

CAROLINA PRECISION BUILDERS

RESIDENTIAL CONSTRUCTION LIMITED WARRANTY POLICY

This Limited Warranty establishes the warranty coverage, exclusions, claim procedures, and Owner responsibilities applicable to residential construction work performed by Carolina Precision Builders ("Contractor").

1. Limited Warranty

Contractor warrants that work performed directly by Contractor or its subcontractors will be completed in a good and workmanlike manner and will be substantially free from defects in workmanship for a period of one (1) year from the date of Substantial Completion, issuance of a Certificate of Occupancy, or Owner's occupancy of the completed work, whichever occurs first (the "Warranty Period"). This warranty applies only to work included within Contractor's original scope of work and approved written change orders. This is a limited warranty and is not a guarantee that the residence, addition, renovation, or individual building materials will remain free from normal wear, movement, deterioration, cosmetic changes, or maintenance requirements.

2. Contract Scope, Excluded Work, and Additional Work

The Contract Price includes only the labor, materials, services, installations, and other work expressly identified as included in the parties' written construction contract, incorporated plans or specifications, allowances, selections, and approved written Change Orders (collectively, the "Contract Documents").

Any labor, materials, services, installations, modifications, repairs, upgrades, finishes, accessories, site work, or other work not expressly identified as included in the Contract Documents is excluded from the Contract Price and is not part of Contractor's contractual or warranty obligations.

The absence of a specific exclusion shall not be interpreted as inclusion of an item or scope of work. If an item or work is not expressly identified as included, it shall be deemed excluded.

Any work requested by Owner that is outside the Contract Documents constitutes additional work and may result in additional charges for labor, materials, subcontractors, equipment, supervision, overhead, profit, and other associated costs. Additional work may be documented by Change Order or other written authorization agreed to by Contractor and Owner.

Contractor's performance of incidental or additional work as an accommodation, courtesy, or without charge on one occasion shall not modify the original scope of work, create an obligation to perform similar work, or expand Contractor's warranty obligations.

3. Warranty Coverage

During the Warranty Period, Contractor will, at its discretion, repair, replace, or otherwise reasonably correct covered defects determined by Contractor to result from defective workmanship. Contractor's obligation is limited to the reasonable repair or replacement of the defective portion of Contractor's work. A repair performed under this warranty does not restart or extend the original Warranty Period.

4. Manufacturer Warranties

Appliances, equipment, fixtures, windows, doors, roofing products, mechanical equipment, plumbing fixtures, electrical equipment, finishes, and other manufactured products are covered solely by the warranties, if any, provided by their respective manufacturers. Contractor does not independently warrant a manufacturer's product beyond Contractor's obligation to properly install the product. Contractor will reasonably assist Owner in identifying applicable manufacturer warranty information, but administration of a manufacturer's warranty remains Owner's responsibility unless otherwise agreed in writing.

5. Items Not Covered

- Normal wear and tear, aging, weathering, fading, discoloration, or deterioration.
- Normal shrinkage, settlement, expansion, contraction, or movement of building materials.
- Minor or cosmetic cracking in concrete, masonry, brick, stone, stucco, grout, drywall, plaster, caulk, or similar materials unless the condition materially affects intended function.
- Minor variations in color, texture, grain, shade, pattern, finish, or appearance of natural or manufactured materials.
- Nail pops, minor drywall cracks, caulk separation, and other cosmetic conditions resulting from normal seasonal or structural movement.
- Scratches, dents, chips, stains, or other surface damage occurring after Owner takes possession or begins using the area.
- Damage resulting from misuse, abuse, negligence, lack of maintenance, improper cleaning, excessive moisture, failure to maintain appropriate temperature or humidity, or failure to follow manufacturer instructions.
- Damage caused by Owner, occupants, guests, pets, landscapers, service providers, or other contractors or trades not under Contractor's control.
- Work altered, repaired, modified, or disturbed by anyone other than Contractor without Contractor's prior written authorization.

- Damage caused by storms, wind, hail, lightning, flooding, freezing, fire, acts of God, utility failures, pests, soil conditions, groundwater, or other conditions outside Contractor's reasonable control.
- Existing or concealed conditions and defects in portions of the property not constructed or modified by Contractor.
- Materials, fixtures, equipment, or products supplied directly by Owner.
- Conditions resulting from Owner-directed work performed contrary to Contractor's written recommendation.
- Landscaping, irrigation, vegetation, or exterior drainage conditions unless expressly included within Contractor's contracted scope.

