



10 Year Limited Warranty for New Homes

1 Year Workmanship/Materials
2 Years Systems
10 Years Load-bearing Warranted Structural Components

for

Homeowner's Name

This Warranty is an expressed written Limited Warranty and is provided by the Builder. To the extent permitted by law, all other implied warranties are waived included but not limited to, the warranty of good quality and workmanship and the warranty of habitability, merchantability and/or fitness for a particular purpose or any other warranties, expressed or implied.

This Sample Warranty is for descriptive purposes only. The actual specific and detailed warranty coverages, terms, conditions, and exclusions applicable will be as stated in the particularized warranty booklet assigned by your builder to your specific address.

For this Limited Warranty Agreement to be active and in effect after fees are paid, it must contain preprinted information including your name, address, and a unique Warranty ID number. The last pages are signature pages for the Homebuyer and the Builder to execute.

This Warranty is extended to the following purchaser:

[Name:]
[Address of Warranted Home:]
[City: State: Zip Code:]
[Telephone Number: E-Mail Address:]
[Warranty ID Number: Final Sales Price: Maximum Limit of Liability:]
[The Warranty Start Date is:]

[Builder information:]
[Name:]
[Address:]
[City: State: Zip Code:]
[Telephone Number: E-Mail Address:]

Section 1. OVERVIEW OF THE LIMITED WARRANTY

Your Builder has included this written Limited Warranty for your benefit. American eWarranty is the warranty administrator and is NOT a warrantor under this agreement.

The following pages explain this Limited Warranty on your Home:

- what it does and does not include;
- how it works, and other details, conditions and limitations that apply;
- certain terms contained in this Limited Warranty defined in Section 8;
- the process for requesting warranty performance explained in Section 6;

Read this document in its entirety, including definitions, to understand the Warranty, the exclusions that apply, your responsibilities, how the Limited Warranty is interpreted, and how it operates. **This Limited Warranty Agreement includes the process of binding arbitration for resolving disputes if needed.** This is not a warranty service contract. If you have questions, be sure to contact your Builder or American eWarranty. This is a Warranty and not insurance. This Warranty document does not take the place of a builder's, an engineer's or a developer's liability insurance or your homeowner's insurance.

Section 2. THE LIMITED WARRANTY CONDITIONS

- A. The Warranty Start Date is the Homeowner's settlement date indicated above.
- B. For one (1) year from the Warranty Start Date, items described and specified in Section 5.A in this Limited Warranty will function and operate according to the Warranty Standards.
- C. For two (2) years from the Warranty Start Date, the components of your Home described and listed in Section 5.B in this Limited Warranty will function and operate according to Warranty Standards.
- D. For ten (10) years from the Warranty Start Date, Load-bearing Warranted Structural Components (WSC) as identified and listed in Section 5.C in this Limited Warranty will meet the established performance standards listed in Section 5.C.
- E. Your Builder is the Warrantor in years one (1) and two (2); the Insurer is the Warrantor in years three (3) through ten (10). If the Builder fails to correct warranted construction deficiencies in years one (1) and two (2), the Insurer will assume the responsibilities subject to an arbitration/judicial decision and the terms and conditions described in this Limited Warranty. American eWarranty is the administrator of this warranty.
- F. Only specified standards and actions represented in this warranty are applicable to this warranty.
- G. Your Builder is responsible for all work performed under its direction for the period of the applicable warranty.
- H. The Warrantor is only responsible for warranted defects about which they receive written notice on or before the expiration of the warranty coverage to which the notice applies but in no event later than thirty days (30) following the applicable warranty

period stated in this Section. A defect will not be covered under this Warranty if notice is received after the date the warranty coverage has expired. These time limits are a material condition of this warranty.

