

**BUILDER LIMITED WARRANTY COVERAGE**

HOME OWNER: \_\_\_\_\_

PROPERTY: \_\_\_\_\_ 82 Northeast Dr., NW, Calabash, NC 28467 \_\_\_\_\_

BUILDER: \_\_\_\_\_ OLD DOMINION DEVELOPMENT, LLC, Lic.# 86067 \_\_\_\_\_

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**\*\*Please Note that all warranty inquiries have to be in writing and on the appropriate form to be considered by the builder. Any verbal requests for repairs will not be considered and are not guaranteed.\***

**1. ONE (1) YEAR COVERAGE**

This Limited Warranty ("Warranty") commences on the date of settlement, or the date of Home Owner's occupancy, whichever occurs first, and continues for a period of one (1) year. This Limited Warranty is in effect only if Builder is in receipt of entire contracted purchase price.

**2. NON-TRANSFERABLE**

This Limited Warranty is not transferable and will automatically terminate if property is leased, vacated or sold by original Home Owner.

**3. REQUEST FOR WARRANTY SERVICE**

Builder will make "One Year Warranty Repairs" at the end of the first year after Settlement or Occupancy, whichever occurs first shall determine. It is the sole responsibility of Home Owner, to prepare a typed list of items to be addressed and delivered to Builder, thirty days prior to the "One Year Warranty Period" expiration. Should a typed list not be furnished to Builder per these specifications, Builder will have fulfilled his obligations to Buyer under this One Year Warranty Period. **Such list shall be mailed USPS to PO BOX 16435 Wilmington, NC 28409** \_\_\_\_\_

No Limited Warranty work will be performed until a clear and specific WRITTEN request to the Builder at the address listed herein on this Limited Warranty has been received in writing, unless designated an emergency.

**4. REMEDY**

The Builder will, within a reasonable time, examine an alleged defect to determine if it is covered by this Limited Warranty. A defect covered by this Warranty will be repaired, replaced, or replaced with item of like kind, at Builder's expense. Builder reserves the right to charge the owner a reasonable sum per service call for any request not covered under this Limited Warranty. Any repair or replacement shall not extend the Warranty term. The total liability of Warranty is limited and shall not exceed the sales price of the Home

**5. DISCOLORING**

Repair or replacement of interior and exterior surfaces, including driveways and sidewalks, will be limited to the defective area.

**6. CONSEQUENTIAL DAMAGES**

Limited Warranty Coverage does not include consequential damage or inconvenience resulting from a defect.

**7. RIGHT OF ACCESS**

Home Owner must provide the access to property during normal weekday business hours to perform its obligations under this Warranty.

**8. COVERAGE PROVIDED**

During the term of this Warranty, and subject to the terms and conditions listed herein, the Builder warrants the Home against defects in materials and workmanship in the following items:

- A. The Central Heating, Cooling, and Ventilation Systems and its Components.
- B. The Plumbing System and its Components.
- C. The Electrical System and its Components.
- D. Structural and Finish Components.
- E. Windows, Doors, and Hardware.
- F. The Roof and its Components.

## 9. EXCLUSIONS

This Limited Warranty shall NOT extend to, include, or be applicable to:

