

Champion Home Builders, Inc.

7 – YEAR LIMITED WARRANTY*

SECTION A: YEAR ONE COVERAGE - \$0 SERVICE FEE

THIS SECTION A PERTAINS TO A ONE-YEAR LIMITED WARRANTY COVERAGE PROVIDED TO THE RETAIL HOMEOWNER DURING THE FIRST YEAR OF OWNERSHIP FROM THE HOME MANUFACTURER. THIS NEW HOME LIMITED WARRANTY APPLIES TO CERTAIN MANUFACTURED, MODULAR OR OTHER FACTORY-BUILT HOMES BUILT EXCLUSIVELY BY CHAMPION HOME BUILDERS, INC..

SECTION A.1: ONE (1) YEAR LIMITED WARRANTY:

MANUFACTURER'S LIMITED WARRANTY & ARBITRATION AGREEMENT

The Manufacturer warrants to you, the Homeowner, for a period of one year, that the new manufactured home purchased by you was manufactured free from substantial defects in materials and/or workmanship. The term "substantial defects in materials and/or workmanship" means any factory-introduced failure of the structural, mechanical, electrical, plumbing, or weather-resistance system of the home to meet the performance or specification requirements of the applicable building standards as specified on the house certification label, but excluding minor problems not caused by the manufacturing process. The warranty only applies if the home is purchased from an authorized retailer, which does not include retailers or persons that acquire the home from sources other than directly from the manufacturer.

This warranty begins on the date on which the retailer installs the home at its original installation site and continues for one year from that date. If the home is not moved from its original installation site, nor used for commercial purposes, then this constitutes the one-year "Warranty Period." The warranty only applies to substantial defects that become evident within the Warranty Period and where written notice is provided to the Manufacturer not later than 10 days following the expiration of the Warranty Period. **The only remedy for substantial defects offered under this warranty is repair or replacement of affected parts after inspection by the Manufacturer or its authorized representative.** If the identical part or component is not available, the Manufacturer will provide a similar part or component of equal or greater value. All parts or components repaired or replaced under the warranty are the exclusive property of the Manufacturer. The Manufacturer will make the final decision whether to repair or replace any part or component or system.

The Manufacturer reserves the right to make changes or improvements at any time in the design or manufacture of its manufactured home or any component thereof without incurring any obligation to others.

MANUFACTURER'S LIMITED WARRANTY & ARBITRATION AGREEMENT

THIS WARRANTY DOES NOT COVER:

- Problems not caused by defects in workmanship, materials and/or the design of your home;
- problems resulting from failure to comply with instruction in this Guide, including instructions for obtaining warranty service, or instruction in the Installation Manual;
- the home if it is used for anything other than private residential occupancy;
- appliances and accessories installed in the manufactured home, which may be separately warranted by the appliance or accessory manufacturer;

* Consists of one-year limited warranty from home manufacturer to original homeowner and a separate six year warranty (starting on page 4) for years 2 through 7, which is provided by independent third-party administrator; deductible will apply to extended warranty; see terms and conditions for details.

