

THIS LIMITED WARRANTY CONTAINS A PROVISION REQUIRING BINDING ARBITRATION OF ALL CLAIMS AND CONTROVERSIES. YOU SHOULD READ IT CAREFULLY BEFORE SIGNING. YOU ARE ENCOURAGED TO SEEK THE ADVICE OF AN ATTORNEY CONCERNING THIS LIMITED WARRANTY.

LIMITED WARRANTY

PURCHASER:

BUILDER:

PROPERTY:

KUDZU
REAL ESTATE, INC.

("purchaser")

("builder")

(the "property")

DATE OF CLOSING OF SALE OR OCCUPANCY, WHICHEVER IS EARLIER:

The terms of the various coverages of this Limited Warranty begin on the date of closing of sale of the property from seller to purchaser, or the date when the purchaser first occupies the property, whichever comes first. This date may be set forth above.

Builder warrants that by the prevailing standards of construction applicable at the time of initial coverage of this Limited Warranty in Nashville, Tennessee:

For a period of one (1) year, the internal structural components of the home located on the property will be free of defects in workmanship.

For a period of one (1) year, the plumbing, heating, and electric wiring systems of the home located on the property will be free of defects in workmanship.

For a period of one (1) year, the roof of the home located on the property will be free of leaks caused by defects in workmanship.

For a period of sixty (60) days, the following items in the home located on the property will be free of defects in materials or workmanship: doors (including hardware); windows; electric switches; receptacles; and fixtures; caulking around exterior openings; plumbing fixtures; and cabinet work.

Builder assigns and passes through to purchaser, to the extent they are assignable, the manufacturers' warranties on all material, appliances, and equipment in the home located on the property. The following are examples of such appliances and equipment, though not every home includes all of these items and some homes may include appliances or equipment not in this list: range, dishwasher, garbage disposal, ventilating fan, heating and cooling system, intercom, and central vac.

BUILDER DOES NOT ASSUME RESPONSIBILITY FOR ANY OF THE FOLLOWING, ALL OF WHICH ARE EXCLUDED FROM THE COVERAGE FOR THIS LIMITED WARRANTY:

- a) Consequential or incidental damages.
- b) Defects in materials, appliances and equipment that are covered by manufacturers' warranties. (Seller has assigned these manufacturers' warranties to purchaser, to the extent they assignable, and purchaser should follow the procedures in these warranties if defects appear in these items.)
- c) Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of purchaser's home.
- d) Defects that are the results of characteristics common to the material used; such as (but not limited to) warping and deflection of wood; fading, chalking, and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks, and masonry; drying, shrinking and cracking of caulking and weather-stripping.
- e) Defects in items installed by purchaser or anyone else except builder or, if requested by builder, builder's subcontractors.
- f) Work done by purchaser or anyone else except builder or, if requested by builder, or builder's contractors.
- g) Defects in any item purchaser supplied for the home and any damage to such items.

This Limited Warranty is also subject to the Limiting Conditions of Warranty more particularly attached hereto.

THIS LIMITED WARRANTY IS THE ONLY WARRANTY BUILDER GIVES. THERE ARE NO OTHER WARRANTIES IN CONNECTION WITH THE PROPERTY OR IMPROVEMENTS LOCATED THEREON, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF HABITABILITY, WORKMANLIKE CONSTRUCTION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

WARRANTY CLAIMS MUST BE FILED IN WRITING ONLINE AT:

www.kudzuhomes.com/warranty

There is a convenient form available to make the warranty request in writing. Where possible, please include photo(s) so that we may accurately assess the situation.

IN THE CASE OF AN EMERGENCY, we have included a list of key subcontractors that completed work on the home. You should contact them directly to initiate a warranty repair work order. However, it is the homeowner's **SOLE RESPONSIBILITY** to protect the home against damage. If you do not receive a timely enough response from the subcontractor or builder and there is imminent damage, then you must take action on your own. The purpose of the warranty is to repair unintentional defects but not to be an emergency response vendor. All claims must be made within 14 days of the date they are discovered in order to be covered under this warranty.

Upon receipt within the applicable warranty period of purchaser's written report of a defect, if the defective item is covered by this warranty, builder will repair or replace it at no charge to purchaser within a reasonable time, subject to delays due to weather conditions, labor problems, material shortages, or other causes beyond builder's control. The work will be done by builder or subcontractors chosen by builder. The choice between repair and replacement is builder's. Purchaser agrees to allow builder reasonable access to the premises and to cooperate fully with builder in performing work hereunder.

THE SOLE LIABILITY OF BUILDER HEREUNDER IS FOR REPLACEMENT OR REPAIR OF A DEFECTIVE ITEM COVERED BY THIS LIMITED WARRANTY. BUILDER SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, WHICH ARE SPECIFICALLY EXCLUDED.