- I. The Warrantor shall have the option to choose to repair, replace, or pay the reasonable cost of repair or replacement of Warranted Defects. The choice of contractors, method and manner of repairs are at the discretion of the Warrantor. Regarding a Load-bearing Warranted Structural Component (WSC), the Warrantor's obligation is limited to actions necessary to restore the WSC to the specified tolerances identified in this Limited Warranty. The aggregate cost to the Warrantor(s) under this Limited Warranty shall not exceed the Maximum Limit of Liability of the Home as listed herein. Once this Limit of Liability has been reached, the entire warranty is automatically and permanently terminated. Any rights you may have under this warranty are then automatically terminated.
- J. Repair of a construction defect shall be performed in a manner and using such materials and methods consistent with the Performance Standards found in Section 5.
- K. Repair condition
 - 1. In connection with a repair of a warranted defect, any repairs performed by Your Builder will include those components of the Home originally installed by your Builder that have to be removed or altered in order to repair the defect. Repair shall be made so that the condition is returned to its condition as it existed at the time immediately preceding the defect.
 - 2. The Warrantor is not responsible for damage to any improvement, fixture or property not constructed, installed or provided by your Builder that may need to be removed to repair a warranted defect or which may be damaged by the implementation of repairs to the warranted defect.
- L. Surfaces altered incident to any repair will be finished or touched up to match the surrounding area as closely as practical. In connection with the repair of finish or surface material such as paint, wallpaper, flooring or a hard surface, your Builder will match the standard and grade as closely as reasonably possible. Your Builder will attempt to match the finish but will not be responsible for discontinued patterns or materials, color variations or shade variations. When the surface finish material must be replaced and the original material has been discontinued, your Builder is responsible for installing replacement material substantially similar in appearance to the original material.
- M. Manufactured products shall be installed in accordance with the manufacturer's instructions and specifications.
 - 1. Your Builder shall use only new manufactured products and parts unless otherwise agreed in writing by the parties. If your Builder did not install a manufactured product in accordance with the manufacturer's specifications or use newly manufactured parts as required, your Builder shall take such action as is necessary to bring the variance within the standard.
 - 2. Manufactured items such as appliances, fixtures or equipment covered by a manufacturer's warranty and defects in any of the systems resulting from a failure in manufactured items are not covered by this warranty.
- N. The Warranty does not warrant that the property/home complies with dwelling plans and specifications, applicable building codes or specific terms of a homeowner's contract to purchase a property/home.
- O. **The Warrantor's responsibilities and liability are limited to the terms and conditions contained in this Limited Warranty including its performance standards. The Warrantor is providing only the warranty obligations contained in this Limited Warranty subject to its provisions, exclusions, limitations, performance standards, definitions and coverage. The warranties established herein are the only warranties provided by the Warrantor.**

Section 3. HOMEOWNER/TENANT RESPONSIBILITIES AND APPLICABLE CONDITIONS

- A. General and preventative maintenance of the Home and the property on which the Home is located is essential to the proper functioning of the Home. The Homeowner/Tenant is responsible for:
 - 1. Maintenance of the Home and the property.
 - 2. Maintenance items described in this section.
 - 3. Those maintenance items identified separately in the performance standards set forth in this Limited Warranty.
 - 4. Ongoing maintenance responsibilities that affect the performance of the Home but that may not be expressly stated in this warranty. Such ongoing maintenance responsibilities include but are not limited to:
 - a. Periodic repainting and resealing of exterior surfaces, windows, doors and interior surfaces as necessary;
 - b. Caulking for the life of the Home;

