

LIMITED WARRANTY AGREEMENT

This Limited Warranty Agreement is hereby entered into on this the _____ day of _____, 20____, by _____ and hereafter (whether one or more) referred to as the Buyer and _____ hereafter referred to as the Seller.

WHEREAS, the Seller and the Buyer on this same day entered into a contract (hereinafter referred to as the "Contract") of which this Limited Warranty Agreement is a part, for the sale by the Seller and the purchase by the Buyer of a house (the "Dwelling") located upon that certain parcel of real property located in _____ County, Alabama, the address of which is _____; and

WHEREAS, the Seller has agreed in the Contract to provide to the Buyer and the Buyer has agreed to accept this Limited Warranty Agreement, in lieu of all other warranties and claims whatsoever, whether implied by law or otherwise.

NOW, THEREFORE, in consideration of the premises, the agreements herein, the agreements set forth in the above mentioned Contract, the payment of the purchase price as set out in the Contract, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree to the terms and conditions of this Limited Warranty Agreement as follows:

1. Warranty Period. The Seller does hereby provide to the Buyer this Limited Warranty Agreement on the Dwelling for a period of One (1) Year (the "Limited Warranty Period") beginning on the date of conveyance of title to the Buyer or the date of initial occupancy of the Dwelling, whichever occurs first (the "Limited Warranty Commencement Date"), and the Buyer does hereby agree to the terms of this Limited Warranty Agreement and further agrees to accept this Limited Warranty Agreement as the only warranty given, in lieu of all other warranties of any kind, expressed or implied, with respect to the construction of the Dwelling and the sale thereof to the Buyer. The Limited Warranty Period has been negotiated between the Seller and the Buyer as a part of the negotiation of the terms and provisions of the Contract.

2. Limited Warranty. The Seller hereby warrants to the Buyer that, for and during the Limited Warranty Period, the Dwelling will be free from Latent Defects, as hereinafter defined. If a Latent Defect occurs in an item which is covered by this Limited Warranty Agreement, the Seller will repair, replace, or pay to the Buyer the reasonable cost of repairing or replacing, any such item. The Seller shall in its sole discretion determine whether to repair, replace or pay the reasonable cost of repairing or replacing any such item. **THE LIABILITY OF THE SELLER IS STRICTLY LIMITED TO THE OBLIGATION TO REPAIR, REPLACE OR PAY THE REASONABLE COST OF REPAIRING OR REPLACING, ANY SUCH ITEM, AND ANY RIGHT THAT THE BUYER MIGHT HAVE TO RECOVER ANY OTHER OR ADDITION DAMAGES IS HEREBY WAIVED AND EXCLUDED. THE BUYER ACKNOWLEDGED THAT THE SOLE REMEDY AVAILABLE TO THE BUYER HEREUNDER IS THE RIGHT TO REQUIRE THE SELLER TO REPAIR, REPLACE OR**

PAY THE REASONABLE COST OF REPAIRING OR REPLACING ANY SUCH ITEM. Steps taken by the Seller to correct any Latent Defect under this Limited Warranty Agreement shall not extend the Limited Warranty Period.

3. Definition of Latent Defect. For the purposes of this Limited Warranty Agreement, a Latent Defect is defined as and limited to a defect in a necessary component in the Dwelling which (i) is not apparent at the Limited Warranty Commencement Date but which becomes apparent during the Limited Warranty Period; (ii) is not otherwise excluded in this Limited Warranty Agreement; (iii) results in actual physical damage to the Dwelling; (iv) is the direct result of the failure by the Seller to construct the Dwelling in accordance with the applicable Building Standard portion of the Building Quality Standards Section attached hereto as Exhibit I; and (v) has been set forth in detail by the Buyer in a written notice to the Seller prior to the expiration of the Limited Warranty Period. The responsibility of the Seller to repair or replace certain items with respect to which there might be a Latent Defect shall be as set forth in the Responsibility portion of the Building Quality Standards Section. Provided, if a specific Latent Defect is not addressed in the Building Quality Standards Section, then the applicable codes adopted by the local governing body with respect to residential construction standards (or if no such codes have been adopted, then the standards of construction prevailing in the geographical area of the Dwelling) will be used in lieu of the provisions of the Building Quality Standards Section. The Building Quality Standards Section lists specific defects that might occur within specified categories of the construction and the responsibilities of the Seller and the Buyer with respect thereto, pursuant to the following format:

Possible Defect -	a brief statement of problems that may be encountered.
Building Standard -	a building standard relating to a specific defect.
Responsibility -	a Statement of the corrective action required of the Seller to repair the defect or a statement of the Buyer's maintenance responsibilities.

