

LIMITED NEW HOME WARRANTY

This Limited New Home Warranty is given by **JH McCoy, LLC** for a new home built at:

This limited warranty includes standards concerning workmanship and materials for construction of the home that have been approved by the Quad Cities Homebuilders Association, Inc.

JH McCoy, LLC, warrants that the home was erected in a reasonably good and workmanlike manner and is reasonably fit for its intended use as a home. A condition found to be deficient as defined by the performance standard set forth in this limited warranty are the responsibility of **JH McCoy, LLC**. The Home Purchaser listed below must give **JH McCoy, LLC**, notice of any deficient condition below the performance standard as soon as they become aware of such condition. The parties agree that any deficiencies within the performance standard or not listed as a performance standard are the responsibility of the Home Purchaser and not included in this limited warranty. **JH McCoy, LLC**, is not responsible under the terms of this limited warranty for any deficient condition caused by the Home Purchaser, a third party not performing services on behalf of **JH McCoy, LLC**, or by Acts of God.

JH McCoy, LLC, makes this limited warranty for a period of 1 year from the date of execution of this document. This period will be extended only for deficient conditions which appear within the one year limited warranty period of which notice has been given by the Home Purchaser to **JH McCoy, LLC** but have not been repaired.

This limited warranty shall apply only to the initial Home Purchaser listed below. This limited warranty is not assignable or transferable.

This limited warranty does not negate the responsibility of the Home purchaser to make reasonable repairs and upkeep to their new home.

The parties agree that any product within this home that have a manufacturer warranty are not warranted by **JH McCoy, LLC**.

Dated this ___ day of _____, 2014.

JH McCoy, LLC, Seller

_____, Buyer

_____, Buyer

PREAMBLE

Your new home is not a single product. It is a combination of over 100,000 separate parts brought together by hundreds of manufacturing personnel, subcontractor workers and builder employees.

While every reasonable measure has been taken to ensure the quality of your new home ... you as the buyer need to understand what a house is and what standards you can expect. It is important that you have realistic expectations.

High winds, wind-driven rain or snow and temperature extremes can have damaging effects on any home no matter the quality of workmanship and materials.

Your home does require on-going maintenance from the moment you move in. Particular care must be taken if you leave your home unoccupied for extended periods of 24 hours or more. For example: The homes must be temperature controlled and for lengthy absences, owners are wise to turn off the water.

All new homes have a breaking-in period. There are certain things that happen that are beyond the control of any builder. This policy is designed to help you recognize what is normal and what is deficient.

The homes built in the Quad Cities are among the best housing values in the country. Members of The Quad Cities Homebuilders Association pride themselves not only on their skills as builders but on the policy with which they treat their past customers. Got a problem? Call your builder. He wants you to be a satisfied customer. You have made a great investment. Live long and prosper in your new home.

QUAD CITIES HOMEBUILDERS ASSOCIATION INC.
SITE WORK

EXCAVATING & BACKFILLING:

*** Possible Deficiency:**

Settling of ground around foundation, utility trenches or other filled areas.

Performance Standard:

Settling of ground around utility trenches or other filled areas, maximum allowable 6 inches. Settling of backfill around foundation shall not interfere with water drainage away from the house.

Builder Responsibility:

Upon request by the buyer, the builder shall fill excessively settled areas one time only during the first year of ownership. The owner shall be responsible for any grass, shrubs or other landscaping affected by placement of such fill.

SITE DRAINAGE:

*** Possible Deficiency:**

Improper drainage of the site.

Performance Standard:

The necessary grades and swales should be established to ensure proper drainage away from the house. No standing water should remain in the yard 24 hours after a rain, except swales, which may drain as long as 48 hours after a rain or sump pump discharge. No grading determination shall be made while frost is in the ground.

Builder Responsibility:

The builder is responsible only for establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established by the builder.

CONCRETE WORK

CAST-IN-PLACE CONCRETE (NONSTRUCTURAL):

*** Possible Deficiency:**

Basement or foundation wall cracks.

