

Limited Warranty Agreement

NEST HOMES, LLC, (hereafter, "Builder") enters into the following Limited Warranty Agreement with

Printed Name: _____

Address: _____

Property: _____

(hereafter, "Owner"), who contracted with Builder for a home (and property, if applicable) (hereafter, the "Home"). This Limited Warranty Agreement in its entirety is hereafter referred to as the "Limited Warranty".

I. ONE YEAR LIMITED WARRANTY

A. One Year Limited Warranty. Builder warrants to Owner that the Home will be free from defects in materials and workmanship resulting in material noncompliance with Builder's **Warranty Process and Performance Standards** ("Standards") as of the date of this Limited Warranty (the "One Year Limited Warranty"). The Standards can be found on Builder's website, www.nesthomes.com/warranty. The Standards are deemed to be incorporated herein as an Addendum to this Limited Warranty.

BUILDER SPECIFICALLY EXCLUDES ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND HABITABILITY.
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B. One Year Limited Warranty Period. The One Year Limited Warranty shall terminate one (1) year after (i) the date on which the Home is conveyed by Builder to Owner, if the Home is conveyed together with the above-referenced property, or (ii) the date on which a certificate of occupancy for the Home is issued by the governmental authority having jurisdiction over construction of the Home if the Home was constructed on property owned by Owner at the time construction of the Home commenced (as applicable, the "One Year Limited Warranty Period").

C. Warranties of Components. Builder shall assign and deliver to Owner all guarantees and warranties of components comprising the Home to the extent same are assignable. Owner shall be responsible for compliance with any notice and claim procedures set forth therein.

D. Builder's Obligations. If a defect covered under Paragraph A above occurs and is properly reported to Builder during the One Year Limited Warranty Period, Builder agrees to repair, replace or pay Owner the reasonable cost of repairing or replacing the defective item within a reasonable time following receipt of written notice of the defect from Owner.

1. Manner of Performance. Builder will perform its obligations under the One Year Limited Warranty in accordance with the Standards. The choice among repair, replacement or payment is Builder's in Builder's sole discretion. All repairs by Builder shall be at no charge to Owner and shall be performed within a reasonable period of time.

II. TEN YEAR LIMITED STRUCTURAL WARRANTY

A. **Ten Year Limited Structural Warranty.** Builder warrants to Owner that the Home will be free from Major Structural Defects to Load Bearing Elements as defined below (“Ten Year Limited Structural Warranty”).

B. **Ten Year Limited Structural Warranty Period.** The Ten Year Limited Structural Warranty shall terminate ten (10) years after the applicable date described in I.B. above (“Ten Year Limited Structural Warranty Period”).

C. **Builder's Obligations.** During the Ten Year Limited Structural Warranty Period, Builder will repair, or cause to be repaired at Builder’s expense within a reasonable time following receipt of written notice of the defect from Owner, Major Structural Defects to Load Bearing Elements as defined below.

1. **Major Structural Defects to Load Bearing Elements.** For the purposes of this Limited Warranty, Major Structural Defects to Load Bearing Elements means *actual* damage to the load bearing elements of the Home which causes the Home to be unsafe for single-family residential dwelling purposes.

2. **Load-Bearing Elements.** The following load bearing elements are expressly covered under the Ten Year Limited Structural Warranty: Foundation systems and footings; beams; girders; lintels; columns; interior load bearing floor framing systems; roof framing systems.

III. OWNER'S OBLIGATIONS

A. **Reporting to Builder.** Owner must notify Builder in writing of the existence of any defect before Builder is responsible for the correction of that defect. AS A CONDITION TO BUILDER’S OBLIGATIONS HEREUNDER, WRITTEN NOTICE OF A COVERED DEFECT MUST BE RECEIVED BY BUILDER PRIOR TO THE EXPIRATION OF THE ONE YEAR LIMITED WARRANTY PERIOD OR TEN YEAR LIMITED STRUCTURAL PERIOD, AS APPLICABLE, ON THAT DEFECT. Owner will not bring any action at law or in equity against the Builder for failure to remedy any defect about which the Builder has not received timely notice in writing.