6. Natural Materials and Finish Variations

Owner acknowledges that natural products, including stone, bluestone, marble, granite, quartzite, wood, brick, tile, concrete, and similar materials inherently vary in color, texture, veining, thickness, grain, finish, absorption, and appearance. Such variations are characteristics of the materials and are not defects. If warranty work requires replacement of a natural or manufactured material, Contractor will make commercially reasonable efforts to obtain a reasonably similar replacement. An exact match in color, shade, texture, grain, finish, grout, mortar, or appearance is not guaranteed and is not required for warranty compliance where an exact match is unavailable or impracticable. Contractor is not responsible for replacing otherwise satisfactory adjacent materials solely to achieve uniformity with a repaired or replaced item.

7. Owner Maintenance Responsibilities

Proper maintenance is a condition of this warranty. Owner is responsible for ordinary maintenance of the property, including maintaining caulk and sealants; cleaning and sealing materials when appropriate; maintaining proper drainage; maintaining HVAC systems and filters; controlling interior temperature and humidity; preventing prolonged water exposure; and following manufacturer-recommended maintenance procedures. Damage caused or materially worsened by failure to perform reasonable maintenance is excluded from warranty coverage.

8. Final Walkthrough and Cosmetic Items

The final walkthrough is Owner's opportunity to identify and document readily observable cosmetic items requiring correction, including minor scratches, scuffs, dents, chips, paint touch-ups, caulk imperfections, surface blemishes, finish variations, or similar aesthetic conditions. Any such cosmetic condition that is not identified and documented in writing during the final walkthrough shall be deemed accepted by Owner and shall not constitute a warranty claim after Substantial Completion, Owner occupancy, or turnover of the project. Contractor shall not be responsible for correcting minor cosmetic conditions first reported after the final walkthrough when such conditions were reasonably observable at the time of the walkthrough. This provision does not apply to latent or concealed defects that could not reasonably have been discovered during the final walkthrough or to conditions otherwise required to be corrected under applicable law.

9. Warranty Claim Procedure

All warranty claims must be submitted to Contractor in writing during the Warranty Period and must reasonably describe the claimed condition, its location, when it was first observed, and photographs or other documentation reasonably requested by Contractor. Except in an emergency involving immediate risk of additional property damage, Owner must provide Contractor a reasonable opportunity to inspect the claimed condition before any repair, alteration, demolition, or corrective work is performed by others. Contractor's inspection of a condition does not constitute an admission that the condition is covered by this warranty.

10. Right to Cure

Contractor shall have the first and exclusive opportunity to inspect and correct any covered warranty condition. Owner shall provide Contractor and its subcontractors reasonable access to the property for inspection and corrective work. Owner may not hire another contractor or incur repair costs and seek reimbursement from Contractor unless Contractor has first been given written notice and a reasonable opportunity to inspect and cure the alleged defect, except where immediate action is reasonably necessary to prevent substantial additional property damage.

11. Warranty Voidance

- Warranty coverage for the affected work, system, component, material, or area may be void if Owner repairs, alters, modifies, removes, replaces, or otherwise disturbs Contractor's work without Contractor's prior written authorization.
- Coverage may be void if Owner permits another contractor, subcontractor, tradesperson, service provider, or other third party to perform corrective or investigative work on the affected area before Contractor has been provided a reasonable opportunity to inspect and cure the condition.
- Coverage may be void for failure to properly maintain the property or follow Contractor's or manufacturer's maintenance and care requirements.
- Coverage may be void where materials, equipment, fixtures, or building components are misused or used inconsistently with their intended purpose or manufacturer instructions.
- Coverage may be void where Owner fails to promptly report a condition that could reasonably cause additional damage, or fails to take reasonable steps to mitigate additional damage after becoming aware of a problem.
- Coverage may be void where evidence reasonably necessary for Contractor to evaluate the cause of an alleged defect is concealed, modified, destroyed, or removed.

11.1 Scope of Warranty Voidance

Contractor shall have the first opportunity to inspect, diagnose, and correct any claimed warranty condition. Except in a genuine emergency requiring immediate action to protect persons or prevent substantial additional property damage, repairs or alterations performed by others before Contractor has been given reasonable notice and an opportunity to inspect may void warranty coverage for the affected work and any resulting or related damage. Any voidance under this provision shall be limited to the work, component, system, or resulting damage reasonably affected by Owner's or a third party's action or failure to act and shall not automatically void unrelated portions of this Limited Warranty.

