



Home Buyers Warranty®



**2-10 HOME BUYERS WARRANTY® BOOKLET
WORKMANSHIP/SYSTEMS AND STRUCTURAL
LIMITED WARRANTY COVERAGE**

Dear Homebuyer(s):

Congratulations! You are purchasing a newly constructed Home with express limited warranty protection provided by a Builder/Seller enrolled in the 2-10 Home Buyers Warranty (2-10 HBW®) Program of Home Buyers Warranty Corporation. The specific warranty coverage(s) selected by Your Builder/Seller is stated on Your Certificate of Warranty Coverage.

This Warranty Booklet and Your Certificate of Warranty Coverage contain Your Builder/Seller's Limited Warranty to You. Your Builder/Seller warrants that, within the limitations described in these two documents, Your Home will be free from qualifying structural defects, and if so indicated on Your Certificate of Warranty Coverage, will also be free from defects in workmanship and systems.

Your Builder/Seller's Limited Warranty will be insured by the insurance company stated on the Certificate of Warranty Coverage which You will receive after Your home is enrolled in the 2-10 HBW Program.

This Warranty is a contract between You and Your Builder/Seller. 2-10 HBW is the warranty administrator, but NOT a warrantor under the contract. Your Builder/Seller's Warranty Insurer is not a party to this Warranty Contract, but Your Builder/Seller's Warranty insurer has agreed to perform certain tasks and undertake certain obligations which are described in this Warranty Booklet.

Congratulations and enjoy Your new Home!

Home Buyers Warranty Corporation

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SECTION I DEFINITIONS

You and Your means the person(s) who holds title to the Home.

Home means the newly constructed dwelling and garage.

Builder/Seller means the Builder/Seller of the newly constructed home to You, and as identified as listed on the Certificate of Warranty Coverage.

Warranty Insurer is the Builder/Seller's Warranty Insurer as stated on your Certificate of Warranty Coverage.

Effective Date of Warranty is the earliest of Your closing date, first title transfer or the date You or anyone else first occupied the Home if that was before closing.

Multi-Family Unit means a multi-family residential dwelling, located in a multi-family building with two or more dwelling units. Multi-family buildings include low or mid rise condominiums and all attached Homes, such as duplexes, triplexes, quadraplexes, townhomes and row houses.

Certificate of Warranty Coverage is the document which provides proof of warranty coverage for a certain address and the coverage provided by Your Builder/Seller.

Limited Warranty means the express warranty described by the terms and provisions contained within this Warranty Booklet.

2-10 HBW is the warranty administration company which performs certain tasks for the Warranty Insurer.

Warranty Term is the period during which a warranted defect must first occur in order to be covered hereunder, and is that period which begins on the Effective Date of Warranty as defined above and ends one, two, four, or ten years thereafter.

Warranty Limit is the sum stated in the Certificate of Warranty Coverage.

Defect is defined in each instance as a failure to meet the Construction Performance Guidelines for workmanship and systems as set forth in this Agreement.

Detached Structure is a building that is not attached to the multi-family building such as club houses, daycares and fitness centers owned in common by the homeowners' association or the Multi-Family Unit owners. Such building has warranty coverage only if it is issued its own Certificate of Warranty Coverage.

Builder/Seller Application for Home Enrollment means the Builder/Seller Application for Home Enrollment Form signed by You and Your Builder/Seller before the Home was enrolled in the 2-10 HBW Program.

Commercial Space is defined as any unit within a multi-family building primarily used for non-residential purposes. Commercial Space has coverage only if issued a Certificate of Warranty.

Common Element is any portion of the multi-family which is defined as a common element in either the governing common interest ownership laws or declaration establishing such community. Common Elements may include, without limitation lobbies, hallways, outside walls, roofs, exterior finishes, attached garages and the electrical, plumbing and mechanical distribution systems.

Common Element Exterior Stairways and Landings are defined as steps or flights of steps connected by landings, including supports, handrails and framework which are maintained by the homeowners' association or someone other than the owner / occupant of the particular Home. Common Element Exterior Stairways and Landings constructed of wood materials will be covered only if indicated on your Certificate of Warranty Coverage.

Structural Defect is defined as actual physical damage to the designated load-bearing elements of the Home caused by failure of such load-bearing elements which affects their load-bearing functions to the extent that your Home becomes unsafe, unsanitary, or otherwise unlivable. The Structural Defect warranty coverage is the same as that contained in regulations of the Department of Housing and Urban Development in effect at the time of the issuance of this Limited Warranty. This is coverage for catastrophic failure of load-bearing elements of your Home. The designated load-bearing elements that are covered under this Structural Defect warranty are:

1. Footings and Foundation systems;
2. Beams;
3. Girders;
4. Lintels;
5. Masonry arches;
6. Columns;
7. Load-bearing walls and partitions;
8. Roof framing systems; and
9. Floor systems.

Examples of elements not covered by this Structural Defect warranty which are deemed NOT to have Structural Defect potential are:

1. Non-load-bearing partitions and walls;
2. Wall tile or paper, etc.;
3. Drywall and plaster;
4. Flooring and sub-flooring material;
5. Stucco, brick and stone veneer;
6. Any type of exterior siding;
7. Roof shingles, roof tiles, sheathing, and tar paper;
8. Heating, cooling, ventilating, plumbing, electrical and mechanical systems;
9. Appliances, fixtures or items of equipment;
10. Doors, trim, cabinets, hardware, insulation, paint and stains.

SECTION II EXPRESS LIMITED WARRANTY: ONE YEAR WORKMANSHIP AND TWO YEAR SYSTEMS WARRANTY*
(*Indiana residents: Please read ADDENDUM at the end of Section VIII)

If Your Certificate of Warranty Coverage indicates Your Builder/Seller is providing One and Two Year Coverage,* for one year from the Effective Date of Warranty Your Builder/Seller warrants that Your Home will be free from Defects in materials and workmanship as defined in the Construction Performance Guidelines in Section IX; and for two years from the Effective Date of Warranty, Your Builder/Seller warrants that Your Home will be free from Defects in the electrical, plumbing, and mechanical distribution systems to the extent stated in the same Construction Performance Guidelines.

SECTION III REPORTING A ONE YEAR WORKMANSHIP OR TWO YEAR SYSTEMS DEFECT

If You believe Your Home has a Defect that is covered under Your Builder/Seller's One Year Workmanship or Two Year Systems Warranty, which occurred during the applicable Warranty Term, You must first write a letter to your Builder/Seller listing the specific warranty Defect(s) and the date the Defect(s) occurred. Do this as soon as You notice a warranty problem and before your Warranty Term expires. Your Builder/Seller should repair or, at its option, pay to You the cost of repair of these Defects. Once You have written to Your Builder/Seller, if repairs are not made within sixty (60) days, complete the following steps (unless your Warranty Term will expire within those sixty (60) days, in which case, take these steps immediately):

1. Complete the Notice of Complaint Form ("Notice"), which is found at the back of this Warranty Booklet.
2. Send one copy of the Notice to Your Builder/Seller.
3. Send one copy of the Notice, a copy of Your Certificate of Warranty Coverage, and a copy of all correspondence between You and Your Builder/Seller about the warranty Defect(s) in question to:

2-10 HBW Warranty Administration Office
10375 East Harvard, Ave.
Denver, CO 80231

We recommend You send the Notice to Your Builder/Seller and 2-10 HBW by certified mail, *return receipt requested*.

All three of these steps must be completed. Sending a notice to Your Builder/Seller does not constitute notice to 2-10 HBW. Also, we cannot initiate work on Your warranty problem with a phone call; we must have written documentation. In addition, the Builder/Seller and 2-10 HBW must receive Your Notice of Complaint no later than thirty (30) days after the expiration of the warranty to which the Notice relates. Complaints filed after that date will be denied.

Once Your Notice has been received by 2-10 HBW, 2-10 HBW will again notify Your Builder/Seller of Your complaint. If your Builder/Seller and You are unable to resolve your differences either by yourselves or with 2-10 HBW's help, You must arbitrate Your dispute (see SECTION VII, ARBITRATION). 2-10 HBW will provide a form to request arbitration after You have followed the above procedure.

If 2-10 HBW determines that Your Builder/Seller cannot or will not participate in arbitration or perform the arbitration award, 2-10 HBW will so notify You. You must then forward to 2-10 HBW at the above address a onetime \$250.00 claim deductible (check payable to the Warranty Insurer stated on your Certificate of Warranty Coverage). At that point, 2-10 HBW will forward the check and Your file to the Warranty Insurer, and the Warranty Insurer will adjust the claim.

In summary: All Notices of Complaint must be received by Your Builder/Seller and by 2-10 HBW Warranty Administration not later than thirty (30) days after the expiration of the warranty coverage to which the Notice relates. Warranty coverage for any Notice of Complaint received after this date will be denied, and neither Your Builder/Seller nor the Warranty Insurer will have any obligation to You for the repair of these Defects. The time limits are a material condition of Your Limited Warranty.