This Limited Warranty is extended to the first purchaser of the property. When the first purchaser sells or vacates the property, whichever is earlier, this Limited Warranty automatically terminates. It is not transferable to subsequent purchasers of the property.

ARBITRATION. ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO, INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS INSTRUMENT OR THE LIMITED WARRANTY GIVEN PURSUANT HERETO, INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION THEN IN EFFECT, OR AS MAY BE OTHERWISE AGREED IN WRITING BETWEEN THE PARTIES. JUDGMENT UPON AN ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE COST OF THE ARBITRATOR(S) SHALL BE BORNE EQUALLY BETWEEN BUILDER AND PURCHASER. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION. NOTHING IN THIS ARBITRATION PROVISION SHALL BE DEEMED TO LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTE OF LIMITATION OR REPOSE.

The undersigned agree to the terms and provisions of this Limited Warranty and to evidence such agreement have signed their names below this _____ day of _____, 20____.

PURCHASER:

BUILDER:

Kudzu Real Estate, Inc.

LIMITING CONDITIONS OF WARRANTY

This statement of conditions that are not subject to the Limited Warranty given in connection with the property referenced therein explains some of the changes and maintenance items that may occur in purchaser's new home over the first year of occupancy. The home will require more maintenance and care than most products, since it is made up of many different components, each with its own special characteristics. Also, purchaser understands that like other products made by humans, a house is not perfect. It will show some minor flaws and unforeseeable defects, and it may require some adjustments and touching up.

As described in the Limited Warranty provided to purchaser, of which this document is made part, builder will correct defects that arise and are reported as provided therein during defined time periods after construction is completed. Other items that are not covered by the builder's Limited Warranty may be covered by manufacturers' warranties. There are some conditions, however, that are not covered under builder's Limited Warranty. It is important for purchaser to read these carefully and understand that purchaser has not contracted for the builder to correct certain types of problems that may occur in purchaser's new home. These guidelines will alert purchaser to certain areas of maintenance that are the responsibility of purchaser, and that could lead to problems if they are neglected.

The following list is an outline of some of the conditions that are not warranted by the builder. Purchaser should ask the builder or builder's representative if questions arise and should consult purchaser's attorney before signing the acknowledgement of the Limited Warranty and these Limiting Conditions.

1. Concrete: Concrete walks, driveways, retaining walls and patios & floors can develop hairline cracks not affecting structural integrity. There is no known method of eliminating this condition, which is caused by characteristics of expansion and contraction. It does not affect the strength of the structure and is not a condition covered by any warranty.
2. Masonry and Mortar: Masonry and mortar can develop cracks due to shrinkage in either the mortar or brick. This is normal and should not be considered a defect. It is not covered by any warranty.
3. Wood: Wood will sometimes crack or "spread apart" due to the drying out process. This is most often caused by the heat inside the house or the exposure to the sun on the outside or seasonal humidity changes. This is normal and considered a maintenance item to be cared for by the purchaser (this includes hardwood flooring). Cracks or separation of wood flooring, cabinets, trim or finished wood installations is normal and will not be warranted unless the gap EXCEEDS 3/8".
4. Drywall: Drywall (sheetrock) will sometimes develop nail pops or settlement cracks. This is a normal part of the drying out process and an item that can be easily handled by the purchaser with spackling during normal redecorating. Cracks in drywall that do not

exceed 3/8" will not be repaired under warranty. Any warranty repairs of drywall DO NOT include repainting.

5. Floor squeaks: After extensive research and writing on the subject, it has been concluded that much has been tried but little can be done about floor squeaks. Accordingly, floor squeaks are not covered by the Limited Warranty. Generally, they will appear and disappear over time with changes in weather.

6. Floors: Floors are not warranted for damage caused by neglect or use. Wood, tile, and carpet all require maintenance. Floor casters are recommended to prevent scratching or chipping of wood or tile. Stains should be cleaned from carpets, wood or tile immediately to prevent discoloration. Grease will permanently stain most porous tiles, so please use caution accordingly. Carpet tends to loosen in damp weather and will stretch tight again in dryer weather. Wood floors always expand and contract in temperature and humidity changes—cupping or separation of wood floors are to be expected and are not a warranty item. Stained and sealed concrete floors will have variation in color as well as surface scratches and scuffing, this considered a part of their character. They will also crack, as all concrete cracks. This is not a defect.

7. Caulking: Exterior and interior caulking in bathtubs, shower stalls, and ceramic tile surfaces & trim work will crack or bleed somewhat in the months after installation. This is normal and should not be considered a problem. This is not covered by the Limited Warranty and is a minor occurrence to be maintained by the homeowner.

8. Brick Discoloration: Most brick may discolor due to the elements, rain run-off, weathering, or bleaching, thus the color of the bricks is not an item covered by the Limited Warranty.

