

BUILDER'S ONE YEAR LIMITED HOME WARRANTY

JIM CAMPBELL HOMES, INC., an Oklahoma
[e.g., corporation, limited liability company, partnership, etc.] (the
"Builder"), extends the following One Year Limited Warranty to _____
_____ (the "Owners"), who have contracted with Builder
for the construction and/or purchase of a home (the "Dwelling") located at
_____, _____ (the "Property"), whose legal
description is:

Throughout this Builder's Limited One Year Home Warranty, hereinafter referred to simply as "Limited Warranty," the words "Owners", "You" and "Your" refer to the original purchaser of the home, called the "Home" below. The other words and phrases that appear in boldface, uppercase type also have special meaning. Refer to the Definitions section, so that You will understand the special terminology applicable to this Limited Warranty.

The commencement date of the Limited Warranty is _____, 20____. This date is called the "Warranty Date" below. Coverage under the Limited Warranty ends one (1) year from the Warranty Date.

THIS LIMITED WARRANTY EXCLUDES COVERAGE FOR
CONSEQUENTIAL DAMAGES, CONSUMER PRODUCTS AND
IMPLIED WARRANTIES.

I. GENERAL TERMS

- A. Binding Arbitration. Any disputes which may arise from or relate to this Limited Warranty, including any claim that the Builder was negligent, will be resolved by binding arbitration, in the manner described in "Requesting Warranty Performance Under This Limited Warranty" below.
- B. Builder's Choice of Remedy. If You discover a Defect during the Limited Warranty, Builder will, at no cost to you, repair, replace, or pay You the actual cost of repairing or

replacing the Defect within a reasonable time after Builder's inspection or testing confirms the Defect. The choice among repair, replacement, or payment is solely that of the Builder.

- C. Complaints in Writing. You must inform Builder of complaints under this Limited Warranty in writing. Complaints communicated only by telephone or in face-to-face discussions will not protect Your rights under this Limited Warranty.
- D. Scope of Repair. Builder's repair of any Defect under this Limited Warranty shall include repair and cosmetic correction of surfaces, finishes and coverings, original with the Home, which require removal and replacement in order to repair the Defect, or to repair other damage to the Home, as originally constructed, directly attributable to the Defect. Builder's repair under this Limited Warranty will restore damaged components of the Home, original with the Home, to a condition approximating the condition just prior to the Defect, but not necessarily to a like new condition. Such repair, when undertaken by Builder, will be performed utilizing materials of like kind and quality to those original with the Home.
- E. Breach of Warranty. This Limited Warranty shall not be considered breached by the existence of a Defect, but rather is only breached by Builder's failure to correct a Defect in accordance with the terms and conditions of this Limited Warranty.

II.

WHAT IS COVERED BY THIS LIMITED WARRANTY AND ITS DURATION

- A. Builder warrants that commencing with the Warranty Date, and continuing for one (1) year, the materials and workmanship in the Home will conform to the Performance Standards. This Limited Warranty terminates one (1) year after the Warranty Date. Written notice of an alleged Defect must be received by Builder within thirty (30) days after the expiration date of the Limited Warranty in order to be eligible thereunder.
- B. THIS IS THE ONLY WARRANTY GIVEN TO YOU BY BUILDER. IT IS IN LIEU OF ALL OTHER WARRANTIES, BOTH EXPRESS OR IMPLIED, AND IT SUPERCEDES ANY AGREEMENT TO THE CONTRARY, INCLUDING ANY WARRANTY OF COMPLETION OF CONSTRUCTION IN SUBSTANTIAL CONFORMITY WITH APPROVED PLANS AND SPECIFICATIONS REQUIRED BY SOME LENDERS TO BE SIGNED AT CLOSING.

III.
WHAT IS NOT COVERED BY THIS LIMITED WARRANTY

- A. The Limited Warranty does not cover:
1. Bodily injury or any damage to personal property;
 2. Any Consequential Damages, including but not limited to, damage to the Home that is caused by a covered defect but is not itself a covered defect, cost of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repairs. Some states do not allow the exclusion or limitation of incidental or consequential damages, so this limitation may not apply to you;
 3. Any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from:
 - (a) changes of the grading of the ground by anyone other than Builder or Builder's employees, agents, or subcontractors;
 - (b) changes or alterations made to the Home by anyone after the Warranty Date, except those performed by Builder or Builder's employees, agents, or subcontractors;
 - (c) any deficiency in materials or work supplied by anyone other than Builder or Builder's employees, agents, or subcontractors;
 - (d) negligence, improper maintenance or improper use of a Home by anyone;
 - (e) dampness, condensation, mold, mildew or fungus due to Your failure to maintain adequate ventilation or keep the Home clean;
 - (f) failure of, or damage to, any part of the Home not built by Builder or Builder's employees, agents, or subcontractors.
 4. Any bodily injury, loss, damage, costs, expenses and any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from:
 - (a) fire;
 - (b) explosion;
 - (c) smoke;
 - (d) water escape;