WHAT TO DO IN THE CASE OF AN EMERGENCY: An emergency is a condition that if not immediately repaired may cause danger to the Home or its occupants.

If you have a One Year Workmanship or Two Year Systems Warranty coverage emergency, You must contact Your Builder/Seller immediately. If You are unable to contact Your Builder/Seller for emergency authorization, 1) You must make minimal repairs until authorization for more extensive repairs has been approved by Your Builder/Seller, 2) You must take action in order that further damage can be mitigated, and 3) You must report the emergency to the Builder/Seller on the next business day.

If you have a Ten Year Structural Defect Warranty coverage emergency, You must contact the 2-10 HBW Warranty Administration Office at (720) 747-6000 in order to receive authorization for any emergency repairs. If You are unable to contact the 2-10 HBW Warranty Administration Office 1) You must make minimal repairs until authorization for more extensive repairs has been approved, 2) You must take action in order that further damage can be mitigated, and 3) You must report the emergency to 2-10 HBW Warranty Administration on the next business day.

Any unauthorized repairs will not be reimbursed unless You have followed the above procedures.

SECTION IV EXPRESS LIMITED WARRANTY: TEN YEAR STRUCTURAL DEFECT WARRANTY

For ten years from the Effective Date of Warranty Your Builder/Seller warrants your Home against a Structural Defect. A Structural Defect is defined in Section I.

SECTION V REPORTING A STRUCTURAL DEFECT

If You believe Your Home has a Structural Defect that is covered under Your Structural Defect Warranty as defined in Section I:

1. Complete the Notice of Claim Form (“Form”), which is found at the back of this Warranty Booklet. Fully describe the nature of the Structural Defect and the date You first noticed it on the Form.
2. For each claim, send a copy of Your completed Form, a copy of Your Certificate of Warranty Coverage, and a \$250 claim investigation fee payable to the Warranty Insurer stated on Your Certificate of Warranty Coverage to:

2-10 HBW Warranty Administration Office
10375 East Harvard Ave.
Denver, CO 80231

We recommend You send the Notice by certified mail, *return receipt requested*.

Except for authorized emergency repairs as defined in Section III of this Warranty Booklet, do not repair a claimed Structural Defect before the Warranty Insurer has an opportunity to inspect the Structural Defect. Doing so will make it impossible for the Warranty Insurer to assess whether the Structural Defect was covered by this warranty; whether the repair You performed or caused to be performed was cost-effective, necessary, and effective; and whether the Warranty Insurer would have been able to solve the problem in another way. As a result, the Warranty Insurer will not accept coverage for any claimed Structural Defect that You have had repaired or replaced. In addition, You will not be reimbursed for any costs or expenses You undertake to investigate a Structural Defect such as, but not limited to, engineering and attorney’s fees.

SECTION VI EXPRESS LIMITED WARRANTY: MULTI-FAMILY UNIT

If Your Certificate of Warranty Coverage indicates Your Builder/Seller is providing One Year Workmanship and Two Year Systems Warranty, Your Builder/Seller is providing the same coverage for Your Multi-Family Unit as described above under Section II EXPRESS LIMITED WARRANTY: ONE YEAR WORKMANSHIP AND TWO YEAR SYSTEMS WARRANTY in addition to the Section IV EXPRESS LIMITED WARRANTY TEN YEAR STRUCTURAL DEFECT WARRANTY.

Reporting a One Year Workmanship, Two Year Systems or Structural Defect: For reporting a One Year Workmanship or Two Year Systems Defect for Your Multi-Family Unit only, follow the procedure outlined above under Reporting a One Year Workmanship or Two Year Systems Defect. The Warranty Insurer's obligation for One Year Workmanship or Two Year Systems Defect or Structural Defect coverage of the Common Element will be prorated based upon the number of Multi-Family Units enrolled in the Warranty Program as compared to the number of units in the building. Coverage of the Common Element begins on the date the Certificate of Occupancy was issued for the building containing Your unit and Common Element Defects must be reported within the applicable Warranty Term for Defect(s). If the Defect involves a One Year Workmanship or Two Year Systems Defect or a Structural Defect, then Your Home Owner's Association ("Association") or a representative designated by the Association must file one Notice of Complaint Form or Notice of Claim Form for each affected building. The Notice of Complaint Form or Notice of Claim Form must list each unit in the building and a Certificate of Warranty Coverage must be attached for each unit of the building. Under the One Year Workmanship and Two Year System Warranty coverage, the maximum claim deductible for Common Element coverage is \$250 per unit in the building or \$5000 per building, whichever is less. Under the Ten Year Structural Defect Warranty coverage, the maximum claim investigation fee is \$250 per unit in the building or \$5000 per building, whichever is less.

SECTION VII CONDITIONS

(California and Kansas Residents and Homes with FHA/VA financing: Please read ADDENDUM at the end of Section VIII)**

WAIVER OF IMPLIED WARRANTIES. You have accepted the express Limited Warranty provided in this Warranty Booklet, and all other express or implied warranties, including any oral or written statements or representations made by Your Builder/Seller or any implied warranty of habitability, merchantability or fitness, are hereby disclaimed by Your Builder/Seller and are hereby waived by You to the extent possible under the laws of Your state.**

In the event any provision of this Limited Warranty is determined to be unenforceable, that determination will not affect the validity of the remaining provisions.

The aggregate obligation of Your Builder/Seller and the Warranty Insurer for all claims under this Warranty is equal to the Warranty Limit stated in the Certificate of Warranty Coverage. This means that every time Your Builder/Seller or the Warranty Insurer pays a claim or pays for a repair, that payment is deducted from the Warranty Limit, and when the Warranty Limit is exhausted, You no longer have any Warranty coverage. If the payment is made for the repair of a Common Element of a Multi-Family project, the payment shall be deducted pro-rata from the Warranty Limit for each unit in the Multi-Family building, or project, as applicable.

The obligations of the Warranty Insurer under this Warranty and under any insurance policy insuring the Limited Warranty shall be excess to any other valid and collectible insurance issued to You or to the Builder/Seller, whether such other insurance is primary, excess or contingent.

The Warranty is not an insurance policy, a maintenance agreement or service contract. If You have a mortgage on Your Home, Your lender may insist that You have a homeowners insurance policy, and this is not it.

REPAIR. The Builder/Seller or the Warranty Insurer shall have the option to repair, replace or pay You the reasonable cost of repair of any covered Defect or Structural Defect. The design, method and manner of such repair shall be within the sole discretion of the Builder/Seller, if the Builder/Seller pays for the repair, or of the Warranty Insurer, if the Warranty Insurer pays for the repair. You are responsible for any damage to any improvement, fixture or property not constructed by the Builder/Seller which is damaged by, or during the repair of, a covered Defect or Structural Defect, and You shall pay for the cost of repair of such improvement, fixture or property necessitated by the repair of a covered Defect or Structural Defect. No repair shall extend the term of the Limited Warranty as to any covered Defect or Structural Defect, including without limitation, the Defect or Structural Defect which was the subject of the repair. Before the Warranty Insurer repairs or pays for the repair of a claim, You must assign to the Warranty Insurer any rights You may have against any other person with respect to the claim. You shall do nothing to prejudice these rights of subrogation. At the time of payment for reasonable cost of repairs or repair or replacement of warranted items, You must sign and deliver to 2-10 HBW a full and unconditional release of Your Builder/Seller, Warranty Insurer and 2-10 HBW, in recordable form, of all legal obligations with respect to the warranted items and condition arising therefrom. The repair of a Structural Defect consists of, and is limited to: 1) repair of damage to the load-bearing portions of Your Home necessary to restore their load-bearing function, 2) repair of those non-load-bearing portions damaged by the Structural Defect and whose repair is necessary to make Your Home once again safe, sanitary, or otherwise livable, and 3) repair and cosmetic correction of only those surfaces, finishes and coverings, original with the Home, damaged by the Structural Defect or which require removal and replacement to repair the Structural Defect

or to repair other damage directly attributable to the Structural Defect. Repairs are intended to restore the Home to approximately the condition just prior to the Structural Defect, but not necessarily to a like-new condition. Your Builder/Seller's and/or the Warranty Insurer's costs of designing, accomplishing, and monitoring repairs to Your Home (or payments to You or to another instead) are deducted from Your Home's Warranty Limit. Your Builder/Seller's and/or the Warranty Insurer's costs of determining the existence and/or extent of a covered Defect or Structural Defect are not deducted.

ACCESS TO YOUR HOME. In order for Your Builder/Seller and Warranty Insurer to carry out their responsibilities under this Agreement, they will require access to Your Home from time to time. By signing the Builder/Seller Application For Home Enrollment or by using the coverage provided by the Limited Warranty You hereby agree to grant access to Your Builder/Seller and the Warranty Insurer and their agents and contractors during normal business hours to inspect, repair, and conduct tests in Your Home as in their judgment may be required. Failure to allow access to Your Home will eliminate the Builder/Seller and Warranty Insurer's obligation under the Limited Warranty.

