



One (1) Year Workmanship and Materials and Ten (10) Year Load-Bearing Structural Limited Builder Warranty for New Home

Homeowner: _____

Property: _____

Warranty Start Date: _____

THIS ONE (1) YEAR LIMITED BUILDER WARRANTY AND TEN (10) YEAR LOAD-BEARING STRUCTURAL LIMITED BUILDER WARRANTY FOR NEW HOME IS THE SOLE WARRANTY BEING PROVIDED BY BUILDER WITH RESPECT TO THE SALE OF THE ABOVE-DESCRIBED PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, TO INCLUDE SPECIFICALLY BUT NOT TO BE LIMITED TO WARRANTIES FOR GOOD QUALITY, WORKMANSHIP, HABITABILITY, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY WAIVED.



1. LIMITED WARRANTY OVERVIEW

Gray Wolf Homes, LLC, a North Carolina limited liability company (“Builder”) offers this Limited Warranty for Homeowner’s benefit. Please read this document in its entirety, including definitions, to understand what may be covered; what exclusions apply; and the Homeowner’s responsibilities. **This Limited Warranty Agreement includes the process of binding arbitration for resolving disputes if needed.**

2. CONDITIONS OF THE LIMITED WARRANTY

A. General Conditions. For one (1) year from the Warranty Start Date, items described as warranted in in Exhibit A will function and operate according to the Warranty Standards, provided only specified standards and actions represented in this warranty are applicable to this warranty. For ten (10) years from the Warranty Start Date, load-bearing structural components specified described as warranted in Exhibit B will meet with established performance standards. Builder is responsible for all work performed under its direction for the period of the applicable warranty. Homeowner must provide written notice to Builder on or before the expiration of the warranty coverage to which the notice applies but in no event later than fifteen days (15) following the applicable warranty period stated in this section. Repair of a construction defect shall be performed in a manner and using such materials and methods consistent with the Performance Standards defined herein. The Builder shall have the option to choose to repair, replace, or pay the reasonable cost of repair or replacement of Warranted Defects. The method and manner of repairs are at the discretion of the Builder. The aggregate cost to the Builder under this Limited Warranty shall not exceed the Maximum Limited Liability of the Home as listed herein.

B. Repair Conditions. In connection with a repair of a warranted defect, any repairs performed by Builder will include those components of the Home originally installed by Builder that have to be removed or altered in order to repair the defect. Repair shall be made so that the condition is returned to its condition as it existed at the time immediately preceding the defect. The Builder is not responsible for damage to any improvement, fixture or property not constructed, installed or provided by Builder that may need to be removed to repair a warranted defect or which may be damaged by the implementation of repairs to the warranted defect.

C. Surface Conditions. Surfaces altered incident to any repair will be finished or touched up to match the surrounding area as closely as practical. In connection with the repair of finish or surface material such as paint, wallpaper, flooring or a hard surface, Builder will match the standard and grade as closely as reasonably possible. Builder will attempt to match the finish but will not be responsible for discontinued patterns or materials, color variations or shade variations. When the surface finish material must be replaced and the original material has been discontinued, Builder is responsible for installing replacement material substantially similar in appearance to the original material.

D. Manufactured Products. Manufactured products shall be installed in accordance with the manufacturer's instructions and specifications. Builder will use only new manufactured products and parts unless otherwise agreed in writing by the parties. If Builder did not install a manufactured product in accordance with the manufacturer's specifications or use newly manufactured parts as required, Builder shall take such as is necessary to bring the variance within the standard. Manufactured items such as appliances, fixtures or equipment covered by a manufacturer’s warranty and defects in any of the systems resulting from a failure in manufactured items are not covered by this warranty.

E. Limited Warranty. The Builder’s responsibilities and liability are limited to the terms and conditions contained in this Limited Warranty including its performance standards. The Builder is providing only the warranty obligations contained in the Limited Warranty subject to its provisions, exclusions, limitations, performance standards, definitions and coverage. The warranties established herein are only warranties provided by the Builder.

3. HOMEOWNER RESPONSIBILITIES AND APPLICABLE CONDITIONS



- A. General and preventative maintenance of the Home and the lot on which the Home is located is essential to the proper functioning of the Home. The Homeowner is responsible for: (i) maintenance for the home and lot; (ii) all maintenance described in this Agreement; (iii) those maintenance items identified separately in the performance standards set forth in this Limited Warranty; and (iv) ongoing maintenance responsibilities that affect the performance of the Home but that may not be expressly stated in this warranty. Such ongoing maintenance responsibilities include but are not limited: (a) periodic repainting and resealing of finished surfaces as necessary; (b) caulking for the life of the Home; (c) regular maintenance of mechanical systems, regular replacement of HVAC filters, cleaning and proper preservation of grading around the Home; and (d) drainage systems to allow for the proper drainage of water away from the Home.
- B. Prior to occupancy or closing, whichever occurs first, Homeowner and Builder must establish a written, final walk-through inspection list identifying items in need of service. Any pre-existing conditions or defects (often referred to as punch list items) are not covered by this Limited Warranty.
- C. If Builder does not complete any part of the Home, it is the Homeowner's responsibility to complete such parts. Any damage resulting from Homeowner's failure to have the work completed will not be covered under this Limited Warranty.
- D. Builder will assign to Homeowner without recourse all manufacturers' warranties on products included within the Home at closing. Any rights that inure to the Homeowner provided under a manufacturer's warranty are the obligation of the manufacturer. Builder does not assume any of the obligations of the manufacturer resulting from a manufacturer's warranty, but shall coordinate with the manufacturer, suppliers or agents to achieve compliance with the performance standard,
- E. Repairs of warranted defects will not extend the coverage periods established in this Limited Warranty.
- F. The Builder is not responsible for color, texture, grain or finish matches where materials must be replaced or repaired.
- G. In case of an emergency (a situation or condition which may be hazardous to the Home or occupants if not repaired immediately), Homeowner must contact Builder to receive authorization to make emergency repairs or follow the procedures established by Builder. If unavailable, Homeowner must make repairs to mitigate further damage and report the emergency to Builder on the next business day. Any unauthorized repairs will not be reimbursed unless the Homeowner has followed these procedures. Emergency items will be evaluated by Builder based on imminent danger to the Home. Determination regarding the extent of expenses that are reimbursable under the warranty for an emergency is at the discretion of Builder.
- H. No warranties extend beyond the items described and contained in this Limited Warranty.
- I. The Homeowner shall take measures to prevent landscaping materials or plants from contacting the exterior surface of the Home and from interfering with the proper drainage of water away from the foundation. The Homeowner should not improperly alter the proper drainage pattern or grade of the soil within ten feet of the foundation so that it negatively impacts the Home's performance.
- J. The Homeowner should take the following actions to prevent excessive moisture accumulation in and around the Home by: (i) properly using ventilation equipment; (ii) preventing excessive temperature fluctuations; and (iii) taking any other action reasonably necessary to avoid excessive moisture, dampness, humidity or condensation that may lead to damage due to excessive moisture or dryness.