- (e) falling objects;
 - (f) aircraft;
 - (g) vehicles;
 - (h) Acts of God;
 - (i) lightning;
 - (j) hail;
 - (k) floods;
 - (l) wind driven water;
 - (m) insects, rodents or vermin;
 - (n) moisture, rot, corrosion, rust, mold, mildew, or fungus;
5. Any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from any earth movement including, but not limited to:
- (a) earthquake, landslide or mudslide;
 - (b) mine subsidence, sinkholes or changes in the level of the underground water table;
 - (c) any volcanic eruption, explosion or effusion;
6. Any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from wind, including, but not limited to:
- (a) hurricanes;
 - (b) tornadoes;
 - (c) tropical storms;
 - (d) gale force winds;
7. Any bodily injury, loss, damage, costs or expenses arising from, or any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from:
- (a) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of Pollutants, including, without limitation, any liability arising from uninhabitability or health risk attributable to Pollutants, contaminants or irritants (including, without limitation, the presence or consequence of radon gas, formaldehyde, arsenic, fiberglass, methylene chloride, acids, alkalis and chemicals or any other substance or compound that is or may be in the building materials used to construct the Home) or

attributable to the presence of or proximity to hazardous or toxic materials;

(b) any governmental direction or request to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize Pollutants;

8. Any Defects that become apparent after the Home is no longer used primarily as a residence;
9. Any Defects caused by, contributed to, aggravated by, or resulting, in whole or in part, from abnormal loading on floors which exceeds design loads;
10. Any damage to Consumer Products;
11. Any Defects which You have not taken timely action to minimize;
12. Any Defects covered by any other express warranty; and
13. Any nonconformity with local building codes, regulations, or requirements which has not resulted in a Defect. This Limited Warranty does not cover building code violations in the absence of a Defect. In such instance, Your recourse is under the building code and other applicable laws and not under this Limited Warranty. This exclusion in no way mitigates or relieves Builder of its obligation to build in accordance with applicable building codes.

B. The Limited Warranty does not cover any loss or damage as a result of any Defects which would not have occurred in the absence of one (1) or more of the events or conditions listed in 4, 5, or 6 in Section A above. The Limited Warranty does not cover any such loss or damage regardless of:

1. The cause of the excluded event or condition; or
2. Other causes of the loss or damage; or
3. Whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

IV.

REQUESTING WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY

A. Your duties under this Limited Warranty are as follows.

1. If You believe that the Home contains a Defect, You must advise Builder by written notice. You must send Your written notice no later than thirty (30) days after the date the Limited Warranty expires. If such notice is not postmarked or received by Builder by that deadline, Builder shall have no obligation to remedy a Defect.
2. You must cooperate with Builder and Builder's employees, agents, and subcontractors in every effort to investigate Defects, including, without limitation, granting the right of reasonable access to the Home to monitor, investigate, or correct Defects, upon reasonable notification to You. In the event You withhold access to the Home from Builder, Builder shall have no obligation to remedy Defects.
3. Except at Your own cost, You will not voluntarily make any payment or assume any obligation or incur any expense for the correction of items which You believe to be covered by this Limited Warranty without Builder's prior written approval. In the event of an Emergency Situation, approval is granted to You to make reasonable repairs, temporary or permanent, provided such repairs are confined solely to the protection of the Home from further damage and that You shall notify Builder as soon as possible, but no later than five (5) days after the repairs are undertaken, and provided further that You shall keep an accurate record of such repair expenditures.

V.

