

EXHIBIT "B"
SoHo TOWNHOME
LIMITED WARRANTY STATEMENT

Purchaser(s) Name(s) _____

Address of Purchased Unit: Unit _____

Oak Park, Illinois 60302

Warrantor's Name and Address: Home & South, LLC
6823 West Roosevelt Rd
Berwyn, Illinois 60402

A preoccupancy inspection of the Unit will be made by Purchasers' and Warrantor's representative prior to the date of Closing. Mutually agreed to punchlist items to be corrected shall be listed on an inspection report which shall be signed by both Purchasers' and Warrantor's representative, a copy of which shall be retained by Purchasers. No corrections shall be made of defects not recorded on Warrantor's inspection report except for latent defects which shall be covered as provided below, and no correction shall be made for defects first claimed after the expiration of the Limited Warranty period.

Attached hereto is the Certificate of Limited Warranty covering the Unit.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OF WARRANTOR, EITHER EXPRESS OR WHICH MAY BE IMPLIED BY LAW, INCLUDING ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXCLUDED. THIS LIMITED WARRANTY DOES NOT EXTEND TO INCIDENTAL OR CONSEQUENTIAL DAMAGES.

NOTICE OF DISCLAIMER OF IMPLIED WARRANTY OF HABITABILITY

Illinois law provides that every contract for the purchase of a new residence from a developer, as here, carries with it a Warranty that when completed, the residence will be free of defects and will be fit for its intended use as a residence. The law further provides that this Implied Warranty does not have to be in writing to be a part of the contract and it covers not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing, but also covers any defect in workmanship which may not easily be seen by the purchaser. However, the law also provides that a seller and purchaser may agree in writing, as here, that this Implied Warranty is not included as a part of their particular contract.

ACCORDINGLY, THE ONLY WARRANTIES PROVIDED BY WARRANTOR ARE THOSE CONTAINED IN THE ATTACHED LIMITED WARRANTY, AND THE WARRANTOR HEREBY DISCLAIMS AND THE PURCHASERS HEREBY WAIVE THE IMPLIED WARRANTY OF HABITABILITY DESCRIBED ABOVE AND ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT IT IS NOT A PART OF THE PURCHASE AGREEMENT.

PURCHASERS ACKNOWLEDGE AND UNDERSTAND THAT IF A DISPUTE ARISES WITH THE WARRANTOR AND THE DISPUTE RESULTS IN A LAWSUIT, PURCHASERS WILL NOT BE ABLE TO RELY ON THE IMPLIED WARRANTY OF HABITABILITY, DESCRIBED ABOVE, AS A BASIS FOR SUING THE WARRANTOR OR AS THE BASIS OF A DEFENSE IF WARRANTOR SUES THE PURCHASERS. PURCHASERS MAY, HOWEVER, RELY ON THE EXPRESS WRITTEN WARRANTIES CONTAINED IN THE ATTACHED CERTIFICATE OF LIMITED WARRANTY.

WE, AS PURCHASERS, HAVE READ AND DO UNDERSTAND THIS DOCUMENT, INCLUDING THE ATTACHED CERTIFICATE OF LIMITED WARRANTY and the CONDOMINIUM WARRANTY PROVISIONS FOR ROOF, FOUNDATION, EXTERNAL AND SUPPORTING WALLS AND CENTRAL HEATING PLANT, AND WE HAVE HAD AN OPPORTUNITY TO SEEK PROFESSIONAL ADVICE CONCERNING ITS CONTENTS. WE KNOWINGLY AND VOLUNTARILY ARE SIGNING THIS LIMITED WARRANTY STATEMENT.

Dated: _____

Accepted, Approved and Agreed to:
Purchasers:

Name: _____

CERTIFICATE OF LIMITED WARRANTY

Home & South, LLC, an Illinois limited liability company, is the Warrantor under this limited warranty. This Certificate of Limited Warranty is extended to you as Purchasers (the first owner to occupy the Unit as a residence for yourself or your family). This Certificate of Limited Warranty is effective upon closing. This Certificate of Limited Warranty is non-transferable and any obligation under it terminates if the Unit is resold or shall cease to be occupied by the homeowner to whom it is originally issued

Warranties:

A. Warrantor makes the following warranties:

(1) Warrantor warrants the materials, workmanship, operation, construction or condition of all appliances and other mechanical equipment, including heating, electrical and plumbing systems physically located within the Unit for a period of one (1) year from the date of the closing of the sale of the Unit.

(2) Limited Warranty Exclusions: The following are exempted from all of the above warranties, provided the work was done in accordance with existing applicable codes:

(a) Damage caused by acts of unauthorized third parties, including vandalism, negligence, improper maintenance or improper operation by anyone other than Warrantor or his employees, agents or subcontractors.