If Your Home is a Multi-Family Unit, by accepting this Limited Warranty, You agree to allow free access to, on, through or within Your unit during normal business hours (after receiving notice from your Association, Your Builder/Seller, 2-10 HBW or the Warranty Insurer) so that repairs may be made to any adjacent unit or Common Element area. You also agree that if emergency repairs are required (which would be the responsibility of Your Builder/Seller or the Warranty Insurer) and You cannot be contacted within a reasonable period of time, You waive such notice.

ARBITRATION. Any and all claims, disputes and controversies by or between the owner, the Builder/Seller, the Warranty Insurer and/or HBW, or any combination of the foregoing, arising from or related to this Agreement, the Warranty, the Home Warranty Insurance Policy, the subject Home, or the 2-10 HBW Program shall be settled by binding arbitration. Agreeing to arbitration means you are giving up your right to a jury trial. Any person in contractual privity with the Builder/Seller whom the Home owner contends is responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

The arbitration shall be conducted by the American Arbitration Association pursuant to its Home Construction Arbitration Rules and Mediation Procedures; or by Construction Arbitration Services, Inc., or by DeMars & Associates, Ltd. The choice of arbitration service shall be that of the Home owner if the Home owner is a claimant and if not the choice shall be that of the Builder/Seller or the Warranty Insurer, if applicable. The arbitration shall be conducted pursuant to the applicable rules of the arbitration service selected unless noted otherwise. All administrative fees of the arbitration service and fees of the arbitrator shall be allocated to the parties as provided in the rules of the arbitration service, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice. If for any reason this method of selecting an arbitration service cannot be followed, the parties to the arbitration shall mutually select an arbitration service.

The parties expressly agree that this Warranty and this arbitration agreement involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) now in effect and as the same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.

WARRANTIES TRANSFERABLE. All of Your rights and obligations hereunder shall fully transfer, up to the remaining amount of the Warranty Limit, to each successor in title to the Home, including any mortgagee in possession, for the remainder of the Warranty Term and any such transfer shall in no way affect or reduce the coverage under this Limited Warranty for its unexpired term. There is no limit to the number of such transfers during the Warranty Term, nor any cost hereunder as a result of such successions. If You sell Your Home during the Warranty Term, You agree to give this Limited Warranty to Your buyer to inform Your buyer of warranty rights and to make it possible for the buyer to fulfill the obligations under the terms of this Limited Warranty. If You are a successor owner of the Home (that is, an owner other than the original purchaser), Your Home will benefit from the coverage provided by this express Limited Warranty. Likewise, You are also bound by all the terms and conditions of the Limited Warranty including but not limited to claims procedures and participation in arbitration.

YOUR OBLIGATIONS. The Warranty coverage pays for the cost of labor and materials to correct a covered Defect or Structural Defect. Your obligation is to care for Your Home in such a way as to prevent or minimize damage to it. You should be aware that all new homes go through a period of settlement and movement. During this period, Your Home may experience some minor material shrinkage, cracking and other events which are normal and customary. Remember that You are responsible for proper maintenance of Your Home including maintaining Builder/Seller-set grades around Home, planting trees and shrubs at the proper distance, and conforming to generally accepted landscape practices for Your region.

SECTION VIII EXCLUSIONS

This Limited Warranty does not provide any coverage for the following items, which are specifically excluded.

1. Damage to land and other real property that was not part of Your Home, or any property that was not included in the purchase price stated on the Certificate of Warranty Coverage;
2. Damage to or defects in swimming pools and other recreational facilities; driveways; boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of the Home); fences; landscaping (including sodding, seeding, shrubs, trees, and plantings); sprinkler systems, patios, decks, porches, garage slabs; stoops, steps and, outbuildings, detached carports, or any other appurtenant structure or attachment to the dwelling; or other additions or improvements not a part of Your Home;
3. Except for defects specifically covered in the Construction Performance Guidelines, defects to basement slabs or other interior ground supported concrete slabs in areas not original to the newly constructed Home or finished habitable space; and stoops, steps or stucco;
4. Loss or damage which arises while Your Home is being used primarily for nonresidential purposes;
5. Changes in the level of underground water table which were not reasonably foreseeable at the time of construction of Your Home;
6. Failure of Your Builder/Seller to complete construction;
7. Noncompliance with plans and specifications; violations of local or national building codes, ordinances or standards;
8. Any condition which has not resulted in actual physical damage to Your Home;
9. Any loss or damage that is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever, including without limitation:
 - a. Negligence, improper maintenance, defective material or work supplied by, or improper operation by, anyone other than Your Builder/Seller or its employees, agents or subcontractors, including failure to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
 - b. Your failure to give prompt and proper notice to 2-10 HBW and Your Builder/Seller of any defect;
 - c. Change of the grading of the ground that does not comply with accepted grading practices, or failure to maintain the original grade;
 - d. Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorm, fire, explosion, blasting, smoke, water escape, tidal wave, flood, hail, snow, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, avalanche, earthquake, volcanic eruption, sinkholes or geological phenomenon involving subsurface slope instability.
 - e. Abuse or use of Your Home, or any part thereof, beyond the reasonable capacity of such part for such use;
 - f. Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold, mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic, and electromagnetic field or emission, including any claim of health risk or uninhabitability based on any of the foregoing;
 - g. Water infiltration through the foundation or building envelope that is not the result of a Structural Defect, except as otherwise provided in the Construction Performance Guidelines;
 - h. Your failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable;
10. Any loss or damage caused by buried debris, underground springs, mineshafts or other anomalies in a building site provided by You;
11. Any defect or damage You knew about prior to the Effective Date of Warranty;
12. Any request for warranty performance submitted to 2-10 HBW or Your Builder/Seller after an unreasonable delay or later than 30 days after the expiration of the applicable Warranty Term;
13. Loss caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds;
14. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience, or annoyance;
15. Diminished market value of Your Home; and
16. Any and all consequential loss or damage, including without limitation, any damage to property not covered by this Warranty, any damage to personal property, any damage to property which You do not own, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits.

17. Any and all exclusions set forth in Section IX (Construction Performance Guidelines).

The Limited Warranty covers only those Defects and Structural Defects which first occur during the Warranty Term; any Defects or Structural Defects You knew about prior to the Effective Date of Warranty such as “walk-through” or “punch-list” items are not covered.

The Limited Warranty does not apply to any manufactured item such as appliances, fixtures, equipment (except as specifically defined in the Construction Performance Guidelines) or any other item which is covered by a manufacturer’s warranty, nor does it cover systems Defects that are caused by failure of any such manufactured item. Appliances and items of equipment not covered by this Limited Warranty, include but are not limited to; air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, chimes, dishwashers, dryers, electric meters, electronic air cleaners, exhaust fans, fire alarms, fire protection sprinkler systems, freezers, furnaces, garage door openers, garbage disposals, gas meters, gas or electric grills, heat exchangers, heat pumps, humidifiers, intercoms, oil tanks, outside lights or motion lights not attached to the Home, range hoods, ranges, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool baths, and wholehouse fans.

ADDENDUM

***Indiana: State of Indiana Only** - If your Certificate of Warranty Coverage indicates Your Builder/Seller is providing Two Year Workmanship, Two Year Systems and Four Year Roof Warranty coverage, your Builder/Seller warrants that your Home will be free from Defects in material and workmanship for two years instead of one year as stated in the Construction Performance Guidelines and the roof will be free from Defects in faulty workmanship or defective materials for four years from the Effective Date of Warranty.

****California: State of California Only** - The protection provided under this Warranty is not in limitation of, but is in addition to, any other rights provided to You under California law.

****Kansas: State of Kansas Only** - You have not waived the implied warranties and the Limited Warranty is not Your exclusive remedy. You may have other remedies as provided to You under Kansas law.

****Homes with FHA/VA financing Only** - If Your Certificate of Warranty Coverage indicates Your Home has FHA/VA financing please refer to the Addendum provided with the Certificate of Warranty Coverage.

SECTION IX CONSTRUCTION PERFORMANCE GUIDELINES

The following Construction Performance Guidelines are standards that have been developed and accepted by the residential construction industry in general. They apply only to the One Year Workmanship and Two Year Systems* Warranties. While it is virtually impossible to isolate the most common actual physical damage deficiencies that occur and in so doing, list the extent of Your Builder/Seller’s, Warranty Insurer’s and Your responsibility. Where a specific Construction Performance Guidelines has not been specified, the guidelines found in the publication *Residential Construction Performance Guidelines 3rd Edition-Contractor Reference*, National Association of Home Builders (NAHB), 2005, will apply. Copies of this publication may be special ordered through most book retailers, or purchased directly from the NAHB Bookstore by calling 1-800-223-2665. The NAHB Bookstore may also be reached online at www.BuilderBooks.com. If an item is not covered in that publication, locally accepted trade practices of the construction industry will be used.