BINDING ARBITRATION

- A. Scope of Arbitration. If Builder fails to respond to Your written notice or Builder does not correct the Defects in the way You think this Limited Warranty requires, or Builder does not agree that the condition is covered by this Limited Warranty, or if any other disputes arise which relate in any way to this Limited Warranty, then such matters shall be submitted to binding arbitration. Any and all disputes arising out of, or in any way related to, this Limited Warranty or the building of the Home (including, without limitation, disputes as to what issues shall be submitted to arbitration; alleged breach of the Limited Warranty; and alleged violations of consumer protection, unfair trade practice, or other statutes; or that the Builder practiced fraud or acted negligently in building or selling the Home) shall be submitted to binding arbitration.
- B. Arbitration Procedure. The parties must give written notice of their intent to proceed to arbitration to the other party no later than thirty (30) days after the date the Limited Warranty expires. Binding arbitration shall be conducted by Construction Arbitration

Services, Inc., 2777 Stemmons Freeway, Suite 650, Dallas, TX 75207, (214) 638-2700, according to its rules and procedures. Upon request, the applicable rules and procedures will be provided to You by that organization. The award of the arbitrator shall be final, binding, and enforceable as to both You and Builder, except as modified, corrected, or vacated in accordance with the applicable arbitration rules and procedures, or, where those rules are silent, the United States Arbitration Act (9 U.S.C. § 1 *et seq.*). You and Builder agree that this Limited Warranty involves commerce and disputes arising under it shall be governed by the United States Arbitration Act. The arbitrator will determine Your and the Builder's rights and obligations under this Limited Warranty, including, without limitation, any rights and remedies conferred upon either You or Builder by federal, state, or local statutes and ordinances in connection with this Limited Warranty.

- C. Cost of Arbitration. This arbitration shall be the exclusive forum for resolving disputes for both You and Builder. The costs of such arbitration shall be borne by You and Builder equally.
- D. Attorney's Fees: This Limited Warranty provides for mandatory arbitration of disputes. If any party commences litigation in violation of the arbitration provisions in this Limited Warranty, such party shall reimburse the other parties to the litigation for an amount equal to their costs and expenses including attorney's fees incurred in seeking dismissal or a stay of such litigation.

VI.

GENERAL CONDITIONS

- A. Limit of Liability. Builder's limit of liability under this Limited Warranty is the amount of the purchase price of the Home less the fair market value of the land on which it is located. That amount is the most Builder will expend or pay for all Defects regardless of the number of warranty claims made. You must sign a full release of all legal obligations with respect to the Defects when Builder has finished correcting or replacing the Defects, or when Builder has paid You the actual cost of correcting or replacing the Defects.
- B. Independence From The Contract Of Sale. This Limited Warranty is independent of the contract between You and Builder for the construction of the Home and/or its sale to You. Nothing contained in the construction and/or sales contract between You and Builder can restrict or override the provisions of this Limited Warranty.
- C. No Assignment To Subsequent Homeowners. This Limited Warranty shall not transfer to, nor may You assign it to, a subsequent Homeowner to whom the Home is sold.

D. Assignment of Manufacturers' Warranties. Builder hereby assigns to You the manufacturers' warranties on all appliances, equipment, or other item which is a Consumer Product, installed in the Home. You should follow the procedure set forth in the applicable manufacturer's warranty should any appliance or item of equipment malfunction. Builder's obligation under this Limited Warranty as to any appliances and equipment installed by Builder in the Home is limited to the workmanlike installation of such appliances and equipment, and further only applies where such appliances and equipment are not Consumer Products.

E. General Provisions.

1. Should any provision of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, that determination will not affect the enforceability of the remaining provisions.
2. Use of one (1) gender in this Limited Warranty includes all other genders, and the use of the plural includes the singular, as may be appropriate.
3. This Limited Warranty is to be construed in accordance with the laws of the State of Oklahoma except insofar as its construction is governed by the United States Arbitration Act.

F. Other Warranties. In the event that Builder repairs, replaces, or pays You the reasonable cost to repair or replace a Defect, or other related damage to the Home covered by this Limited Warranty, which repair or replacement is covered by other warranties, You must, upon Builder's request, assign the proceeds of such warranties, or Your rights under such warranties, to Builder to the extent of Builder's cost of such repair or replacement. This paragraph in no way modifies or amends sub-paragraph III.A.12 captioned "What Is Not Covered By This Warranty."

VII.
DEFINITIONS

- A. **Builder** means the entity named above that built the Home.
- B. **Consequential Damages** means any loss or injury other than the actual cost to correct Defects, including, without limitation, costs of shelter, transportation, food, moving and storage; other incidental expenses related to inconvenience or relocation during repairs to the Home; or diminished market value of the Home.