(b) Acts of God and accidents, including but not limited to fire, explosion, smoke, water escape, windstorm, hail, lightening, flood and earthquake.

(c) Normal wear and tear and normal deterioration.

(d) Ordinary maintenance and repairs.

The following are also exempted from all of the above warranties:

(a) Faucet leaks, toilet adjustments, door and door frame adjustments, floor and wall tile grouting are covered for a period of sixty (60) days after the Limited Warranty Commencement Date. Thereafter, any repairs or corrections are the responsibility of the Purchaser. Warrantor will not warrant against the normal effect of settlement, expansion, contraction or warping of materials that may occur in walls, floors, ceilings, doors, windows, etc. as a result of the natural shrinkage drying out and movement of materials. Due to moisture present in the construction process, it is not uncommon to have warpage in doors during and after construction, and some variance is to be expected.

(b) Nail or screw pops or cracks in the walls and ceilings are not covered by this Limited Warranty, since such conditions do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying out of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components. If abnormal conditions (as determined by Warrantor) exist with respect to these items, Warrantor will correct such conditions, but only once, within a reasonable time. Warrantor will not be liable for repainting, wallpapering or refinishing any repaired areas.

(c) This Limited Warranty does not cover ordinary wear and tear, or damage due to misuse or neglect, negligence or failure to provide proper maintenance. This Limited Warranty does not cover items which have been modified or repaired by the Purchaser or any items which are installed or constructed pursuant to a separate contract or agreement between the Purchaser and any party other than Warrantor.

(d) This Limited Warranty does not cover damage arising from leaks or water infiltration at perimeter walls, except for damage to components within the Unit which would have been or were installed by the Warrantor in construction of the Unit (such as drywall, windows, etc.).

(e) This Limited Warranty specifically excludes any incidental and consequential damage caused by any defect or breach of Limited Warranty.

(f) Paint. Colorfastness under conditions of exposure to sun and weather cannot be maintained although subsurface material will still have protection of paint. Warrantor does not warrant as to the life of any paint coating.

(g) Ceramic, Marble/Granite Tile. Separation of tile from tub and the intersection of wall and floor, or where it is joined with other materials and the occasional opening of a joint in the floor tile, results in loose grout and is inevitable. This is caused by normal expansion and contraction of all materials involved. This is an item of homeowners' maintenance. Grout, although installed at the same time, can have a shade variance; this is normal. Granite and marble are natural materials and will have color and grain variations which do not always match.

(h) Counter Tops. Solid surface material and/or plastic laminate is used to cover certain kitchen counter tops and vanities. These materials are very hard and durable. However, they must be protected from scratches and cuts by sharp objects. Use only mild cleanser and water when cleaning; harsh abrasives will remove the gloss. Though the counter top is resistant to high temperatures, do not place utensils from the stove on the surfaces, as this will burn the top. It is normal for the joint between the counter top and cabinets and adjacent walls to separate over a period of time and as such, is a Purchaser maintenance responsibility.

(i) Counter Tops and Vanity Tops. Visible surface defects are covered by this Limited Warranty provided they are noted on the inspection punchlist at the time of closing. Any subsequent defects will be the responsibility of the Purchaser.

(j) Surfaces. Smudges in painted surfaces, mars in kitchen counter tops and vanity tops, chipping on porcelain surfaces in any item of equipment (other than "Consumer Products" which are already excluded), chipping or cracking of tile, torn screens, cracked or broken glass in windows, mirrors and electrical fixtures (other than "Consumer Products" which are already excluded), readily visible to the human eye, which are not noted for correction at the time of final inspection by the Purchaser before closing, are excluded from this Limited Warranty.

(k) Resilient Floors. Normal walking and heavy furniture will cause most resilient floors on the market today to show indentation marks. Expansion and contraction of resilient materials as well as movement of the wood sub floor may cause butt joints in flooring to show. These are characteristics of the materials and do not affect the inherent quality of the floor. Discoloration in floor tile may also occur from inherent characteristics or use of certain caustic agents when maintaining.

(l) Condensation and Icing. It is normal to have condensation during the first two (2) years of a new building. Condensation may occur whenever moist, warm air inside the house comes in contact with a colder surface such as windows, doors and exposed pipes. Proper ventilation can control excessive condensation and icing. It is the Owner's responsibility to crack open windows during the first full heating seasons to keep the level of relative humidity down.

(m) Concrete. Warrantor will not warrant against cracking, pitting, flaking or scaling of the concrete building components (which includes floors, walks, steps, sills, lascias) or the foundation walls. Cracks in foundation walls, if any, will be repaired during the Limited Warranty Period only if infiltration of free water exists. Concrete floors and subsequent floor finishes will vary in degree of levelness. Concrete floors will be poured in accordance with industry standards regarding levelness and finish.