4. LIMITATION UPON LIABILITY. THE SOLE REMEDY AVAILABLE TO THE BUYER UNDER THIS WARRANTY AGREEMENT IS THE RIGHT TO REQUIRE THE SELLER TO REPAIR, REPLACE OR PAY THE REASONABLE COST OF REPAIRING OR REPLACING LATENT DEFECTS, AS HEREIN DEFINED, IN THE DWELLING. THE SELLER'S TOTAL LIABILITY UNDER THIS LIMITED WARRANTY AGREEMENT SHALL NOT EXCEED THE ORIGINAL PURCHASE PRICE PAID TO THE SELLER UNDER THE CONTRACT, LESS THE VALUE OF THE REAL PROPERTY UPON WHICH THE DWELLING IS LOCATED. THIS LIMITED WARRANTY AGREEMENT DOES NOT EXTEND TO OR INCLUDE LIABILITY FOR INDIRECT OR CONSEQUENTIAL DAMAGES.

5. Pre-Closing Inspection. Prior to closing the purchase of the Dwelling, the Buyer and the Seller will complete and sign a pre-occupancy inspection of the Dwelling in accordance with the form attached hereto as Exhibit "II" and any exceptions, omissions or malfunctions agreed upon and noted thereon will be corrected promptly by the Seller. The Seller

may elect, at the discretion of the Seller, to correct all exceptions, omissions or malfunctions and document, with the Buyer, such corrections of exceptions, omissions or malfunctions, prior to proceeding with closing.

6. Assignment of Insurance and Warranties to Seller. In the event the Seller repairs, replaces, or pays to the Buyer the reasonable cost of repairing or replacing, any Latent Defect covered by this Limited Warranty Agreement which is covered by insurance or other warranties, the Buyer will, upon the request by the Seller, assign the products or proceeds of such insurance or warranties to the Seller to the extent of the cost to the Seller of such repair, replacement or payment.

7. Exclusions and Disclaimers. This Limited Warranty Agreement shall not extend to, include or be applicable to (a) defects in outbuildings not attached to the Dwelling; swimming pools; other recreational facilities; driveways; walkways; retaining walls; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); or items furnished or installed by the Buyer or by parties who have dealt directly with the Buyer; or (b) defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; the presence of mildew, mold, spores, fungi, or other moisture-related conditions; fading, chalking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; shrinking and cracking of caulking and weatherstripping; and non-uniformity of appearance of brick and mortar; or (c) defects resulting from failure to perform general maintenance; including but not limited to the presence or growth of mildew, mold, spores, fungi, or other moisture-related conditions; negligence; normal wear and tear; improper maintenance; or improper operation of the Dwelling or any part of the systems in the Dwelling; and the Buyer hereby waives any claim arising out of any such defects.

The Buyer hereby acknowledges that the Buyer has read, understood and accepted the foregoing paragraph.

This Limited Warranty Agreement shall not extend to, include or be applicable to any loss, damage or injury caused by or resulting from riots; civil commotion; fire; explosion; smoke; accidents; water escape; falling objects; aircraft; vehicles; acts of God; lightning; windstorm; hail; flood mud slides; damage to personal property; earthquakes; volcanic eruptions; win driven water; radon gas; infestation from termites or other insects; sink holes; subsurface conditions; or changes in the underground water table; including, but not limited to, any mental anguish or bodily injury and any incidental, consequential or secondary damages caused or claimed to be caused thereby; and the Buyer hereby waives any claim arising out of any such loss, damage or injury.

The Buyer hereby acknowledges that the Buyer has read, understood and accepted the foregoing paragraph.

