

Pond View Woods, LLC

LIMITED WARRANTY

This Limited Warranty is given to: -----(Herein after "Buyers") from Pond View Woods, LLC (hereinafter "Developer/Builder"), for the dwelling located at _____ Lot _____ in Old Orchard Beach, Maine.

1. TERMS OF COVERAGE

The terms of the various coverage's of the Limited Warranty is for one (1) year, beginning on the date the Certificate of Occupancy is issued. This date is referred to in this document as the "date of warranty commencement."

2. COVERAGES

For the term of this Limited Warranty, Developer/Builder warrants that the subject home and its systems will be free from all material defects in materials and workmanship other than minor or cosmetic defects and will be in compliance with all applicable building, sanitary, and electrical codes. Specific coverages and standards are outlined in Section 5 below.

3. MANUFACTURERS' WARRANTIES

The Developer/Builder hereby assigns to Buyers all manufacturers' warranties on all appliances and equipment which were originally granted to the Developer/Builder. A part of the assignment of these manufacturers' warranties may include a specific procedure, which must be followed to make the warranty effective. The procedure may require notification or registration by Buyers to the manufacturer, or the requirement that Buyers mail a warranty card to the manufacturer. At the acceptance inspection the Developer/Builder will provide the Buyers with applicable warranty documents.

The Buyers' failure to register or mail a warranty card, if any, according to any manufacturers' requirement shall not create any liability on the Developer/Builder for express or implied warranties on equipment or appliances. The forwarding of such warranty material to manufacturers is the Buyers' sole responsibility.

4. DEFINITIONS

Appliances, Fixtures and Equipment: The term "Appliances, Fixtures and Equipment" (including their fittings, attachments, controls and appurtenances) shall include but not be limited to: Furnaces, boilers, fuel tanks and fittings, humidifiers, air handling equipment, ventilating fans, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures and circuit breakers.

Minor and Cosmetic Defects: All cosmetic sheetrock cracks and defects that may exist upon delivery and setup of the modular home will be repaired prior to the closing and delivery of the home to the buyer. However, despite adherence to high quality workmanship standards and the use of quality materials, all new dwellings will go through a period of settlement and shrinkage overtime, causing hairline cracks, some wood shrinkage and warping and other similar minor defects, all of which are unavoidable and are not covered by this Limited Warranty.

Systems: The term "systems" (exclusive of appliances, fixtures and equipment, as specified above) means the following:

1. Plumbing System: Water and gas supply lines and fittings and water supply, waste and vent pipes and their fittings and their field drains, water gas and sewer service piping, and their extensions to the tie-in of a public utility connection.
2. Electrical System: All wiring, electrical boxes, and connections up to the public utility connection.
3. Heating, Cooling and Mechanical Systems: All ductwork, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

5. COVERAGES

a. **STRUCTURES:** For a period of one year after date of warranty commencement, the floors, ceilings, walls and other internal structural components of the dwelling, which are not covered by other parts of this LIMITED WARRANTY, will be free of substantial defects in workmanship and materials.

We warrant that the doors and windows installed in your home are of excellent quality; however, it must be understood that wood swells and shrinks in accordance with moisture and humidity. There is an abnormal amount of moisture in a new home, and because of the nature of wood, and drywall, you may experience some sticking and binding. To make every door and window in your home completely free from any sticking and binding at the outset would only result in their being loose and ill fitting in the future. Similarly, and for the same reasons, hairline cracks may develop at corners around doors and windows in all surfaces. Unfortunately, it is impossible to insure that such cracks will not occur due to the nature of the materials and the effects of the weather upon them. Therefore, hairline cracks and seams are not covered by this warranty, as they do not represent a structural failure. The structural and load bearing components of the premises are warranted for one (1) year against defects in material and workmanship and against substantial shifting or settling and damages to the dwelling resulting therefrom. It is understood that minor cracking in concrete walls and floors (i.e. one eighth (1/8) inch or less) is generally considered normal, and not covered by this warranty. Similarly, hairline cracks may develop at the corners around windows and doors, and this is considered normal given the nature of the materials and the effect of moisture, heating and cooling, and weather conditions and are not covered by the warranty.

b. **BASEMENT:** For a period of one (1) year after date of warranty commencement, the basement will be free of water caused by seepage occurring during periods of rain. However, it is impossible to assure you that condensation will not occur, as this is the nature of new concrete; and, therefore, we expressly do not guaranty against dampness by reason of condensation. Moreover, it is the Buyers' responsibility to correct any minor settlement near the foundation, which may cause water pockets.