- c. Regular maintenance of mechanical systems, regular replacement of HVAC filters, cleaning and proper preservation of grading around the Home;
 - d. Drainage systems to allow for the proper drainage of water away from the Home; and
 - e. Periodic inspection of roofs, exterior surfaces, gutters, spouting, basements, HVAC systems and pipes for leaks and prompt correction of any issues found.
- B. Prior to occupancy or closing, whichever occurs first, you and your Builder must establish a written, final walk-through inspection list identifying items in need of service. Keep a copy for your records. Any preexisting conditions or defects (often referred to as punch list items) are not covered by this Limited Warranty.
- C. If your Builder does not complete any part of the Home, it is your responsibility to complete such parts. Any damage resulting from your failure to have the work completed will not be covered under this Limited Warranty.
- D. Your Builder is to assign to you without recourse all manufacturers' warranties on products included in the Final Sales Price of your Home. Any rights that inure to the Homeowner/Tenant provided under a manufacturer's warranty are the obligation of the manufacturer. Your Builder does not assume any of the obligations of the manufacturer resulting from a manufacturer's warranty, but shall coordinate with the manufacturer, suppliers or agents to achieve compliance with the performance standard.
- E. Repairs of warranted defects will not extend the coverage periods established in this Limited Warranty.
- F. The Warrantor is not responsible for exact color, texture, grain or finish matches where materials must be replaced or repaired.
- G. In case of an EMERGENCY, (a situation or condition which may be hazardous to the Home or occupants if not repaired immediately), you must contact your Builder or the Administrator to receive authorization to make emergency repairs or follow the procedures established by your Builder. If unavailable, you must make repairs to mitigate further damage and report the emergency to your Builder or the Administrator on the next business day. Any unauthorized repairs will not be reimbursed unless you have followed these procedures. Emergency items will be evaluated by American eWarranty based on imminent danger to the Home. Determination regarding the extent of expenses that are reimbursable under the warranty for an emergency is at the discretion of your Builder or American eWarranty.
- H. No warranties extend beyond the items described and contained in this Limited Warranty.
- I. This Limited Warranty automatically transfers to a new Homeowner if you sell your Home during the ten (10) year term of the Limited Warranty unless the sale is part of a foreclosure proceeding.
- J. This Limited Warranty becomes void and all obligations on the part of the Warrantor cease as of the date an owner vacates the home due to foreclosure proceedings.
- K. The Homeowner/Tenant shall take measures to prevent landscaping materials or plants from contacting the exterior surface of the Home and from interfering with the proper drainage of water away from the foundation. The Homeowner/Tenant should not improperly alter the proper drainage pattern or grade of the soil within ten feet of the foundation so that it negatively impacts the Home's performance.
- L. The Homeowner/Tenant should take the following actions to prevent excessive moisture accumulation in and around the home by:
 - 1. Properly using ventilation equipment;
 - 2. Preventing excessive temperature fluctuations; and
 - 3. Taking any other action reasonably necessary to avoid excessive moisture, dampness, humidity or condensation that may lead to damage due to excessive moisture or dryness.
- M. The Homeowner/Tenant shall properly maintain each component of the Home including proper cleaning, care and upkeep of the Home. The Homeowner/Tenant shall use Home components for the purposes for which they are intended and shall not damage, misuse or abuse Home components.
- N. Self-help. Upon observation of a circumstance that may cause further damage to the Home or a component of the Home, the Homeowner/Tenant shall take reasonable action necessary to prevent further damage to the Home.
- O. The Warrantor is not responsible in any way for repair, loss or damage to a listed component or to the Home itself caused by or made worse by failure of the Homeowner/Tenant to comply with their responsibilities as set forth in this Limited Warranty,

their delay in forwarding any fees listed in this Limited Warranty, their failure to proceed with recommended repairs or assessment of listed warranted issues, their failure to timely execute releases or repair agreements, or their failure to mitigate damage(s) to the Home.

Section 4. EXCLUSIONS TO THE LIMITED WARRANTY

- A. This Limited Warranty does not include the following:
1. Loss, damage or injury to:
 - a. land, persons or animals;
 - b. personal property, and improvements or structures; and/or
 - c. any items, issues or conditions other than those specifically identified in this Limited Warranty.
 2. Loss or damage resulting directly or indirectly from or made worse by:
 - a. Insects, birds, vermin, rodents, or wild or domestic animals, except during year one, if the builder has failed to use proper materials or construction methods designed to prevent infestation or intrusion;
 - b. Any loss or damage that arises while the Home is being used primarily for nonresidential purposes or arises while the Home is non-occupied for greater than 30 days;
 - c. Burn holes, buried debris, organic materials, improper fill, improper compaction, inadequate, excessive or uneven watering or drainage of soils or maintenance of proper grading around the foundation and on the property or damage from leaking pipes or damage from roots or trees planted within 10 feet of foundations;
 - d. Flood, surface water, waves, tidal water, or spray from any of these (whether or not driven by wind); water that overflows or backs up from sewers, downspouts, gutters or drains; water in crawl spaces or window wells or changes in the water table;
 - e. Deterioration resulting from normal wear and tear;
 - f. Shrinkage, expansion or contraction due to drying or settlement caused by Homeowner/Tenant negligence;
 - g. Material or work which was not supplied by your Builder or its employees, agents or subcontractors;
 - h. Negligence, improper maintenance or improper operations by a neighbor, a developer or by anyone other than the builder or its employees, agents, or subcontractors;
 - i. Components of the Home which are constructed separate from foundation walls or other structural components of the Home such as, but not limited to chimneys, concrete floors of basements, decks and attached garages after one year;
 - j. Changes of the grading of the ground by anyone other than the builder, its employees, agents, or subcontractors;
 - k. Any modification, improvement, work or addition to the Home or the property under or around the Home, made after the Warranty Start Date, whether made by the Builder or others;
 - l. Outside sillcocks (hosebibs) and other house connections;
 - m. The weight of a water bed or any other type of furnishing or equipment that exceeds the load-bearing design of the Home or its rooms;
 - n. The presence or consequence of an electromagnetic field or emissions, VOCs, radon, formaldehyde, carcinogenic substances or other pollutants and contaminants, or of hazardous, fetid or toxic materials or conditions within the Home, on the property or on nearby property;
 - o. Acts or omission by you, your agents, employees, licensees, or invitees; accidents, riots, terror attacks, war, civil commotion, nuclear hazards, acts of God or nature, hurricanes, tropical storms, , tsunamis, tornadoes, volcanic activity, vandalism, theft, bodily injury, power failure or shortage, electrical surge, excessive or inadequate voltage, steam, avalanche, subsurface slope instability, wetlands, aquifers, fire, explosion, blasting, smoke, water escape, wind storm, hail, lightning, ice, snow, falling trees, aircraft, vehicles, flood, mudslides, landslides, sinkholes, mine subsidence, faults, fissures, mineshafts, saturated soils, land movement, underground springs or waterways, crevices, earthquakes and aftershocks, shock waves or tremors occurring before, during or after a volcanic eruption or earthquake;
 - p. Failure of the Homeowner/Tenant to minimize or prevent loss or damage in a timely manner as per Sections 3G and 3N;
 - q. Dampness, leaks or condensation due to failure of the Homeowner/Tenant to adequately maintain ventilation, caulking, flashing or gutters, or their failure to repair leaks, seal cracks or gaps or use a dehumidifier or fan;
 - r. Negligent operation of any part of the Home by anyone other than your Builder, its agents, employees or subcontractors;
 - s. Failure of the Builder, their employees, agents or subcontractors to perform cleanup of any kind or failure to remove any spillage or debris from the construction site;
 - t. Any issues, deficiencies, defects or condition of any kind not specifically listed in the Limited Warranty as being covered; and/or
 - u. Swimming pools and their surrounding areas, whether located in or outside of the Home.
 3. Your Builder's failure to finish any or all construction of the Home on or before the Warranty Start Date, or damages arising from such failure. (An incomplete item is not considered a Warranted Defect. Your Builder, however, may be