- A. Damages or losses resulting from accidents; civil commotion; acts of God or Nature - including, but not limited to wind storms, wind driven water, floods, sink holes, hail, lightning, fallen trees, earthquakes, explosions, fire, smoke, water escape, or changes in underground water table.
- B. Any condition which does not result in actual physical damage to the Home - including, but not limited to: uninhabitability or health risk due to presence or consequence of unacceptable levels of radon gas, formaldehyde, mold, carcinogenic substances, or other pollutants and contaminants; or the presence of hazardous or toxic materials.
- C. Coverage on appliances and items of equipment - including, but not limited to: water heaters, pumps, stoves, ranges, ovens, garbage disposals, dishwashers, furnaces, air conditioning units, heat pumps, and other similar items - these items are for the manufacturer's warranties to Home Owner.
- D. Any soil erosion/sedimentation or storm water control management systems that are approved by a governing jurisdiction.
- E. Shrinkage, cracks or movement in concrete foundation, basement walls and slab, and garage floors, which are within the design performance criteria.
- F. Normal and usual cracks; nail pops; twisting or movement in walls, ceilings, exterior and interior trim and finished items caused by drying, aging, or shrinkage of building products.
- G. The existence of a dry basement or loss or damage caused by or resulting from seepage of water.
- H. Personal property damage or bodily injury or punitive damages.
- I. Any defect, damage, or loss which is caused or aggravated by negligence of Home Owner or anyone other than the Builder or its employees, agents, or subcontractors.
- J. Touch up painting: There will be no touch up painting after settlement unless the items are part of the walk through punch list. There is NOT an eleven month or other post settlement touch up period prior to the end of this one year coverage.

## WARRANTY STANDARDS

1. Possible Deficiency - Poor Drainage Lot  
Performance Standard - After normal rainfall, water should not stand in yard within 10' of Home for more than 48 hours. Drainage time may be much longer during times of snow, frost, excessive precipitation or soil saturation.  
Responsibility - Builder is responsible to establish proper grades and swales; Home Owner is responsible for maintaining them.
2. Possible Deficiency - Basement Water and Dampness  
Performance Standard - Dampness of walls and floors is not unusual until such time as backfill has been fully compacted through settling. This may take as long as five years.  
Responsibility - Builder will correct actual accumulation and flow of water within the basement. Leakage due to grade and landscaping settlement is considered a maintenance item and as such is not covered.
3. Possible Deficiency - Basement or Foundation Wall Cracks  
Performance Standard - Small cracks not affecting structural stability are not unusual in foundation walls. Cracks greater than 1/4" in width shall be repaired.  
Responsibility - Builder will repair cracks in excess of 1/4" by caulking with a urethane concrete caulk.
4. Possible Deficiency - Separation or Movement of Stoops and Porches  
Performance Standard - Minor movement within one inch is normal.  
Responsibility - Builder will repair separation exceeding one inch.
5. Possible Deficiency - Cracking of Basement or Garage Floor  
Performance Standard - Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16" in width or 1/8" in vertical displacement shall be repaired.  
Responsibility - Builder will repair cracks exceeding maximum tolerances by surface caulking, patching or other methods as required.
6. Possible Deficiency - Uneven Concrete Floors/Slabs  
Performance Standard - Except for basement floors or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or areas of unevenness exceeding 1/4" in 32 inches. Concrete floor cracks shall not puncture finished floors.  
Responsibility - Builder will patch, correct or repair to meet Performance Standards.
7. Possible Deficiency - Pitting or Deterioration of Concrete Surfaces  
Performance Standard - Concrete shall not disintegrate to the extent of exposing aggregate under normal conditions of use, except where such surfaces have been exposed to salts, chemicals or other abuses beyond Builder's control.  
Responsibility - Builder will patch, correct or repair to meet the Performance Standard.
8. Possible Deficiency - Efflorescence on Masonry Stone, Brick, Block or Concrete  
Performance Standard - Masonry products are known to discolor due to lime content.  
Responsibility - None.
9. Possible Deficiency - Dampness or Water Absorption into Exposed Masonry  
Performance Standard - Masonry materials are porous to varying degrees and cannot be controlled by Builder.  
Responsibility - None.
10. Possible Deficiency - Roof Leaks  
Performance Standard - Roof shall not leak, except where snow and ice are permitted to build up excessively or repeatedly. Prevention of ice buildup is a maintenance item and is not the responsibility of the Builder. Because roof systems must breathe, your Home is constructed with vents at the soffits and ridges of the roof system. Snow and rain driven by high winds under severe conditions can be driven into air vent passages. This is not considered a defect and Builder does not warrant against such water penetration.  
Responsibility - All roof leaks, not caused by Home Owner neglect or excessive winds will be repaired. Builder is not responsible for color variations.