Not covered by this warranty is seepage due to unusual flooding or rains greater then two (2) inches in twenty-four (24) hours. It is not possible to prevent concrete from minor cracking because of the nature of the material. All major cracks and cracks which emit water, are covered for one (1) year. It is understood that we will take all possible measures to prevent water problems in the basement but in the event we cannot correct the problem, a sump pump may have to be installed. The Buyers shall pay for the sump pump, and we will be responsible for its installation.

c. **PLUMBING AND SEPTIC SYSTEMS:** For a period of one (1) year after date of warranty commencement, the plumbing and sewage system will be free of substantial defects in workmanship materials. If, in the course of correcting a stoppage, any foreign objects are found in the system, the Buyers will pay the entire cost of correction. The Developer/Builder will repair dripping faucets or loose fixtures occurring within one hundred eighty (180) days after the date of warranty commencement. Septic tanks should be pumped out every two or three years. It is the Buyers' responsibility to insure that exterior faucets are drained and shut off before the advent of winter. Frozen exterior faucets are not the responsibility of the Developer/Builder.

d. **ROOF:** For a period of one (1) year after date of warranty commencement, the roof will be free from leaks caused by defects in workmanship or materials. Expressly not covered are leaks resulting from "ice back-up." It is the responsibility of the Buyers to insure free passage in gutters and downspouts at all times. Damage, if any, caused by windblown rain or snow through roof, gable or soffit vents and louvers into attic space is excluded from the provision of this warranty.

e. **HEATING SYSTEM:** The heating system is warranted to heat the home to a temperature of seventy-two (72) degrees at the thermostat when the outside temperature is zero (0). This warranty is for a period of one (1) year from the date of warranty commencement. Developer/Builder's heating technician will make heating adjustments for up to one hundred eighty (180) days after date of warranty commencement except in instances where the thermostat fails to reach seventy-two (72) degrees with an outside temperature of zero (0) degrees.

f. **PAINTING:** The painting and/or staining of the dwelling is warranted for a period of one (1) year from date of warranty commencement against chipping, peeling or blistering, or excessive fading and chalking. It is understood that sunlight, weather conditions, cooking, smoking, etc., will slightly alter the color of the paint, and the Developer/Builder cannot be responsible for minor variations in shading or coloring that may occur during painting and/or touch up work under the warranty provision of this agreement.

g. **WOOD FLOORING:** Flooring is warranted against swelling and buckling for a period of one (1) year from the date of warranty commencement. Shrinkage and separation of floorboards is normal and is, therefore, not covered under the provisions of the warranty. Should you experience some shrinkage and separation of the floorboards, raising the relative humidity within the dwelling can retard this condition.

h. **FIREPLACE:** All fireplaces and chimneys are built according to state and local building codes, and are warranted for one (1) year after date of warranty commencement. Local building and fire inspectors must inspect any wood stoves installed by the Buyers. The Developer/Builder is not responsible for any problems relating to wood stoves.

i. **LAWN AND SHRUBS:** the Developer/Builder accepts no responsibility for the growth of grass or shrubs. Once the Developer/Builder grades, seeds and/or sods, and fertilizes the yard, the Buyers must water the plants and grass sufficiently and plant ground cover where necessary to prevent erosion. The Developer/Builder will not regrade a yard, nor remove or replace any shrubs or trees except for those that are noted as diseased at final inspection.

j. **OTHER:** For a period of one (1) year after the date of warranty commencement, the doors (including hardware), windows, electrical switches, receptacles, plumbing fixtures and cabinet work will be free of defects in workmanship or materials.

6. EXCLUSIONS FROM COVERAGE

The Developer/Builder specifically does not assume responsibility for any of the following items, each of which is specifically excluded from this Limited Warranty:

- a. Defects in appliances, fixtures, or pieces of equipment that are covered by a manufacturer's warranty. The Buyers must follow the manufacturer's warranty claim procedure if a defect appears.
- b. Damage due to ordinary wear and tear, abusive use, misuse, or lack of proper maintenance of the dwelling or its component parts or systems.
- c. Defects which are the result of characteristics common to materials used, such as, but not limited to, warping or deflection of wood; fading, chalking and checking of paint due to sunlight; cracks in concrete, drywall, brick or masonry; and drying, shrinking and cracking of caulking and weather-stripping.
- d. Defects in items installed by the Buyers or anyone other than by Developer/Builder or sub Developer/Builder at Developer/Builder's order.
- e. Loss or injury due to the elements or major storm event.
- h. Conditions resulting from condensation on, or expansion or contraction of materials.
- i. Consequential or incidental damages.

7. NO OTHER WARRANTY

This Limited Warranty is the only express warranty granted by the Developer/Builder except for warranty rights granted under Maine statutes. However, all rights under the manufacturers 2-10 Home Buyers Warranty issued to builder/developer as shown in Exhibit B shall be transferred to buyer at closing.

8. CLAIMS PROCEDURE AND REPAIRS

If a defect appears that the Buyers thinks is covered by this Limited Warranty, the Buyers must notify the Developer/Builder promptly in writing. In the case of emergency situations where time is critical the Developer/Builder may be telephoned.

Repairs: Upon receipt of a written report of a defect, if the defect is covered by the limited warranty, the Developer/Builder will repair or replace the defect within 45 days. The Developer/Builder, or sub Developer/Builders chosen by the Developer/Builder must do the work. The choice between repair and replacement is reserved to Developer/Builder.

9. DISPUTE SETTLEMENT

Any controversy or claim arising out of or relating to this Limited Warranty, or breach thereof, shall be settled by the means specified in Section: 5 of the Construction Contract between Buyers and Developer/Builder.

DEVELOPER/DEVELOPER/BUILDER

We hereby acknowledge that we have read this LIMITED WARRANTY and agree to the terms as specified therein.

BUYERS

_____ Dated: _____

_____ Dated: _____

DEVELOPER/ BUILDER

_____ Dated: _____

_____ Dated: _____