

Limited Warranty

For the period of **one (1)** year following the date of this Limited Warranty, Peppers Construction ("Contractor") warrants to _____ (Owner") the following with respect to the home located at _____.

1. That the floors, ceilings, walls and other internal structural components of the house which are not covered by other portions of this Limited Warranty will be free from defects in material or workmanship, as defined in the Construction Quality Standards;
2. That the plumbing, heating and electrical wiring systems, septic system and the sewer line from the house to the sewer line (that portion installed by Contractor) will be free from defects in material or workmanship, as defined in the Construction Quality Standards;
3. That the roof will be free from leaks caused by defects in material or workmanship, as defined in the Construction Quality Standards;
4. That the following items will be free from defects in material or workmanship, as defined in the Construction Quality Standards: Doors, including hardware; electric switches; receptacles and fixtures; caulking around exterior openings; plumbing fixtures; and cabinet work; concrete driveway and walks;
5. That the electrical wiring system, including all wiring, panel boxes and conductors shall be free from defects in material or workmanship.
6. That the plumbing supply system, including all supply lines, vent lines and waste lines, shall be free from defects in material or workmanship.
7. That the Heating, Ventilation and Cooling System shall be free from defects in material or workmanship;
8. That the septic system, or connection to the public sewer system, shall be free from defects in material or workmanship.
9. **Manufacturer's Warranties:** Contractor assigns and passes through to Owner the Manufacturer's warranties on all appliances and equipment. The following are examples of such appliances and equipment (some of which may not be in the house); range, dish washer, garbage disposal, garage door opener, ventilating fans, air conditioner unit, heating unit, water heater.
10. **This Limited Warranty does not cover, and specifically excludes, the following:**
 - a. Defects in appliances and pieces of equipment that are covered by manufacturer's warranties. Contractor has assigned the warranties to Owner and Owner should follow the procedure in these warranties if defects appear

in these items.

b. Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of the house and/or the use of chemical cleaning agents not specifically recommended by the manufacturers.

c. Changes in material which are the result of characteristics common to the materials used, including but not limited to, warping and deflection of wood; fading, chalking, and checking of paint due to sunlight; cracks due to drying and curing of concrete, spalling or scaling of concrete surfaces due to de-icer or other chemical contact or use, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather stripping, and sheetrock nail pops due to settling.

d. Defects in items installed by, or work done by, Owner or anyone other than Contractor or Contractor's subcontractors.

e. Loss or injury due to the elements.

f. Consequential or incidental damages.

g. Survival of trees or any other plant life on the premises such as shrubs, flowers, grass or sod.

h. Cosmetic damage or items not noted prior to closing.

i. All warranties are void if any part of or the whole home is converted for short or long term rental.

11. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

12. **Arbitration.** All claims or disputes between the Contractor and the Owner arising out of, or relating to, this transaction or this Limited Warranty, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to the Contract and with the nearest office of the American Arbitration Association and shall be made within one year after the dispute has arisen, but in no event more than two and one half (2 ½) years after the date of this transaction. 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. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract Documents shall include, by consolidation, joinder or in any other manner, any person or entity not a party to the agreement 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 in the matter is not insubstantial. The agreement herein among the parties to this Limited Warranty and the Real Estate Sales Agreement and any other written agreement to

arbitrate referred to herein shall be specifically enforceable under the prevailing arbitration law.

13. If a defect occurs which Owner believes is covered by this Limited Warranty, Owner shall contact Contractor in writing, describing the defect and stating what times during the day Owner will be available at the house so that Contractor can inspect the defect and schedule service calls accordingly. If delay will cause additional damage, Owner may telephone Contractor for emergency reports.

14. Upon receipt of notification of a defect, if the defect is covered by this Limited Warranty, Contractor will repair or replace it at no charge to Owner within thirty (30) days (longer if weather conditions or material shortages cause delay). The work will be done by Contractor or subcontractors chosen by Contractor. The choice between repair or replacement will be made by Contractor. Owner shall give Contractor access to the home as needed to make any and all inspections and/or repairs.

15. This Limited Warranty is extended only to Owner and is not transferable. When Owner sells or vacates the house, this Limited Warranty automatically terminates.

Date of Limited Warranty: _____

Contractor:

Peppers Construction

Buyer

Buyer