K. The Homeowner shall properly maintain each component of the Home including proper cleaning, care and upkeep of the Home. The Homeowner shall use Home components for the purposes for which they are intended and shall not damage, misuse or abuse Home components.

L. Self-help. Upon observation of a circumstance that may cause further damage to the Home or a component of the Home, the Homeowner shall take reasonable action necessary to prevent further damage to the Home.

M. The Builder is not responsible for repair, loss or damage to a component or that part of a component of a Home caused by or made worse by failure of the Homeowner to comply with the Homeowner's responsibilities as set forth in this Limited Warranty.

4. LIMITED WARRANTY EXCLUSIONS

A. This Limited Warranty does not include the following:

1. Loss, damage or injury to: (a) land, person, or animals; (b) personal property, and improvements or structures, and/or (c) other items in the Home identified in this Limited Warranty.

2. Loss or damage resulting directly or indirectly from or made worse by:

a. Insects, birds, vermin, rodents, or wild or domestic animals;

b. Any loss or damage that arises while the Home is being used primarily for nonresidential purposes;

c. Soil movement; including subsidence, expansion or lateral movement of the soil which is covered by any other insurance or for which compensation is granted by local, state, or federal agencies;

d. Flood, surface water, waves, tidal water, or spray from any of these (whether or not driven by wind); water that backs up from sewers or drains; changes in the water table which were not reasonably foreseeable;

e. Deterioration resulting from normal wear and tear;

f. Shrinkage, expansion or contraction due to drying or settlement caused by Homeowner negligence;

g. Material or work which was not supplied by Builder or its employees, agents or subcontractors;

h. Any damage to the extent it is caused or made worse by negligence improper maintenance or improper operations by anyone other than the builder or its employees, or subcontractors;

i. Components of the Home which are constructed separate from foundation walls or other structural components of the Home such as, but not limited to, chimneys, concrete floors of basements, attached garages;

j. Any damage to the extent it is caused or made worse by changes of the grading of the ground by anyone other than the Builder, its employees, agents, or subcontractors;

k. Any modification or addition to the Home or the property under or around the Home, made after the Warranty Start Date (other than changes made in order to meet the obligations of this Limited Warranty);

l. Outside sillcocks (hosebibs) and other house connections;

m. The weight of a water bed or any other type of furnishing or equipment that exceeds the load-bearing design of the Home;



- o. The presence of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants, or the presence of hazardous or toxic materials within the Home;
 - p. Acts or omission by Homeowner, his, her or its agents, employees, licensees, or invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, wind storm, hail, lightening, ice, snow, falling trees, aircraft, vehicles, flood, mudslides sinkholes, mine subsidence, faults, crevices, earthquakes, aftershocks, shock waves or tremors occurring before, during or after a volcanic eruption;
 - q. Homeowner's failure to minimize or prevent loss or damage in a timely manner as per Section 3 G;
 - r. Dampness or condensation due to Homeowner's failure to adequately maintain ventilation, caulking, flashing or gutters;
 - s. Negligent operation of any part of the Home by anyone other than Builder, its agents, employees or subcontractors; and/or
 - t. Swimming pools whether located in or outside of the Home.
3. Builder's failure to finish any or all construction of the Home on or before the Warranty Start Date, or damages arising from such failure.
 4. A deficiency which does not result in actual physical damage or loss to the Home,
 5. Consequential damages, to include but not to be limited to: (a) incidental expenses related to relocation during repair, such as costs of shelter, transportation, food, moving, storage, or other costs due to loss of use, inconvenience or annoyance; (b) diminished market value of the Home; and/or (c) any and all consequential loss or damage, including without limitation, any damage to personal property, any damage to property not covered by this Limited Warranty, any damage to other property of the Homeowner or to property which the Homeowner does not own, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress and any medical or hospital expenses, or lost profits.
 6. Violation of applicable building codes or ordinances, unless such violation results in a Warranted Defect. Under such circumstance, the obligation of the Builder under this Limited Warranty shall be only to repair the Warranted Defect, but not necessarily to restore or bring the Home into compliance with the codes or ordinances.
 7. Any claim submitted after an unreasonable delay or later than fifteen (15) days after the expiration of the applicable warranty period.
 8. A non-emergency Warranted Defect that Homeowner repairs without prior written authorization of Builder.
 9. Removal and/or replacement of items not covered by this Limited Warranty, such as landscaping or personal property, and items not originally installed by Builder, like wallpaper, where removal and replacement are required to repair a Warranted Defect.
 10. Wiring, wires and cables that connect the Home to communications services such as telephone, television, intercom, computer and security systems.
 11. Loss or damage to EIFS synthetic stucco systems.
 12. Any issue consisting of, caused by, contributed to, related to or aggravated by moisture, rotting of any kind, mold, mildew, fungus or rust.



13. Sound transmission and sound proofing.
14. Glass breakage.
15. Improvements not part of the Home itself, including, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached to the Home; decks and balconies which are not bolted to or cantilevered from the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; offsite improvements, including streets, sidewalks, adjacent property and the like; detached garages and carports, outbuildings (except those which contain a Heating, Ventilating, and Cooling System, Plumbing System or Electrical System serving the Home, and then only to the extent that these systems are affected).
16. Any alteration of the drainage pattern or grade of the soil by the Homeowner within ten feet of the foundation so that it negatively impacts the Home's performance.
17. Any item not listed as a warranted item in this Limited Warranty. The enumeration of the Exclusions above is not intended to be exhaustive of the items that are not covered by this Limited Warranty.
18. Any item listed by Builder as not included in this Limited Warranty.

5. WARRANTY STANDARDS

The following Warranty Standards are applicable only to warranted items installed by the Builder and expressly stated in an exhibit to of this Limited Warranty, such exhibits being incorporated herein by reference, as may be conditioned by the Warranty Standards or other conditions set forth in this Agreement.

6. REQUEST FOR WARRANTY PERFORMANCE

If Homeowner believes the Home has a warranted defect covered and is not an exclusion under this warranty, Homeowner must notify the Builder in writing as provided below. This written request for warranty performance must be postmarked no later than fifteen (15) days after the expiration of the applicable warranty period. Exhibit C, such exhibit attached hereto and incorporated herein by reference, contains a Warranty Service Request form for use with a Homeowner's notification to Builder for any Exhibit A workmanship and materials identified under the one (1) workmanship warranty. Builder will make available through its website a Warranty Request form for any Exhibit B load-bearing structural components identified under the ten (10) year structural warranty.

