

BUILDER'S RESIDENTIAL LIMITED WARRANTY

Builder: Charlotte Home Builders LLC

Buyer : _____

Property Address: _

Note to Buyer: All new residential construction goes through a period of stabilization and, as seasons change, periods of expansion and/or contraction will occur. As a result, the Home will experience minor material changes which are unavoidable and considered normal. **The Buyer should also be aware that Buyer is responsible for proper home maintenance.**

Builder hereby grants a one year limited warranty to the above Buyer for the residential construction project at the above property address, under the following terms and conditions:

1. Term

The term of this warranty is limited to twelve (12) months from the date of obtaining the certificate of occupancy for listed property. The **Builder** agrees to do a 30 day and eleventh (11) month walk through with the Buyer to address any problems or concerns.

2. Coverage

Subject to the exclusions set forth below, the **Builder** warrants that the Home will be free from defects in workmanship and materials, consistent with applicable building codes and the generally accepted industry standards existing at the time of construction. The generally accepted industry standards include, but are not limited to, the minimum performance standards defined by the Construction Industry Quality Standards developed by the National Homebuilders Association ("Construction Industry Quality Standards"). The warranty is limited to corrections of structural errors, material failures and the following items, construed to be "Maintenance Warranty" items:

- (a) Nail Pops;
- (b) Cracks in drywall thicker than a standard No. 2 pencil;
- (c) Any material defects in windows, doors, screens, and cabinets;
- (d) Any plumbing or electrical issues (please note Exclusions below);
- (e) Any material defects in the hardwood flooring;
- (f) Any material defects in the exterior of the structure;
- (g) For all appliances provided with the Home, Builder will provide warranty documentation from the appliance companies;
- (h) Any other material defect that affects the structural integrity of the Home.

Buyer's Initials (____)

3. Exclusions

The following items are not covered by this warranty:

(a) **Homeowner Maintenance & Use Responsibilities:**

- (1) Damage due to the abuse or neglect of the Buyer or the Buyer's failure to provide proper maintenance.
- (2) Loss or damage caused by the Buyer's failure to take appropriate action to minimize any damage as soon as practical.
- (3) Dampness or condensation due to the failure of the Buyer to maintain adequate ventilation and humidity levels.
- (4) Loss or damage resulting from abnormal loading on floors by the Buyer which exceeds the design criteria as mandated by State building codes.
- (5) Insect or rodent damage or costs to exterminate insects or rodents.
- (6) Any loss or damage which arises while the Home is being used primarily for non-residential purposes.
- (7) Failure of outside hose bibs when cause of the failure is due to Buyer's neglect. A common cause is Buyer's failure to disconnect a hose in freezing temperatures.
- (8) Damage or defects in concrete floors of attached garages, stoops, steps and exterior concrete flatwork caused by improper use of chemicals by the Buyers or Buyer's agent, including the use of salt to remove ice.

(b) **Construction Related Exclusion:**

- (1) Normal wear and tear, normal deterioration, or normal changes which are a result of characteristics common to materials.
- (2) Warping or shrinkage of materials within permitted tolerances indicated within the "Construction Industry Quality Standards".
- (3) Damage or defects in concrete floors of attached garages, stoops, steps and exterior concrete flatwork caused by weather changes, chemicals or moisture after installation.

- (4) All landscaping (including sod, seeding, shrubs, trees, plantings), all boundary walls, all retaining walls and bulkheads that are not necessary for the structural stability of the residence, all fencing, and all sprinkler systems.
- (5) Defects caused by movements of outbuildings, swimming pools, detached garages or carports when these structures are not secured by footings.
- (6) Settling of the ground around the foundation and all underground utility laterals.
- (7) Any damage caused by soil movement.
- (8) Exterior hardware and lighting fixture finished.
- (9) Cosmetic discrepancies not listed under the warranty.

(c) Work Performed by Someone Other Than Builder or Builders Agents:

- (1) Defects in materials supplied by anyone other than the Builder or agents acting on the Builder's behalf.

Buyer's Initials (_____)

- (2) Any work performed by Buyer or by Buyer's subcontractor(s) or agents.
- (3) Damage to Builder's work that is caused by Buyer, Buyer's subcontractor or agent, or Builder's Subcontractors who have directly contracted with the Buyer for services, labor or materials.
- (4) Any adjustments or changes to the grading performed by anyone other than the Builder or its agents acting on the Builder's behalf.

(d) Other Warranties That Are Transferred to the Buyer:

- (1) Any appliance, equipment, or other item within the residence which is considered a "consumer product" as defined in the Magnuson – Moss Warranty Act (15U.S.C. SS2301-2311) where the "consumer product" manufacturer's warranty would apply. Buyers only warranty on these items is limited to the warranty, if any, granted by the manufacturer. "Consumer Products" covered by the Magnuson-Moss Warranty Act include, but are not limited to, the following:
 - a. Heating and Ventilation – Furnace, air conditioning, coils and compressor, humidifier, electronic air cleaner, heat pump, exhaust fans, or thermostat.

- b. Mechanical/Electrical – Intercom, central vacuum system, security system, fire and smoke alarm, fire extinguisher, garage door opener, door chimes, electric meter, gas meter, barbecue grill, or light bulbs.
 - c. Plumbing – Water heater, water pump, water meter, sump pumps, water softener, or whirlpool.
 - d. Appliances – Oven, surface unit, range, trash compactor, freezer, refrigerator, dishwasher, oven hood, disposal, ice maker, food center, clothes washer, clothes dryer, or hot water dispenser.
- (2) Any other product covered by a manufacturer’s warranty.

