

LIMITED WARRANTY AGREEMENT

Saratoga SouthPark Ventures, LLC ("Seller"), Alan Simonini Homes, LLC ("Builder") and _____ ("Owner"), enter into this Limited Warranty Agreement with respect to Unit ___ of SouthPark City Homes ("Unit"). This Limited Warranty Agreement in its entirety is hereafter referred to as the "Limited Warranty".

I. ONE YEAR LIMITED WARRANTY

A. One Year Limited Warranty. Builder warrants to Owner that the Unit will be free from defects in materials and workmanship resulting in material noncompliance with the standards set forth in Builder's Homeowner's Companion Manual ("Standards") as of the date of this Limited Warranty (the "One Year Limited Warranty").

BUILDER AND SELLER SPECIFICALLY EXCLUDE ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND HABITABILITY. THIS LIMITED WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES OF SELLER OR BUILDER AS TO THE UNIT, WHETHER EXPRESS OR IMPLIED.

B. One Year Limited Warranty Period. The One Year Limited Warranty shall terminate one (1) year after the date on which the Unit is conveyed by Seller to Owner ("One Year Limited Warranty Period").

C. Warranties of Components. Builder and Seller shall assign and deliver to Owner all user manuals, guarantees and warranties of components comprising the Unit ("Product Warranties") to the extent same are assignable. Owner shall be responsible for compliance with any notice and claim procedures set forth therein.

D. Builder's Obligations. If a defect covered under Paragraph A above occurs and is properly reported to Builder during the One Year Limited Warranty Period, Builder agrees to repair, replace or pay Owner the reasonable cost of repairing or replacing the defective item within a reasonable time following receipt of written notice of the defect from Owner.

1. Manner of Performance. Builder will perform its obligations under the One Year Limited Warranty in accordance with the Standards. The choice among repair, replacement or payment is Builder's in Builder's sole discretion. All repairs by Builder shall be at no charge to Owner and shall be performed within a reasonable period of time.

II. OWNER'S OBLIGATIONS

A. Reporting to Builder. Except in case of emergency, Owner must notify Builder in writing of the existence of any defect before Builder is responsible for the correction of that defect. AS A CONDITION TO BUILDER'S OBLIGATIONS HEREUNDER, WRITTEN NOTICE OF A COVERED DEFECT MUST BE RECEIVED BY BUILDER PRIOR TO THE EXPIRATION OF THE ONE YEAR LIMITED WARRANTY PERIOD, ON THAT DEFECT. Owner will not bring any action at law or in equity against the Builder for failure to remedy any defect about which the Builder has not received timely notice in writing.

B. Maintenance and Care of Unit. Owner must provide normal maintenance and proper care of the Unit according to the Standards.

C. No Extension of Limited Warranty Period. Any steps taken by Builder to correct defects shall not extend the One Year Limited Warranty Period.

D. Builder's Access. Owner must provide access to the Unit to Builder during normal business hours to inspect reported defects and, if necessary, to take corrective action.

E. Unit Inspection Reports. Owner is responsible for expenses associated with unit inspection reports on the Unit.

III. LIMITS ON WARRANTY

A. One Year Limited Warranty Transferable. The One Year Limited Warranty will transfer in its entirety, as previously outlined (including all limitations), to subsequent owners who take title to the Unit as such owner's personal residence only. Transfer shall not extend the One Year Limited Warranty Period.

B. Consequential, Special Speculative and Incidental Damages Waived. CONSEQUENTIAL, SPECIAL, SPECULATIVE AND INCIDENTAL DAMAGES ARE NOT COVERED BY THIS LIMITED WARRANTY (this includes, but is not limited to, loss of the use of the Unit) and are hereby waived by Owner.

C. Other Warranties and Insurance. In the event Builder repairs or replaces or pays for repairing or replacing any defect covered by this Limited Warranty for which the Owner is covered by insurance or a warranty provided by another party ("Other Coverage"), Builder will be automatically subrogated to the rights of Owner under the Other Coverage and Owner must, upon request of Builder, assign the proceeds of such Other Coverage to Builder to the extent of the cost to Builder of such repair or replacement.