- C. **Consumer Product** means any appliance, item of equipment, or other item in the Home which is a Consumer Product as defined in the Magnuson-Moss Warranty Act (15 U.S.C. §2301, *et seq.*). The following are examples of Consumer Products, although other items in the Home may be Consumer Products: refrigerator, trash compactor, range, dishwasher, garbage disposal, hot water heater, clothes washer and dryer, and thermostat.
- D. **Defect(s)** mean deficiencies in workmanship or materials used in constructing the Home, which deficiencies fail to conform with the standards and warranted tolerances set out in the Performance Standards.
- E. **Deflection** means the difference in elevation of high and low points along a diagonal, horizontal, or vertical plane caused by stress induced deformation of a load bearing member. Deflection is measured from any two (2) end points and a third reference point. The reference point may be located at any distance between the two (2) end points.
- F. **Emergency Situation** means an event or condition which creates imminent potential for damage to the Home or creates a substantially unsafe living condition due to Defects that become evident to You at a time other than Builder's normal business hours.
- G. **Home** means a single family house (attached or detached) covered by this Limited Warranty. The term does not include the following, without limitation: outbuildings, including detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation Systems serving the Home); swimming pools and other recreational facilities; driveways; walkways; patios; decks; porch stoops; boundary walls; retaining walls; bulkheads; fences; landscaping (including, without limitation, sodding, seeding, shrubs, trees and plantings); off-site improvement(s); or any other improvements that are not part of the Home.
- H. **Homeowner** means the first person to whom the Home is sold, or for whom such Home is constructed.
- I. **Limited Warranty** means only this express warranty provided to You by Builder.
- J. **Performance Standards** means those standards and tolerances for materials and workmanship attached to and incorporated into this Limited Warranty.
- K. **Pollutants** shall mean any solid, liquid, gaseous, or thermal irritant or contaminant, including, formaldehyde; arsenic; fiberglass; methylene chloride or other chemical, compound or substance found in the building materials used to construct the Home; petroleum products; radon gas; smoke; vapor; soot; fumes; acids; alkalis; and chemicals;

mold, mildew, fungus and the spores produced by them, and any toxic substance, compound or bioaerosol produced by or associated with them; and waste. Waste shall include, without limitation, materials to be recycled, reconditioned, or reclaimed.

L. Systems mean the following:

- (1) plumbing system - all gas supply lines and fittings; water supply, waste, and vent pipes and their fittings; septic tanks and their drain fields; and water, gas, and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
- (2) electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connections."
- (3) heating, cooling, and ventilation system - all duct-work; steam, water, and refrigerant lines; and registers, connectors, radiation elements, and dampers.

M. Warranty Date means, the date on which title to the Home is transferred by Builder to You or the date that the Home is first used by You for residential purposes, whichever occurs first.

VIII.

THE ONLY WARRANTY GIVEN BY THE BUILDER AND DISCLAIMER

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT (A) YOU HAVE THOROUGHLY EXAMINED THE HOME, (B) YOU HAVE READ AND UNDERSTAND THE LIMITED WARRANTY, AND (C) THAT THE BUILDER HAS MADE NO GUARANTEES, WARRANTIES, UNDERSTANDINGS, NOR REPRESENTATIONS (NOR HAVE ANY BEEN MADE BY ANY REPRESENTATIVE OF THE BUILDER) THAT ARE NOT SET FORTH IN THIS LIMITED WARRANTY.

YOU FURTHER UNDERSTAND AND ACKNOWLEDGE THAT (A) NO IMPLIED WARRANTIES WHATSOEVER APPLY TO THE HOME OR THE PROPERTY; (B) THE BUILDER DISCLAIMS ANY IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND WORKMANSHIP AND MATERIALS TO THE EXTENT ALLOWED BY LAW; AND (C) ANY IMPLIED WARRANTIES THAT EXIST DESPITE THIS DISCLAIMER ARE LIMITED TO A PERIOD OF ONE (1) YEAR FROM THE DATE OF CLOSING OR INITIAL OCCUPANCY, WHICHEVER OCCURS FIRST. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THIS LIMITATION MAY NOT APPLY TO YOU.

BUILDER:

NAME: Jim Campbell Homes, Inc.

By: _____

Signature

Print Name: James W. Campbell

Title: President

STATE OF OKLAHOMA)

) ss:

COUNTY OF Oklahoma)

This instrument was acknowledged before me this _____ day of _____, 20____, by James W. Campbell, as President of Jim Campbell Homes, Inc.

Notary Public

My Commission Expires:

SEAL