A. If a Warranted Defect occurs within an applicable warranty period, Homeowner must notify Builder in writing; failure of Homeowner to notify Builder in writing within the warranty period shall waive any and all responsibility of Builder to address Homeowner's claims. Homeowner's request for warranty performance must clearly describe the Warranted Defect(s) in reasonable detail, to include specifically but not to be limited to: (i) Start Date of Warranty; (ii) Property address; (iii) contact information for Homeowner, including mailing address, email, and telephone number; (iv) a reasonably specific description of the Defect(s); and (v) any photographs or other documentation detailing the Defects.

B. Builder will, within a reasonable period of time, investigate a warranty request and determine whether the defects described in the complaint are under warranty. Homeowner agrees to cooperate with Builder, including access to the Home to inspect the affected areas during normal business hours and at other reasonable times. Failure to allow access during normal business hours and at other reasonable times will void this Warranty.

C. Builder will advise the Homeowner in writing as to whether Homeowner's complaint is a warranted defect. Builder has the option to perform repair work as described in this Limited Warranty or to make payment for the repair. If Homeowner added improvements which were not part of the Builder's original construction work, Homeowner is responsible for removal and/or repair of these items. Warranty repairs will be made during normal business hours.



D. When a request for warranty performance is filed and the alleged Warranted Defect cannot be observed under normal conditions, it will be Homeowner's responsibility to substantiate that the need for warranty performance exists and to pay both the cost of the substantiation and the cost of correcting any damage done by such substantiation. If properly substantiated, Homeowner's direct out of pocket expenses in this regard will be reimbursed by the Builder.

E. Within thirty (30) days after Builder receives proper notice requesting warranty performance, Builder will review and respond to any timely received request by communicating with the Homeowner and any other individuals or entities possessing relevant information. At any time after Builder receives proper notice of Homeowner's request for warranty performance, it may schedule an inspection of the alleged Warranted Defect. Homeowner's cooperation is essential and Builder may request access to inspect the Home and ask for more information to process a warranty request.

F. Arbitration

1. Any and all disputes, claims and controversies between the Homeowner and the Builder arising from this Limited Warranty will be resolved by binding arbitration. This includes but is not limited to any alleged deficiency in or to the Home, breach of any alleged good faith and fair dealing, alleged violations of consumer protection, unfair trade practice, or other statutes, breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract including this arbitration agreement.

2. Any party hereto may request Arbitration. Arbitration is the sole recourse for resolving disputes and each party hereto waives his, her, or its right to a trial by either judge or jury in a court of law. The findings of the Arbitrator are final and binding on all parties except as modified or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or in their absence, the North Carolina Revised Uniform Arbitration Act, N.C. Gen. Stat. § 1-569.1 *et. seq.* ("Revised Uniform Arbitration Act").

3. To begin the arbitration process, Homeowner must give Builder written notice requesting arbitration of Unresolved Request Item. Notice be provided in the manner described in this Agreement. The party making the request must pay the fee before the matter is submitted to the arbitration service. The Arbitrator has the power, however, at the close the arbitration to charge this fee to any party or split it between the parties. Neither party to the arbitration can claim punitive damages and the Arbitrator shall not have authority to award such damages.

4. Within twenty (20) days after Builder receives a written request and the arbitration fees, any Unresolved Request Item or dispute issue(s) will be submitted to a neutral, reputable arbitration service for resolution. Any binding arbitration proceeding will be performed by an independent, recognized arbitration organization selected by Builder. The arbitration service will select a qualified Arbitrator to arbitrate the matter. The rules and procedures will be those of the designated arbitration service and a copy will be delivered upon request.

5. The Arbitrator will arrange a reasonably convenient time, date and location for the arbitration hearing.

6. If any party commences litigation which is considered a violation of this binding arbitration agreement, that party shall, reimburse the other parties to the litigation for their costs and expenses, including attorney fees incurred in seeking dismissal of such litigation.



7. The initiation or participation by any party in any judicial proceeding shall not be deemed a waiver of the right to enforce this arbitration agreement and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement.

8. The Builder shall have the right, in advance of the arbitration proceeding, to re-inspect the home if the request was made more than sixty (60) days following the last claim decision of the Builder concerning the home.

9. An arbitration proceeding shall involve only one single-family detached home or a single unit in a multi-family building. If more than one proceeding is involved in a multi-family builder, the administrator shall have the sole option to combine such proceedings.

10. If any provision of this arbitration agreement shall be determined to be unenforceable by the arbitrator or by any court, the remaining provisions shall be deemed to be severable and enforceable according to their terms.

11. The parties agree that the North Carolina Revised Uniform Arbitration Act shall apply.

12. Enforcement of Arbitration Award. Builder will utilize commercially reasonable efforts to comply with the Arbitrator's Award within sixty (60) days from the date of the Award. The Builder must begin compliance as soon possible and complete it within the sixty (60) day compliance period, except for repairs that would reasonably take more than sixty (60) days or in cases of inclement weather. In such circumstances, the Builder will complete such repairs or replacement soon as possible without incurring overtime or weekend expenses. Homeowner must provide the Builder with reasonable weekday access to the Home during normal business hours so that it can perform its obligations. Failure by the Homeowner to provide such access to the Builder may result in further damage that will not be covered by this Limited Warranty and may extend the time during which Builder may fulfill its obligations.

G. Conditions of Warranty Performance. Before the Builder pays for the reasonable cost of repair or replacement, Homeowner must sign and deliver to the Builder a full and unconditional release, in recordable form, of all legal obligations with respect to the Warranted Defects and any relating conditions. If the Builder elects to make a cash settlement for the reasonable cost of a warranted defect, the settlement must be in writing. The Homeowner shall have up to two (2) weeks to respond. If the Builder repairs, replaces or pays Homeowner the reasonable cost to repair or replace a Warranted Item, the Builder shall be subrogated to all Homeowner's rights of recovery against any person or entity. Homeowner must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assigning the proceeds of any insurance or warranties to the Builder. Homeowner shall do nothing to prejudice these rights of subrogation.

