



LIMITED WARRANTY

Louisiana's New Home Warranty Act, La. R.S. 9:3141, *et seq*, defines the scope of the exclusive, limited warranty provided by Level Construction & Development, LLC ("Level Homes," "Seller," and/or "Builder") relative to construction and/or design. The Purchaser further adopts the New Home Warranty Act, La. R.S. 9:3141, *et seq*, with regard to any design or other work by Builder and/or its affiliates. The warranty provides as follows:

§3141. Purpose

The legislature finds a need to promote commerce in Louisiana by providing clear, concise, and mandatory warranties for the purchasers and occupants of new homes in Louisiana and by providing for the use of homeowners' insurance as additional protection for the public against defects in the construction of new homes. This need can be met by providing a warranty for a new home purchaser defining the responsibility of the builder to that purchaser and subsequent purchasers during the warranty periods provided herein. The warranty, which is mandatory in most cases, shall apply whether or not building code regulations are in effect in the location of the structure, thereby promoting uniformity of defined building standards. Additionally, all provisions of this Chapter shall apply to any defect although there is no building standard directly regulating the defective workmanship or materials.

§3142. Short Title

This Chapter shall be known and may be cited as the "New Home Warranty Act."

§3143. Definitions

For purposes of this Chapter the following words, phrases, and terms shall be defined and construed as follows:

(1) "Builder" means any person, corporation, partnership, limited liability company, joint venture, or other entity which constructs a home, or addition thereto, including a home occupied initially by its builder as his residence. A person, corporation, partnership, limited liability company, joint venture, or other entity which constructs a home, or any addition thereto, is a "builder", whether or not the consumer purchased the underlying real estate with the home.

(2) "Building standards" means the standards contained in the building code, mechanical-plumbing code, and electrical code in effect in the parish, city, or other local political subdivision where a home is to be located, at the time construction of that home is commenced, or, if the parish, city, or other local political subdivision has not adopted such codes, the Standard Building Code, together with any additional performance standards, if any, which the builder may undertake to be in compliance.

(3) "Home" means any new structure designed and used only for residential use, together with all attached and unattached structures, constructed by the builder whether or not the

land was purchased from the builder. Such term includes structures containing multiple family dwellings or residences.

(4) "Initial purchaser" means any person for whom a home is built or the first person to whom a home is sold upon completion of construction.

(5) "Major structural defect" means any actual physical damage to the following designated load-bearing portions of a home caused by failure of the load-bearing portions which affects their load-bearing functions to the extent the home becomes unsafe, unsanitary, or is otherwise unlivable:

(a) Foundation systems and footings.

(b) Beams.

(c) Girders.

(d) Lintels.

(e) Columns.

(f) Walls and partitions.

(g) Floor systems.

(h) Roof framing systems.

(6) "Owner" means the initial purchaser of a home and any of his successors in title, heirs, invitees, or assigns to a home during the time the warranties provided under this Chapter are in effect.

(7) "Warranty commencement date" means the date that legal title to a home is conveyed to its initial purchaser or the date the home is first occupied, whichever occurs first.

§3144. Warranties; exclusions

A. Subject to the exclusions provided in Subsection B of this Section, every builder warrants the following to the owner:

(1) One year following the warranty commencement date, the home will be free from any defect due to noncompliance with the building standards or due to other defects in materials or workmanship not regulated by building standards.

(2) Two years following the warranty commencement date, the plumbing, electrical, heating, cooling, and ventilating systems exclusive of any appliance, fixture, and equipment will be free from any defect due to noncompliance with the building standards or due to other defects in materials or workmanship not regulated by building standards.

(3) Five years following the warranty commencement date, the home will be free from major structural defects due to noncompliance with the building standards or due to other defects in materials or workmanship not regulated by building standards.

B. Unless the parties otherwise agree in writing, the builder's warranty shall exclude the following items:

(1) Fences, landscaping, including but not limited to sodding, seeding, shrubs, existing and new trees, and plantings, as well as off-site improvements, all driveways and walkways, or any other improvement not a part of the home itself.

(2) After the first year, the concrete floor of a basement and the concrete floor of an attached or unattached garage that is built separate from a foundation wall or other structural element of the home.

(3) Damage to real property which is not part of the home covered by the warranty and which is not included in the purchase price of the home.

