks and peeling commonly occur due to causes other than the paint or its application (e.g., allowing lawn sprinklers to hit painted area will greatly reduce the life expectancy of the painted areas involved; not keeping painted surfaces clean, thereby aiding growth of fungi).

H. **EXTERIOR SURFACES:** Exterior wood surfaces require regular applications of caulk and paint or stain for protection of the wood and to avoid penetration of water.

- I. **CHIPS, SCRATCHES, OR MARRED SURFACES**: Chips, scratches, marred surfaces and similar imperfections in tile, woodwork, Formica, walls, porcelain, brick, mirrors, plumbing fixtures, etc., are not warranted unless they are recognized and noted at the time of completing the Qualitative Walk-Through Inspection Report.
- J. **DRIPPING FAUCETS/TOILET ADJUSTMENT**: Dripping faucets are not warranted unless noted within ninety (90) days from move-in. Toilet adjustments are not warranted unless requested within ninety (90) days from move-in.
- K. **UTILITIES**: Utility company meter problems, service lines installed by developer, municipality or utility company, and back filling or sloping thereof.
- L. **ALTERATIONS TO GRADING**: The Lot grading establishes proper drainage away from your home. If you change the grade or drainage patterns due to landscaping, hardscaping, or other reasons, the drainage design should be determined and planned by a licensed civil engineer or licensed landscape architect. Review the Drainage Restrictions recorded against your Lot for further warnings and requirements.
- M. **ROOFING**: Physical Damage to the roof is not warranted. The roof of your home has not been designed to be walked upon. If the need arises to be on the roof, extreme caution should be taken to ensure that no damage is done.

Suggestions for proper care and maintenance of some of the items, mentioned above, are contained in your Owner's Manual.

#### **DISCLAIMER OF WARRANTIES**

THIS WARRANTY IS THE ONLY WARRANTY PROVIDED BY CONTRACTOR AND IS PROVIDED IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, WRITTEN OR ORAL, WHETHER ARISING UNDER STATE, FEDERAL OR LOCAL LAW, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, OR FITNESS AND IS PROVIDED IN LIEU OF ALL OBLIGATIONS AND LIABILITIES OF CONTRACTOR WITH RESPECT TO DEFECTS IN MATERIALS OR WORKMANSHIP AND IN LIEU OF ANY STRICT LIABILITY OF CONTRACTOR IN TORT. THE RIGHTS AND REMEDIES CONTAINED IN THIS LIMITED WARRANTY CONSTITUTE BUYER'S SOLE RECOURSE TO CONTRACTOR FOR DEFECTS IN THE PROPERTY OR LOSSES IN VALUE CAUSED BY SUCH DEFECTS. THIS WARRANTY EXCLUDES AND WAIVES ANY RIGHT OF BUYER TO COSTS, LOSS, GENERAL, SPECIAL, CONSEQUENTIAL, DIMINUTION IN VALUE, OR ANY OTHER MONETARY DAMAGES.

#### **LIMITATION OF LIABILITY**

IT IS UNDERSTOOD AND AGREED THAT CONTRACTOR'S LIABILITY, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE OR OTHERWISE, IS LIMITED TO THIS WARRANTY. UNDER NO CIRCUMSTANCES SHALL CONTRACTOR BE LIABLE FOR ANY SPECIAL INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES BASED ON A CLAIMED DIMINUTION IN THE VALUE OF THE PROPERTY, EVEN IF CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

DATED: \_\_\_\_\_, 2005

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Owner

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Managing Member  
Henderson Brothers Construction, LLC