Performance Standard:

Nonstructural cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.

Builder Responsibility:

The builder shall repair by surface patching nonstructural cracks in excess of 1/8 inch where moisture or seepage is present. These repairs should be made toward the end of the first year of ownership to permit normal settling of the house to stabilize.

*** Possible Deficiency:**

Cracking of basement floor.

Performance Standard:

Minor cracks in concrete basement floors are common. Cracks exceeding 3/16 inch width or 1/8 inch in vertical displacement are considered excessive.

Builder Responsibility:

Builder should repair cracks exceeding maximum tolerances by surface patching or other methods as required.

*** Possible Deficiency:**

Cracks in concrete slab-on-grade garage floors are common.

Performance Standard:

Cracks exceeding 3/16 inch width or 1/8 inch in vertical displacement are considered excessive.

Builder Responsibility:

The builder shall repair cracks as necessary. Garage floor cracks caused by leaving door open in cold weather not included.

Builder not responsible for cosmetic appearance of said repairs.

*** Possible Deficiency:**

Cracks in attached patio or driveways.

Performance Standard:

Cracks in excess of 1/4 inch width or in vertical displacement within one year of closing are considered excessive.

Builder Responsibility:

Builder to fill cracks. Builder not responsible for cosmetic appearance of said repairs.

Possible Deficiency:

Pitting, scaling or spalling of concrete work

Performance Standard:

Concrete surfaces should not disintegrate to the extent that the aggregate is exposed under normal conditions of weathering and use.

Builder Responsibility:

Builder to take whatever corrective action is necessary to repair and/or replace defective concrete surfaces. The builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond the builder's control including salt and chemicals tracked in from the street.

DISCLAIMER :

To facilitate Buyer's enjoyment of the residence, Contractor strongly recommends NOT using salt or deicers containing ammonium sulfate or ammonium nitrate to de-ice concrete. Contractor strongly recommends that Buyer keep their driveways clear of these

materials, including that which is tracked in from streets and roads.

Salt and deicer products can damage concrete (new or old) and aggravate freeze/thaw conditions. Salt and deicers attract water and keep the concrete in a saturated state. The condition of the freezing/thawing cycle of moisture may cause cracking, pitting, scaling, etc., of concrete.

Although concrete is a low maintenance product, it is not a no-maintenance product. Therefore, Contractor highly recommends sealing the exterior concrete. Contractor suggests that Buyer seal clean, dry concrete in the late fall, and each following year, similar to painting or staining wood. It is best to keep heavy vehicles, such as moving vans, etc., off of curing concrete.

Disintegration caused by salt and/or chemical use is not the Contractor's responsibility. **This includes instances where this material is tracked in from streets or roads.**

MASONRY

UNIT MASONRY (NONSTRUCTURAL):

*** Possible Deficiency:**

Basement or foundation wall cracks.

Performance Standard:

Small nonstructural cracks are not unusual in mortar joints of masonry foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.

Builder Responsibility:

The builder shall repair nonstructural cracks in excess of 1/8 inch by surface patching. These repairs should be made toward the end of the first year of ownership to permit normal settling of the house to stabilize.

*** Possible Deficiency:**

Cracks in masonry walls or veneer.

Performance Standard:

Small cracks are common in mortar joints of masonry construction. Cracks greater than 1/8 inch in width are considered excessive.

Builder Responsibility:

Repair cracks in excess of 1/8 inch by surface pointing. These repairs should be made toward the end of the first year to permit normal settling of the house to stabilize.

WOOD AND PLASTICS

ROUGH CARPENTRY:

DISCLAIMER:

All floors will squeak under normal aging and settling. These squeaks may occur during the first year of ownership.

FINISH CARPENTRY – INTERIOR:

*** Possible Deficiency:**

Gaps in joints of interior trim in excess of 1/8 of an inch.

Performance Standard:

Joints in molding or joints between molding and adjacent surfaces should not result in gaps exceeding 1/8 inch in width.