(n) Flaking. The use of de-icing salts or other chemicals can cause flaking of the concrete surface and should be avoided as much as possible. If the flaking process should appear, there is no known cure for it. However, the structural value of the concrete is not affected. De-icing compounds picked up on city streets due to normal winter driving and carried onto drives and garage floors may also cause flaking. Occasional washing down of these areas in thaw periods will minimize this damage.

(o) Discoloration. Temperature, humidity or slight variation in the material composition will very often affect the color of the surface. The final strength of concrete is not affected.

(p) Masonry. Efflorescence, a white powdery substance, often forms on new masonry wall. This crystallization can be removed with a brush and weak acid solution. Color, hardness and porosity of masonry and mortar is non-warrantable.

(q) Cracks. Cracks may develop in concrete components, masonry or foundations due to expanding and contracting of the materials as changes in temperature occur. Cracks may also develop because of the expanding and contracting of the soil on which the materials are placed. There is no known way of completely eliminating these conditions and characteristics. Cracks in walls, if any, will be repaired only if infiltration of free water exists during the Limited Warranty Period and which free water infiltration is not caused by disturbances of the grading plan as described elsewhere in this Limited Warranty.

(r) Exterior Caulking and Weather Stripping. Exterior caulking materials will crack and is considered normal maintenance. Weather stripping will require replacement as part of the normal maintenance.

(s) Backfill. You may notice some depressions in backfill of trenches outside the house and beside the concrete walls. This will vary depending on the depth and width of trenches and the type of moisture condition of soil used for backfills and trenches. This normal settlement is not included in the Limited Warranty.

(t) Frozen Pipes. Frozen pipes or sillcocks caused by failure to maintain adequate heat in freezing weather, or by failure to drain sillcocks and close cutoff valves are not warrantable. Do not leave hose attached to sillcocks in fall which may cause the cracking of the sillcock pipe in freezing weather.

(u) Manufacturer's Warranties. Certain personal property and equipment within the Unit are supplied with manufacturer's instructions and warranties. It is recommended that the manufacturer's instruction pamphlets be read and followed. Warrantor is not a warrantor under, and does not adopt, such manufacturer's warranties. In the event or defects in such products, Purchaser should contact the manufacturer directly. Warrantor is not responsible for the performance of any manufacturer under its warranty.

(v) Other Items. No actions taken by Warrantor to correct defects shall extend the Limited Warranty Period. No representative of Warrantor has the authority to expand the scope of or extend the duration of this Limited Warranty or to make agreements with respect hereto. Warrantor shall not be obligated to remedy any defects where otherwise required pursuant to this Limited Warranty unless and until Purchaser notifies Warrantor in writing of defect and then only if such modification is made prior to the expiration of the Limited Warranty Period. This Limited Warranty shall be null and void as to any particular defect if Purchaser performs repairs to the Purchased Unit in respect to such defect without

receiving the prior written consent of Warrantor. This Limited Warranty is not assignable and any attempted assignment shall render it null and void.

B. Warrantor shall have the option to repair or replace warranted systems or elements, or to pay the cash value of such repair or replacement.

C. Following the timely notification by a Unit Owner Warrantor shall, during the period of the Limited Warranty, make any required repairs or replacements.

D. In order to cause said Limited Warranty to be honored, the Unit Owner shall give **TIMELY NOTICE** of any defect or failure of operation to Warrantor or his successor. All such notices must be personally delivered or sent through the United States Postal Service, certified mail or registered mail, return receipt requested, **within one year of the closing**.

Any notices hereunder shall be personally delivered or sent by certified or registered mail, return receipt requested, addressed to:

If to Warrantor: Home & South, LLC
c/o Homescape
6823 West Roosevelt Rd
Berwyn, Illinois 60402

If to Purchaser: Purchaser at the address of the Unit.

E. Any notice delivered as aforesaid shall be effective upon mailing.

F. This Limited Warranty shall be null and void as to any particular defect if Purchaser performs repairs to the Unit in respect to such defect without receiving the prior written consent of Seller. This Limited Warranty is not assignable and any attempted assignment shall render it null and void.

G. THE ONLY WARRANTIES PROVIDED BY THE WARRANTOR ARE THOSE EXPRESSLY CONTAINED HEREIN. THE WARRANTOR HEREBY DISCLAIMS AND THE PURCHASERS HEREBY WAIVE ANY OTHER WARRANTIES WHICH MAY BE IMPLIED BY LAW.

Dated this _____ day of _____, 200__.

SELLER/WARRANTOR:

This Limited Warranty is effective upon closing.

Home & South, LLC,
an Illinois limited liability company

By: _____
Jonathan Shack manager