- (4) Any damage to the extent it is caused or made worse by any of the following:
- (a) Negligence, improper maintenance, neglect or improper operation by anyone other than the builder or any employee, agent, or subcontractor of the builder.
 - (b) Failure by anyone other than the builder or any employee, agent, or subcontractor of the builder to comply with the warranty requirements of manufacturers of appliances, equipment, or fixtures.
 - (c) Failure by the owner to give written notice by registered or certified mail to the builder of any defect within the time set forth in R.S. 9:3145. However, the provisions of this Subparagraph shall not be construed to change either the warranty periods enumerated in Subsection A of this Section or the notice requirements provided by R.S. 9:3145.
 - (d) Any change of the grading of the ground by anyone other than the builder, or any employee, agent, or subcontractor of the builder.
 - (e) Any change, alteration, or addition made to the home by anyone after the initial occupancy by the owner, except any change, alteration, or addition performed by the builder, or any employee, agent, or subcontractor of the builder.
 - (f) Dampness, condensation, or other damage due to the failure of the owner to maintain adequate ventilation or drainage.
- (5) Any loss or damage which the owner has not taken timely action to minimize.
- (6) Any defect in, or any defect caused by, materials or work supplied by anyone other than the builder, or any employee, agent, or subcontractor of the builder.
- (7) Normal wear and tear or normal deterioration.
- (8) Loss or damage which does not constitute a defect in the construction of the home by the builder, or any employee, agent, or subcontractor of the builder.
- (9) Loss or damage resulting from war, accident, riot and civil commotion, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven water, and changes in the level of the underground water table which are not reasonably foreseeable.
- (10) Any damage caused by soil movement which is covered by other insurance.
- (11) Insect damage.
- (12) Any loss or damage which arises while the home is being used primarily for a nonresidential purpose.
- (13) Any condition which does not result in actual physical damage to the home.
- (14) Bodily injury or damage to personal property.
- (15) Any cost of shelter, transportation, food, moving, storage, or other incidental expense related to relocation during repair.
- (16) Any defect not reported in writing by registered or certified mail to the builder or insurance company, as appropriate, prior to the expiration of the period specified in Subsection A of this Section for such defect plus thirty days.
- (17) Consequential damages.
- (18) Any loss or damage to a home caused by soil conditions or soil movement if the home is constructed on land owned by the initial purchaser and the builder obtains a written waiver from the initial purchaser for any loss or damage caused by soil conditions or soil movement.
- (19) Mold and mold damage.

C. The provisions of Subsection A of this Section establish minimum required warranties and shall not be waived by the owner or reduced by the builder provided the home is a single or multiple family dwelling to be occupied by an owner as his home.

§3145. Required notice

A. Before undertaking any repair himself or instituting any action for breach of warranty, the owner shall give the builder written notice, by registered or certified mail, within one year after knowledge of the defect, advising him of all defects and giving the builder a reasonable opportunity to comply with the provisions of this Chapter.

B. The builder shall give the owner written notice of the requirements of this Chapter at the time of the closing between the builder and the owner, or if there is no such closing, at the time of the execution of the construction contract between the builder and the owner. The Louisiana State Licensing Board for Contractors shall adopt and promulgate rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Subsection.

§3146. Peremption

Any action to enforce any warranty provided in this Chapter shall be subject to a peremptive period of thirty days after the expiration of the appropriate time period provided in R.S. 9:3144.

§3147. Insurance

All or part of the builder's obligation under any warranty required in this Chapter may be insured by the builder for the benefit of the purchaser through an insurance company authorized to transact business in this state.

§3148. Transfer of warranty and insurance

Any warranty imposed under the provisions of this Chapter and any insurance benefit shall automatically transfer without charge, to a subsequent owner who acquires title to the home. Any transfer of the home shall not extend the duration of any warranty or insurance coverage.

§3149. Violations; limitations

A. If a builder violates this Chapter by failing to perform as required by the warranties provided in this Chapter, any affected owner shall have a cause of action against the builder for actual damages, including attorney fees and court costs, arising out of the violation. The damages with respect to a single defect shall not exceed the reasonable cost of repair or replacement necessary to cure the defect, and damages with respect to all defects in the home shall not exceed the original purchase price of the home.

B. The parties may provide for the arbitration of any claim in dispute. Any arbitration shall comply with, and may be binding only to the extent provided in R.S. 9:4201 et seq.

§ 3150. Exclusiveness

This Chapter provides the exclusive remedies, warranties, and peremptive periods as between builder and owner relative to home construction and no other provisions of law

relative to warranties and redhibitory vices and defects shall apply. Nothing herein shall be construed as affecting or limiting any warranty of title to land or improvements.