Disclaimer: Homes must be maintained at an acceptable level of temperature and humidity.

Builder Responsibility: Repair defective joints except where there are excessive variations of temperature and humidity.

FINISH CARPENTRY – EXTERIOR INCLUDING CLADDING / SIDING:

*** Possible Deficiency:**

Open cracks in excess of 1/4".

Performance Standard:

Joints between exterior trim elements, including siding should not result in open cracks in excess of 1/4 inch in all cases, the exterior trim and siding shall be capable of performing its function to exclude the elements.

Builder Responsibility:

Builder to repair open cracks to meet performance standards as listed above.

THERMAL AND MOISTURE PROTECTION

WATERPROOFING:

*** Possible Deficiency:**

Leaks in basement or foundation.

Performance Standard:

No leaks resulting in actual trickling of water are acceptable. However, leaks caused by improper landscaping installed by owner or by failure of owner to maintain proper grades are not covered by the agreement. Condensation on the walls is often common to new construction due to moisture content of poured concrete and condensation caused by air temperatures. Condensation on walls is not considered a deficiency.

A high water table, heavy precipitation, sump pump failures due to power outages or acts of Gods can cause seepage and is not considered a deficiency. Gutters, downspouts and sump pumps must be maintained.

Builder Responsibility:

The builder shall take such action as necessary to correct basement leaks except where the cause is determined to result from owner negligence or abnormal conditions. A completely waterproof home can not be guaranteed.

SHINGLE, ROOFING TILES, MEMBRANE ROOFING AND FLASHING AND SHEET METAL:

*** Possible Deficiency:**

Roofing or flashing leaks.

Performance Standard:

Roofs or flashing should not leak under normally anticipated conditions.

Builder Responsibility:

The builder shall correct or repair any verified roof leaks. Owner is responsible for keeping leaves and debris out of gutters and downspouts. Builder cannot guarantee anything above and beyond manufacturer specifications.

SEALANTS:

*** Possible Deficiency:**

Leaks in exterior walls resulting from inadequate caulking.

Performance Standard:

Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water. Properly installed caulking will shrink and must be maintained by the homeowner within the life of the home after the first year of ownership.

Builder Responsibility:

In the first year, builder shall repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency.

DOORS AND WINDOWS

WOOD DOORS:

*** Possible Deficiency:**

Warping of interior passage and closet doors.

Performance Standard:

Interior doors (full opening) should not warp to exceed National Woodwork Manufacturers Association Standards (1/4 inch).

Builder Responsibility:

Correct, replace or refinish defective doors. Exact match to existing doors may not be possible.

*** Possible Deficiency:**

Warping of exterior doors.

Performance Standard:

Exterior wood doors should not warp to exceed National Woodwork Manufacturers Association Standards (1/2 inch).

Builder Responsibility:

Correct, replace or refinish defective doors. Exact match to existing doors may not be possible.

GARAGE DOORS:

*** Possible Deficiency:**

Garage door fails to operate properly.

Performance Standard:

Garage doors should operate properly under normal conditions of use.

Builder Responsibility:

The builder or subcontractor shall correct or adjust garage doors to meet manufacturer standards of operation. Misaligned photo cells are subject to builder's service call fee. A garage door is not a totally weather tight item and may leak during times of high rain or high winds, especially when there is a garage floor drain present.

WINDOWS, WEATHER STRIPPING AND SEALS:

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*** Possible Deficiency:**

Malfunction of windows.

Performance Standard:

Windows should operate with reasonable ease as intended.

Builder Responsibility:

Builder to correct or repair to meet manufacturer's standards of operation.

*** Possible Deficiency:**

Drafts around doors and windows.

Performance Standard:

Some infiltration is normally noticeable around doors and windows especially during high winds. Excessive infiltration resulting from open cracks, poorly fitted doors or windows or poorly fitted weather stripping is not permissible.