- alterations or modifications provided by retailers, you or other third parties, including appliances, accessories or options such as air conditioning installation and service, skirting and other similar items;
- problems resulting from transportation, improper or inadequate set-up leveling or re-leveling;
- problems resulting from an inadequate foundation, settling, shifting soil, frost upheaval, drainage or problems that relate to daily changes in temperature and humidity (i.e., the appearance of minor cracks in walls or ceiling texture, wavy exterior siding, minor gaps in trim or trim pulling away from wall or ceiling, or doors or windows becoming out of adjustment – such items are generally the result of normal settling of a home or seasonal changes and not an indication of any type of warranted item and therefore, considered normal maintenance items);
- problems resulting from damage by you or others, including but not limited to, abuse, misuse, unauthorized repairs, negligence or accidental damage, or from theft, vandalism, natural disasters or Acts of God;
- deterioration or damage from high relative humidity, condensation, ground moisture, the use of moisture producing appliances (e.g., kerosene heaters, humidifiers, etc.) or extended moisture exposure caused by plants, building attachments or accessories, or unmitigated leaks; or the failure to maintain adequate ventilation in and/or underneath the home; or the failure to properly vent the dryer exhaust away from the home; or the failure to provide an adequate vapor barrier, or the failure to provide adequate drainage away from the home;
- deterioration or damage caused by unauthorized repairs or alteration of the home or any component parts or the imposition of loads for which the home was not designed to support or resist, including damage as the result of attaching additions, decks, porches, carports, etc. to the home.
- deterioration from exposure to insects or decay;
- normal wear and tear, which includes, but is not limited to, visible scratches, tears, cuts and dents, and other similar damage to the roof, exterior siding, bottom board, floor coverings, wall coverings, countertops, ceiling, cabinets, trim, doors, windows, screens and other components occurring during or after delivery and installation;
- water distribution leaks on systems that have water pressure supplies in excess of 80 psi;
- improper or inadequate connection of utility systems to the utility supply services or between sections of multi-sectional units;
- roof leaks caused by ice or debris build-up, ice or debris dams, or water standing on the roof;
- damage caused by improper electrical service grounding or connections;
- bedding, blinds, draperies, furniture, wheels, tires, axles or brakes;
- any undertaking, representation or warranty made by a retailer or other person beyond those expressly set forth in this warranty;
- loss or damage that the owner has not taken timely action to minimize or damage caused by improper preventive maintenance as specified in this Guide (e.g., caulking of roof vents, windows, doors, sinks, tubs, shingles, fasteners, or failure to clean gutters, etc.);
- payments by Homeowner to third parties for work performed on the home unless such work is approved by Manufacturer in advance pursuant to the procedures set forth herein; and
- INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO YOUR LOSS OF TIME OR INCONVENIENCE, LOSS OF REVENUE, COMMERCIAL LOSS, BEING DISPLACED OR UNABLE TO USE YOUR HOME, MENTAL DISTRESS, TRAVEL, LODGING, OR TELEPHONE CALLS. NEITHER THE MANUFACTURER NOR OTHERS ASSUME ANY RESPONSIBILITY UNDER ANY CIRCUMSTANCES FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. ANY SUCH CLAIMED DAMAGES ARE HEREBY DISCLAIMED.

DISCLAIMER OF WARRANTIES: THIS WARRANTY IS GIVEN EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES SET FORTH IN THIS WARRANTY ARE THE SOLE REMEDIES PROVIDED BY THE MANUFACTURER. ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TO THE EXTENT IMPLIED BY LAW, ARE LIMITED IN DURATION

TO ONE YEAR AND OTHERWISE DISCLAIMED. Some states do not allow limitations on how long an implied warranty lasts, and some states do not allow the exclusion or limitation of incidental or consequential damages, so the above exclusions or limitations may not apply to you.

THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS THAT MAY VARY FROM STATE TO STATE.

If any part, subpart, clause or sentence of this warranty is determined to be in conflict with any applicable law, rule or regulations, this limited warranty and all other provisions shall be effective to the extent required thereby.

Manufacturer reserves the right to make changes at any time in prices, colors, materials, equipment, specifications and models and also to discontinue models without notice and/or obligations.

**-NOTICE-
TAPE & TEXTURE DRYWALL FINISH IS NOT WARRANTED
BY THE MANUFACTURER**

The Manufacturer does not warrant that tape texture finishes of drywall walls or ceilings will be free from cracks. The manufacturer will not make or pay for repairs to drywall or ceiling cracks, or drywall or ceiling finishing including multi-section close-ups. We strongly recommend that all homes with tape and texture finishes have additional perimeter blocking, as described in the Installation Manual. The additional blocking may reduce the opportunity for minor movement and settlement, which can affect tape and textured drywall finish.