B. **Maintenance and Care of Home.** Owner must provide normal maintenance and proper care of the Home according to the Standards. Any deviation from proper care and maintenance as established in the Standards shall result in nullification of Builder’s warranty as to the particular issue or item.

C. **No Extension of Limited Warranty Periods.** Any steps, regardless of timing as to when said step is implemented, taken by Builder to correct defects shall not extend the One Year Limited Warranty Period or the Ten Year Limited Structural Warranty Period, as applicable.

D. **Builder's Access.** Owner must provide access to the Home to Builder during normal business hours to inspect reported defects and, if necessary, to take corrective action.

E. **Home Inspection Reports.** Owner is responsible for expenses associated with home inspection reports on the Home.

IV. LIMITS ON WARRANTY

A. **Transferable.** This Limited Warranty will transfer in its entirety, as previously outlined

(including all limitations), to all subsequent owners who take title to the Home and use the Home as such owner's personal residence only. Transfer shall not extend either the One Year Limited Warranty Period or the Ten Year Limited Structural Warranty Period.

B. Consequential, Special Speculative and Incidental Damages Waived. CONSEQUENTIAL, SPECIAL, SPECULATIVE AND INCIDENTAL DAMAGES ARE NOT COVERED BY THIS LIMITED WARRANTY (this includes, but is not limited to, loss of the use of the Home) and are hereby waived by Owner. Owner, by their due execution of this Limited Warranty Agreement, expressly acknowledged that the waivers contained in this provision are an essential term and basis for Builder in providing this warranty.

C. Other Warranties and Insurance. In the event Builder repairs or replaces or pays for repairing or replacing any defect covered by this Limited Warranty for which the Owner is covered by insurance or a warranty provided by another party ("Other Coverage"), Builder will be automatically subrogated to the rights of Owner under the Other Coverage and Owner must, upon request of Builder, assign the proceeds of such Other Coverage to Builder to the extent of the cost to Builder of such repair or replacement.

D. Other Exclusions. This Limited Warranty does not cover any defects, damage, injury or loss not included in the Standards, and specifically does not cover:

1. Defects in items not part of the Home as constructed by Builder, or not resulting in actual loss or physical damage to the Home;
2. Defects to fences, outbuildings, swimming pools, concrete floors built separate from foundation walls, retaining walls, or other structures not integral to the structure of the Home;
3. Injury or damage of any kind to persons or personal property not otherwise specifically covered by this Limited Warranty, or damage to real property not part of the Home;
4. Defects which Owner fails to timely report to Builder in writing, or which Owner fails to take timely action to minimize loss or damage;
5. Defects for which compensation is provided for by state or federal legislation or other public funds to the extent that such compensation is paid for by those other sources.
6. Defects caused or worsened by any cause other than defects in materials or workmanship, including, but not limited to:
 - a) Normal wear and tear of the Home;
 - b) Negligence, improper or insufficient maintenance, improper action or inaction, abnormal use of the Home (including abnormal loading of floors), or willful or malicious acts by any party other than Builder, or its employees, agents of subcontractors (hereinafter collectively referred to as Builder's "Agents");
 - c) So-called acts of God, including, but not limited to, fire, explosion, smoke, water escape, wind driven water, glass breakage, freezing, windstorm, hail, falling trees, lightning, changes not reasonably foreseeable in the level of the underground water table, aircraft, vehicles, flood and earthquake;
 - d) Radon gas or toxic substances of any kind;
 - e) Insects or animals;
 - f) Defects resulting from glass breakage unless caused by Builder or its Agents;
 - g) Changes in grading or drainage patterns or excessive watering of the Owner's property not directly

caused by Builder or its Agents, or changes in the grading or drainage patterns or excessive watering of the adjacent property by any party; or

- h) The failure of anyone other than Builder or its Agents to comply with the requirements of this Limited Warranty or the requirements of any Product Warranties.
- i) This Limited Warranty excludes items normally covered by homeowner's insurance. If questions arise concerning homeowner's insurance coverage, Owner must contact Owner's insurance agent.