obligated to complete such items under separate agreements.)

4. A deficiency which does not result in actual physical damage or loss to the Home.
5. Consequential Damages:
 - a. Any and all consequential loss or damage, including without limitation, loss of use, loss of wages or profits, pet care, any damage to personal property, secondary damage due to a warranted defect, any damage to property not covered or no longer covered by this Warranty, any damage to property outside the scope of this Limited Warranty or performed by someone other than the builder, 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, anguish and emotional distress, and any medical or hospital expenses.
 - b. Incidental expenses related to repair or expenses related to relocation during repair, such as costs of shelter, transportation, food, moving, storage, or other costs due to loss of use, inconvenience or annoyance.
 - c. Diminished market value of your Home, attorney's fees or legal expenses.
6. Violation of applicable building codes or ordinances, unless such violation results in a Warranted Defect. Under such circumstance, the obligation of the Warrantor under this Limited Warranty shall be only to repair the Warranted Defect, but not necessarily to restore or bring the Home into compliance with the codes or ordinances.
7. Any claim submitted to the Warrantor or American eWarranty after an unreasonable delay or later than thirty (30) days after the expiration of the applicable warranty period.
8. A non-emergency Warranted Defect that you repair without prior written authorization of Warrantor or the Administrator.
9. Removal and/or replacement of items not covered by this Limited Warranty, such as landscaping or personal property, and items not originally installed by your Builder, such as wallpaper, where removal and replacement are required to repair a Warranted Defect.
10. Wiring, conduit and cables that connect the Home to communications services such as telephone, television, intercom, computer and security systems.
11. Loss or damage to, due to or from EIFS synthetic stucco systems.
12. Any issue consisting of, caused by, contributed to, related to or aggravated by moisture, rot of any kind, mold, mildew, fungus or rust, no matter the cause.
13. Sound transmission and sound proofing.
14. Glass breakage.
15. Improvements not part of the Home itself, including, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached to the Home; decks and balconies which are not bolted to or cantilevered from the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sod, seeding, shrubs, trees and plantings; subsurface drainage systems; lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; detached garages, carports or outbuildings (except those which contain a Heating, Ventilating, and Cooling System, Plumbing System or Electrical System serving the Home, and then only to the extent that these systems are affected).
16. Any alteration of the drainage pattern or grade of the soil by the Homeowner/Tenant within ten feet of the foundation so that it negatively impacts the Home's performance.
17. Any and all damages caused by, related to or the result of water infiltration, water intrusion or leaks, including but not limited to roofs, flashing, chimneys, masonry veneers, gaps, exterior walls, crawl spaces, basement floors and walls, windows, doors, trim, skylights, solar tubes or the absence or failure of caulk, sealant, vapor barriers or pipes, except as specifically listed in sections year one or two of this Limited Warranty.
18. Structural components and other listed warranty items that may have experienced movement but are still within listed warranty performance standards.
19. Fraudulently enrolled homes.
20. Collusion with any other party with the intention to defraud the builder, insurer or administrator.
21. Any defects that are present or you knew about prior to the warranty start date, such as "walkthrough" or "punch list" items.
22. Economic damages due to the Home's or the common elements' failure to meet expectations of the Homeowner or homeowners' association.
23. **Any item not listed as a warranted item in this Limited Warranty. The enumeration of the Exclusions above is not intended to be exhaustive of the items that are not covered by this Limited Warranty.**
24. Any item listed by Builder as not included in this Limited Warranty.

