

ADDENDUM C

GLENDALE HOMES, INC. GENERAL CONDITIONS AND WARRANTY

This agreement is an integral part of the Purchase and Sales Agreement date _____ by and between Glendale Homes, Inc, further referred to as Seller or Contractor and _____ further referred to as Buyer (s).

SECTION 1 – GENERAL CONDITIONS

ARTICLE 1 – CONTRACT DOCUMENTS: The contract includes the Purchase and Sales agreement, this agreement, the building plans, and selection forms. Copies, as necessary, shall be signed by both parties.

The documents are to be considered as one and whatever is required by one of the documents shall be binding as if required by all documents.

ARTICLE 2 – MATERIALS AND LABOR: Except as otherwise noted, the Seller shall provide and pay for all materials, labor, tools, equipment, and all other items necessary to complete the work.

Unless otherwise noted, all materials shall be new, and both workmanship and materials shall be equal to or surpass all applicable building regulations.

ARTICLE 3 – INSPECTION OF WORK: The Seller shall permit the inspection of work by the Buyers (accompanied by an agent of the Seller), his agents, and public authorities at the discretion of the Seller and as the Seller deems necessary.

The Buyer or his agents shall not interfere with or in any manner delay the Contractor's ,employees, or sub-contractors during the performance of their work. If the Buyers have any questions, they must immediately contact the Seller, through their realtor, so that any problems can be remedied without delay or creating additional expenses.

If any items are overlooked either by the Buyer or the Seller, the Seller will reduce the contract price by his cost of the time not installed. The Seller will not relocate or install any items after the drywall has been installed.

ARTICLE 4 – SELECTIONS: The Seller provides the Buyer with standard selections. If the selections made by the Buyer are not readily available, it will be the Buyer's responsibility, upon notification by the Seller, to immediately make new selections so as not to delay the completion of the contract. **ALL CHANGES TO THE CONTRACT MUST BE SIGNED BY BOTH PARTIES, UNLESS OTHERWISE NOTED.**

ARTICLE 5 - SITE LAYOUT AND TREES: The Contractor reserves the right to reverse the house plans, to relocate the house, the well, the septic system, and the driveway pending field conditions.

The Contractor reserves the right to remove trees deemed necessary by him for the construction of the house, the septic system, the driveway, the well or for any reason necessary to complete the contract.

ARTICLE 6 – STORAGE AND OCCUPANCY: The Buyer shall not store any articles or in any way occupy the premises until after the closing.

ARTICLE 7 – CHANGES: Once all selections are completed all changes must be in writing. The Contractor may charge a standard \$150 handling fee for said changes.

SECTION 2 – SPECIFICATIONS

ARTICLE 1 – MATERIALS AND LABOR: All labor, materials, and equipment will meet or exceed all applicable building regulations. All materials, unless otherwise specified, will be new.

SECTION 3 – HOME WARRANTY PROGRAM

The Seller, in its continued effort to provide service and good relations between itself and the homeowner, is providing each homeowner with this Home Warranty Program. The intent of the program is to correct defects in materials and workmanship. This program is not a maintenance program. That is the responsibility of the homeowner in the everyday upkeep of the home. The program covers the following:

1. Structural – The house is warranted to maintain structural integrity for a period of two years. Minor cracks in the concrete floors and foundations are not warranted.
2. Electrical – All electrical wiring, switches, and related components are warranted for a period of one year, with the exception of circuit breakers and light fixtures which are warranted for six (6) months. There is no warranty on light bulbs. Electrical warranty service: For the first year of occupancy there will be no charge to the Buyer provided that access be given to the Contractor Monday through Friday from 7:30 am to 4:00 pm.
3. Plumbing – There will be a one year warranty for all plumbing materials and labor with the exception of the fixtures, which are warranted for six (6) months. There is no warranty for faucet washers. Plumbing warranty service: For the first year of occupancy there will be no charge to the Buyers provided that access be given to the Contractor Monday through Friday from 7:430 am to 4:00 pm.

4. Appliances – Appliances are warranted by the manufacturer. Such warranties are generally found attached to or along side of the appliance. Homeowners should contact the local factory warranty repair services for any problems that should arise during the applicable warranty period.
5. Landscaping – The Seller shall provide the owner with a base lawn. This consists of loam cover and enough seed to generate the start of a lawn. Once the base has been provided the Seller relinquishes all responsibility. Acts of nature, such as drought, washouts, etc. are not covered by this program. Loam used is taken from the site wherever possible. The Buyers should understand that in order to maintain as low a selling price possible the Contractor provides a minimum amount of landscaping. In order to achieve a good lawn, the Buyer is faced with at least two years worth of hard work. This included periodic fertilizing, reseeding, etc. It should also be noted that especially in areas where the ground has been substantially altered, settlement would occur. This is especially true near the foundation of the house. Because settlement is not due to improper construction, the Seller will not make these repairs.

Settling around the foundation could allow water to run down the foundation wall, thus creating moisture, or possibly a small amount of water could enter the basement.

It should be noted that where steep slopes exist, washouts might occur. The Buyer must make conscientious attempts to assist the grass to grow as rapidly as possible. The grass will hold soil once it has matured. It is the Seller's policy in case of major washouts, to assist the buyer in repairs, at the Seller's option. This assistance may be in the form of providing additional loam, which the Buyer may use to fill in washout areas. However, if the Buyer has not made every possible attempt to eliminate the problem, the Seller will not assist in any manner or form. Warranties on lot drainage are not provided by Seller.