Builder Responsibility:

The builder shall adjust or correct open cracks, poorly fitted windows or doors, or poorly fitted weather stripping. Some drafts are caused by disparity of R-values, i.e., a high value wall and relatively low value of the glass. Drafts caused by these conditions are not the Builder's responsibility.

FINISHES

LATH AND PLASTER:

*** Possible Deficiency:**

Cracks in stucco wall surfaces.

Performance Standard:

Hairline cracks are not unusual in stucco wall surfaces. Cracks greater than 1/16 inch in width are considered excessive.

Builder Responsibility:

The builder shall repair cracks exceeding 1/16 inch.

LATH, PLASTER AND GYPSUM BOARD:

*** Possible Deficiency:**

Defects caused by poor workmanship such as blisters in tapes, excess compound in joints, cracked corner beads or trowel marks.

Performance Standard:

Slight defects such as nail pops, seam lines and cracks are common in plaster and gypsum wallboard installations. However, obvious defects or poor workmanship resulting in blisters in tape or excess compound in joints, trowel marks and cracked corner beads are not acceptable.

Builder Responsibility:

Correct such defects to acceptable tolerance as outlined above once during the first year of ownership. Decorating is not included. (*SEE: Paint for further information*).

CERAMIC TILE:

*** Possible Deficiency:**

Ceramic tile cracks or loose tiles.

Performance Standard:

Ceramic tile should not crack or become loose.

Builder Responsibility:

The builder shall replace any cracked tiles and re-secure any loose tiles unless the defects were caused by owner's or someone else's negligence.

*** Possible Deficiency:**

Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub or a countertop.

Performance Standard:

Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions. Re-grouting of these cracks is a maintenance responsibility of the homeowner within the life of the home after the first year of ownership.

Builder Responsibility:

Will repair grouting as necessary one time within the first year of ownership.

RESILIENT FLOORING:

*** Possible Deficiency:**

Normally nail pops appear on the surface of resilient flooring.

Performance Standard:

Readily apparent nail pops should be repaired.

Builder Responsibility:

The builder shall repair or replace once during the first year of ownership resilient floor covering with similar material. Builder is not responsible for discontinued patterns or color variation in the floor covering. Nails will be reset and spackled. Builder is not responsible for damage to decorating.

*** Possible Deficiency:**

Depressions or ridges appear in the resilient flooring because of sub floor irregularities.

Performance Standard:

Readily apparent depressions or ridges exceeding 1/8 inch should be repaired. The ridge or depression measurement is taken as the gap created at one end of a 6 inch straight edge placed over the depression or ridge with three inches on one side of the defect held tightly to the floor.

Builder Responsibility:

The builder or subcontractor shall take corrective action as necessary to bring the defect within acceptable tolerances so that it is not visible. Builder or subcontractor is not responsible for discontinued patterns or color variations in floor coverings.

*** Possible Deficiency:**

Resilient flooring loses adhesion.

Performance Standard:

Resilient flooring should not lift, bubble or become unglued.

Builder Responsibility:

The builder or subcontractor shall repair or replace resilient flooring as required. The builder shall not be responsible for discontinued patterns or color variation of floor coverings.

*** Possible Deficiency:**

Seams or shrinkage gaps show at resilient flooring joints.

Performance Standard:

Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.

Builder Responsibility:

The builder or subcontractor shall take action as necessary to correct the problem.

WOOD FLOORS

*** Possible Deficiency:**
Gaps between wood strips.

Performance Standard:
Gaps should not exceed 1/16th of an inch in the first year.

Builder Responsibility:
Builder or sub to correct situation.

*** Possible Deficiency:**
Wood strips are cupped or warped.

Performance Standard:
No strips should be cupped or warped more than 1/16th of an inch. Cupping or warping
caused by moisture is not the builder's
responsibility.

Builder Responsibility:
Builder or sub to correct situation.

*** Possible Deficiency:**
**Wood flooring overlaps where it meets other types of flooring at the time of
installation.**

Performance Standard:
Overlaps should not exceed 1/16"

Builder Responsibility:
Builder or sub to correct situation.