7. WARRANTY PROVISIONS

This Limited Warranty: (a) is not an insurance policy, a maintenance agreement or a service contract; (b) provides coverage only in excess of coverage provided by other warranties or insurance that Homeowner may choose to purchase, whether collectible or not; (c) is binding on Builder and Homeowner, and his, her, or its heirs, executors, administrators, successors and assigns; (d) shall be interpreted and enforced in accordance with the laws of North Carolina; and (e) cannot be affected, altered or amended in any way by any other agreement except by a formal written instrument signed by Homeowner and Builder. If any provision of this Limited Warranty is determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provision. All notices required under this Limited Warranty must be in writing and sent to the address the recipient may designate in writing. If performance by the Builder under this Limited Warranty is delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not



limited acts of God or nature, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by Homeowner or a person or entity not a party to this Limited Warranty. Reference to a person includes entities and vice versa. Use of the singular includes the plural. Use of one gender includes the other gender.

8. DEFINITIONS. Certain terms used in this Limited Warranty are defined below.

- A. **Appliances, fixtures, and items of equipment-** means furnaces, boilers, oil tanks and fittings, air purifiers, air handling equipment, ventilating fans, air conditioning equipment, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, automatic door openers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures, circuit breakers, and other similar items.
- B. **Arbitration-** a binding dispute resolution process in which a designated neutral third party conducts a hearing where the parties present live testimony and evidence to the arbitrator. The arbitrator shall render a decision as to responsibility of each party based on the terms and conditions of the warranty and applicable laws
- C. **Arbitrator** - a neutral third party representative of an arbitration service, appointed by such service to resolve an Unresolved Request Item.
- D. **Builder-** means Gray Wolf Homes, LLC, a North Carolina limited liability company.
- E. **Electrical systems** - means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.
- F. **Exclusion-** items, conditions or situations not warranted or not covered by a performance standard.
- G. **Habitable area-** is the living space defined as the enclosed area in a Home that is suitable for year round residential use.
- H. **Heating, Ventilating, and Cooling System** - means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.
- I. **Home-** means a newly constructed private dwelling unit and the fixtures and structure that are made a part of a newly constructed private dwelling unit at the time of construction. Home does not include: (i) outbuildings, including detached carports, except outbuildings that contain plumbing, electrical, heating, cooling, or ventilation systems serving the new Home; (ii) driveways; (iii) walkways; (iv) patios and decks; (v) boundary walls; (vi) retaining walls not necessary for the structural stability of the new Home; (vii) Landscaping; (viii) fences; (ix) off-site improvements; or (x) appurtenant recreational facilities.
- J. **Homeowner** - means the purchaser of a new Home who uses the Home for residential purposes during the warranty period.
- K. **Homeowner responsibility** - an action required by the Homeowner for proper maintenance or care of a Home or the element or component of the Home concerned. A Homeowner's failure to substantially comply with a stated Homeowner responsibility creates an exclusion to the warranty for the performance standard.
- L. **Limited Warranty-** the terms and conditions contained in this Agreement.
- M. **Manufactured product** - a component of the Home that was manufactured away from the site of the Home and that was installed in the Home without significant modifications to the product as manufactured. Manufactured products commonly installed in residential construction include but are not limited to dishwashers, cooktops, ovens, refrigerators, trash compactors, microwave ovens, kitchen vent fans, central air conditioning coils and compressors, furnace heat exchanges, water heaters, carpet, windows, doors, light fixtures, fireplace inserts, pipes and electrical



wire. For purposes of this warranty, a manufactured product includes any component of a Home for which the manufacturer provides a warranty.

- N. **Original Construction Elevations** – actual elevations of the foundation taken prior to substantial completion of the Home. Such actual elevations shall include elevations of porches and garages if those structures are part of the monolithic foundation. To establish original construction elevations, elevations shall be taken at a rate of approximately one elevation per 100 square feet showing a reference point, subject to obstructions. Each elevation shall describe the floor. If no such actual elevations are taken, then the foundation for the habitable areas of the Home are presumed to be within +/- 0.75 (total 1.5”) of level over the length of the foundation.
- O. **Plumbing systems**- means: Gas supply lines and fittings; water supply, waste, and vent pipes and their fittings; Septic tanks and their drain fields; water, gas, and sewer service piping and their extensions to the tie- in of a public utility connection; On-site wells and sewage disposal systems.
- P. **Structurally Attached**- an integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.
- Q. **Unresolved Request**- all requests for warranty performance, demands, disputes, controversies and differences that may arise between the Homeowner and the Builder that cannot be resolved between them. An Unresolved Request Issue may be a disagreement regarding: (i) what this Limited Warranty covers; (ii) an action performed, to be performed, or not performed under this Limited Warranty; or (iii) the cost to repair or replace any item covered by this Limited Warranty.
- R. **Warranted Defect** - a condition of a Warranted Item that, according to the Warranty Standards described in this Limited Warranty requires action by the Builder. Failure to complete construction of the Home or any portion of the Home, in whole or part is not considered a Warranted Defect.
- S. **Warranted Items**- those items in the Home that are specifically identified in the Warranty Standards described in Section 5 that can require action from the Builder if a warranty standard is not met.
- T. **Warranty Standards** - the standards, described in Section 5, by which the condition of a warranted item will be judged to determine whether action by the Builder is required, and if so, the type of action that such condition requires of Builder.
- U. **Warranty Start Date**- means the first day that the owner occupies the new Home, settles on the new Home, makes the final contract payment on the new Home, or obtains an occupancy permit for the new Home if the Home is built on the owner's property, whichever is earlier.

REMAINDER OF PAGE LEFT BLANK;
SIGNATURE PAGE TO FOLLOW



BUILDER:

Gray Wolf Homes, LLC, a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Initial address for notices: 104 Airport Industrial Drive, Suite 101, Clayton, North Carolina 27520

Telephone Number: () _____

HOMEOWNER(S):

I (We) acknowledge that I (we) have received and read this Limited Warranty including its provisions, limitations and process for resolving issues through binding arbitration. I (We) understand owning a Home requires regular and ongoing Homeowner maintenance.

