

NOTE: This document is provided for illustration purposes only. When preparing a warranty for use by your company, consult with a construction attorney who is familiar with the requirements of the states and local jurisdictions in which you work.

Contractor's Limited Warranty

Issued to: _____ (Owner)

Date: _____

For work performed at: _____

Contractor: _____

WITNESSETH

WARRANTY

Note: CONSEQUENTIAL AND INCIDENTAL DAMAGES ARE EXCLUDED AND THERE ARE LIMITATIONS IN THE DURATION OF IMPLIED WARRANTIES.

The limited warranty is extended to the above named Owner or Owners (referred to collectively as "Owner"), while occupying the house as a resident during the above coverage period. This warranty is extended to the original Owner only and is not transferable to subsequent owners.

Note to Owner:

All homes go through a period of settlement and as the seasons change, periods of expansion or contraction will occur. As a result, the home will experience minor material changes which are unavoidable and are considered normal. The Owner should also be aware that he/she is responsible for proper home maintenance such as maintaining contractor grades around the house. Damage caused by homeowner negligence, improper maintenance or changes, alterations or additions performed by anyone other than the Contractor, his/her employees, or subcontractors directed by Contractor is excluded from the warranty.

It will be helpful to the Owner's home maintenance program to keep a color chart of the different materials used on the home and a small supply of corresponding colored paint, stain, grout, etc. for easy touch up.

_____(Contractor) hereby warrants that the construction work performed at the above location is free from defects due to noncompliance with the Performance Standards referenced to and incorporated into this Limited Warranty for a period of ___ years from the date of substantial completion, date of commencement of use, or date of notice of completion, whichever occurs first.

This limited warranty is subject to the following conditions:

- This warranty covers the property above for as long as the said property remains in the possession of the Owner named above.
- The construction work has not been subject to misuse, abuse, accident, or neglect.

- The construction work has not been modified, altered, defaced, worked on or repaired in any way by others.
- The Owner will notify contractor of any defect within 10 days of discovery of that defect.

The Owner shall give the contractor the first opportunity to:

- 1) inspect the defect claimed, and
- 2) to effect the repair, replacement, or payment of reasonable sums to effect those repairs.

Under no circumstances shall the contractor be held liable by virtue of this warranty or otherwise, for damage to a person or property for whatever reason, whether direct, indirect, special, secondary, arising from the use or inability to use the property because of a construction defect.

Consequential Damages

Consequential damages are not covered by this Limited Warranty. (Some jurisdictions do not allow the exclusion or limitation of consequential damage so this exclusion of limitation may not apply to you.)

Loss or damage which arises while the home is being used primarily for nonresidential purposes;

Failure of the contractor to complete the work;

Any condition which does not result in actual physical damage to the remodeled portion of the property including, but not limited to: un-inhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde or other pollutants and contaminants: or the presence of hazardous or toxic on-site materials;

Bodily injury or damage to personal property.

Manufacturer's Warranty

Contractor assigns and passes through to Owner the Manufacturer's warranties on all "consumer products" as in the Magnuson-Moss Act (15 U.S.C. SS 2301- 2311). The following items are classified as "consumer- products" when sold as par-t of a house and are covered by the Magnuson-Moss Warranty Act:

1. Heating and ventilation - Furnace, air conditioning, coils and compressor, humidifier, electronic air cleaner, heat pump, exhaust fan, thermostat.
2. Mechanical/ Electrical - intercom, central vacuum system, security system, fire and smoke alarm, fire extinguisher, garage door opener, door chimes, electric meter, gas meter, barbecue grill, light bulbs.
3. Plumbing - Water heater, water pump, water meter, sump pumps, water softener, whirlpool.
4. Appliances - Oven, surface unit, range, trash compactor, freezer, refrigerator, dishwasher, oven hood, disposal, ice maker, food center, clothes washer, clothes dryer, hot water dispensers.

Quality Standards

The Contractor reserves the right to repair, replace, or pay reasonable sums in order to effect those repairs to any deficiencies based on the quality standards as contained in

_____ *[name the Quality Standard to be referenced or
append your own quality standards to the document – sample standards are included below.]*

Contractor's Warranty

Limited ____-year warranty shall apply to all materials and labor supplied by Contractor.

Arbitration

Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by binding arbitration in accordance with the Rules and Procedures of Construction Arbitration Administration Associates, Ltd. Notice of demand for arbitration shall be filed within a reasonable time after the dispute has arisen and judgment upon the award rendered by the arbitrators) may be entered in any court having jurisdiction thereof. The required fee to bring about said arbitration shall be evenly shared by contractor and owner. Should CAA, Ltd. be unavailable to arbitrate the controversy, then another professional arbitration service, which is mutually to the contractor and owner shall be utilized.

THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY EXTENDED TO OWNER BY CONTRACTOR. ANY ITEM AND CONDITIONS NOT SPECIFICALLY COVERED BY THIS WARRANTY ARE EXCLUDED FROM COVERAGE AND IS THE RESPONSIBILITY OF OWNER. IT IS EXPRESSLY UNDERSTOOD THAT THIS LIMITED WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND HABITABILITY IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY DAMAGES (CONSEQUENTIAL OR OTHERWISE) ARISING FROM ANY DEFECT IN ANY ITEM COVERED HEREUNDER. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE (OTHER RIGHTS WHICH VARY FROM STATE TO STATE.