DAMAGED ITEMS and NORMAL WEAR AND TEAR

Damaged items and normal wear and tear are not covered under our limited manufactured home warranty. However, we will repair the minor problems or damage described below provided they are present when the home is delivered from the factory and provided they are listed on a written document. We must receive written notice within 30 days of your home's installation date at its original site.

The following are examples of damage or normal wear and tear:

- Loose molding, trim or counter edging; wavy exterior siding.
- Cracks, dents, bows, chips, or scratches in wood, counter top laminate, linoleum, tile, drywall or other interior or exterior finish materials.
- Loose, torn, stained, stretched, or matted (worn from foot traffic) carpet
- Scratches, chips, discoloration or other visual imperfections of fixtures, appliances, and other hardware.
- Torn, damaged, or stained screens, curtains, or shower and bath enclosures.
- Dried, cracked, or missing caulk.
- Alignment or adjustment of drawers, cabinet doors, and fixture covers.
- "Roof rumble" or other noises associated with homes equipped with a metal roof.
- Failures caused by lack of maintenance.
- Personal cosmetic preferences that differ from the construction standards of your home.

APPLIANCE AND OTHER PRODUCERS' WARRANTIES

Warranties issued by other producers of appliances, accessories, heating and air conditioning equipment, and other items installed in the manufactured home, remain in effect. These other producers or their local service agents should be contacted first for warranty repairs and for routine service and maintenance. The appliance warranties are usually shipped with the appliances. Such appliances are not covered by this warranty.

If you have problems obtaining warranty service on any factory-installed appliance, contact the service department of the Manufacturing Plant that built your home. They will assist you in obtaining warranty service from the appliance or accessory manufacturer.

ARBITRATION AGREEMENT: It is agreed that any controversy, claim or dispute between or among the Manufacturer, homeowner, independent dealer, finance company or any other person or entity arising from or relating to the Manufactured Home, its sales, transportation, setup, repair, installation, use, design, manufacture, financing, insurance, any other condition, the manufacturer's limited warranty, any contract or any alleged promise, representation, agreement or instrument relating to or delivered in connection with the Manufactured Home, or any alleged breach thereof, and any claim based on or arising from al alleged tort or claim of any kind whatsoever, including any claim relating to the validity or this arbitration provision [collectively "Claim(s)"], and if the Claim(s) cannot be resolved through direct discussions or negotiations, - and unless the parties otherwise agree on a different mediation or arbitration process – then the Claim(s) first shall be mediated as administered by the American Arbitration Association ("AAA") under its applicable mediation Rules before resorting to binding arbitration. Thereafter, any unresolved Claim(s) shall be settled by binding arbitration administered by the AAA in accordance with its applicable Rules for Claim(s), and any judgment on the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties reserve their rights to resolve the Claim(s) in an applicable small claims court for disputes or Claim(s) within the scope of the small claims court's jurisdiction. The assessment of all fees and expenses of the mediation or arbitration shall be governed by the applicable rules of the AAA, unless otherwise agreed by the parties. Moreover, each party shall bear the expense of its own counsel, experts, witnesses and other costs, including preparation and presentation of proofs, subject to re-apportionment based on applicable laws of the jurisdiction in which the Claim(s) is heard. All mediation or arbitration proceedings shall be conducted in the jurisdiction of the original retail sale of the home or at any other place selected by agreement of all parties.

IT IS AGREED AND UNDERSTOOD THAT THE PARTIES ARE KNOWINGLY GIVING UP AND WAIVING CERTAIN RIGHTS TO LITIGATE DISPUTES IN COURT, INCLUDING WAIVING OF A TRIAL BY JURY. This arbitration provision is part of the manufacturer's limited warranty for the Manufactured Home and shall be binding on and inure to the benefit of the parties' respective heirs and assigns.