The following Construction Performance Guidelines are expressed in terms of required standards that Your Builder/Seller’s construction should meet. Noncompliance with these construction standards calls for corrective action by Your Builder/Seller. Builder/Seller will try to its best ability to match and replace with Your original choice of colors and materials, except where You custom-ordered the items. Builder/Seller cannot be responsible for discontinued items, changes in dye lots, colors or patterns, or items ordered outside of the original construction.

Refer to other parts of this Booklet for specific terms, definitions, exclusions and conditions that apply to the first (1st), second (2nd) and fourth (4th) (INDIANA RESIDENTS ONLY) year of the warranty.

Normal wear and deterioration; failure of Your Builder/Seller to perform any washing, cleaning, or cleanup, are not covered under the Limited Warranty.

SAMPLE

SAMPLE

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ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
1. Site Work			
<i>1.1 Grading</i>			
Settling of ground around foundation, utility trenches or other areas on the property where excavation and backfill have taken place that affect drainage away from Home.	Settling of ground around foundation walls, utility trenches or other filled areas that exceeds a maximum of six inches from finished grade established by Builder/Seller.	If Builder/Seller has provided final grading, Builder/Seller shall fill settled areas affecting proper drainage, one time only, during the first year Warranty Term. You are responsible for removal and replacement of shrubs and other landscaping affected by placement of the fill.	
<i>1.2 Drainage</i>			
Improper surface drainage.	Necessary grades and swales shall be established to provide proper drainage away from the Home. Site drainage, under the Limited Warranty, is limited to grades within 10-feet and swales within 20-feet of the foundation of the Home. Standing or ponding water shall not remain in these areas for a period longer than 24-hours after a rain, except in swales that drain from adjoining properties or where a sump pump discharges. In these areas an extended period of 48-hours is to be allowed for water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.	Builder/Seller is only responsible for initially establishing the proper grades, swales and drainage away from Home. You are responsible for maintaining such grades and swales once constructed by the Builder/Seller. Builder/Seller is not responsible for drainage deficiencies attributable to grading requirements imposed by state, county, or local governing agencies.	Standing or ponding water outside of defined swales and beyond 10-feet from the foundation of the Home, or that is within 10-feet but is caused by unusual grade conditions, or retention of treed areas, is not considered a deficiency. Standing or ponding water caused by changes in the grade or placement of sod, fencing, or any other obstructions by You are excluded from Limited Warranty coverage.
Soil Erosion	NONE. NO COVERAGE.	NONE. Builder/Seller is not responsible for soil erosion due to acts of God or other conditions beyond the Builder/Seller's control.	Soil erosion and runoff caused by failure of You to maintain the properly established grades, drainage structures and swales; stabilized soil, sodded, seeded and landscaped areas; are excluded from Limited Warranty coverage.
Grassed or landscaped areas, which are disturbed or damaged due to work performed by Builder/Seller on the property in correcting a deficiency.	Landscaped areas that are disturbed during repair work are deficiencies.	Restore grades, seed and landscape to meet original condition. Builder/Seller is not responsible for grassed or landscaped areas which are damaged by others, including any work performed by public or private utility companies.	Replacement of trees and large bushes that existed at the time Home was constructed or those added by You after occupancy or those that subsequently die are excluded from Limited Warranty coverage.
2. Foundation and Concrete			
<i>2.1 Cast-In Place Concrete</i>			
Basement or foundation wall cracks, other than expansion or control joints.	Concrete cracks greater than 1/4-inch in width, or which allow exterior water to leak into basement, are deficiencies.	Repair non-structural cracks by surface patching. These repairs should be made toward the end of the first year of Limited Warranty coverage to permit normal stabilizing of the Home by settling.	Shrinkage cracks are not unusual and are inherent in the concrete curing process.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Cracking of basement floor.	Minor cracks in concrete basement floors are common. Cracks exceeding 1/4-inch in width or 3/16-inch in vertical displacement are deficiencies.	Repair cracks exceeding maximum tolerance by surface patching or other methods, as required.	
Cracking of attached garage floor slab.	Cracks in concrete garage floor greater than 3/16-inch in width or 3/16-inch in vertical displacement are deficiencies.	Builder/Seller shall repair excessive cracks in the slab by filling, chipping out and surface patching, or other suitable method to meet the Construction Performance Guideline. Repaired area may not match the existing floor in color and texture.	Builder/Seller is not responsible for cracking or deterioration caused by the storage of unusually heavy equipment or placement of excessive loads that exceed the weight of a typical automobile or light truck, or by other factors beyond the Builder/Seller's control. Movement and the resulting cracking may be minimized by good drainage, proper installation of landscaping and suitable maintenance. NO COVERAGE is provided for this element under the Limited Warranty.
Cracks in attached patio slab and sidewalks.	NONE. NO COVERAGE.	NONE.	
Cracks in concrete slab-on-grade floors, with finish flooring.	Cracks that rupture or significantly impair the appearance or performance of the finish flooring material are deficiencies.	Repair cracks as required so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring.	
Uneven concrete floor slabs.	Except for basement floors or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms finished for habitability by Builder/Seller shall not have pits, depressions or area or unevenness exceeding 3/8-inch in 32-inches.	Repair/replace to meet the Construction Performance Guidelines. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.	
Interior concrete work is pitting, scaling, or spalling.	Interior concrete surfaces that disintegrate to the extent that aggregate is exposed and loosened under normal conditions of use are deficiencies.	Builder/Seller shall take whatever corrective action is necessary to repair or replace defective concrete surfaces.	Builder/Seller is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the Builder/Seller's control.
Efflorescence is present on surface of basement floor.	NONE. NO COVERAGE.	NONE. This is a normal condition.	
Separation of brick or masonry edging from concrete slab or step.	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of 1/4-inch are a deficiency.	Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as closely as possible.	
Cracking, settling or heaving of stoops and steps.	Stoops and steps that have settled, heaved, or separated in excess of 1-inch from Home are a deficiency	Builder/Seller will make a reasonable and cost effective effort to meet the Construction Performance Guideline.	
<i>2.2 Construction and Control Joints</i> Separation or movement of concrete slabs within the structure at construction and control joints.	NONE. NO COVERAGE.	NONE.	Concrete slabs within the structure are designed to move at construction and control joints and are not deficiencies. You are responsible for maintenance of joint material.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
3. Masonry			
3.1 Unit Masonry (Brick, Block and Stone)			
Cracks in masonry, brick, or stone veneer.	Small hairline cracks resulting from shrinkage are common in mortar joints of masonry construction. Cracks greater than 1/4-inch in width or are visible from a distance in excess of 20-feet are deficiencies.	Builder/Seller will repair cracks that exceed 1/4-inch by tuck pointing and patching. These repairs should be made toward the end of the first year of Limited Warranty coverage to permit Home to stabilize and normal settlement to occur. Builder/Seller is not responsible for color variations between existing and new mortar.	
Cracks in concrete block basement walls.	Small shrinkage cracks that do not affect the structural ability of masonry foundation walls are not unusual. Cracks 1/4-inch or greater in width are deficiencies.	Builder/Seller shall investigate to determine cause. Builder/Seller shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.	
Concrete block basement wall is bowed.	Block concrete walls shall not bow in excess of 1-inch in 8 feet when measured from the base to the top of the wall.	Builder/Seller shall repair basement walls that are bowed in excess of 1-inch in 8 feet.	
3.2 Stucco and Cement Plaster			
Cracking or spalling of stucco and cement plaster.	Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back-up. Cracks greater than 1/8 inch in width or spalling of the finish surfaces are deficiencies.	Scrape out cracks and spalled areas, one time only during the first year warranty term. Fill with cement plaster or stucco to match finish and color as close as possible.	Builder/Seller is not responsible for failure to match color or texture, due to nature of material.
Separation of coating from base on exterior stucco wall.	The coating shall not separate from the base on an exterior stucco wall.	Builder/Seller shall repair areas where the coating has separated from the base.	Builder/Seller is not responsible for failure to match color or texture, due to the nature of the material.
4. Carpentry and Framing			
4.1 Plywood and Joists			
Uneven wood framed floors.	Loud and objectionable squeaks caused by improper installation or loose subfloor are deficiencies, but a totally squeak-proof floor cannot be guaranteed.	Builder/Seller will refasten any loose subfloor or take other corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.	Floor squeaks may occur when a subfloor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. Squeaks may also occur when one joist is deflected while the other members remain stationary. Because the Construction Performance Guidelines requires the Builder/Seller to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose subflooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.
	Wood floors shall not have more than a 1/4-inch ridge or depression within any 32-inch measurement.	Correct or repair to meet the Construction Performance Guidelines.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Bowed stud walls or ceilings.	All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Walls or ceilings that are bowed more than 1/2-inch within a 32-inch horizontal measurement; or 1/2-inch within any 8-foot vertical measurement, are deficiencies.	Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the Construction Performance Guidelines.	
Wood frame walls out of plumb.	Wood frame walls that are more than 3/8-inch out of plumb for any 32-inch vertical measurement are a deficiency.	Make necessary repairs to meet the Construction Performance Guidelines.	
Wood beam or post is split.	Beams or posts, especially those 2 1/2-inches or greater in thickness, will sometimes split as they dry subsequent to construction. Unfilled splits exceeding 1/4-inch in width and all splits exceeding 3/8-inch in width and more than 4 inches in length are deficiencies.	Builder/Seller shall repair or replace as required. Filling splits is acceptable for widths up to 3/8-inch.	Some characteristics of drying wood are beyond the control of the builder and cannot be prevented.
Exterior sheathing and subflooring which delaminates or swells.	Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied is a deficiency.	Builder/Seller shall repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible.	
Wood floor is out of square.	The diagonal of a triangle with sides of 12-feet and 16-feet along the edges of the floor shall be 20-feet plus or minus 1/2-inch.	Builder/Seller shall make necessary modifications to any floor not complying with the Construction Performance Guidelines.	
4.2 Finish Carpentry Unsatisfactory quality of finished exterior trim and workmanship.	Joints between exterior trim elements and siding or masonry, which are in excess of 1/4-inch, are deficiencies. In all cases, the exterior trim abutting masonry siding shall be capable of performing its function to exclude the elements.	Repair open joints and touch up finish coating where required to match existing as closely as possible. Caulk open joints between dissimilar materials.	
Unsatisfactory quality of finished interior trim and workmanship.	Joints between moldings and adjacent surfaces that exceed 1/8-inch in width are deficiencies.	Repair defective joints and touch up finish coating where required to match as closely as possible. Caulking is acceptable.	
Interior trim is split.	NONE. NO COVERAGE.	NONE.	Splits, cracks, and checking are inherent characteristics of all wood products, and are not considered deficiencies.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Hammer marks visible on interior trim.	Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.	Builder/Seller shall fill hammer marks and refinish or replace affected trim to meet the Construction Performance Guidelines. Refinished or replaced areas may not match surrounding areas exactly.	
Exposed nail heads in woodwork.	Setting nails and filling nail holes are considered part of painting and finishing. After painting or finishing, nails and nail holes shall not be readily visible from a distance of 6 feet under normal lighting conditions.	Fill nail holes where required and if necessary, touch up paint, stain, or varnish to match as closely as possible.	Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product. Nail holes in base and trim in unfinished rooms or closets do not have to be filled.
5. Thermal and Moisture Protection			
<i>5.1 Waterproofing</i>			
Leaks in basement or in foundation/crawl space.	Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies.	Take such action as is necessary to correct basement and crawl space leaks, except where the cause is determined to be the result of Your negligence. Where a sump pit has been installed by Builder/Seller in the affected area but the sump pump was not contracted for or installed by Builder/Seller, no action is required until a properly sized pump is installed by You in an attempt to correct the condition. Should the condition continue to exist, then Builder/Seller shall take necessary action to correct the problem.	Leaks caused by landscaping improperly installed by You or failure by You to maintain proper grades are excluded from Limited Warranty coverage. Dampness in basement and foundation walls or in concrete basement and crawl space floors is often common to new construction and is not a deficiency.
<i>5.2 Insulation</i>			
Insufficient insulation.	Insulation that is not installed around all habitable areas in accordance with established local industry standards is a deficiency.	Builder/Seller shall install insulation of sufficient thickness and characteristics to meet the local industry standards. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by You if it is found that the standard has been met by Builder/Seller.	