9. Broken Glass: Any broken glass or mirrors not noted on the final inspection form will not be covered as a Limited Warranty item.

10. Frozen Pipes: Purchaser must take precautions to prevent freezing during cold weather, such as removing outside hoses from sillcocks, leaving faucets with a slight drip, and turning off the water system if the house is to be left for extended periods during cold weather. Frozen pipes and sillcocks are not covered by the Limited Warranty.

11. Stained Wood: All items that are stained will normally have a variation of color, due to the different textures of wood. Doors that have panels will sometimes dry out and leave small cracks of bare wood. These conditions are not covered by the Limited Warranty.

12. Paint: Exterior paint can sometimes crack or check. This is not a defect in the paint, but it is caused by other sources. Purchaser should avoid allowing water from lawn sprinklers to hit painted areas, washing down painted areas, etc. Inside, purchaser should not scrub latex-painted walls, and should be aware of the newly painted walls when moving furniture. The best paint will stain or chip if it is not cared for properly. Any defects in painting that are not noted at final inspection are not subject to the Limited Warranty.

13. Cosmetic Items: The upkeep of cosmetic aspects of your home is your responsibility. This may include responsibilities such as sealing grout, tile or counter tops or proper cleaning of surfaces or other steps necessary to maintain the appearance of components of the home. Purchaser has not contracted with seller to cover ordinary wear and tear or other occurrences subsequent to the sale that affect the condition of features in purchaser's home. Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, mirror, plumbing fixtures, marble, granite and formica tops, lighting fixtures, kitchen and other appliances, doors paneling, siding, screens, windows, carpet, vinyl floors, cabinets, etc., which are not recognized and noted by purchaser at final inspection are not covered by the Limited Warranty.

14. Plumbing: Dripping faucets, toilet adjustments, and toilet seats are covered by the Limited Warranty for a sixty (60) day period only. After that, they are the purchaser's responsibility.

15. Grading: Your lot has been graded to insure proper drainage away from the home. However, in times of heavy rainfall or prolonged days of rain, standing or pooling water is to be expected. The ground can only absorb so much rainwater and once saturated it will not continue to absorb more until it dries out. This can also happen in the winter when the ground is frozen and cannot absorb rain or snow melt. Over time, natural erosion will occur, and it is the responsibility of the homeowner to ensure that property grading is maintained. Should purchaser wish to change the drainage pattern due to landscaping, installation of patio or service walks or modifications of downspouts or other reasons, purchaser should be sure a proper drainage slope is retained. Builder assumes no responsibility for the grading or subsequent flooding or stagnant pool formation if the established pattern is altered. If your house is equipped this French drains, modified French Drains, retention ponds, modified soil retaining areas or underground drainage—ongoing maintenance of these systems is solely the responsibility of the homeowner.

16. Lawn and Shrubs: Builder accepts no responsibility for the growth of grass or shrubs. Once builder grades, seeds, and/or sods and fertilizes, it is the purchaser's responsibility to water and spread ground cover to prevent erosion. Builder will not regrade a yard, or remove or replace any shrubs or trees, except for those which are noted as diseased or dead at final inspection. Builder is also not responsible for acts of nature that may damage landscaping. This includes erosion from excessive rains, lightning strikes to trees, freezing rain, hail or other weather events.

17. Roof Damage: The builder's Limited Warranty on the roof is for workmanship only. The manufacturer's warranty for roofing materials is prorated over the period of the lifetime use of the roof. Warranty claims for any defects in materials must be forwarded to the manufacturer. Builder will not be responsible for any damages caused by walking on the roof or by installing a TV antenna or other items on the roof or for failure to keep gutters and downspouts clear.

18. Heat and Air: The HVAC system is covered for both workmanship and equipment under the terms of this warranty. However, it is important that the homeowner provide appropriate maintenance and troubleshooting before making a warranty claim. This includes changing all air filters monthly. If the unit is not running, be sure to check ALL breakers first, including the ones by the equipment outside as well as in the breaker box inside and outside. You should also be familiar with the operation of the thermostats

and the various settings. Warranty services calls for HVAC that turn out to be tripped breakers or improper thermostat setting may result in a charge from the vendor that is charged to the homeowner. Additionally, bi-annual service on your HVAC system is considered a best practice to ensure optimum performance.

19. Decks & Fences: Builder does not assume responsibility for decks and fences. Homeowners are responsible for staining, sealing, and other necessary care for exterior improvements including but not limited to wood decks, fences, storage buildings, arbors, pergolas or other element exposed non-dwelling components of the property. Improper care will lead to a significantly reduced life for these exterior elements.

20. Crawlspace: A vapor barrier has been installed in the crawl space. But this does not guarantee a “dry crawlspace”. It is very likely that your crawlspace will be damp or have standing water at times—this is normal in Middle Tennessee. The combination of clay soil, high water tables and heavy rain storms makes it almost impossible to achieve a dry crawlspace at all times. There is no warranty for dampness or water in the crawlspace.