A copy of the applicable Rules of the AAA is available upon request by contracting the American Arbitration Association at the following address: 2200 Century Parkway, Suite 300, Atlanta, Georgia 30345-3203 or (800) 778-7879, or www.adr.org.

**EXTENDED 6 YEAR WARRANTY COVERAGE SECTION B:
YEARS 2 THROUGH 7
- \$50 SERVICE FEE***

THIS SECTION B PERTAINS TO SEPARATE WARRANTY COVERAGE PROVIDED TO THE HOMEOWNER THROUGH AMERICAN MODERN BY CHAMPION HOUSING DURING YEARS TWO THROUGH SEVEN OF HOME OWNERSHIP. **IF YOU NEED SERVICE FOR COVERED ITEMS DURING YEARS TWO THROUGH SEVEN, PLEASE CALL 1-800-262-3555.**

DEFINITIONS

We, Us, Our means the independent Warranty Administrator, American Modern Home Service Company or their authorized representatives.

You, Your, Yours means the person(s) or entity who own(s) the home at the location shown on the Declarations Page.

Repair means to provide and to pay for the labor and parts to fix a **Covered Component**.

Replace/Replacement means to provide a **Covered Component** of like kind and quality, including installation.

Failure/fails/failed To Perform Its Intended Function means the operational or structural **failure** of a **Covered Component** to the degree that

The item has stopped working completely; or

The item no longer meets manufacturer's/industry requirements; or specifications for its intended use; or

Continued use of the item is dangerous to the occupants; or

The item works so inefficiently that continued use is impossible or impracticable.

Incidental expenses means those expenses incurred as a result of a **Covered Component** which has **Failed To Perform Its Intended Function**, including, but not limited to: telephone, mileage, meal and temporary housing expenses.

Consequential Damages means any damage to an item, other than a **Covered Component**, which results from the **Covered Component** having **Failed To Perform Its Intended Function**.

* This extended warranty for years 2 through 7 is separate from your one-year limited warranty from Champion and is serviced by an independent third-party administrator who is not an agent or representative of Champion. All claims for extended warranty coverage **must** be made to American Modern and a \$50 service fee applies to each claim.

Mold means any mold, mycotoxin, fungi, organic pathogen, bacteria, virus or their spores, scent or byproducts of any type or nature, including wet or dry rot, mildew and others, that cause, threaten to cause, or are alleged to cause failure or damage to any Covered Component.

Remediation means to test for, monitor, clean up, treat, eliminate, prevent, detoxify, neutralize, contain, remove, dispose or in any way respond to or assess the effects of mold.

Covered Component means the specific item listed under the **Covered Component** category for each coverage listed in this contract.

Warranty means **Your** warranty registration, declarations, these terms and conditions, and any amendatory endorsements.

Pre-existing Condition means a **Covered Component** that **Failed to Perform Its Intended Function** prior to the effective date of the **Warranty**.

Term of Coverage means the length of this **Warranty**.

The **Term of Coverage** is listed on the Declarations Page. Coverage is renewable only at **Our** option and expires at the date and time shown on the Declarations Page.

SECTION B.1: SYSTEMS AND APPLIANCES COVERAGE

We cover any **Covered Component** that was included in the original retail sales agreement which **Fails To Perform Its Intended Function** during the **Term Of Coverage**.

COVERED ITEMS:

Plumbing System: Factory-installed hot and cold water lines, waste pipes, soil pipes and vents, interior and exterior faucets, toilets, sinks, bathtubs, and shower stalls; Water Heater.

Electrical System: Factory-installed service panel, wiring, wall receptacles, light fixtures, boxes, switches and outlets.

Central Heating System: Furnace, including connections/joints, controls, fuel lines and vent pipe/chimney; Fireplace, including blower and chimney; Woodstove, including blower and chimney.

Central Cooling System: Air Conditioning Unit, including controls, compressor, condenser, A-Frame, connections/joints and evaporative coolers.