*** Possible Deficiency:**
Wood flooring comes loose from surface below it.

Performance Standard:
Flooring should not come loose from normal use.

Builder Responsibility:
Builder or sub to correct situation.

CARPETING

*** Possible Deficiency:**
Visible gaps at seams.

Performance Standard:
Carpet seams can be visible, but there should be no gaps.

Builder Responsibility:
Builder or sub to correct situations where gaps are visible.

*** Possible Deficiency:**
Loose or stretched carpet.

Performance Standard:

Carpet should remain in place where attached.

Builder Responsibility:

Builder or sub to re-stretch and reattach carpet as needed to correct the condition. Conditions caused by Buyer dragging heavy objects across carpet are the Buyer's responsibility.

*** Possible Deficiency:**

Carpet overlaps where it meets other types of flooring.

Performance Standard:

Overlaps should not exceed 1/4"

Builder Responsibility:

Builder or sub to correct situation.

PAINTING:

*** Possible Deficiency:**

Exterior paint or stain peels or deteriorates.

Performance Standard:

Exterior paints or stains should not fail during the first year of ownership.

Builder Responsibility:

Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish deterioration affects the majority of the wall or area, the whole area should be refinished. This service policy as it applies to newly repainted surfaces will not exceed beyond the original service policy period.

*** Possible Deficiency:**

Deterioration of varnish or lacquer finish.

Performance Standard:

Natural finishes on interior woodwork should not deteriorate during the first year of ownership. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by service policy.

Builder Responsibility:

Retouch affected areas of natural finished interior woodwork, matching the color as closely as possible.

*** Possible Deficiency:**

Interior paint quality.

Performance Standard:

Interior paint shall be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified.

Builder Responsibility:

The builder shall retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces. Paint matches can not be guaranteed.

SPECIALTIES

LOUVERS AND VENTS:

*** Performance Deficiency:**

Inadequate ventilation of attics and crawl spaces.

Performance Standard:

There are specific code requirements, and builder agrees to meet those standards.

Builder Responsibility:

The builder shall provide for adequate ventilation.

FIREPLACES:

*** Possible Deficiency:**

Fireplace or chimney does not draw properly.

Performance Standard:

A properly designed and constructed fireplace and chimney should function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney.

Builder Responsibility:

Determine the cause of malfunction and correct as required if the problem is one of design and construction not consistent with gas log manufacturer's standards and specifications.

DISCLAIMER:

A gas log fireplace will give off an odor within the first 7 hours of operation. This is normal and should pass. It is not uncommon for pilot lights of direct fireplaces to go out in heavy winds. This is not the builder's responsibility.

MECHANICAL

INSULATION (PIPE COVERING):

*** Possible Deficiency:**

Plumbing pipes freeze.

Performance Standard:

Drain, waste or water pipes should be adequately insulated to prevent freezing during normally anticipated cold weather.

Builder Responsibility:

The builder, plumber or insulator shall correct the condition responsible for pipes freezing and repair piping damaged by freezing that was not caused by owner negligence, third party negligence or the extremes of weather.

SEPTIC TANK SYSTEMS:

*** Possible Deficiency:**

Septic system fails to operate properly.

Performance Standard:

Septic system should be capable of properly handling normal flow of household effluent capable of liquification.

Builder Responsibility:

Builder shall take corrective action as required. Builder shall not be responsible for malfunctions, which occur through owner negligence, third party acts or disposing of articles not conducive to a septic system.

PLUMBING:

*** Possible Deficiency:**

Leakage from any piping.

Performance Standard:

No leaks of any kind should exist in any soil, waste, vent or water pipe. Condensation on piping does not constitute leakage and is not covered. Pipe racking is beyond control of the builder and is not covered.

Builder Responsibility:

Builder shall make necessary repairs unless the problem is caused by owner or third party negligence.