12. Emergency Conditions

Owner has a duty to take reasonable steps to prevent additional damage. Conditions involving active water intrusion, plumbing leaks, electrical hazards, gas leaks, or other circumstances reasonably likely to cause immediate additional property damage should be reported promptly. Owner's failure to reasonably mitigate continuing damage may exclude the resulting additional damage from warranty coverage.

13. Warranty Remedy

For a valid warranty claim, Contractor shall determine the reasonable method of correction and may elect to repair, replace, or otherwise correct the covered defective work. Contractor is not obligated to provide upgrades, betterments, complete replacement of otherwise serviceable work, or replacement of unaffected surrounding materials solely because a repair results in reasonable differences in appearance. To the fullest extent permitted by applicable law, Contractor's obligation to correct covered work constitutes Owner's remedy under this Limited Warranty.

14. Consequential and Incidental Damages

To the fullest extent permitted by applicable law, Contractor shall not be responsible under this warranty for indirect, incidental, special, exemplary, or consequential damages, including loss of use, temporary housing, lost income, inconvenience, moving expenses, storage expenses, or similar costs, except where such limitation is prohibited by applicable law.

15. Third-Party Work

Any repair, modification, alteration, or addition performed by Owner or a third party after completion of Contractor's work is outside Contractor's warranty. If third-party work damages, alters, interferes with, or prevents Contractor from determining the cause of an alleged defect, warranty coverage for the affected work may be denied.

16. Owner-Supplied Materials

Contractor makes no warranty regarding the quality, suitability, compatibility, performance, durability, or manufacturer defects of materials, fixtures, appliances, or equipment selected, purchased, or supplied directly by Owner. Contractor's warranty for such items is limited solely to Contractor's workmanship in installing them, where installation was included in Contractor's scope.

17. Public Statements and Warranty Claims

Owner's exercise of any lawful right to provide an honest review, rating, or other feedback regarding Contractor shall not, by itself, void or limit this Limited Warranty. Publication or communication of feedback does not replace the warranty claim procedure. Owner must provide Contractor with written notice of any claimed warranty condition and a reasonable opportunity to inspect and cure the condition before engaging third parties to perform corrective work, except in an emergency. Nothing in this Warranty authorizes either party to knowingly publish false statements of fact, defamatory statements, threats, harassment, or other communications prohibited by applicable law. Contractor reserves all rights and remedies available under applicable law with respect to such conduct. The existence of a dispute, complaint, review, or public statement does not expand Contractor's warranty obligations beyond those expressly provided herein.

18. Transferability

Unless otherwise required by applicable law or agreed by Contractor in writing, this warranty is issued solely to the original Owner identified above and is not transferable to subsequent purchasers or occupants.

19. No Extension or Modification

No employee, subcontractor, supplier, salesperson, project manager, or other representative may expand, modify, or extend this warranty unless the modification is contained in a written document signed by an authorized representative of Contractor. Oral statements concerning warranty coverage shall not modify this policy.

20. Applicable Contract Terms

This warranty shall be interpreted together with the parties' construction contract. Any applicable notice requirements, dispute-resolution procedures, mediation or arbitration provisions, limitations of liability, governing-law provisions, and other contractual remedies contained in the construction contract remain in effect. Nothing in this warranty is intended to waive or limit any right or obligation that cannot legally be waived or limited under applicable law.

21. Acknowledgment of Warranty Terms

Owner acknowledges and understands that construction materials naturally expand, contract, settle, weather, age, and otherwise change over time, and that minor cosmetic variations, movement, imperfections, and normal characteristics of materials do not, by themselves, constitute defective workmanship or a warrantable condition.

Owner acknowledges receipt of this Limited Warranty Policy and understands that only those conditions expressly covered by this Limited Warranty are subject to Contractor's warranty obligations. All warranty claims, inspections, repairs, and remedies shall be governed exclusively by the terms, limitations, exclusions, notice requirements, procedures, and remedies set forth in this Limited Warranty Policy and the applicable construction contract.

No warranty obligation, representation, or remedy shall be implied or expanded beyond the terms expressly stated in this Limited Warranty Policy, except to the extent otherwise required by applicable law.