Major Appliances: Refrigerator, Range, Oven, Dishwasher, Clothes Dryer, Clothes Washer, Built-in Microwave Oven, Garbage Disposal and Trash Compactor (only items purchased with the home are covered)

SERVICE FEE

Each covered loss to each Covered Component will be subject to a \$50 Service fee. When the loss is equal to or less than the service fee, **You** pay it all. When the loss of a covered portion is more than the service fee, **You** pay only the service fee and **We** pay the rest of the covered portion.

LIMIT OF LIABILITY

Our aggregate liability for all claims under this contract is limited to the purchase price of the covered home.

LIMITATIONS /EXCLUSIONS

This contract does not cover **You** for the following:

1. Any item **You** do not own;
2. Any item that has not received proper periodic maintenance as recommended by the manufacturer;
3. Any **Covered Component** that has been subject to neglect or abuse or the damage or **failure** is a result of a **Pre-existing Condition**;
4. Any **Covered Component** that has been modified or altered from its original condition, unless such modification was done by the manufacturer or by its authorized representative;
5. Any **Covered Component** that is covered by any other warranty, service contract, insurance policy or legislation;
6. Any **Covered Component failures** due to the subject of a voluntary or involuntary manufacturer product recall;
7. Any **Covered Component** that has not actually **Failed To Perform Its Intended Function**;
8. Waste or soil stoppages or backups caused by improper use of the plumbing system;
9. Any damage from water that backs up through sewers, drains, overflows from a sump or from below the surface of the ground;
10. Intercoms, stereos, antennae or satellite dishes;
11. Portable appliances, heating or air conditioning units, window air conditioning units, or solar energy equipment;
12. Hot tubs or spas;
13. Any **Covered Component failure** or damage which results from use of the home primarily for commercial, business or professional purposes;

14. Any **Covered Component failure** or damage which results from aircraft, vehicles, accidents, war, riots, nuclear action, and civil commotion;
15. Acts of God, including, but not limited to fire, smoke, explosion, water escape, windstorm, hail, lightning, falling trees, flood, mudslides, landslides, earth movement, earth settling, earthquake, volcanic eruption, and changes in the level of the underground water table;
16. Any damage to or **failure** of a Covered Component resulting from improper installation or caused by the "setup" of the home subject to this contract.
"Setup" means the construction of the foundation system, whether temporary or permanent, and the placement, erection and leveling of a factory built home or factory built home components on a foundation system, that includes supporting, blocking, leveling, securing, anchoring and connection of such home or of multiple or expandable sections or components, and the installation of air-conditioning and minor adjustments to the home or home components.
17. Any **Covered Component** failure or damage that results from the transportation or relocation of **Your Home**;
18. Any **Covered Component** damaged by frost, freezing, or condensation;
19. Any item that **fails** due to rotting, rust or corrosion;
20. Any Covered Component failure or damage which results from or is associated in any way with **Mold** or its **Remediation**.
21. Any item that **fails** due to damage by insects, vermin, birds, bats, rodents, reptiles, or domestic animals.
22. This contract does not cover:
 - Any loss, damage or injury to any person or property;
 - Any inconvenience, **Incidental expenses**, or **Consequential Damages**;
 - Any discomfort, illness, inconvenience, or other potential or actual health hazards to any person, caused by odors, fumes, airborne particles, effects of construction materials, bonding materials or insulation.

CONDITIONS

A. OUR SETTLEMENT METHODS

1. The amount **We** pay for any covered loss for a **Covered Component** is limited, at **Our** option to:
 - a. **Our** cost to **Repair** the defect, less the service fee; or
 - b. **Our** cost to **Replace** the defective item, including installation, less the service fee.

B. AUTOMATIC REINSTATEMENT

If **We** determine that **Repair/Replacement** is necessary, coverage for the **Covered Component** involved is suspended until such **Repair/Replacement** is complete. Upon completion of **Repair** or **Replacement** of a **Covered Component** by **Us**, **Your** warranty automatically resumes for that item, for the balance of the **Term of Coverage**.