SOIL CONDITIONS

Purchaser waives any claim against Builder for any loss or damage relative to soil compaction and/or testing and/or damage caused by soil conditions or soil movement, caused by trees, tree removal, or otherwise and including but not limited to cracks in concrete, mortar, bricks or tile, and/or damage to plumbing.

MATERIALS COMPOSITION

Purchaser agrees that Builder shall perform no testing or research on any building material incorporated into construction and that Builder shall have no responsibility for and Purchaser hereby waives any claim for the chemical, physical or organic composition of any building material and/or any chemical reaction, metabolic activity or bacterial metabolism relative to same. Any testing or research as to chemical, organic or physical composition shall be the sole responsibility of Purchaser.

NO IMPLIED WARRANTIES

Purchaser has acknowledged that the Builder has made no guarantees, warranties, understandings, nor representations (nor have any been made by any representatives of the Builder) that are not set forth in the Purchase Agreement Addendum.

REASONABLE OPPORTUNITY TO REPAIR

Giving the builder a reasonable opportunity to comply with the provisions of the New Home Warranty Act pursuant to §3145 consists of Purchaser providing reasonable weekday access during normal business hours and cooperating with inspection and investigation of Purchaser's claim.

WARRANTY DISPUTES

Any and all claims, disputes, and controversies between the Purchaser and Builder relative to the purchase, condition, method of construction, repair, or warranty claim of the subject Home shall be subject to the dispute resolution provision of the Purchase Agreement Addendum as follows:

Any disputes between the parties arising out of, or relating to, this Agreement or the breach thereof, or the construction shall, at the sole discretion of Seller, be mediated, which mediation, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the city and state where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

In the event that mediation is not attempted or not successful, Seller, in its

sole discretion, may require that that any disputes or claims be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association currently in affect, unless the parties mutually agree otherwise. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

PURCHASER'S RESPONSIBILITIES

It is the Purchaser's sole responsibility to maintain the Home, including but not limited to preserving soil drainage conditions, maintaining lot grades, caulking, cleaning, resealing or repainting of finished surfaces as necessary, routine maintenance of mechanical systems, etc. As set forth in §3144 (B), any damage or defect caused or worsened by neglect, or improper maintenance and operation of the Home or the surrounding property will not be covered by your Warranty.

OTHER TERMS AND CONDITIONS

If performance by the Builder of any of its obligations is delayed by an event not resulting from the Builder's own conduct, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God or a common enemy, war, riot, terrorism, civil commotion or sovereign conduct, public health emergencies, or acts or omissions by the Purchaser or persons outside Builder's control.

STANDARDS

Builder's quality standards (standards not governed by applicable building codes) shall be determined by the Residential Construction Performance Guidelines, NAHB (attached). In the event such item is not covered by said guidelines then "industry standards" are to govern.

CUSTOMER CARE PROCESS

Louisiana law provides that Louisiana's New Home Warranty Act, La. R.S. 9:3141, *et seq*, is mandatory and not waivable. As a matter of internal policy, and in no way abrogating the requirements of Louisiana R.S. 9:3145 or any other provision of La. R.S. 9:3141, *et seq*, Level Homes provides the following CUSTOMER CARE PROCESS:

Customer Care requests are broken down into two (2) categories: Standard Requests and Emergency Requests.

Contacting Customer Care for Standard Request:

Submit a Customer Care Contact form request through our website at www.levelhomeslifestyle.com. Click on the Contact link, then Customer Care link, which will take you to the proper page with instructions to enter the Customer Care Contact Form.

It is very important to follow the online claim submission process to ensure you are directed to the correct point of contact within a timely manner. It may be second nature to reach out to your sales agent or Level Homes representative, however, our online submission process guarantees a means of tracking and accountability for the responsible parties.

Emergency Request:

In the event of an emergency at any point, first submit your request through our website by filling out the Customer Care Contact Form.

After hours or on the weekend, we will respond and address as soon as reasonably possible. Please refer to your closing binder for the list of emergency contacts that should be used to expedite an emergency. Please DO NOT contact a 3rd party vendor that did not build anything in the home originally. We do not reimburse for those repairs and the 3rd party could void your warranty.

YOU SHOULD READ YOUR WARRANTY IN ITS ENTIRETY TO UNDERSTAND THE PROTECTION YOUR WARRANTY PROVIDES, THE APPLICABLE EXCLUSIONS, YOUR WARRANTY STANDARDS, AND THE PURCHASER'S RESPONSIBILITIES.

Knowledge of Receipt

A copy of "Chapter 5. New Home Warranty Act" was given to the home buyer of the property located at:

Date: _____ Homebuilder: _____

Home Buyer: _____