Sample Quality Standards

NOTE: These examples of quality standards are presented for illustration purposes only and should be deleted or edited and amended.

BASEMENT LEAKS

Possible Deficiency:	Basement leaks.
Construction Standard:	Leaks resulting in actual trickling of water are unacceptable. However, leaks caused by improper landscaping installed by Owner, or failure to maintain proper grades that have been established by the Contractor are not covered by the warranty. Dampness of the walls may occur in new construction and is not considered a deficiency.
Contractor Responsibility:	The Contractor shall take such actions necessary to correct basement leaks except where the cause is determined to result from Owner negligence.

FLOOR SQUEAKS

Possible Deficiency:	Floor squeaks or subfloor appears loose.
Construction Standard:	Floor squeaks and loose subfloor are often temporary conditions common to new home construction.
Contractor Responsibility:	Contractor should locate and make every reasonable effort to correct the problem.

GAPS BETWEEN FLOORING

Possible Deficiency:	Gaps have developed between strip oak floor boards.
Construction Standard:	Gaps between floor boards shall not exceed 1/8 inch in width.
Contractor Responsibility:	The Contractor will repair gaps wider than 1/8 inch in width appearing during the warranty period by filling or by replacing the adjoining floor boards in the affected area only at the Contractor's option.

UNLEVEL FLOORS

Possible Deficiency:	Uneven wood floors.
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Construction Standard: Floors should not be more than 1/4 inch out of level within any 32 inch horizontal measurement when measured parallel to the joist. Floorslope within any room shall not exceed 1/240 of the room width. Allowable floor and ceiling joist deflections are governed by the approved building code.

Contractor Responsibility: Contractor to repair to meet the above standard.

BOWED WALLS

Possible Deficiency: Bowed walls.

Construction Standard: All interior and exterior walls have slight variances on their finished surfaces. Bowing walls should not detract from or blemish the wall's finish surface. Allowable structural deflections are governed by the approved building code specifications, however, bowing greater than 1/240 of the wall length will be considered unacceptable.

Contractor Responsibility: Repair interior and exterior walls as required.

WINDOWS AND SKYLIGHTS

Possible Deficiency: Leaking and condensation on windows and skylights.

Construction Standard: Windows and skylights shall not leak.

Contractor Responsibility: Contractor will correct leaks from outside a structure. Contractor not responsible for force and direction of driving rain or snow, if rain or snow is in excess of 1 inch in any given 24-hour period.

ROOF LEAKS

Possible Deficiency: Roof or flashing leaks.

Construction Standard: Roof or flashing should not leak under normally anticipated conditions, except where cause is determined to result from severe weather conditions such as ice build-up.

Contractor Responsibility: Contractor shall re-secure, caulk, repair or replace to meet the above standard.

SKYLIGHT LEAKS

Possible Deficiency: Skylight leaks water.

Construction Standard: Skylights shall be installed in accordance with manufacturer's instructions. Leaks resulting from product defects or improper installation are not acceptable. Condensation on interior surfaces is not allowed and is not covered.

Contractor Responsibility: The Contractor will reinstall any improperly installed skylights and replace any defective skylight.

FLASHING AND SHEET METAL

Possible Deficiency: Flashing valleys, and of down spouts leak.

Construction Standard: Flashing valleys, gutters and down spouts must not leak but gutters may overflow during heavy rain. It shall be the Owner's responsibility to keep gutters and down spouts free of leaves and debris which could cause excessive overflow.

Contractor Responsibility: Repair leaks.

CHIMNEY FLASHING

Possible Deficiency: Chimney flashing leaks.

Construction Standard: Chimney flashing shall not leak.

Contractor Responsibility: The Contractor will repair leaks in chimney flashing.

ROOF IN WAVY

Possible Deficiency: Roof in wavy from bowed sheathing.

Construction Standard: Roof sheathing shall not bow more than 1/2 inch in 2 feet.

Contractor Responsibility: The Contractor will straighten bowed roof sheathing as necessary to meet the construction standard.

NOISY WATER PIPES

Possible Deficiency: Noisy water pipes.

Construction Standard: There will be noise emitting from the water pipe system, due to the flow of water.

Contractor Responsibility: The Contractor cannot remove noises due to water flow and pipe expansion.

WAVY SIDING

Possible Deficiency: Siding in bowed.

Construction Standard: Bows exceeding 1/4 inch in 16 inches are unacceptable.

Contractor Responsibility: The Contractor will replace any wood lap siding with bows exceeding the construction standard, and finish replacement siding to match the existing as closely as practical.

SITE DRAINAGE

Possible Deficiency: Improper drainage of the site.

Construction Standard: The necessary grades and swales should be established to insure proper discharge away from the house. Site drainage is limited to the immediate grades and swales affecting the structure. No standing or ponding of water should remain in this immediate area 24 hours after a rain, except swales which may drain longer than other areas after rain, or sump pump discharge. No grading determination shall be made while the frost or snow is on the ground, or while the ground is saturated.

Contractor Responsibility: The Contractor is responsible for establishing the proper grades and swales. The Owner is responsible for maintaining such grades and swales once they have been properly established by the Contractor.