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

Initial address for notices:

SIGNATURE PAGE TO LIMITED BUILDER WARRANTY

Property: _____

Date: _____



EXHIBIT A:
One (1) Year Workmanship and Materials

Category	Ref.	Condition	Standard	Remarks
1. Site Work				
Drainage	1.1	Erosion around the foundation	Builder is not responsible for soil erosion due to acts of God or other conditions (site alterations, lack of maintenance, etc.) beyond the Builder's control	Homeowner is responsible for removal and replacement of all Homeowner installed landscaping.
	1.2	Improper grades or swales which cause standing or ponding water and affect drainage	Builder will correct grades which cause standing or ponding water for more than 24 hours and affect the drainage within 10' of the foundation of the Home or swales which cause standing or ponding water for more than 48 hours and affect the drainage within 20' of the foundation of the Home.	Standing or ponding water beyond the defined area is not covered by this Limited Warranty. Homeowner is responsible for maintain proper grades and adequate ground cover.
	1.3	Ground settling around foundation walls, utility trenches or other filled areas on the property where excavation and backfill has affected foundation drainage.	If Builder established the original final grading, Builder will replace fill in excessively settled areas one time only	Settling less than 6 inches is a Homeowner maintenance item. Homeowner is responsible for proper grades and maintaining adequate ground cover.
2. Foundation, Floors, Walls, Crawl Spaces, Slabs				
Concrete Floor	2.1	Separation or movement of concrete slab at expansion joints.	This is normal and no corrective action is required.	Slabs are designed to move at expansion/contraction joints and is not a warranted condition.
	2.2	Foundation is out of square or level	Out of square: Measured at the top of the foundation wall, the diagonal of a triangle with sides of 12' and 16' shall not be out of square more than 1" +/- in 20'. Out of level: no point shall be more than 1/2" higher or lower than any point within 20'.	Squareness and levelness are aesthetic and may be corrected in subsequent construction.
	2.3	Cracks in concrete footing	Cracks greater than 1/4 inch in width are considered excessive. Builder will repair.	Minor cracks in concrete are common and normal in new Home construction.

	2.4	Pitting, scaling or spalling of the concrete floor surface	Builder will repair disintegrated surfaces caused by improper installation of concrete.	Deterioration caused by chemicals, implements used and other factors beyond Builder's control are not warranted conditions.
	2.5	Cracks in concrete floors in conditioned area.	Builder will repair cracks which exceed 3/16 inch in width or vertical displacement if the floor is in conditioned space.	If floor has covering, finish material will be replaced in area of repair to match as closely as possible. Minor imperfections in floor covering is not a warranted condition.
	2.6	Cracks in concrete floor in non-conditioned area.	Builder will repair cracks greater than ¼ inch in width or vertical displacement.	Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair.
	2.7	Cracks in garage floor slab.	Builder will repair cracks greater than 3/16 inch in width or vertical displacement.	Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair.
	2.8	Uneven concrete floors in areas designed for living purposes	Builder will repair uneven areas (including pits or depressions) greater than 3/8 inch within a 32 inch measurement	In rooms not initially designed as finished living areas or where a floor or portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds the tolerance warranted condition is acceptable.
	2.9	Leaks resulting in actual seeping of water through the floor.	Builder will take such action as is necessary to correct the leak. If this happens only once, Builder may investigate and delay action to determine the cause.	Homeowner is to maintain positive grading around the Home and maintain any Builder installed surface water control systems. Leaks caused by landscaping improperly installed by the Homeowner are excluded from this Warranty. Dampness and condensation are not covered by this Limited Warranty.
Basement Walls and Crawl Spaces	2.10	Cracks in poured concrete foundation walls.	Builder will repair cracks greater than ¼ inch in width.	Shrinkage cracks are common and can be expected. Patching and epoxy injection are acceptable methods of repair.
	2.11	Cracks in masonry or veneer wall.	Builder will repair cracks greater than ¼ inch in width.	Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair.
	2.12	Bowed walls	Builder will stabilize basement walls that are bowed in excess of 1 inch in 8 feet when measured	Lateral pressure may cause basement walls to bow.

			from the base to the top of the wall.	
	2.13	Wall is out of plumb	Builder will repair if wall is out of plumb greater than 1 inch in 8 feet.	No corrective action is necessary if codes are met.
	2.14	Condensation on walls, joists, support columns and other components of basement area.	Not a warranted condition.	Homeowner is responsible for maintain adequate ventilation and moisture control.
Crawl space	2.15	Insufficient ventilation	Builder will install louvers or vents according to industry standards	Homeowner is responsible for ventilation and moisture control, including seasonal adjustment of vent openings.
3. General Carpentry				
Walls and Ceilings	3.1	Wood frame walls out-of-plumb.	Builder will correct if out-of-plumb condition is greater than 3/8 inch within 32 inches vertical measurement.	Minor framing imperfections less than the standard are not a warranted condition.
	3.2	Wood frame wall is not squared	Not a warranted condition.	Minor framing imperfections can be expected.
	3.3	Bowed stud walls or ceilings	Builder will correct if unevenness is greater than 1/2 inch within a 32-inch horizontal measurement or 1/2 inch within any 8 foot vertical measurement.	All exterior and interior frame wall and ceiling have slight variations on the finish surfaces.
Floors	3.4	Uneven wood framed floors.	Builder will correct if high or low areas are greater than 1/4 inch within a 32-inch measurement.	Depending on the surface finish, self-leveling compounds are acceptable.
	3.5	Floor squeaks	Builder will correct if caused by a defective joist or improperly installed or loose subfloor. An isolated floor squeak is not a Warranted Defect.	A squeak-proof floor cannot be guaranteed. Squeaks can be caused by wood shrinkage, temperature and humidity changes and other factors beyond the Builder's control.
Roof	3.6	Split or warped rafters or trusses.	Not a warranted condition.	Splitting and warping can be caused by high temperature effects on wood and other factor beyond the Builder's control.
4. Exterior				
Stoop, Porch and Patio	4.1	Settling or heaving of structurally attached stoop, porch and patio.	Builder will correct if movement is greater than 1 inch from the Home.	Stoops, porches and patios poured separately are not considered structurally attached.

	4.2	Concrete splatters on adjacent surfaces.	Not a warranted condition.	This item should be identified on a pre-closing walk-through inspection list.
Structurally Attached Wood Decks	4.3	Twisting, warping or splitting of wood.	Builder will correct if condition was caused by improper installation.	Wood deck material is exposed to changing weather conditions which can cause twisting, warping and splitting, which are not warranted conditions.
	4.4	Deck settles.	Builder will correct slope of deck if greater than 2 inches in a 10 foot measurement.	Some slope is normal for proper water drainage.
	4.5	Railing or post becomes loose.	Builder will correct if the condition is due to improper installation.	Homeowner is responsible for conditions not related to installation.
Exterior Walls	4.6	Separation of siding or trim joints, or separation between trim and abutting masonry siding.	Builder will caulk separations greater than 3/16 inch. Also, exterior trim abutting masonry siding shall perform its function of excluding the elements.	Separations ¼ inch or less are considered normal and are not warranted conditions.
	4.7	Cracks in stucco and cement plaster surfaces.	Builder will repair cracks greater than 1/8 inch in width. Exact match of color or texture cannot be expected.	Hairline cracks are common in this type of wall finish and are not warranted conditions.
	4.8	Siding deteriorates, delaminates or comes loose	Builder will repair damaged siding and secure loose siding if caused by improper workmanship or materials.	Homeowner is responsible for maintenance. Wood siding will split, shrink and cup, which are not warranted conditions.
Doors	4.9	Door binds against jamb or does not lock.	Builder will adjust door or latch if caused by faulty workmanship or materials, one time only.	Doors will expand and contract due to changes in climatic conditions.
	4.10	Wood door panels shrink exposing bare wood.	Not a warranted condition.	Panels will shrink due to the nature of wood. Exposed, unfinished surfaces can be expected.
	4.11	Warpage of exterior doors.	Builder will correct warpage greater than ¼ inch, measured diagonally.	Doors will expand and contract due to changes in climatic conditions.
	4.12	Door panel splits.	If split allows the entrance of elements, Builder will correct one time.	Splits which do not allow the entrance of elements are considered normal and is not a warranted condition. Homeowner maintenance is required.
	4.13	Drafts around door.	Builder will adjust poorly fitted doors or weather-stripping to prevent excessive infiltration under normal conditions.	Some infiltration is normal especially during high winds. Homeowner is responsible for minor alterations to adjustable