This Limited Warranty Agreement does not limit or enhance any manufacturer's warranty that is given on any appliance, fixture, equipment or material included within the Dwelling (Manufacturer's Warranted Items). The warranties supplied by the manufacturers, either directly or indirectly, to the Buyer, on some Manufacturer's Warranted Items, may be greater in both scope and time than warranties provided in this Limited Warranty Agreement. These warranties are the property of the Buyer, and the Seller shall deliver all such warranties at the pre-occupancy inspection and transfer the rights that the Seller has in such warranties, if any, to the Buyer. The Buyer will file with the manufacturer any forms contained in these manufacturer's warranties that are necessary to activate such warranties. These Manufacturer's Warranted Items are specifically not covered by this Limited Warranty Agreement and the Buyer shall rely on the manufacturers to correct any deficiencies with respect to these Manufacturer's Warranted Items.

The Buyer hereby acknowledges that the Buyer has read, understood and accepted the foregoing paragraph.

8. Access to the Dwelling. The Buyer must provide the Seller with reasonable workday access to the Dwelling in order to perform any warranty service required under this Limited Warranty Agreement. Failure or refusal of the Buyer to provide such access to the Seller will relieve the Seller of its obligations under this Limited Warranty Agreement.

9. Opportunity to Perform. Prior to filing any action under this Limited Warranty Agreement, the Buyer must give to the Seller reasonable notice of and a reasonable opportunity to repair, replace or pay the reasonable cost of repairing or replacing any Latent Defect covered hereunder. **SUCH NOTICE MUST, IN ANY EVENT, BE GIVEN IN THE MANNER DESCRIBED IN PARAGRAPH 13 OF THIS LIMITED WARRANTY AGREEMENT AND MUST BE GIVEN PRIOR TO THE EXPIRATION OF THE LIMITED WARRANTY PERIOD.** The Buyer acknowledges that the right of the Buyer to require the Seller to repair, replace or pay the reasonable cost of repairing or replacing any Latent Defect covered hereunder is to sole and exclusive remedy available to the Buyer.

10. Arbitration. Any dispute between the Seller and the Buyer as to whether the Seller has performed its obligations under this Limited Warranty Agreement to repair, replace or pay to the Buyer the reasonable cost or repairing or replacing any Latent Defect covered

hereunder shall be submitted to arbitration conducted pursuant to the Construction Industry Rules of the American Arbitration Association. The Seller and the Buyer acknowledge that this Limited Warranty Agreement necessarily involves interstate commerce by virtue of the materials and components contained in the Dwelling and agree to be bound by the decision of the arbitrator with respect to any dispute submitted to arbitration pursuant to the provisions of this paragraph. The arbitrator shall determine which portion of the fees and expenses charged by the arbitrator shall be paid by each of the parties.

11. No Assignment. This Limited Warranty Agreement is provided to the Buyer only and is not transferable or assignable by the Seller or the Buyer nor enforceable by any subsequent owner or occupant of the Dwelling.

12. General Provisions.

a. Should any provision to this Limited Warranty Agreement be deemed unenforceable by a court of competent jurisdiction, that determination will not affect the enforceability of the remaining portions.

b. This Limited Warranty Agreement shall be binding upon the Seller and the Buyer, and their respective heirs, successors, executors or administrators.

c. This Limited Warranty Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

d. The titles or headings to the paragraphs included herein are for convenience only and shall not add to, reduce, limit or modify in any manner the content thereof.

e. The use of one gender shall include all other genders, the use of singular shall include the plural, and the use of the plural shall include the singular, all as may be appropriate to the context in which they are used.

13. Notice to the Seller. The Buyer shall notify the Seller in writing before the expiration of the Limited Warranty Period of any defect covered by this warranty (or any VA or FHA warranty, if applicable). Such notice and any other notices to be given to the Seller hereunder must be sent by certified mail to the Seller at the following address:

FAILURE OF THE BUYER TO GIVE SUCH WRITTEN NOTICE TO THE SELLER BEFORE THE EXPIRATION OF THE LIMITED WARRANTY PERIOD SHALL BAR ANY RIGHT TO RECOVERY BY THE BUYER PURSUANT TO THIS LIMITED WARRANTY AGREEMENT.