Section 5. WARRANTY STANDARDS

A. Year 1 Coverage Only

The following Warranty Standards are applicable only to warranted items installed by the Builder and expressly stated in this Limited Warranty. Read Sections 1 through 4 to determine if the following Warranty Standards apply. These Standards are included to provide an understanding of how issues will be evaluated.

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|-----------------------|-------|---|--|--|
| A 1. SITE WORK | | | | |
| Drainage | A 1.1 | Erosion around the foundation | Builder is not responsible for soil erosion due to acts of God or other conditions (site alterations, lack of maintenance, etc.) beyond the Builder's control. | Homeowner is responsible for removal and replacement of all Homeowner installed landscaping. |
| | A 1.2 | Improper grades or swales which cause standing or ponding water and affect drainage | Builder will correct grades which cause standing or ponding water for more than 24 hours and affect the drainage within 10 feet of the foundation of the home or swales which cause standing or ponding water for more than 48 hours and affect the drainage within 20 feet of the foundation of the home. | Standing or ponding water beyond the defined area is not covered by this Limited Warranty. Homeowner is responsible for maintaining proper grades and adequate ground cover. |
| | A 1.3 | Ground settling around foundation walls, utility trenches or other filled areas on the property where excavation and backfill has affected foundation drainage. | If Builder established the original final grading, Builder will replace fill in excessively settled areas one time only during the first year. | Settling less than 6 inches is a Homeowner maintenance item. Homeowner is responsible for maintaining proper grades and maintaining adequate ground cover. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|--|-------|--|---|---|
| A 2. FOUNDATION, FLOORS, WALLS, CRAWL SPACES, SLABS | | | | |
| Concrete Floor | A 2.1 | Separation or movement of concrete slab at expansion joints. | This is normal and no corrective action is required. | Slabs are designed to move at expansion/contraction joints. This is not a warranted condition. |
| | A 2.2 | Foundation is out of square or level | Out of square: Measured at the top of the foundation wall, the diagonal of a triangle with sides of 12' and 16' shall not be out of square more than 1 in. +/- in 20'. Out of level: no point shall be more than 1/2 in. higher or lower than any point within 20'. | Squareness and levelness are aesthetic and may be corrected in subsequent construction. |
| | A 2.3 | Cracks in concrete footing | Cracks greater than 1/4 inch in width are considered excessive. Builder will repair. | Minor cracks in concrete are common and normal in new home construction. |
| | A 2.4 | Pitting, scaling or spalling of the concrete floor surface. | Builder will repair disintegrated surfaces caused by improper installation of concrete. | Deterioration caused by chemicals, implements used and other factors beyond Builder's control is not a warranted condition. |