Sound transmission between rooms, floor levels, adjoining condominium units in a building, or from the street into Home.	NONE. NO COVERAGE.	NONE.	NO COVERAGE is provided for soundproofing.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<i>5.3 Ventilation and Moisture Control</i>			
Inadequate ventilation or moisture control in crawl spaces.	Crawl spaces shall have adequate ventilation to remove moisture or other approved method of moisture control. Ventilation or other moisture control methods shall be considered inadequate if there is damage to supporting members or insulation due to moisture accumulation.	Builder/Seller shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation of properly sized louvers, vents, vapor barrier, or other locally approved method of moisture control.	Temporary conditions may cause condensation in crawl spaces that can not be eliminated by ventilation and/or vapor barrier. Night air may cool foundation walls and provide a cool surface on which moisture may condense. In Homes that are left unheated in the winter, the underside of floors may provide a cold surface on which warmer crawl space air may condense. These and other similar conditions are beyond the Builder/Seller's control. Maintaining adequate heat and seasonal adjustment of vents is Your responsibility.
Inadequate ventilation or moisture control in attics or roofs.	Attics or roofs shall have adequate ventilation to remove moisture, or other approved method of moisture control. Ventilation or other moisture control methods shall be considered inadequate if there is damage to supporting members or insulation due to moisture accumulation.	Builder/Seller shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation of properly sized louvers, vents, vapor retarder, or other locally approved method of moisture control.	You are responsible for keeping existing vents unobstructed. Locally approved and properly constructed "hot roof" or other alternative roof designs may not require ventilation, and where there is no evidence of moisture damage to supporting members or insulation, are not deficiencies.
Attic vents or louvers leak.	Attic vents and louvers shall not leak.	Builder/Seller shall repair or replace the roof vents as necessary to meet the Construction Performance Guidelines.	Infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the Builder/Seller.
Bath or kitchen exhaust fans improperly vented into attic.	Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate resulting in damage to supporting members or insulation, are deficiencies.	Builder/Seller shall vent exhaust fans to the outside to correct deficiencies.	
<i>5.4 Sealants</i>			
Water or air leaks in exterior walls due to inadequate caulking.	Joints and cracks in exterior wall surfaces and around openings that are not properly caulked to exclude the entry of water or excessive drafts are a deficiency.	Repair and/or caulk joints in exterior wall surfaces as required to correct deficiency one time only during the first year of Limited Warranty coverage.	You must maintain caulking once the condition is corrected.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>5.5 Exterior Siding</i> Delamination, splitting, or deterioration of exterior siding.</p>	<p>Exterior siding that delaminates, splits or deteriorates is a deficiency.</p>	<p>Repair/replace only the damaged siding. Siding to match the original as closely as possible, however, You should be aware that the new finish may not exactly match the original surface texture or color.</p>	<p>Delaminated siding due to Your actions or neglect, such as delamination caused by sprinkler system repeatedly wetting siding, is not a deficiency.</p>
<p>Loose or fallen siding.</p>	<p>All siding that is not installed properly, which causes same to come loose or fall off, is a deficiency.</p>	<p>Reinstall or replace siding and make it secure.</p>	<p>Loose or fallen siding due to Your actions or neglect, such as leaning heavy objects against siding, impact, or sprinkler systems repeatedly wetting siding, is not a deficiency.</p>
<p>Siding is bowed.</p>	<p>Bows exceeding 1/2-inch in 32-inches are deficiencies.</p>	<p>Builder/Seller will repair bowed siding to meet standard. If replacement of siding is required, Builder/Seller will match original material as closely as possible. You should be aware that the new finish may not exactly match the original surface texture or color.</p>	<p>Bowed siding due to Your actions or neglect, such as bowing caused by sprinkler system repeatedly wetting siding, is not a deficiency.</p>
<p>Nails have stained siding.</p>	<p>Nail stains exceeding 1/2-inch in length and visible from a distance of 20-feet are deficiencies.</p>	<p>Builder/Seller shall correct by either removing stains, painting, or staining the affected area. Builder/Seller shall match color and finish as closely as possible. Where paint or stain touch up affects the majority of the wall surface, the whole area shall be refinished.</p>	<p>“Natural weathering” or semi-transparent stains are excluded from coverage.</p>
<p><i>5.6 Roofing</i> Roof or flashing leaks.</p>	<p>Roof or flashing leaks that occur under normal weather conditions are deficiencies.</p>	<p>Correct any roof or flashing leaks that are verified to have occurred under normal weather conditions.</p>	<p>Where cause of leaks is determined to result from severe weather conditions such as ice and snow build-up, high winds and driven rains, such leaks are not deficiencies.</p>
<p>Roof shingles have blown off.</p>	<p>Shingles shall not blow off in winds less than the manufacturer's standards or specifications.</p>	<p>Builder/Seller will replace shingles that blow off in winds less than the manufacturer's standards or specifications only if improper installation is shown to be the cause.</p>	<p>Shingles that blow off in winds less than the manufacturer's standards or specifications due to a manufacturing defect in the shingles are the manufacturer's responsibility. Shingles that blow off in hurricanes, tornadoes, hailstorms, or winds, including gusts greater than 60 miles per hour, are not deficiencies. You should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility if shingles blow off in higher wind speeds.</p>
<p>Defective shingles.</p>	<p>NONE. NO COVERAGE.</p>	<p>NONE</p>	<p>Manufacturing defects in shingles are not covered under the Limited Warranty. You should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Standing water on built-up roofs.	Water shall drain from a flat or low-pitched roof within 24-hours of a rainfall.	Builder/Seller will take corrective action to assure proper drainage of the roof.	Minor ponding or standing of water is not considered a deficiency.
<i>5.7 Sheet Metal</i>			
Gutters and downspouts leak.	Gutters and downspouts that leak are deficiencies.	Repair leaks in gutters and downspouts.	
Water remains in gutters after a rain.	Small amounts of water may remain in some sections of gutter for a short time after a rain. Standing water in gutters shall not exceed 1/2-inch in depth.	Builder/Seller will repair gutters to assure proper drainage.	You are responsible for keeping gutters and downspouts free from debris that would obstruct drainage.
6. Doors and Windows			
<i>6.1 Doors: Interior and Exterior</i>			
Warpage of interior or exterior doors.	Interior and exterior doors that warp so as to prevent normal closing and fit are deficiencies. The maximum allowable warpage of an interior door is 1/4-inch when measured from corner to corner.	Repair or replace as may be required. New doors to be refinished to match the original as closely as possible.	
Door binds against jamb or head of frame or does not lock.	Passage doors that do not open and close freely without binding against the doorframe are deficiencies. Lock bolt is to fit the keeper to maintain a closed position.	Adjust door and keeper to operate freely.	Wood doors may stick during occasional periods of high humidity.
Door panels shrink and expose bare wood.	NONE.	NONE.	Door panels will shrink due to the nature of the material, exposing bare wood at the edges and are not deficiencies.
Door panels split.	Door panels that have split to allow light to be visible through the door are deficiencies.	If light is visible, fill crack and finish panel to match as closely as possible. Correct one time only during first year of Limited Warranty coverage.	
Bottom of doors drag on carpet surface.	Where it is understood by Builder/Seller and You carpet is planned to be installed as floor finish by Builder/Seller, the bottom of the doors which drag on the carpet are deficiencies.	Undercut doors as required.	Where carpet is selected by You having excessive high pile, the You are responsible for any additional door undercutting.
Excessive opening at the bottom of interior doors	Passage doors from room to room that have openings between the bottom of the door and the floor finish material in excess of 1 1/2-inches are deficiencies. Closet doors having an opening in excess of 2-inches are deficiencies.	Make necessary adjustment or replace door to meet the required tolerance.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>6.2 Garage Doors (Attached Garage)</i> Garage door fails to operate or fit properly.</p>	<p>Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances are deficiencies. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.</p>	<p>Make necessary adjustments to meet the manufacturer's installation tolerances.</p>	<p>No adjustment is required when cause is determined to result from anyone but Builder/Seller's or Builder/Seller's subcontractors' installation of an electric door</p>
<p><i>6.3 Wood, Plastic and Metal Windows</i> Window is difficult to open or close.</p>	<p>Windows should require no greater operating force than that described in the manufacturer's specifications.</p>	<p>Builder/Seller shall correct or repair as required to meet manufacturer's specifications.</p>	
<p>Double hung windows do not stay in place when open.</p>	<p>Double hung windows are permitted to move within a two inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.</p>	<p>Adjust sash balances one time only during the first year of Limited Warranty coverage. Where possible, Builder/Seller will instruct You on the method of adjustment for future repair.</p>	
<p>Condensation or frost on window frames and glass.</p>	<p>NONE.</p>	<p>NONE.</p>	<p>Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the Home.</p>
<p><i>6.4 Hardware</i> A doorknob, deadbolt, or lockset does not operate smoothly.</p>	<p>A doorknob, deadbolt, or lockset should not stick or bind during operation.</p>	<p>Builder/Seller will adjust, repair, or replace knobs that are not damaged by abuse, one time only during the first year Warranty Term.</p>	
<p><i>6.5 Storm Doors, Windows and Screens</i> Storm doors, windows and screens do not operate or fit properly.</p>	<p>Storm doors, windows and screens, when installed, which do not operate or fit properly to provide the protection for which they are intended, are considered deficiencies.</p>	<p>Builder/Seller shall make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.</p>	<p>Missing screens, rips or gouges in the screen mesh are not covered by this Limited Warranty.</p>
<p><i>6.6 Weatherstripping and Seals</i> Drafts around doors and windows.</p>	<p>Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around frame when window or exterior door is closed.</p>	<p>Builder/Seller shall repair to meet Construction Performance Guidelines.</p>	<p>In high wind areas, You may need to have storm windows and doors installed to eliminate drafts.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>6.7 Glass and Glazing</i> Clouding and condensation on inside surfaces of insulated glass.</p>	<p>Insulated glass that clouds up or has condensation on the inside surfaces of the glass is a deficiency.</p>	<p>Builder/Seller shall replace glass in accordance with window and glass manufacturer's requirements.</p>	<p>Glass breakage is excluded.</p>
<p>7. Finishes</p>			
<p><i>7.1 Lath and Plaster</i></p>			
<p>Cracks in plaster wall and ceiling surfaces.</p>	<p>Hairline cracks are not unusual. Cracks in plaster wall and ceiling surfaces exceeding 1/16-inch in width are deficiencies.</p>	<p>Builder/Seller shall repair cracks that are greater than 1/16-inch in width and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal movement in Home.</p>	
<p><i>7.2 Drywall</i></p>			
<p>Drywall cracks.</p>	<p>Hairline cracks are not unusual. Cracks in interior gypsum board or other drywall materials exceeding 1/16-inch in width are deficiencies.</p>	<p>Builder/Seller shall repair cracks that are greater than 1/16-inch in width and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal movement in Home.</p>	
<p>Nail pops, blisters, or other blemish is visible on finished wall or ceiling.</p>	<p>Nail pops and blisters that are readily visible from a distance of 6 feet under normal lighting conditions are deficiencies.</p>	<p>Builder/Seller will repair such blemishes, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal settlement of the Home.</p>	<p>Depressions or slight mounds at nail heads are not considered deficiencies. Builder/Seller is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper.</p>
<p>Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints.</p>	<p>Cracked or exposed corner bead, trowel marks, excess joint compound, or blisters in drywall tape, are deficiencies.</p>	<p>Builder/Seller will repair to meet Construction Performance Guidelines, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of Limited Warranty coverage to allow for normal settlement of the Home.</p>	
<p><i>7.3 Hard Surfaces</i></p>			
<p>Flagstone, Marble, Quarry Tile, Slate, or other hard surface flooring is broken or loose.</p>	<p>Tile, flagstone, or similar hard surfaced sanitary flooring that cracks or becomes loose is a deficiency. Subfloor and wallboard are required to be structurally sound, rigid, and suitable to receive finish.</p>	<p>Builder/Seller shall replace cracked tiles, marble, or stone and resecure loose tiles, marble, or stone flooring.</p>	<p>Cracking and loosening of flooring caused by Your negligence is not a deficiency. Builder/Seller is not responsible for color and pattern variations or discontinued patterns of the manufacturer.</p>
<p>Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub, shower, or countertop.</p>	<p>Cracks in grouting of ceramic tile joints in excess of 1/16-inch are deficiencies. Regrouting of these cracks is Your maintenance responsibility after the Builder/Seller has regouted once.</p>	<p>Builder/Seller shall repair grouting as necessary one time only within the first year of Limited Warranty coverage.</p>	<p>Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub, shower basin, or countertop are considered Your maintenance and any resultant damage to other finish surfaces due to leaks, etc. are not considered deficiencies.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>7.4 Resilient Flooring</i> Nail pops appear on the surface of resilient flooring.</p>	<p>Readily apparent nail pops are deficiencies.</p>	<p>Builder/Seller shall correct nail pops that have caused damage to the floor material and repair or replace damaged floor covering in the affected area. Builder/Seller is not responsible for discontinued patterns or color variations.</p>	