14. Consumer Products. This Limited Warranty Agreement does not extend to or cover any appliance, piece of equipment, or any item defined as a consumer product for purposes of the Magnusson-Moss Warranty Act (15 USC 2301-2312, as amended).

15. WAIVER OF WARRANTIES AND CLAIMS. EXCEPT AS TO ANY VA/FHA WARRANTY DELIVERED TO THE BUYER AT CLOSING, IF ANY, THIS LIMITED WARRANTY AGREEMENT IS GIVEN IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY AND WORKMANSHIP, AND IS ALSO IN LIEU OF ANY CLAIMS FOR CONSEQUENTIAL DAMAGES, MENTAL ANGUISH OR DISTRESS, AND FOR DAMAGES BASED UPON NEGLIGENCE, FRAUD OR MISREPRESENTATION, AND THE BUYER HEREBY EXPRESSLY WAIVES AND DISCLAIMS ANY SUCH WARRANTIES AND CLAIMS WITH RESPECT TO BOTH THE DWELLING AND THE REAL PROPERTY UPON WHICH THE DWELLING HAS BEEN CONSTRUCTION. IF A VA OR FHA WARRANTY IS DELIVERED TO THE BUYER AT CLOSING, SUCH WARRANTY SHALL BE CONSTRUED TOGETHER WITH THIS LIMITED WARRANTY AGREEMENT, AND WHERE BY CONFLICT MAY EXIST, SUCH VA OR FHA WARRANTY SHALL GOVERN.

The Buyer hereby acknowledges that the Buyer has read, understood and accepted the foregoing paragraph.

16. SOLE WARRANTY/ENTIRE AGREEMENT. IT IS SPECIFICALLY AGREED BY THE PARTIES HERETO THAT THIS LIMITED WARRANTY AGREEMENT IS ACCEPTED BY THE BUYER AS THE SOLE WARRANTY GIVEN BY THE SELLER. THE BUYER ACKNOWLEDGES THAT THIS LIMITED WARRANTY AGREEMENT IS THE ENTIRE AGREEMENT OF THE PARTIES RELATED TO WARRANTIES. THE BUYER FURTHER AGREES THAT THE BUYER HAS NOT RELIED UPON ANY ORAL OR WRITTEN STATEMENTS, UNDERTAKINGS, OR REPRESENTATIONS EXCEPT AS SPECIFICALLY SET FORTH IN THIS LIMITED WARRANTY AGREEMENT AND THAT NO PRIOR AGREEMENT OR UNDERSTANDING PERTAINING TO WARRANTIES SHALL BE VALID OR OF ANY FORCE OR EFFECT. THE COVENANTS AND AGREEMENT OF THIS LIMITED WARRANTY AGREEMENT CANNOT BE ALTERED, CHANGED MODIFIED, OR ADDED TO, EXCEPT IN A WRITTEN INSTRUMENT SIGNED BY THE BUYER AND THE SELLER. NO REPRESENTATION, INDUCEMENT, UNDERSTANDING, OR ANYTHING OF ANY NATURE WHATSOEVER MADE, STATED OR REPRESENTED BY THE SELLER OR ON THE SELLER'S BEHALF, EITHER ORALLY OR IN WRITING, (EXCEPT AS SPECIFICALLY SET FORTH IN THIS LIMITED WARRANTY AGREEMENT) HAS INDUCED THE BUYER TO ENTER INTO THIS

LIMITED WARRANTY AGREEMENT OR SHALL BE ENFORCEABLE IN ANY MANNER AGAINST THE SELLER.

The Buyer hereby acknowledges that the Buyer has read, understood and accepted the foregoing paragraph.

IN WITNESS WHEREOF the parties hereto have set their hands and seals on this the 21st day of August, 2006.

SELLER: Sproul Building Co., Inc.

WITNESS:

by: R. G. Sproul, Jr.
its President

BUYER:

Form number 94-06. The HBAA and its local chapters do not assume any liability for damages arising from the use of this form and give no opinion that any of the terms and conditions in this instrument should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated between the parties based upon the respective interests, objective and bargaining positions of all interested parties. Seek specific legal advice from you lawyer. Copyright 1994 by the Home Builders Association of Alabama.