(e) Acts Outside of Builders Control, Actual Physical Damage, and Consequential Damages from Defects:

- (1) Loss or damage caused by external conditions outside of the Builder’s control including but not limited to riots, civil commotion, acts of God, accidents, explosions, smoke, water, changes in the level of the underground water table, windstorm, hail, lightning, falling trees, aircraft, vehicles, mud slides, earthquakes, natural or introduced gases.
- (2) Any defect or condition which does not result in actual physical damage to the property.
- (3) Personal or Bodily injury of any kind (including physical or mental pain and suffering and/or emotional distress), medical, hospital, rehabilitation or other incidental or consequential expenses, damage to personal property or damage to real property which is not part of the building covered by this warranty.
- (4) Cost of shelter, transportation, food, moving, storage or any other incidental or consequential damages or expenses associated with or related to any defect or the repair or replacement of any defects in workmanship, materials or design.
- (5) Loss of use, loss of opportunity, loss of fair market value, loss of rental value or any other similar consequential loss.

Buyer’s Initials: (_____)

4. Caution

Microorganisms, including, but not limited to, mold, mildew, spores, or other forms of fungi or bacteria (“Microorganisms”), occur naturally in the environment and may be present, during or after construction, in the indoor air and/or on the interior surfaces of the Home including, without limitation, wall cavities, attics, windows, basements, and/or on the exterior surfaces of the Home. The concentration of moisture in the Home may result from cooking, showering, or similar activities inside the Home, the outside atmosphere, and/or the design, construction means and methods, and/or the building materials used in the construction of the Home. This moisture may cause growth, release, discharge, dispersal, or

presence of Microorganisms which, at certain levels, can cause deterioration of building materials, damage to property, health hazards, personal injuries and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and/or allergic reactions. Likewise, concentrations of radon released from soil or chemicals released from household furnishings, appliances, mechanical equipment, personal possessions, or building materials may, at certain levels, create health hazards and/or other irritant effects such as, without limitation to, skin irritation, respiratory problems and allergic reactions. Because Microorganisms and radon occur naturally in the environment, Builder cannot eliminate the possibility that radon may be present or that Microorganisms may grow in, on, or about the Home. Buyer may minimize these effects by proper utilization and maintenance of heating, cooling, dehumidification, or ventilation equipment, interior maintenance and cleaning, and exterior maintenance such as, but not limited to, proper grading, landscaping, painting, and caulking.

5. Remedy

If a defect is covered by this warranty and notice is given to Builder prior to the expiration of this warranty in accordance with Paragraph 6 below, then Buyer's sole remedy under this warranty is for Builder to repair or replace, at Builder's sole option, the covered defect. Builder makes no express or implied warranty of any building materials, services and/or construction methods, except as otherwise expressly provided herein. THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, USE, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE) AND ANY AND ALL SUCH OTHER WARRANTIES ARE HEREBY DISCLAIMED. Buyer waives any and all claims for consequential and incidental damages and any other expenses associated with or related to any defect, or the repair or replacement of any defects, in workmanship, materials or design, arising from or relating to this warranty, including a breach thereof.

6. Time for Notice of Claim

In order for a defect to be covered by this warranty, Buyer must give prompt written notice of such defect to Builder and be able to provide proof of delivery, prior to the date of expiration of this warranty. Any defect, latent or otherwise, for which written notice of same is not provided to the Builder prior to the expiration of this warranty shall not be covered by this warranty.

Buyer's Initials: (_____)

7. Builder Access

Buyer shall provide Builder with reasonable access to the Home during normal working hours for the performance of any work under the warranty. Buyer shall ensure that all furniture and other obstacles within or around the portion of the Home to be repaired will be removed so that Builder has reasonable access and sufficient working space necessary to repair and/or replace the covered defect.

8. Other Insurance or Warranties

In the event Builder repairs, replaces or pays the cost of repairing or replacing any defect covered by this warranty which Buyer is covered by other insurance or warranties of Buyer, then Buyer shall assign proceeds of such insurance or warranties to Builder to the extent of the cost to the Builder for such repair or replacement, or the extent of the payment.

9. Warranty Assignments

Builder hereby assigns to Buyer all manufacturers' warranties pertaining to any fixtures, appliances and equipment in the Home. Builder's warranty is not assignable or transferable to any subsequent owner of the residence without the Builder's prior written consent.

10. Disputes and Resolutions

The following provisions apply to any dispute between the parties arising out of or relating to this warranty, including, but not limited to: the meaning of this warranty; the enforceability of this warranty; the rights or obligations of any party under this warranty; claims against any officers, employees, members, managers or agents of Builder; and performance of any aspect of this warranty.

11. Enforceability

If any part of this warranty is found to be unenforceable, it shall not affect the enforceability of the remainder of this warranty. The failure of either party to enforce any term or condition of this warranty, shall not constitute a waiver of any other breach of any right, claim, term or condition of this warranty. This warranty is to be covered by and construed in accordance with the laws of the State of North Carolina.

Buyer's Initials: (____)

12. Special Conditions

The foregoing warranty is the sole and entire warranty with respect to the Home and no other written or implied warranties exist between Builder and Buyer:

Buyer:

Date

Date

Builder:

Charlotte Home Builders LLC

By: _____

Date: _____

Buyer's Initials: (____)