6. Driveways – Driveways, if paved, are warranted for a period of ninety (90) days against disintegrations. In hot weather heavy vehicles should not be permitted on driveways. High-heeled shoes, gasoline and oil spills will make holes in asphalt. Such damage is not warranted. Minor frost heaves, depressions, tire markings, and stones that flake out are considered natural characteristics of asphalt, and are not covered by this program. The Buyer should understand that pea stones and gravel driveways require periodic maintenance. Washouts, which are likely if such drives are not maintained, are not covered by this program.

It must be noted and accepted by Buyer that Seller's ability to provide Contract Landscaping and Paving of acceptable quality may be hindered or delayed due to weather and seasonal conditions. If said factors prohibit completion of these items in time for scheduled closing, the Seller warrants to

return at the first reasonable (site permitting time to complete said work. Buyer accepts said warranty as inherent to contractual obligations of Seller and waives further action for completion of said work when delay is due to weather or seasonal conditions. The Seller will accept no holdback from Lender pertaining to the above delay.

7. Septic Systems – Septic systems are warranted to function properly for a period of one year, with the exception of sediment tank pumping, which is not warranted. It is suggested that the sediment tank be pumped annually. The cost of annual pumping is easily offset by the cost incurred in replacing the septic system. Annual pumping substantially increases the life of the system. It should be noted that grease, paint, oil, and other products are detrimental to the septic system. It is recommended that the Buyer contact the State Water Pollution control and supply Commission for brochures on the proper operation of a septic system.
8. Wells and Related Equipment – Wells are warranted against defective installation for a period of one year. Pump, storage tank, and related equipment are warranted for a period of one year. Changes in the productivity of the well or quality of water after occupancy is not warranted by the Seller. The water is not warranted against odor, iron or other materials or hardness. Should Buyer wish to install a filter or softener, it shall be done at Buyer's expense.
9. Heating system – Heating systems are warranted for a period of one year by Seller. Longer warranties may be available from the system manufacturer. Manufacturer warranty information shall be made available to Buyer upon request. Unless otherwise noted in the sales contract, fuel storage tanks are not included in the property conveyed with the dwelling, and shall remain the property of the fuel vendor.

A lease agreement, between the homeowner and the fuel vendor shall be provided at the closing. Seller makes no representation of warranty, written or implied, concerning fuel storage tanks.

It should be noted that drastic temperature changes caused by adjustments in the thermostat while homeowner is away, etc., may cause hardwood floors to open, warpage of doors, drywall cracks, etc. It is strongly recommended that a uniform temperature be maintained, with property humidity, during winter months. The warranty does not cover damage to some, pipes, etc., caused by the drastic changes in temperature in the winter months due to the adjustment of thermostats below 60 F. degrees.

10. Siding – All siding is warranted for a period of one year against defective materials / workmanship. Wood siding of any type is not warranted against shrinkage, clenching, cracking, knots falling out, etc., due to the inherent

characteristics of wood siding. Because of shrinkage, Contractor applies only one coat of stain or paint to the exterior of the house. It is suggested that the buyer repaint the house within one year of occupancy to avoid deterioration of siding. Vinyl siding is prone to normal expansion and contraction due to the heating and cooling of any given day. Reasonable care shall be taken, when vinyl siding is installed. Minor buckles or gaps related to the expansion and contraction of the vinyl siding are not warranted.

11. Paint – Painting will not be repaired unless specifically noted on walk through list prior to closing. If the thirty-day list includes repairs due to screws popping out of drywall, or minor cracks, the Seller shall touch up the paint. A specific description of defective painting on walk through list must be made so the actual area is defined.
12. Footing and Basement Damage – For the Buyer’s protection against water damage, a footing drain system is installed when needed by Contractor. However, in houses constructed where landscaping and drainage system cannot be completed due to frost, the Buyers should be aware that it is possible for water to enter the basement until the above work is completed.
13. Millwork – All interior and exterior doors are not warranted by Seller for cracks or warpage. It is suggested that Buyer use a humidifier during winter months. It should be noted that all wood products in the home including doors, hardwood floors, trim, furniture, etc. will shrink considerably in winter months if proper humidity levels are not maintained. Warpage of wood doors may also occur where heated areas are adjacent to cold. Metal doors provided by Seller will not warp. The manufacturers of metal front doors strongly suggest that storm doors be used with entry doors that have plastic trim. High temperatures resulting from this practice may distort the plastic trim.

THE FOLLOWING CONDITIONS ARE NOT WARRANTED BY THE SELLER:

Prior to purchase closing, a walk through must be done, and the walk through list filled out and signed by the Buyer. Said list is not a repair list, but a record of the condition of the home at occupancy. The Seller will not start repairs until the thirty-day list has been submitted. The Buyer should carefully examine the home for the following items. Any such item not noted on the walk through list is not warranted, and will not be repaired by the Seller.

- a. Chips, scratches, or breaks in counter tops and vanities.
- b. Chips or scratches in inlaid or vinyl flooring.
- c. Scratches or chips in plumbing fixtures.
- d. All painting, interior and exterior.
- e. Broken or missing screens.
- f. Broken or cracked glass light fixtures.
- g. Scratches or chips in mirrors.

- h. Damage by insects of any type.
- i. Mildew or condensation due to humidity.
- j. Public utilities and services
- k. The Seller assumes no responsibility for employees who are asked by buyer to make non-warranted repairs, resulting in further damage.
- l. The Seller will not accept responsibility of damage caused by ice backups or ice dams on roof. Removal of seasonal ice and snow is considered routine maintenance to be performed by home owner.
- m. The Seller will not accept responsibility of damage caused by the use of salt on concrete walks or steps.