<p>Depressions or ridges appear in the resilient flooring due to subfloor irregularities.</p>	<p>Readily apparent depressions or ridges exceeding 1/8-inch are a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6-inch straight edge placed over the depression or ridge with 3-inches on one side of the -deficiency held tightly to the floor.</p>	<p>Builder/Seller shall take required action to bring the deficiency within acceptable tolerances so as to be not readily visible. Builder/Seller is not responsible for discontinued patterns or color variations in the floor covering, Your neglect or abuse, nor installations performed by others.</p>	
<p>Resilient flooring or base loses adhesion.</p>	<p>Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.</p>	<p>Builder/Seller shall repair or replace resilient flooring or base as required. Builder/Seller is not responsible for discontinued patterns or color variations.</p>	
<p>Seams or shrinkage gaps show at resilient flooring joints.</p>	<p>Gaps in excess of 1/32-inch in width in resilient floor covering joints are deficiencies. Where dissimilar materials abut, a gap in excess of 1/8-inch is a deficiency.</p>	<p>Builder/Seller shall repair or replace the resilient flooring to meet the Construction Performance Guidelines. Builder/Seller is not responsible for discontinued patterns or color variations of floor covering. Proper repair can be affected by sealing gap with seam sealer.</p>	
<p><i>7.5 Finished Wood Flooring</i> Cupping, open joints, or separations in wood flooring.</p>	<p>Open joints or separations between floorboards of finished wood flooring shall not exceed 1/8-inch in width. Cups in strip floorboards shall not exceed 1/16-inch in height in a 3-inch maximum distance when measured perpendicular to the length of the board.</p>	<p>Builder/Seller shall determine the cause and if the result of a deficiency in workmanship or material, correct one time only. For repairable deficiencies, repair cracks by filling and refinishing to match the wood surface as closely as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible.</p>	<p>Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of Home. While boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. You should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by the Limited Warranty.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>7.6 Painting</i> Knot and wood stains appear through paint on exterior.</p>	<p>Excessive knot and wood stains that bleed through the paint are considered deficiencies.</p>	<p>Builder/Seller shall seal affected areas where excessive bleeding of knots and stains appear, one time only during the first Warranty Term. Builder/Seller will touch-up paint to match as closely as possible.</p>	
<p>Exterior paint or stain peels or deteriorates.</p>	<p>Exterior paints or stains that peel or deteriorate during the first year of ownership are deficiencies.</p>	<p>Builder/Seller shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface areas, the whole area should be refinished. The Limited Warranty on the newly repainted surfaces will not extend beyond the original Warranty Term.</p>	<p>Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions which may prevail in the area. Fading is not a deficiency.</p>
<p>Painting required as corollary repair because of other work.</p>	<p>Necessary repair of a painted surface under this Limited Warranty is to be refinished to match surrounding areas as closely as possible.</p>	<p>Builder/Seller shall refinish repaired areas to meet the standard as required.</p>	
<p>Mildew or fungus forms on painted or factory finished surfaces.</p>	<p>NONE. NO COVERAGE.</p>	<p>NONE.</p>	<p>Mildew or fungus that forms on a painted or factory finished surface when the surface is subject to various exposures (e.g.: ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency.</p>
<p>Deterioration of varnish or lacquer finishes.</p>	<p>Natural finish on interior woodwork that deteriorates during the first year of Limited Warranty coverage is a deficiency.</p>	<p>Builder/Seller shall refinish affected areas of natural finished interior woodwork, matching the color as closely as possible.</p>	<p>Varnish-type finishes used on exterior surfaces will deteriorate rapidly and are not covered by the Limited Warranty.</p>
<p>Interior paint coverage.</p>	<p>Wall, ceiling, and trim surfaces that are painted shall not show through new paint when viewed from a distance of 6-feet under normal lighting conditions.</p>	<p>Builder/Seller shall repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where the majority of the wall or ceiling surface is affected the entire area will be painted from breakline to breakline. Builder/Seller is not required to repaint an entire room unless all walls and ceiling have been affected.</p>	
<p>Paint splatters and smears on finish surfaces.</p>	<p>Paint splatters on walls, woodwork, or other surfaces which are excessive, shall not be readily visible when viewed from a distance of 6-feet under normal lighting conditions.</p>	<p>Builder/Seller shall remove paint splatters without affecting the finish of the material, or replace the damaged surface if paint cannot be removed.</p>	<p>Minor paint splatter and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be Your maintenance and are not deficiencies.</p>
<p><i>7.7 Wall Covering</i> Peeling of wallcovering installed by Builder/Seller.</p>	<p>Peeling of wallcovering is a deficiency, unless it is due to Your abuse or negligence.</p>	<p>Builder/Seller shall repair or replace defective wallcovering.</p>	<p>Wallpaper applied in high moisture areas is exempt from this Guideline because the problem results from conditions beyond the builder's control.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Pattern in wallcovering is mismatched at the edges.	Pattern in wallcovering shall match at the edges.	Builder/Seller shall remove mismatched wallcovering and replace. Builder/Seller is not responsible for discontinued or variations in color.	Defects in the wallcovering patterns are the manufacturer's responsibility, and excluded from Limited Warranty coverage.
Lumps and ridges and nail pops in wallboard that appear after the Homeowner has wallcovering installed by others.	NONE. NO COVERAGE.	NONE.	You shall insure that the surface to receive wallcovering is suitable and assumes full responsibility should lumps, ridges, and nail pops occur at a later date.
<i>7.8 Carpeting</i> Carpet does not meet at the seams.	It is not unusual for carpet seams to show. However, a visible gap or overlapping at the seam due to improper installation is a deficiency.	Builder/Seller shall correct to eliminate visible gap or overlapping at the seam.	Carpet material is not covered under the Warranty.
Color variations in carpet.	NONE. NO COVERAGE.	NONE.	Colors may vary by dye lot, and from one end to another in the same roll. Side to side shading may show at most if not all seams, even where the same dye lot is used. Carpet material is not covered under the Limited Warranty. You should consult carpet manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility for color variations.
Carpeting loosens, or the carpet stretches.	When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment.	Builder/Seller will restretch or resecure carpeting to meet Construction Performance Guidelines one time only during the first year of Limited Warranty coverage.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
8. Specialties			
8.1 Fireplaces			
Fireplace or chimney does not draw properly causing smoke to enter home.	A properly designed and constructed fireplace or chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary for the homeowner to substantiate the problems to the Builder/Seller by constructing a fire so the condition can be observed.	When determined the malfunction is based upon improper construction of the fireplace, the Builder/Seller shall take the necessary steps to correct the problem, one time only during the first year Warranty Term.	When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond Builder/Seller's control, Builder/Seller is
Chimney separation from structure to which it is attached.	Newly built fireplaces will often incur slight amounts of separation. Separation that exceeds 1/2-inch from the main structure in any 10-foot vertical measurement is a deficiency.	Builder/Seller shall correct. Caulking or grouting is acceptable unless the cause of the separation is due to structural failure of the chimney foundation. In that case, caulking is unacceptable.	
Cracks in masonry hearth or facing.	Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Heat and flames from normal fires can cause cracking	None.	Heat and flames from normal fires can cause cracking of firebrick and mortar joints. This should be expected, and is not covered by the Limited Warranty.
9. Cabinets and Vanities			
9.1 Kitchen Cabinets and Vanities			
Kitchen and vanity cabinet doors and drawers bind.	Cabinet doors and drawers shall open and close with reasonable ease.	Builder/Seller shall adjust or replace doors and drawers as necessary to meet Construction Performance Guidelines.	
Warping of kitchen and vanity cabinet doors and drawer fronts.	Warpage that exceeds 1/4-inch as measured from the face of the cabinet frame to the furthestmost point of warpage on the drawer or door front in a closed position is a deficiency.	Builder/Seller shall correct or replace door or drawer front as required.	
Gaps between cabinets, ceiling and walls.	Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of 1/4-inch between wall and ceiling surfaces are a deficiency.	Builder/Seller shall make necessary adjustment of cabinets and countertop or close gap by means of moulding suitable to match the cabinet or countertop finish, or as closely as possible; or other acceptable means.	
9.2 Countertops			
Surface cracks and delaminations in high pressure laminates of vanity and kitchen cabinet countertops.	Countertops fabricated with high pressure laminate coverings that delaminate or have surface cracks or joints exceeding 1/16-inch between sheets are considered deficiencies.	Builder/Seller shall repair or replace laminated surface covering having cracks or joints exceeding the allowable width.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
10. Mechanical			
<i>10.1 Plumbing</i>			
Faucet or valve leak.	A valve or faucet leak due to material or workmanship is a deficiency and is covered only during the first year of the Warranty.	Builder/Seller shall repair or replace the leaking faucet or valve.	Leakage caused by worn or defective washers or seals are Your maintenance item.
Defective plumbing fixtures, appliances or trim fittings.	Fixtures, appliances, or fittings shall comply with their manufacturer's standards as to use and operation	NONE.	Defective plumbing fixtures, appliances, and trim fittings are covered under their manufacturer's warranty.
<i>10.2 Water Supply</i>			
Staining of plumbing fixtures due to high iron, manganese, or other mineral content in water.	NONE. NO COVERAGE.	NONE. High iron and manganese content in the water supply system will cause staining of plumbing fixtures.	Maintenance and treatment of the water is Your responsibility.
Noisy water pipes.	Some noise can be expected from the water pipe system, due to the flow of water. However, the supply pipes should not make the pounding noise called "water hammer". "Water hammer" is a deficiency covered only during the first year of the Warranty.	Builder/Seller shall correct to eliminate "water hammer."	Noises due to water flow and pipe expansion are not considered deficiencies.
<i>10.3 Heating and Air Conditioning</i>			
Inadequate heat.	A heating system shall be capable of producing an inside temperature of at least 70-degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor under local outdoor winter design conditions. NOTE FOR HEATING: There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in Home.	Builder/Seller shall correct heating system as required to provide the required temperatures if a deficiency exists.	Orientation of Home and location of room will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.
Inadequate cooling.	When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78-degrees Fahrenheit as measured in the center of each room at height of five feet above the floor, under local outdoor summer design conditions. NOTE FOR AIR CONDITIONING: In the case of outside temperatures exceeding 95-degrees Fahrenheit, the system shall keep the inside temperature 15-degrees cooler than the outside temperature. National, state, or local requirements shall supersede this guideline where such requirements have been adopted by the local governing agency.	Correct cooling system to meet the Construction Performance Guidelines during the first year of Limited Warranty coverage.	Orientation of Home and location of room will also provide a temperature differential, especially when the air-conditioning system is controlled by a single thermostat for one or more levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Ductwork and heating piping not insulated in uninsulated area.	Ductwork and heating pipes that are run in uninsulated crawl spaces, garages or attics are to be insulated. Basements are not "uninsulated areas", and no insulation is required.	Builder/Seller shall install required insulation.	
Condensate lines clog up.	NONE. NO COVERAGE.	Builder/Seller shall provide clean and unobstructed lines on Effective Date of Warranty.	Condensate lines will clog under normal conditions. You are responsible for continued operation of drain lines.
Improper mechanical operation of evaporative cooling system.	Equipment that does not function properly at temperature standard set is a deficiency.	Builder/Seller shall correct and adjust so that blower and water system operate as designed during the first year of Limited Warranty coverage.	
Ductwork makes noises.	NONE. NO COVERAGE.	NONE.	When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and are not deficiencies.
Ductwork makes excessively loud noises known as "oil canning".	The stiffening of the ductwork and the gauge of metal used shall be such that ducts do not "oil can". The booming noise caused by oil canning is a deficiency.	Builder/Seller shall take the necessary steps to eliminate noise caused by oil canning.	
11. Electrical Components <i>11.1 Switches and Receptacles</i> Fuses blow, or circuit breakers kick out.	Fuses and circuit breakers that deactivate under normal usage, when reset or replaced are deficiencies during the first year of Limited Warranty coverage.	Builder/Seller shall check all wiring and replace wiring or breaker if it does not perform adequately or is defective.	
Drafts from electrical outlets.	NONE. NO COVERAGE.	NONE.	The electrical junction box on exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new Home construction.
Malfunction of electrical outlets, switches, or fixtures.	All switches, fixtures and outlets which do not operate as intended are considered deficiencies only during the first year of Limited Warranty coverage.	Builder/Seller shall repair or replace defective switches, fixtures and outlets.	
Light fixture tarnishes.	NONE. NO COVERAGE.	NONE.	Finishes on light fixtures may be covered under their manufacturer's warranty.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p><i>11.2 Service and Distribution</i> Ground fault interrupter trips frequently.</p>	<p>Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault outlets that do not operate as intended are considered deficiencies.</p>	<p>Builder/Seller shall replace the device if defective during the first year of Limited Warranty coverage.</p>	