V. TERMS, CONDITIONS AND DEFINITION OF EMERGENCY

A. Definition of Emergency. The following definition of Emergency shall apply to this Limited Warranty and the Standards:

Emergency. Emergencies include: total loss of heat when outside temperature is below 50 degrees F, total loss of electricity, total loss of water; a plumbing leak that requires the entire water supply to be shut off; gas leak; or any situation that endangers the occupants of the Home.

B. Notice. Report emergencies directly to the appropriate trade partner via their listed emergency contact on your contact sheet, followed by an email notification to the Builder.

C. Amendments. Any amendment to this Limited Warranty must be in writing and signed by Owner and Builder.

D. Time is of the Essence. With respect to all time periods and dates contained in this Limited Warranty, time is of the essence.

E. Merger. This Limited Warranty (including all Exhibits hereto and the Standards as incorporated herein) represents the entire Limited Warranty. All prior and contemporaneous discussions between the parties are merged herein and are not binding on either party.

F. Severability. Should any court of competent jurisdiction determine that any provision of this Limited Warranty is unenforceable, such determination shall not affect the enforceability of the remaining provisions of this Limited Warranty.

Dated the _____ day of _____, _____.

Owner: _____

Builder: Nest Homes LLC

By: _____

Warranty Process

Limited Warranty Agreement

You will receive a signed Limited Warranty Agreement with your Purchase Agreement. The “One Year Limited Warranty” shall terminate one (1) year after (i) the date on which the Home is conveyed by Builder to Owner, if the Home is conveyed together with the above-referenced property, or (ii) the date on which a certificate of occupancy for the Home is issued by the governmental authority having jurisdiction over construction of the Home if the Home was constructed on property owned by Owner at the time construction of the Home commenced (as applicable, the “One Year Limited Warranty Period”). The Ten Year Limited Structural Warranty shall terminate ten (10) years after the applicable date described above in (i) and (ii).

A copy of the Limited Warranty Agreement as well as the related Builder Warranty Service Program/Home Owner’s Use and Maintenance Guide can be found on our website at www.nesthomes.com/warranty. Please read through this information carefully, as well as the procedures and guidelines discussed on the following pages.

Nest Homes Limited Warranty Guidelines

While we strive to build a defect-free home, we are realistic enough to know that, with repeated use, an item in the home may fail to perform as it should. When this occurs, we will make necessary corrections, so the item meets our warranty guidelines. In support of this commitment, Nest Homes provides you with a limited warranty.

1. A Nest Home is a dynamic product that requires care which should be maintained by the owner.
2. Materials used to build and finish your home should only be expected to perform within their individual natural ability.

Corrective Actions

In addition to the information contained in the Limited Warranty Agreement itself, this manual includes details about the criteria we will use to evaluate concerns you report. The purpose is to let you know what our warranty commitment is for typical concerns that can come up in a new home. The manual describes the corrective action we will take in many common situations.

Qualifying Warranty Repairs

Our criteria for qualifying warranty repairs are based on typical industry practices in our region and meet or exceed those practices. Please note that we reserve the right, at our discretion, to exceed these guidelines if common sense or individual circumstances make that appropriate, without being obligated to exceed all guidelines to a similar degree or for other homeowners whose circumstances are different.

We Sometimes Say No

With a product as complex as a home, different viewpoints regarding which tasks are homeowner maintenance responsibilities and which are Nest Homes warranty responsibilities are possible. If you request warranty service on a maintenance item, we will explain to you the steps you should take to care for the item. We are available to answer your home-care questions during and after your warranty period. Providing normal maintenance for your home is your obligation and responsibility.

Warranty Reporting Procedures

Our warranty service system is designed based on your written report of items. This provides you with the maximum protection and allows us to operate efficiently, thereby providing faster service to all homeowners. After your review of this document, please submit your requested repair items. Our warranty team will input into our database and review your requests for approval per your Limited Warranty Agreement and inform you in writing about those items that are excluded from coverage.