C. RELOCATION

If **You** move **Your** home, **Your** warranty continues for the remainder of the **Term of Coverage** if:

You have professional home movers move **Your** home; and

You tell **Us** in writing the location where **You** have moved; and

You permit **Us** to inspect **Your** home, if **We** request it, or **We** may have **Your** home mover inspect **Your** home. **You** are responsible for the cost of this inspection. No coverage exists under this contract for **failure** of, damage by or during the relocation of **Your** home.

D. TRANSFER

Your contract may be transferred to new owners or buyers of **Your** home for the remainder of the **Term of Coverage** if you give **us** written notice of such transfer and the Fifty (\$50) contract Transfer Fee is paid.

E. INSPECTION

We reserve the right to inspect **Your** home.

F. OUR RIGHT TO RECOVER FROM OTHERS

After **We** have paid to settle **Your** loss or damage, **We** have the sole right to recover **Our** payment from anyone, except **You**, who may be responsible for **Your** loss. **You** may be required to sign papers and do whatever else is necessary to ensure **Our** right. Neither **You**, nor anyone else **We** cover in this contract has the right to prejudice **Our** right of recovery.

G. REPRESENTATION

YOU ACKNOWLEDGE THAT WE HAVE NOT MADE ANY REPRESENTATIONS EITHER EXPRESS OR IMPLIED AS TO THE MERCHANTABILITY OR FITNESS OF YOUR HOME AND THAT THERE ARE NO COVERAGES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THIS WARRANTY. TERMS AND CONDITIONS OF YOUR HOME WARRANTY ARE CLEARLY STATED AND WE ASSUME NO OBLIGATION BEYOND THAT.

H. WHAT TO DO WHEN YOU NEED CLAIMS SERVICE DURING YEARS 2 THROUGH 7

1. When you need service, call us at **Our** toll-free number **1-800-262-3555**, discontinue using the failing/failed item and protect it from further damage. All claims for Defects in the Component must be reported to **Us** within 72 hours after

You discover such Defects EXCEPT THAT, NO COVERAGE EXISTS FOR ANY CLAIM REPORTED AFTER THE LAST EFFECTIVE DATE OF THIS WARRANTY.

2. **DO NOT AFFECT ANY REPAIRS OR REPLACEMENTS WITHOUT PRIOR AUTHORIZATION FROM US, except that in the event of extreme weather, if You need service on your air conditioning or heating system, and You are unable to reach us for prior authorization You may initiate service immediately. However, please note that any reimbursement to You for service costs will be subject to the terms and conditions of this warranty. We reserve the right to inspect your home relative to any claim reported to Us.**
3. **You** may also file a claim in writing to **Us** at:
American Modern Home Service Company
7000 Midland Blvd.
Amelia, Ohio 45102
Fax: 513-947-6492

Give **Us** your warranty number and/or serial number and tell **Us** what Covered Component is involved. Tell **Us** what happened and how it happened. If **We** need additional information, **We** will ask **You** for it. **We** may require a statement in writing.