*** Possible Deficiency:**

Faucet or valve leak except outside sillcocks that become frozen because hose is left connected.

Performance Standard:

No valve or faucet should leak because of defects in material or workmanship. However, leakage caused by worn or defective washers is considered a homeowner maintenance item.

Builder Responsibility:

Builder shall repair or replace the leaking faucet or valve unless leakage is caused by a defective washer.

*** Possible Deficiency:**

Defective plumbing fixtures, appliances or trim fittings.

Performance Standard:

Fixtures, appliances or fittings should be judged according to manufacturing standards.

Builder Responsibility:

The builder shall replace any fixture or fitting that is outside of acceptable standards as defined by the manufacturer.

DISCLAIMER:

Builder is not responsible for stopped up sewers or fixtures once the home is occupied except where defective construction is shown to be the cause.

MOLD:

*** Possible Deficiency:**

Visual signs of mold growth or a heavy, musty odor.

Performance Standard:

Properly flashed windows and roofs. Proper landscaping and adequate rain gutters. All showers, dryers and cooking appliances vented to outside. Appropriate levels of insulation on windows, pipes and exterior walls.

Builder Responsibility:

Builder will repair or replace defects in its construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of one year. Builder will not be responsible for any damages caused by mold, or by some other agent that may be associated with defects in construction, which includes but is not limited to, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects or any defects.

DISCLAIMER:

Buyer acknowledges that whether or not Buyer as a homeowner experiences mold growth depends largely on how he manages and maintains his home. Contractor's responsibility as a homebuilder must be limited to things that Contractor can control. Contractor will repair or replace defects in its construction (defects defined as a failure to comply with reasonable standards of residential construction) for a period of one (1) year. Contractor will not be responsible for any damages caused by mold, or by some other agent, that may be associated with defects in its construction, to include but not be limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects. Any implied warranties, including any implied warranty of workmanlike construction, an implied warranty of habitability, or any implied warranty of fitness for a particular use, are hereby waived and disclaimed.

POWER OR HEAT GENERATION/LIQUID HEAT TRANSFER/AIR DISTRIBUTION/CONTROLS AND INSTRUMENTATION:

*** Possible Deficiency:**

Inadequate heat.

Performance Standard:

Heating system should be capable of producing an inside temperature of 70 degrees Fahrenheit as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in ASHRAE handbook.

Builder Responsibility:

Builder shall correct the heating system as required to provide the required temperatures. However, the owner shall be responsible for balancing dampers, registers and other minor adjustments.

COOLING:

*** Possible Deficiency:**

Inadequate cooling.

Performance Standard:

Where air conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in ASHRAE handbook.

Builder Responsibility:

Correct cooling system to meet the above temperature conditions.

ELECTRICAL / RECEPTACLES / LIGHTING

CONDUCTORS:

*** Possible Deficiency:**

Malfunction of electrical switches, fixtures or outlets.

Performance Standards:

All switches, fixtures and outlets should operate as intended.

Builder Responsibility:

Repair or replace defective wiring, switches, fixtures and outlets unless the problem was caused by owner negligence or third party act.

APPLIANCES

DISCLAIMER:

Appliances shall be warranted solely by manufacturer. Homeowner is responsible securing all warranties and contacting the designated repair agency as necessary.

LANDSCAPING

DISCLAIMER:

If warranty exists, it is solely the responsibility of the landscaping contractor. The homeowner is responsible for securing any warranty and contacting the responsible party.

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RADON

DISCLAIMER:

Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. This notice serves to advise you, the Buyer, that above average levels of radon gas may accumulate in any home regardless of the type of home or who builds it. Contractor has installed a sub-slab ventilation "prep" package during construction. Contractor has made no investigation to determine whether there is radon gas or other environmental pollutants in the home or affecting the premises. Contractor makes no representation to any level of radon on the premises after the sub-slab ventilation is installed. An implied warranty of habitability, or any implied warranty of fitness for a particular use, are hereby waived and disclaimed.