For your convenience and in order for our service program to operate at maximum efficiency, we suggest that you wait 60 days before submitting a warranty list for non-emergency items. This will allow sufficient time for you to become settled in your new home and to use most components repeatedly.

1. For better response and cycle time, we require that you submit warranty requests online at www.nesthomes.com/warranty.
2. A Warranty representative will contact you to schedule a meeting to review the list of items, if needed, upon receipt of home owners concerns and to agree upon a scope of repair work.
3. Our Warranty representatives and/or Trade Partner(s), will contact you to try and schedule a convenient time to begin repairs for both our team and trade partners.
4. These same Warranty service procedures will continue throughout your Limited Warranty Agreement as outlined within this Warranty Process.

Warranty Item Processing Procedures

When we receive a warranty service request, we may contact you for an inspection appointment. Warranty inspection appointments are available Monday through Friday, 8:00 a.m. to 4:00 p.m. We will inspect the items listed in your request to confirm warranty coverage and determine appropriate action. Generally, reported items fall into one of three categories:

- Trade contractor item
- In-house item
- Home maintenance item

If a trade contractor or an in-house employee is required to perform repairs, we issue a warranty work order describing the situation to be addressed. If the item is home maintenance, we will review the maintenance steps with you and offer whatever informational assistance we can. If the inspection step is unnecessary, we will issue the needed work orders and notify you that we have done so.

Home Expectations & Material Performances for the Life of Your Home

Interior

- Interior wood materials – subject to shrinkage & humidity
- Drywall imperfections – a “defect” is visible 4’ from the wall under normal lighting conditions
- Appliances – covered directly by manufacturers; excluded by this Limited Warranty
- Hardwood floors – subject to scratches, dents, expanding and contracting
 - Minor width variation is to be expected and not considered a defect.
- Floor noises – impossible to completely remove all floor noises in a home
- Carpet – some carpet seams may be visible
- Granite, marble and composite stones – subject to scratches & stains
- Windows – inspect after rain for water leaks and thermal sills broken
- Sealants & caulking – will break down and need to be maintained
- HVAC System – change your air filters on a frequent basis
 - Bi-annual Service agreements are recommended starting the day of closing. Failure to maintain your systems can result in the manufacturer denying warranty claims without proof of homeowner maintenance.
- Cabinets – warped doors and failed hardware can occur with normal use and conditioning of home
- Tile grout – cracks in grout larger than 1/8” are not acceptable
- Paints & stains – subject to UV exposure and can be difficult to match and touch-up

Exterior

- Water management – maintain established grade to keep water away from your house
 - Keep gutters and downspouts free of debris
- Brick veneer – cracks greater than ¼” in width are considered defective in the first year
- Sealants & caulking – UV exposure will break down sealants over time
 - Exterior seals are considered homeowner maintenance and not covered by the Limited Warranty
- Concrete – will crack by nature and is typically a non-structural normal characteristic
- Stucco – will crack by nature and is a non-structural cladding system
 - Cracks exceeding 1/8” are considered excessive
- Roofing materials – Refer to manufacturer’s recommendations
- Siding – natural or manmade materials may move thermally or shrink
- Landscaping is not covered by this Limited Warranty and is considered a Homeowner’s maintenance item

Manufacturer Literature

Please take time to read the literature (warranties, use and care guides) provided by the manufacturers of consumer products and other items in your home. The information contained in that material is not repeated here. Although much of the information may be familiar to you, some points may differ significantly from homes you have had in the past.

Activate specific manufacturer's warranties by completing and mailing any registration cards included with their materials. In some cases, manufacturer's warranties may extend beyond the first year and it is in your best interest to know about such coverage.

Help Us to Serve You

We can provide service faster and more accurately if we have all the necessary information. With your warranty request, please include:

- A complete description of the problem, for example, "guest bath - cold water line leaks under sink," rather than "plumbing problem."
- Information about your availability or the best days or times to reach you.

Access to Your Home

Nest Homes conducts inspections of interior warranty items only when an adult is available to accompany our representative and point out the items you have listed. Both our in-house service technicians and our trade contractors will likewise perform repairs only when an adult is available to admit them to your home. An adult is a person 18 or older who has your authorization to admit service personnel and sign completed work orders.