				thresholds and other parts of the door.
	4.14	Torn or damaged screens.	Not a warranted condition.	Damaged door and window screens should be identified on a pre-closing walk-through inspection list.
	4.15	Garage door fails to operate or fit properly.	Builder will adjust garage doors to meet the manufacturer's installation tolerances.	Garage doors are not designed to be weather-tight. Some entrance of elements can be expected and is not considered a deficiency. If Homeowner installs a garage door opener, the Homeowner is responsible for operation of door.
Windows	4.16	Condensation or frost on interior window surface.	Not a warranted condition.	Condensation can occur on various types of windows. Temperature, humidity and living conditions can cause condensation, which is not a warranted condition.
	4.17	Clouding or condensation on inside surface of insulated glass.	Builder will replace glass to comply with manufacturer's requirements.	If condition is caused by Homeowner negligence, this is not a warranted condition.
	4.18	Glass breakage	Not a warranted condition.	Broken glass should be identified on pre-closing walk-through inspection list.
	4.19	Drafts around windows.	Builder will adjust poorly fitted windows or weather-stripping to prevent excessive infiltration under normal conditions.	Some drafts are normal especially during high winds. Caulking expands and contracts. Maintenance of caulking and weather stripping is Homeowner's responsibility.
	4.20	Windows are difficult to open, close or lock.	Builder will adjust for proper fit according to manufacturer's guidelines.	Windows should operate in conformance with the design standards established by the manufacturer.
Exterior Paint	4.21	Paint or stain peels or deteriorates.	Builder will refinish affected areas matching color as closely possible.	Fading is normal. Mildew and fungus on siding can be caused by weather conditions and are considered routine maintenance. Varnish or lacquer will deteriorate quickly and is not a warranted condition.
	4.22	Paint splatters and smears on other surfaces.	This is not a warranted condition.	This item should be noted on a pre-closing walk-through inspection list.

	4.23	Inadequate paint coverage.	Builder will repair affected area matching color as closely as possible	Minor imperfections such as overspray and brush marks can be expected.
	4.24	Knots appear through paint or stain.	Builder will seal affected areas where excessive bleeding of knots appear and touch-up with original material color to match as closely as possible.	Knots may be visible due to the material used.
Exterior Walls	4.25	Cracks in masonry, veneer or stone exteriors.	Builder will repair cracks greater than ¼ inch width.	Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair.
Roof	4.26	Roof or flashing leaks.	Builder will correct roof or flashing leaks that occur under normal weather conditions.	If the cause of the leak is due to snow or ice build-up, high winds, driving rains, or Homeowner negligence, this is not a warranted condition.
	4.27	Lifted, torn or curled roof shingles.	Builder will repair or replace if due to poor installation.	Damage caused by fire, explosion, smoke, hail, lightening or other accidents is not a warranted condition.
	4.28	Inadequate ventilation.	Builder will install louvers or vents based on industry standards.	Attics should be adequately vented to prevent excessive moisture buildup. Homeowner is responsible to keep vents clear of obstructions for proper air flow.
	4.29	Gutters leak and have standing water.	Builder will repair joints to be leak free and correct pitch if standing water depth exceeds ½ inch.	Homeowner is responsible for keeping gutters and downspouts free from leaves and debris.
Interior				
Sub-Flooring	5.1	Loose sub-flooring.	Builder will repair if caused by improper installation.	Wood will shrink due to temperature and humidity changes which can affect sub-flooring.
Hard Surface Flooring (flagstone, marble, ceramic tile, slate)	5.2	Flooring cracks or becomes loose.	Not a warranted condition.	This condition should be noted on a pre-closing walk-through inspection list.
	5.3	Hollow sounding tile.	Not a warranted condition if tile is bonded.	Hollow sounding tile is not considered a defect.

	5.4	Shrinking or deterioration of caulking.	Builder is responsible only for initial application.	Caulking shrinks and deteriorates. Homeowner is responsible for maintenance.
	5.5	Cracks in grouting of ceramic tile joints.	Builder will repair cracks greater than 1/8 inch one time only.	Regrouting of cracks in grout joints is a Homeowner maintenance item.
Floor Covering	5.6	Gaps at seams of resilient flooring.	Builder will correct gaps of similar materials in excess of 1/16 inch, and 1/8 inch where dissimilar materials abut.	Minor gaps should be expected and are not a warranted condition.
	5.7	Cuts and gouges in floor covering.	Not a warranted condition.	All cuts and gouges should be identified on a pre-closing walk-through inspection list.
	5.8	Nail pops appear on the surface of resilient flooring.	Builder will repair nail pops that have damage floor covering.	Damage caused by high heels, table and chair legs and similar objects is not a warranted condition.
	5.9	Depressions or ridges in resilient flooring due to sub-flooring irregularities.	Builder will repair depressions or ridges greater than 1/8 inch. Ridges will be measured with a 6 inch straight edge centered on the ridge with a 1/8 inch space placed on one end.	Condition is to be repaired so as to comply with the tolerance and not be readily visible.
	5.10	Resilient flooring fades, stains or discolors.	Not a warranted condition.	Fading, stains or discoloration should be identified on a pre-closing walk-through inspection list.
	5.11	Resilient flooring loses adhesive.	Builder will repair as necessary but is not responsible for discontinued patterns or color variations.	Homeowner is responsible for proper maintenance.
	5.12	Seams in carpet.	Builder will repair seams in carpeting that separate due to improper installation.	Homeowner maintenance is required to prevent separation of seams.
	5.13	Carpet loosens or buckles.	Builder will restretch carpet if condition is caused by an installation defect.	Stretching of new carpet is normal. Homeowner is responsible for proper care.
	5.14	Carpet shows wear.	Not a warranted condition.	High traffic areas in entryways and hallways will normally show wear. Homeowner is responsible for maintenance.
Hardwood Floors	5.15	Gaps or cracks between finished floor boards.	Builder will correct separations exceeding 1/8 inch.	It is normal for wood to shrink and expand due to changes in humidity. Repair may be effected by filling the gap.