11. Possible Deficiency - Air Filtration

Performance Standard - Some air filtration is normal around doors, windows and other wall openings especially in condition of high winds.

Responsibility - Builder will adjust windows and doors to maintain manufacturers designed air filtration.

12. Possible Deficiency - Sound can be heard through Party Walls

Performance Standard - Acoustical qualities of rooms, walls and other enclosures are greatly affected by everything within their physical area. Actual sound transmission qualities of walls are difficult to measure outside of a laboratory because of the disproportionate effect everything in the area has on acoustical reaction. Because surfaces, which are soft, uneven and dense, tend to absorb sound more, whereas surfaces that are smooth and hard tend to reflect and increase ambient sound, a furnished home is likely to be "quieter" than an empty home. Ambient sound levels within the Home have a significant impact on the perception of sound transmitted from surrounding dwellings. Builder warrants that party walls are built to conform to or exceed pertinent building codes in effect at the time the Home was constructed.

Responsibility - None.

13. Possible Deficiency - Heating and Cooling Variations

Performance Standard - The HVAC system is designed to be able to maintain a temperature of 78 degrees Fahrenheit for heating and 70 degrees Fahrenheit for cooling. Temperatures are measured five (5) feet above the center of the floor in the room where the thermostat is located. In severe weather conditions; a variation of up to 15 degrees from room to room is acceptable. All rooms may vary in temperature by 5 or 6 degrees. Home Owner is responsible for adjusting ducts and registers to obtain acceptable temperature consistency.

Responsibility - Builder will repair system to meet the acceptable performance standards as described above.

14. Possible Deficiency - HVAC Condensate Clogs

Performance Standard - HVAC system condensate lines will eventually clog as household dust accumulates on the cooling fins and condensation carries dust through the condensation lines where it normally builds up a clog in the condensate trap. This is a maintenance item. Builder recommends that condensation lines be checked and cleaned at least annually, at the beginning of each air conditioning season.

Responsibility - None.

15. Possible Deficiency - Ground Fault Circuit Trips Frequently

Performance Standard - Ground Fault Interrupters (GFI) are sensitive safety devices designed to trip very rapidly in the event of ground fault condition, such as in the event of electrical shock. This sensitivity causes them to trip easily and especially in cases where an extension cord of more than 50' is anywhere in the protected circuit.

Responsibility - Builder has installed GFI protectors in accordance with the National Electric code. Frequent tripping is not warranted against. GFI devices otherwise determined to be defective will be replaced.

16. Possible Deficiency - Paint or Stain Peels or Fades

Performance Standard - The weathering of finishes is normal and should be expected within certain tolerances. Exterior finishes may deteriorate rapidly due climatic conditions and is considered a maintenance item and is not covered by this warranty.

Responsibility - Builder will correct or repair finishes where paint is determined by Builder or his representatives to be defective. Builder is not responsible for color variations.

17. Possible Deficiency - Drywall Cracks, Nail Pops, Seam Taps or other imperfections

Performance Standard - Modern homes are constructed, partially from organic wood materials. Such materials will move, shrink and expand with minor variations in temperature and moisture within the Home. Drywall, being inorganic, tends not to move well with the movement of the lumber supporting it. Such movement, therefore often results in minor cracks, nail pops, the appearance of seam tape and other minor imperfections. Such imperfections not exceeding 1/8" width are common in drywall and are not considered a defect.

Responsibility - Any cracks exceeding 1/8 inch Builder will repair

18. Possible Deficiency - Trim and Molding Pieces

Performance Standard - Because trim and molding is largely made from organic materials, these pieces move, shrink and expand with minor variations in temperature and moisture within the Home. Such movement, which may result in minor separation between adjacent surfaces is normal and should be expected within certain tolerances. Particularly, wood stairways and shoe moldings normally shrink away from the walls of stairway within the first year. This is not considered a defect, but is within the expected behavior of organic wood products. Interior doors may need to be adjusted and are not a warranty item.