We do not accept keys, nor will we permit our trade contractors to accept your key and work in your home without an adult present. While we recognize that this means processing warranty service items may take longer, we believe your peace of mind and security should be our first concern.

Exterior Items

Exterior items can usually be inspected and repaired without an adult present, provided access is available (for instance, no locked gate). If you prefer to meet with us and discuss the item(s) in question, we are happy to arrange an appointment to do that. Sometimes a trade partner will inspect while they are in the area for another purpose in order to address your items in a more expedient manner. We do not always know that they are in the area but will do our best to inform you.

Inspection and Work Hours

Our warranty hours will be as follows:

- Inspection appointments: Monday through Friday, 8:00 a.m. until 4:00 p.m.
- Work appointments: Monday through Friday, 8:00 a.m. until 3:00 p.m.

Pets

Nest Homes respects the pets that many homeowners count as members of their households. To prevent the possibility of an animal getting injured or lost, we ask that you restrict all animals to a comfortable location while our representative or our contractors are in your home. This policy is also for the protection of our employees and trades personnel. We have instructed Nest Homes and trades personnel to reschedule the appointment if pets have access to the work area.

Your Belongings

When warranty work is needed in your home, we ask that you remove vulnerable items or items that might make performing the repair difficult. Nest Homes and trade personnel will reschedule the repair appointment rather than risk damaging your belongings if any item needs to be moved. We respect your personal belongings and as such, will move your belongings in order to access areas of the home.

Surfaces

We expect all personnel who work in your home to arrive with appropriate materials to cover the work area, protecting it from damage and catching the dust or scraps from the work being performed. Similarly, all personnel should clean up the work area, removing whatever materials or tools they brought in.

Repair personnel will routinely check the work area for any existing damage to surfaces. They will document any scratches, chips, or other cosmetic damage prior to beginning repairs to avoid any later disagreement about how and when such damage occurred.

Completion Time

We intend to complete warranty requests within 30 business days of the approved inspection and agreed scope of work by both Nest Homes LLC and owner, unless you are unavailable for access. If a back-ordered part or similar circumstance causes a delay, we will let you know. Likewise, when weather conditions prevent the timely completion of exterior items, we track those items and follow up to ensure that they are addressed when conditions are right. This can mean a wait of several months.

Emergency Service

While emergency warranty situations are rare, when they occur, prompt response is essential. Troubleshooting tips appear in this manual for several of your home's components:

- Electrical
- Heat system
- Plumbing
- Gas Leak

Please refer to the individual categories to review these hints; you will find them at the end of the corresponding sections. Often the appropriate action can solve a problem immediately or mitigate the situation until a technician arrives.

In the event of an emergency, please call the necessary trade contractor or utility company directly followed by written documentation of the situation to Nest Homes. Their phone numbers are listed on the Emergency Phone Numbers sheet you receive at orientation. We will also provide a laminated copy of the list at your home closing. We suggest that you keep this Emergency Phone Numbers sheet in an easily accessible location, e.g. secured inside a kitchen cabinet, near your phone.

Our trade contractors or local utility companies provide emergency responses to the following conditions:

- Total loss of heat when the outside temperature is below 50 degrees F
- Total loss of electricity
- Total loss of water
- Plumbing leak that requires the entire water supply to be shut off
- Gas leak

Note that if a service (gas, electricity, water) is out in an entire area, attention from the local utility company is needed. Trade contractors are unable to help with such outages.

Roof Leaks

While we agree with homeowners that a roof leak is indeed an emergency, the reality is that repairs cannot safely or effectively be performed while the roof is wet. We recommend you take appropriate steps to mitigate damage, and we will follow up when conditions make repairs possible.

Storm Damage or Other Natural Disaster

Contact your homeowner's insurance agent immediately. Contain damage as much as possible without endangering yourself. In extreme situations, photograph the damage.

Dated the _____ day of _____, _____.

Owner: _____

Builder: Nest Homes LLC

By: _____