	5.16	Finished floor boards that cup, crown or become loose.	Builder will correct only if the cause is due to improper installation.	It is normal for wood to experience some cupping or crowning due to the changes in humidity and other inherent features. Finished floors are subjected to Homeowner living conditions. Builder is not responsible for defects resulting from causes beyond its control.
Wall and Ceiling Surfaces	5.17	Drywall cracks.	Builder will repair cracks greater than 1/16 inch in width, one time only during the first year.	Minor cracks and slight imperfections, are common and can be expected.
	5.18	Nail pops, trowel marks, tape blisters.	Builder will repair nail pops which have broken finished surface. Marks and blisters must be readily seen by visual inspection at a minimum distance of 6 feet under normal light conditions.	Minor depressions and slight mounds at nail heads are not warranted conditions.
	5.19	Peeling of wallpaper installed by Builder.	Builder will repair unless due to Homeowner neglect or abuses.	Maintaining adequate ventilation in areas of high humidity is the Homeowner's responsibility.
	5.20	Lumps, ridges and nail pops in wallboard which appear after Homeowner has installed wall covering.	Not a warranted condition.	Homeowner should insure that surface to receive wall covering is suitable and is properly prepared.
	5.21	Surface defects in finished woodwork.	Builder will repair surface marks that are visible at a distance of 6 feet under natural light.	Surface defects caused by Homeowner's negligence are not a warranted condition.
	5.22	Gaps between trim and adjoining surfaces	Builder will correct gaps greater than ¼ inch.	Wood shrinkage is common.
	5.23	Inadequate paint coverage on wall or trim surfaces.	Builder will repair affected area matching color as close as possible.	Minor imperfections such as overspray and brush marks can be expected.
Doors	5.24	Door binds against jamb or does not latch.	Builder will adjust door or latch if caused by improper workmanship or materials.	Doors will expand and contract due to changes in climatic conditions.
	5.25	Warpage of interior doors.	Builder will correct warpage greater than ¼ inch, measured from top to bottom vertically, or diagonally.	Doors will expand and contract due to changes in climatic conditions.
	5.26	Excessive opening at bottom.	Builder will correct gaps that exceed 1 ½ inch between bottom of passage door and finished floor	It is common to have an opening to allow an air passage.

			or 2 inches between bottom of closet door and finished floor.	
	5.27	Bottom of door rubs on carpet.	Builder will undercut door as necessary.	Builder is not responsible if Homeowner installed the carpet or if Homeowner selects an excessively high pile.
	5.28	Hardware does not work or perform its intended purpose.	Builder will repair, adjust or replace as required.	Normal wear and tear can and should be expected. The hardware manufacturer's warranty shall apply.
6. Mechanical				
Plumbing System	6.1	Faucet, valve or pipe leak.	Builder will repair a leaking faucet or valve if due to fault workmanship and materials. Condensation on pipes does not constitute a leak.	Homeowner is responsible for maintenance including replacing worn or defective washers or seals. Scratches, tarnishing or marring must be identified on a pre-closing walkthrough inspection list.
	6.2	Noisy water pipe.	Builder will correct hammering noise.	Some noise can be expected due to flow of water and pipe expansion. This is not a warranted condition.
	6.3	Plumbing pipes freeze and burst	Builder will repair if caused by faulty workmanship or materials. Pipes are to be adequately protected to prevent freezing during normal anticipated cold weather.	Homeowner is to maintain suitable temperatures inside the Home to prevent freezing or bursting. Homes unoccupied for an extended period of time should be properly winterized or checked periodically to insure that systems are in good working conditions. Homeowner negligence is not a warranted condition.
Water Supply System	6.4	Water supply fails to deliver water.	Builder will correct if due to faulty workmanship or materials	Drought or causes other and faulty workmanship and materials will not be covered under this Limited Warranty.
Sewage Disposal System	6.5	Clogged drain or sewer.	Builder will correct clog within structure caused by faulty workmanship or materials.	Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Homeowner maintenance and proper use is required.
	6.6	Septic system fails.	Builder is responsible for installing the system in compliance with local codes and requirements. Defects resulting	Homeowner is responsible for maintenance and proper care of the system. Issues not related to workmanship or materials are considered non-warranty items.

			from noncompliance may be warranted.	
Electrical System	6.7	Malfunction of outlets, switches or fixtures.	Builder will repair or replace defective outlets, switches or fixtures.	Homeowner should exercise caution if an outlet, switch or fixture appears defective.
	6.8	Drafts from electrical outlets.	Not a warranted condition.	Air can be drawn through outlets, which is normal.
	6.9	Failure of wiring to carry its designated load.	Builder will repair wiring if failure is caused by improper installation or materials.	If failure is caused by overloading the circuit or Homeowner negligence, this is not a warranted condition.
Heating, Ventilating and Cooling System	6.10	Inadequate heating.	Builder will correct if heating system cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. Builder will balance dampers, registers and make minor adjustments one time only during the first year. All rooms may vary in temperature by 5 or 6 degrees, which is generally acceptable under industry standards.	Orientation of the Home, location of rooms and location of vents can cause temperature variations. If outdoor temperature falls below design temperature, the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage.
	6.11	Inadequate cooling	Builder will correct if cooling system cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. On hot days, when outside temperature is above 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. This standard may be superseded by energy codes adopted by the local jurisdiction. All rooms may vary in temperature by 5 or 6 degrees. This is acceptable under industry standards.	Orientation of the Home, location of rooms and location of vents can cause temperature variations. If outdoor temperature falls below design temperature, the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage.
	6.12	Leak in cooling system.	Builder will repair if due to faulty installation or materials.	Homeowner is responsible for system maintenance.
	6.13	Duct work separates.	Builder will reattach and re-secure separated ductwork.	Homeowner maintenance is required.