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
<p>12. Mechanical Systems <i>12.1 Septic Tank Systems</i> Septic systems fail to operate properly.</p>	<p>Septic system should be capable of properly handling normal flow of household effluent.</p>	<p>Builder/Seller shall take corrective action if it is determined that malfunction is due to a deficiency in workmanship, materials, or failure to construct system in accordance with state, county, or local requirements. Builder/Seller is not responsible for malfunctions or limitations in the operation of the system attributable to design restrictions imposed by state, county, or local governing agencies. Builder/Seller is also not responsible for malfunctions which occur or are caused by conditions beyond Builder/Seller's control, including Your negligence, abuse, freezing, soil saturation, changes in ground water table, or other acts of nature.</p>	<p>You are responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency. The following are considered Your negligence or abuse as exclusion under the Limited Warranty: a.) excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use; b.) connection of sump pump, roof drains or backwash from water conditioner, to the system c.) placing of non-biodegradable items in the system; d.) addition of harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners; e.) use of a food waste disposer not supplied by Builder/Seller; f.) placement of impervious surfaces over the disposal area; g.) allowing vehicles to drive or park over the disposal area; h.) failure to periodically pump out the septic tank when required. Sewage pumps are excluded under the Limited Warranty.</p>
<p><i>12.2 Plumbing</i> Water in plumbing pipes freezes, and the pipes burst.</p>	<p>Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather.</p>	<p>Builder/Seller shall correct conditions not meeting Construction Performance Guidelines.</p>	<p>Burst pipes due to Your neglect and resultant damage are not Builder/Seller's responsibility. You are responsible for draining exterior faucets, and maintaining suitable temperature in the Home to prevent water in pipes from freezing. During periods when the outdoor temperature falls below the design temperature, You are responsible for draining or otherwise protecting pipes. Homes which are periodically occupied, such as summer homes, or where there will be no occupancy for an extended period of time, must be properly winterized or periodically checked to insure that a reasonable temperature is maintained.</p>