21. Mold: Organic growths such as funguses and mold are found everywhere, and it is impossible to own a home free from these. If this is an area of concern, you should conduct your own assessment prior to purchasing the home. The builder is not competent to discuss or resolve mold related issues and does not warrant your home against the existence or occurrence of mold or funguses. The undersigned hereby holds Builder harmless for and releases it from any and all claims arising from any and all type of mold or fungal intrusion.

22. Hot Water Temperatures: These are set by the manufacturer and will not be adjusted by the builder. Most water heaters can easily be adjusted by the homeowner as well as scald protection devises on showers and bathtubs. A simple internet search will show you how to do this. However, the builder assumes no liability for injury or damage to fixtures if the homeowner chooses to make these modifications.

23. Windows and Doors: All windows and doors should be checked for proper operation and any required repairs noted on the repair punch-list to be repaired prior to closing. Many things can happen by no fault of the builder that will affect the operation of doors and windows on a new house but these do not represent a defect to be warrantied by the builder and must be repaired at the homeowner’s discretion.

24. Light Fixtures: These carry a manufacturer warranty only and in many cases it is as little as 30 days. Light fixtures will not be replaced as a part of the builder warranty but you may contact the supplier to request a replacement if defective within the manufacturer’s warranty period.

25. Siding and Exterior Trim: These components of the home are covered for workmanship defects only. Many exterior finish components are made of natural materials and may have naturally occurring defects such as staining, discoloration, shrinkage or expansion and these are not covered under any warranty. Additionally, the warranty does not cover any damage that occurs to the exterior of the home as a result of high winds or extreme levels of precipitation, these are considered “Acts of God” and should be handled by the homeowner and/or their insurance company.

26. Settlement: All new homes will settle somewhat over the first few years. This is normal and not cause for alarm. It is normal to notice the signs of settlement, especially as the home completes its first full year cycling through the seasons. Don't panic, all new houses do this.

27. Insulation: The builder does not warrant the performance standards of any insulation in the home. If insulation should become dislodged (primarily in the crawl space) this is easy to fix and should be repositioned by the homeowner.

28. Fireplaces: If your home has a gas fireplace, it was tested and working at the time of your purchase. Most issues with fireplaces involve the lighting of the pilot light, which can sometimes be challenging and can vary by manufacturer. Any and all warranties on the fireplace would be with the manufacturer of the installed components only. Please contact them directly. Wood burning fireplaces are not covered by any warranty as the risk of miss-use is extremely high. Homeowner is solely responsible for the operation of a wood fireplace including, but not limited to, proper use of the flue and building a fire within the size limited for the fireplace.

29. Appliances: All appliances are warrantied only by the manufacturer, and these warranties vary. Due to the high risk of damage from miss-use, the garbage disposal is not covered under any warranty. Should a problem arise with an appliance, you should contact the manufacturer directly for service.

30. Unfinished Spaces: Any unfinished areas of the home such as attics, storage rooms, closets, basements, etc are not warranted as "living spaces" and are designed for storage only. Should the homeowner wish to finish out any of these types of spaces, they must consult with appropriate engineering and licensed construction professionals and develop a plan for the work to be done. The builder does not warrant any of these spaces as being constructed to allow for living space or meeting necessary codes requirements to be living space and is unable to advise on such.

Purchaser acknowledges having read and understood and received a copy of the above Limiting Conditions of Warranty and agrees to the above provisions.

PURCHASER:

BUILDER:

Kudzu Real Estate, Inc.

CLAIMS PROCEDURE

A claim for all covered warranty items must be made within 14 days of the date they are discovered. The claim should be filed at www.kudzuhomes/warranty by completing the simple form. In the event that a more urgent response is needed, you are welcome to initiate direct contact with the subcontractor responsible for the work on the home and make arrangements for a warranty service call. Please note that any service call made for a non-warranty item has the potential for a trip charge from the vendor, payable by the homeowner, so please be sure the request is covered. Below is partial list of vendor contacts for key warranty categories on your home:

Heat & Air	AC Doctor	615-891-9645
Plumbing	Precision Plumbing	615-876-8603
Electrical	S&S Electric	615-812-4336
Roof	M&G Roofing	615-738-8020
Gutters	Rosette's Gutters	615-394-6848
Hardwood Floors	Perkin's Hardwoods	615-804-8155
Termite Treatment	ACE Exterminating	615-876-7185
Light Fixtures	Hermitage Lighting	615-843-3300
Door Knobs, Bath Hardware, Mirrors, Closet Shelves	Calvin & Suttle	615-448-6414
Tile	GM Construction	615-752-8521

Seller Initials _____

Buyer Initials _____