4. **We** will assign a separate claim reference number to each of **Your** claims. **You** should keep a record of this reference number to facilitate future contacts with **Us**.
5. Save the item. **DO NOT THROW IT AWAY.** **We** may want to inspect the item. Do not **Replace** or attempt to make Repairs to Covered Components.
6. **We** have the sole option of determining whether a Defect will be corrected by either repair or replacement. Repair or replacement will be made with materials of like kind and quality (subject to availability); non-original parts may be used for such repair or replacement.
7. Once the authorized repair or replacement has been made, **We** will reimburse **You** or an authorized repair facility for the reasonable and necessary costs of making such repair or replacement, including parts and labor, subject to a \$50.00 service fee payable by **You** for each Defect in a Component. If more than one Defect, however, is taken care of in the same component during the same service call, only one service fee will apply.
8. Reimbursements for authorized repairs or replacements, less the \$50.00 service fee, will be made as follows:
The reimbursement payment will be made directly to the authorized repair facility, or
You pay the authorized repair facility directly and submit paid original invoices, with proof of payment, to **Us** for reimbursement.
You will receive **Your** reimbursement payment within 30 days after **We** receive the original invoices relating to **Your** claim.
9. In lieu of a reimbursement payment to **You**, **We**, at **Our** sole discretion, may offer to adjust **Your** claim by means of a lump sum cash payment to **You**. If **You** should accept such claim adjustment, **We** shall not have any further liability to reimburse **You** for (a) repairs or replacement of components relating to **Your** adjusted claim, (b) further Defects to Components resulting from **Your** failure to have adjusted claim repaired or replaced, or (c) further Defects resulting from repair or replacement of components relating to the adjusted claim.
10. **We** may require that **You** file with **Us** a notarized statement. **You** will be required to cooperate with **Us** in **Our** effort to investigate a need for claim service. If **You** fail to cooperate, **We** have the right to deny **Your** request for service. Once **Your** request for service has been completed, **You** may be asked to acknowledge this by signing a Certificate of Satisfaction.
11. After **We** have paid to settle **Your** loss or damage, **We** have the sole right to recover **Our** payment from anyone, except **You**, who may be responsible for **Your** loss. **You** may be required to sign documentation to ensure **Our** right to recover.
12. In the event **We** repair/replace any item, **We** may at **Our** option take the Defective part or item, or may leave such item with **You**. **You** shall not have the option of abandoning such part or item to **Us**.

ARBITRATION AGREEMENT:

It is agreed that any controversy, claim or dispute between or among the Manufacturer, homeowner, independent dealer, finance company, third-party extended warranty provider, American Modern, or any other person or entity arising from or relating to the Manufactured, Modular or Factory-Built Home ("Home"), its sale, transportation, setup, repair, installation, use, design, manufacture, financing, insurance, any other condition, the manufacturer's one-year limited warranty, the third-party extended warranty, any contract or any alleged promise, representation, agreement or instrument relating to or delivered in connection with the Home, or any alleged breach thereof, and any claim based on or arising from an alleged tort or claim of any kind whatsoever, including any claim relating to the validity of this arbitration provision [collectively "Claim(s)"], and if the Claim(s) cannot be resolved through direct discussions or negotiations, - and unless the parties otherwise agree on a different mediation or arbitration process - then the Claim(s) first shall be mediated as administered by the American Arbitration Association ("AAA") under its applicable mediation Rules, before resorting to binding arbitration. Thereafter, any unresolved Claim(s) shall be settled by binding

arbitration administered by the AAA in accordance with its applicable Rules for Claim(s), and any judgment on the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof. The parties reserve their rights to resolve the Claim(s) in an applicable small claims court for disputes or Claim(s) within the scope of the small claims court's jurisdiction. The assessment of all fees and expenses of the mediation or arbitration shall be governed by the applicable rules of the AAA, unless otherwise agreed by the parties. Moreover, each party shall bear the expense of its own counsel, experts, witnesses and other costs, including preparation and presentation of proofs, subject to re-apportionment based on applicable laws' of the jurisdiction in which the Claim(s) is heard. All mediation or arbitration proceedings shall be conducted in the jurisdiction of the original retail sale of the home or at any other place selected by agreement of all parties.

IT IS AGREED AND UNDERSTOOD THAT THE PARTIES ARE KNOWINGLY GIVING UP AND WAIVING CERTAIN RIGHTS TO LITIGATE DISPUTES IN COURT, INCLUDING WAIVING OF A TRIAL BY JURY.

This arbitration provision is part of the manufacturer's limited warranty and any independent extended warranty for the Home and shall be binding on and inure to the benefit of the parties' respective heirs and assigns.

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