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Construction Performance Guidelines	Builder/Seller/Warrantor Responsibility	Exclusion
Leakage from any piping.	Leaks in any waste, vent and water piping are deficiencies.	Builder/Seller shall make necessary repairs to eliminate leakage.	Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.
Sanitary sewers, fixtures, waste or drain lines are clogged.	The Builder/Seller is not responsible for sewers, fixtures, or drains that are clogged because of Your actions or negligence. Sanitary sewers, fixtures, waste or drain lines that do not operate or drain properly due to improper construction are deficiencies.	When defective construction is shown to be the cause, Builder/Seller shall make necessary repairs. If Your actions or negligence is the cause, You are responsible for correcting the problem. You are liable for the entire cost of any sewer and drain cleaning service provided by Builder/Seller where clogged drains are caused by Your actions or negligence.	Builder/Seller is not responsible for sewer lines that extend beyond the property lines on which the Home is constructed.
<p><i>12.3 Water Supply</i> Water supply system fails to deliver water.</p>	All service connections to municipal water main or private water supply are Builder/Seller's responsibility when installed by Builder/Seller.	Builder/Seller shall repair as required if failure to supply water is the result of deficiency in workmanship or materials.	If conditions exist which disrupt or eliminate the sources of water supply that are beyond Builder/Seller's control, then Builder/Seller is not responsible.
<p><i>12.4 Heating and Air Conditioning</i> Refrigerant lines leak.</p>	Builder/Seller-installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies.	Builder/Seller shall repair leaking lines and recharge the unit as required.	Leaks due to Your actions or negligence are excluded.
Ductwork separates, becomes unattached.	Ductwork that is not intact or securely fastened is a deficiency.	Builder/Seller shall reattach and resecure all separated or unattached ductwork.	
<p>13. Electrical System <i>13.1 Electrical Conductors</i> Failure of wiring to carry its designed load.</p>	Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles, and equipment, is a deficiency.	Builder/Seller shall check wiring and replace if it fails to carry the design load.	

SAMPLE



Home Buyers Warranty®
America's
Choice

HOME BUYERS WARRANTY CORPORATION
Warranty Administration Office
10375 East Harvard Ave.
Denver, Colorado 80231
720.747.6000

NOTICE OF CLAIM FORM FOR STRUCTURAL CLAIMS ONLY

Please read the 2-10 Home Buyers Warranty® Booklet for filing instructions and pertinent information.

YOUR NAME _____

ADDRESS OF CLAIM _____
(Street)

(City) _____ (State) _____ (Zip) _____

HOME PHONE (_____) _____ BUSINESS PHONE (_____) _____

EFFECTIVE DATE OF WARRANTY _____ / _____ / _____
(Mo.) (Day) (Year)
(Date of Closing or First Occupancy)

HBW Certificate of Warranty Coverage #

Please note that 2-10 Home Buyers Warranty® provides Limited Structural Warranty Coverage which is subject to exclusions and conditions. You are encouraged to review the Structural Coverage provisions of your Warranty Booklet.

Please answer the following questions:

1. Have you reviewed the Definition of a Structural Defect in your Warranty Booklet? Yes No
2. Do you believe that you have actual physical damage to one or more of the listed load bearing portions of your home? Yes No
3. Have you reviewed the list of non-load-bearing elements which would not qualify as a Structural Defect under this coverage? Yes No
4. Do you feel that your home is unsafe, unsanitary or otherwise unlivable as a result of the defect? Yes No

NATURE OF DEFECT (BE SPECIFIC; IF AVAILABLE, ENCLOSE PHOTOGRAPHS; ATTACH SEPARATE SHEET IF NECESSARY) _____

DATE DEFECT FIRST OBSERVED _____ (Mo.) _____ (Day) _____ (Year)

IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER (SELLER) OR CLAIMANT (HOMEOWNER) FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER (SELLER) OR CLAIMANT (HOMEOWNER) WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE INSURANCE COMMISSIONER OF YOUR STATE.

CHECK ONE (if applicable)

1. FHA 2. VA 3. RHS

Case # _____

If you are the original owner, and your Home has FHA/VA financing, please provide the following:

Name of Mortgage Company: _____

Address of Mortgage Company: _____

Homeowner Signature (Date)

Homeowner Signature (Date)

SAMPLE

SAMPLE

SAMPLE



Home Buyers Warranty®
America's
Choice®