	6.14	Ductwork noise and oil canning.	Builder will take necessary steps to eliminate oil canning and booming noise.	When metal heats or cools noise in ductwork may occur.
7. General New Home Components				
Bathroom and Kitchen	7.1	Gaps between cabinets, walls or ceiling.	Builder will repair gaps greater than ¼ inch. Cabinets are to be securely mounted.	Minor separation is normal. Acceptable methods of repair may include caulking or molding.
	7.2	Cracked door panel.	Not a warranted condition.	Cracked door panels should be identified on a pre-closing walk-through inspection list.
	7.3	Warping of cabinet door or drawer front.	Builder will repair warpage greater than ¼ inch from the face of the cabinet frame to the most distance of warpage on door in a closed position.	Warpage may be a temporary condition when caused by climatic changes.
	7.4	Doors or drawers malfunction	Builder will repair or replace as needed.	Homeowner negligence is not a warranted condition.
	7.5	Defective plumbing fixture, fitting or appliance.	Builder will repair any fixture or fitting which does not conform to the manufacturer's standards.	Homeowner is responsible for maintenance.
Countertops	7.6	Chips, cracks, scratches in countertops, cabinets, fixtures, or appliance.	Not a warranted condition.	These conditions should be identified on a pre-closing walk-through inspection list.
	7.7	Delamination in high pressure laminates of countertops.	Builder will repair.	This condition should be identified on a pre-closing walk-through inspection list.
Chimney and Fireplace	7.8	Chimney separates from the Home.	Builder will repair separation greater than ½ inch within 10 feet.	It is normal for chimneys to settle causing separation.
	7.9	Chimney smoke inside home.	Builder will repair if the condition is caused by improper construction or inadequate clearance one time only.	Smoke is caused by a negative draft where outside air is pulled into the room through the chimney. It can be caused by high winds, outdoor obstructions such as trees or the physical locations of the chimney. A negative draft is usually temporary and can be corrected by opening a window to create a positive draft.
	7.10	Water infiltration into firebox from flue.	Not a warranted condition.	A certain amount of rainwater can be expected under certain conditions.



	7.11	Firebrick or mortar joint cracks or color of firebrick changes.	Not a warranted condition.	Heat in a fireplace may cause cracking or discoloration.
Appliances and Equipment	7.12	Appliances or equipment installed by Builder does not operate.	Builder will repair or restore the operation of appliances and equipment if damaged during installation or improper installation.	Normal wear and tear and defects resulting from negligence or Homeowner abuse are not warranted. Other manufactures' warranties may apply to new appliances and equipment.



EXHIBIT B:
Ten (10) Year Load-Bearing Structural

The following Warranty Standards are applicable only to the Load-Bearing Warranted Structural Component expressly stated in this Limited Warranty.

Category	Ref.	Condition	Standard	Remarks
B. 10 Year Coverage-Load Bearing Warranted Structural Components				
Concrete Components	B.1	Cracks in concrete beams.	Builder will repair cracks greater than 1/8 inch in width and 1/2 the beam in thickness in depth. Corrective action may include measures as determined by the Builder.	Shrinkage and non-structural cracks are typical in new Home construction, are expressly excluded, and are not considered a warranted condition.
	B.2	Cracks in poured concrete walls.	Builder will repair cracks greater than 1/4 inch in width and 1/4 inch displacement and 1/2 of the wall thickness in depth. Corrective action may include measures as determined by the Builder.	Minor cracking due to shrinkage, backfilling or soil conditions is typical in new Home construction, are expressly excluded, and are not considered a warranted condition.
	B. 3	Cracks in structural poured concrete floor systems.	Builder will repair cracks greater than 1/4 inch in width and 1/4 inch vertical displacement and floor covering directly affected by the crack.	Builder will match finish as closely as possible.
	B.4	Movement in poured concrete floor.	Builder will repair movement greater than 1% over the length of the foundation from the Original Construction Elevation.	Some movement should be expected due to regional soil conditions and seasonal climate changes. Expansion joints allow for expansion and contraction. This is not considered a warranted condition.
Masonry Components	B.5	Cracks in load bearing concrete and masonry walls.	Builder will repair cracks greater than 3/8 inch in vertical or horizontal displacement. Corrective action may include measures as determined by the Builder.	Shrinkage and non-structural cracks are common in new Home construction. Masonry veneers are not Load-bearing Warranted Structural Components.

	B.6	Column movement.	Builder will repair out-of-plumb movement greater than 1 inch in 96 inches.	Some movement is typical in new Home construction and is not considered a warranted condition.
Wood Components	B.7	Deflection in beam or joist.	Builder will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Minor warping is typical as wood dries out and is not considered a warranted condition.
	B.8	Deflection if floor or roof trusses.	Builder will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Variations in temperature and humidity may cause temporary deflection beyond the standard. Minor warping is typical as wood dries out and is not considered a warranted condition.
	B.9	Movement of a load bearing wall.	Builder will repair movement greater than 1 ½ inch inches per 96 inches.	Some movement is typical in new Home construction. Minor warping may occur as wood dries out and is not considered a warranted condition.
	B.10	Deflection of a load bearing wall.	Builder will repair deflection greater than 1 inch in 96 inches measured horizontally or vertically.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	B.11	Movement of a wood column.	Builder will repair deflection greater than 1 inch per 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	B.12	Deflection of a wood column	Builder will repair deflection greater than 1 inch per 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
Metal Components	B.13	Deflection in beam or joist	Builder will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	B.14	Deflection in floor or roof trusses.	Builder will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	B.15	Movement of a load bearing wall.	Builder will repair movement greater than 1 ½ inches per 96 inches.	Some movement is typical in new Home construction. Movement of 1 ½ inches or less is not considered a warranted condition.
	B.16	Deflection of a column	Builder will repair deflection greater than 1 inch per 96 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.



EXHIBIT C:

Warranty Service Request

For Homeowner's protection and to allow efficient operations, Builder's warranty service system is based on Homeowner's written report of non-emergency items. Please use this form to notify Builder of warranty items. Homeowner may use a separate document to outline items and attach it to this form. Homeowner may email the form to us at Warranty@GrayWolfHomes.com or it may be mailed to 104 Airport Industrial Drive, Suite 101 Clayton, NC 27520. After review, Builder will contact Homeowner to schedule an appointment.

Please circle which warranty check Homeowner is selecting:

30-Day Initial Warranty Check

11-Month Final Warranty Check

Name: _____

Date: _____

Address: _____

Lot #: _____

Community: _____

Phone: _____

Closing Date: _____

Item #	Location	Service Requested
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

SIGN BEFORE SUBMITTING WARRANTY REQUEST

By signing below, I acknowledge that the above listed repairs that I am requesting is the complete list. Items not addressed within this list cannot be added to this list once it has been received.

Purchaser _____

Date _____

Purchaser _____

Date _____



SIGN AFTER WORK HAS BEEN COMPLETED

By signing below, I acknowledge that the above listed repairs that I am requesting have been addressed by the Builder and are covered under the warranty terms. I further agree that the Builder will not be liable for any additional warranty work within the selected "warranty check" period. By acknowledging this, your warranty check period will be closed.

Purchaser _____ Date _____

Purchaser _____ Date _____