D. Other Exclusions. This Limited Warranty does not cover any defects, damage, injury or loss not included in the Standards, and specifically does not cover:

1. Defects in items not part of the Unit as constructed by Builder, or not resulting in actual loss or physical damage to the Unit;
2. Defects to fences and concrete floors built separate from foundation walls, retaining walls, or other structures not integral to the structure of the Unit;
3. Injury or damage of any kind to persons or personal property not otherwise specifically covered by this Limited Warranty, or damage to real property not part of the Unit;
4. Defects which Owner fails to timely report to Builder in writing, or which Owner fails to take timely action to minimize loss or damage;
5. Defects for which compensation is provided for by state or federal legislation or other public funds to the extent that such compensation is paid for by those other sources.
6. Defects caused or worsened by any cause other than defects in materials or workmanship, including, but not limited to:

- (a) Normal wear and tear of the Unit;
- (b) Negligence, improper or insufficient maintenance, improper action or inaction, abnormal use of the Unit (including abnormal loading of floors), or willful or malicious acts by any party other than Builder, or its employees, agents or subcontractors (hereinafter collectively referred to as Builder's "Agents");
- (c) So-called acts of God, including, but not limited to, fire, explosion, smoke, water escape, wind driven water, glass breakage, freezing, windstorm, hail, falling trees, lightning, changes not reasonably foreseeable in the level of the underground water table, aircraft, vehicles, flood and earthquake;
- (d) Radon gas or toxic substances of any kind;
- (e) Insects or animals;
- (f) Defects resulting from glass breakage unless caused by Builder or its Agents; or
- (g) The failure of anyone other than Builder or its Agents to comply with the requirements of this Limited Warranty or the requirements of any Product Warranties.

This Limited Warranty excludes items normally covered by homeowner's insurance. If questions arise concerning homeowner's insurance coverage, Owner must contact Owner's insurance agent.

IV. TERMS, CONDITIONS AND DEFINITION OF EMERGENCY

A. Definition of Emergency. The following definition of Emergency shall apply to this Limited Warranty and the Standards:

Emergency. Emergencies include: total loss of heat, electricity, or hot water; a plumbing leak that requires the water supply to be shut off; total sewage stoppage; roof leak; or any situation that endangers the occupants of the Unit.

B. Notice. All notices to Builder and Owner must be sent by mail, postage prepaid to the addresses listed below:

Owner: _____

Builder: Alan Simonini Homes, LLC
 501 East Morehead Street, Suite 4
 Charlotte, NC 28202

C. Arbitration. Any controversy, dispute or claim arising out of this Limited Warranty or the breach or alleged breach of this Limited Warranty shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association currently in effect (unless the parties mutually agree otherwise). The decision made or award rendered by the arbitrator or arbitrators

shall be final and any judgment upon the decision made or award rendered by the arbitrator or arbitrators shall be entered in a state court in Mecklenburg County, North Carolina. The party hereunder demanding arbitration of any controversy, dispute or claim arising out of this Limited Warranty or any breach or alleged breach of this Limited Warranty shall file a written notice of such demand with the other party and with the American Arbitration Association. Such written notice shall be given not later than sixty (60) days after the controversy, dispute or claim arises or the breach or alleged breach of this Limited Warranty occurs, and the three (3) year statute of limitations specified in North Carolina General Statutes Section 1-52 (1) shall apply. Neither the parties to this Limited Warranty nor the arbitrator or arbitrators may make any public disclosure of (i) the existence of any controversy, dispute or claim arising out of this Limited Warranty or the breach or alleged breach of this Limited Warranty, (ii) the existence of an arbitration proceeding under this Limited Warranty, or (iii) the results of any arbitration proceeding under this Limited Warranty; provided however, the filing of a civil action in a state court in _____ County, North Carolina, confirming an arbitration decision or award pursuant to this paragraph shall not be deemed a violation of this confidentiality provision.

D. Amendments. Any amendment to this Limited Warranty must be in writing and signed by Owner, Builder and Seller.

E. Time is of the Essence. With respect to all time periods and dates contained in this Limited Warranty, time is of the essence.

F. Merger. This Limited Warranty (including all Exhibits hereto) represents the entire agreement of Owner, Builder and Seller in regard to warranties on the Unit. All prior and contemporaneous discussions between any parties are merged herein and are not binding on any party.

G. Severability. Should any court of competent jurisdiction determine that any provision of this Limited Warranty is unenforceable; such determination shall not affect the enforceability of the remaining provisions of this Limited Warranty.

Dated the _____ day of _____, 20__

Owner: _____

Builder: Alan Simonini Homes, LLC,
a North Carolina limited liability company

By: _____
John A. Tammara, II, President

Seller: Saratoga SouthPark Ventures, LLC,
a North Carolina limited liability company

By: _____
Raymond W. Wetherington, Manager