Responsibility - None.

19. Possible Deficiency - Floor Creaks or Squeaks

Performance Standard - Modern homes are constructed, partially from organic wood framing materials. Such materials will move, shrink and expand with minor variations in temperature and moisture within the Home. Squeaks are normally a passing condition caused by lumber shrinkage or movement and are not covered by this Warranty unless caused by a defect in the floor joist system.

Responsibility - Builder will correct floor system structural defects.

20. Possible Deficiency - Imperfections in Resilient Flooring

Performance Standard - Minor nail pops or visible seams in underlayment are not considered unusual within certain tolerances.

Responsibility - None.

21. Possible Deficiency - Grass, trees, shrubs, etc., die or straw/grass seed is washed away by downpour.

Performance Standard - Final grading and seeding of lawn, as well as any other upgraded landscaping will be planted in accordance with contract specifications when weather conditions permit.

Responsibility - Grass seed, which has germinated, as well as newly transplanted trees and shrubs, which are not watered during a period of drought, will die, even though an abundance of weeds will sprout and thrive. Landscaping plants are living organisms, all of which can thrive, or die for various reasons beyond Seller/ Builder's control. Seller/ Builder therefore cannot and does not warrant that landscaping plants will live or thrive in consideration of any circumstances beyond his control. Newly planted or transplanted landscaping plants require excess watering for the first several weeks until they become established. Seller/ Builder does not warrant against this maintenance item, which is the buyer's responsibility. Seller/ Builder shall not be responsible for the proper care and watering of lawn and shrubs as it may become necessary at any time after the date of settlement. Seller/ Builder does not, and cannot warrant against the effects of nature, such as, but not limited to, sudden and/or severe rainfall which may occur on grass seed which has not germinated. In the event of soil settlement around foundation or other excavated areas, or soil displacement, including complete washout of all seeded areas due to excessive rain or erosion, the Seller/ Builder agrees only to supply top soil for a period of three (3) months from the date of settlement or three (3) months from the time final seeding was performed, in the event that seeding was not completed by the settlement date. The Buyer will be responsible for soil distribution and reseeded as needed. Seller/ Builder's responsibility for living plants becomes the Buyer's responsibility when settlement occurs or when the plants are planted, whichever occurs last.

### Arbitration

Following commencement of the WARRANTY PERIOD, any claim, controversy or dispute (hereafter collectively referred to as "dispute") between Home Owner and Builder, or parties acting on Home Owners or Builders behalf, including any successor, or assign of either Party, which relates to or arises from this LIMITED WARRANTY, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, Builder's contractor, subcontractors, agents, vendors, suppliers, design professionals, materialmen, and any of Builder's direct or indirect subsidiaries or related entities alleged to be responsible for any CONSTRUCTION DEFECT.

All claims or disputes between Builder and Buyer shall be decided by Arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect unless the Parties mutually agree otherwise and subject to an initial presentation of the claim or dispute to Builder. Notice of the demand for Arbitration shall be filed in writing with the other Party to this Contract and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen. For the purposes of this Warranty a reasonable time is defined as thirty-five (35) days after the dispute has been voiced to the other Party. The award rendered by the Arbitrator or Arbitrators shall be final and judgment may be entered upon in accordance with applicable law in any court having jurisdiction thereof.

(a). Except by written consent of the person or entity sought to be joined, no Arbitration arising out of or relating to this Warranty shall include, by consolidation, joinder or in any other manner, any person or entity not a party to this Warranty under which such Arbitration arises, unless it is shown at the time the demand for Arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the Arbitration, (3) the interest or responsibility of such person or entity is not the Architect or any of the Architect's employee's or consultants. This Warranty and any other written agreement to arbitrate referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

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HOMEBOWNER

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DATE