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| | A 2.5 | Cracks in concrete floors in conditioned area. | Builder will repair cracks which exceed $\frac{3}{16}$ inch in width or vertical displacement if the floor is in conditioned space. | If floor has covering, finish material will be replaced in area of repair to match as closely as possible. Minor imperfections in floor covering are not a warranted condition. |
| | A 2.6 | Cracks in concrete floor in nonconditioned area. | Builder will repair cracks greater than $\frac{1}{4}$ inch in width or vertical displacement. | Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair. |
| | A 2.7 | Cracks in garage floor slab. | Builder will repair cracks greater than $\frac{1}{4}$ inch in width or vertical displacement. | Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair. |
| | A 2.8 | Uneven concrete floors in areas designed for living purposes. | Builder will repair uneven areas (including pits or depressions) greater than $\frac{3}{8}$ inch within a 32-inch measurement. | In rooms not initially designed as finished living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds the tolerance warranted condition is acceptable. |
| | A 2.9 | Leaks resulting in actual seeping of water through the floor. | Builder will take such action as is necessary to correct the leak. If this happens only once, Builder may investigate and delay action to determine the cause. | Homeowner is to maintain positive grading around the Home and maintain any Builder installed surface water control systems. Leaks caused by landscaping improperly installed by the Homeowner are excluded from this Warranty. Dampness and condensation are not covered by this Limited Warranty. |
| Basement Walls and Crawl Spaces | A 2.10 | Cracks in poured concrete foundation walls. | Builder will repair cracks greater than $\frac{1}{4}$ inch in width. | Shrinkage cracks are common and can be expected. Patching and epoxy injection are acceptable methods of repair. |
| | A 2.11 | Cracks in masonry or veneer wall. | Builder will repair cracks greater than $\frac{1}{4}$ inch in width. | Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair. |
| | A 2.12 | Bowed walls. | Builder will stabilize basement walls that are bowed in excess of 1-inch in 8 feet when measured from the base to the top of the wall. | Lateral pressure may cause basement walls to bow. Movement caused by improper fill, improper compaction or improper tie back or attachment is not warranted. |
| | A 2.13 | Wall is out of plumb | Builder will repair if wall is out of plumb greater than 1-inch in 8 feet. | No corrective action is necessary if codes are met. Movement caused by improper fill, improper compaction or improper tie back or attachment is not warranted. |
| | A 2.14 | Condensation on walls, joists, support columns and other components of basement area. | Not a warranted condition. | Homeowner is responsible for maintaining adequate ventilation and moisture control. |
| Crawl space | A 2.15 | Insufficient ventilation. | Builder will install louvers or vents according to industry standards. | Homeowner is responsible for ventilation and moisture control, including seasonal adjustment of vent openings. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|-------------------------------|-------|---------------------------------|--|---|
| A 3. GENERAL CARPENTRY | | | | |
| Walls and Ceilings | A 3.1 | Wood frame walls out-of-plumb. | Builder will correct if out-of-plumb condition is greater than $\frac{3}{8}$ inch within a 32 inches vertical measurement. | Minor framing imperfections less than the standard are not a warranted condition. |
| | A 3.2 | Wood frame wall is not squared. | Not a warranted condition. | Minor framing imperfections can be expected. |

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| | A 3.3 | Bowed stud walls or ceilings. | Builder will correct if bow is greater than 1/2 inch within a 32-inch horizontal measurement or 1/2 inch within any 8 foot vertical measurement. | All exterior and interior frame walls and ceilings have slight variations on the finish surfaces. |
| Floors | A 3.4 | Uneven wood framed floors. | Builder will correct if high or low areas are greater than 1/4 inch within a 32-inch measurement. | Depending on the surface finish, self leveling compounds are acceptable. |
| | A 3.5 | Floor squeaks. | Builder will correct if caused by a defective joist or improperly installed or loose subfloor. An isolated floor squeak is not a Warranted Defect. | A squeak-proof floor cannot be guaranteed. Squeaks can be caused by wood shrinkage, temperature and humidity changes and other factors beyond Builder's control. |
| Roof | A 3.6 | Split or warped rafters or trusses. | Not a warranted condition. | Splitting and warping can be caused by high temperature effects on wood and other factors beyond the Builder's control. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|----------------------------------|-------|--|---|--|
| A 4. EXTERIOR | | | | |
| Stoop, Porch and Patio | A 4.1 | Settling or heaving of structurally attached stoop, porch and patio. | Builder will correct if movement is greater than 1 inch from the Home. | Stoops, porches and patios poured separately are not considered structurally attached. |
| | A 4.2 | Concrete splatters on adjacent surfaces. | Not a warranted condition. | This item should be identified on a pre-closing walk-through inspection list. |
| Structurally Attached Wood Decks | A 4.3 | Twisting, warping or splitting of wood. | Builder will correct if condition was caused by improper installation. | Wood deck material is exposed to changing weather conditions which can cause twisting, warping and splitting. |
| | A 4.4 | Deck settles. | Builder will correct slope of deck if greater than 2 inches in a 10 foot measurement. | Some slope is normal for proper water drainage. |
| | A 4.5 | Railing or post becomes loose. | Builder will correct if the condition is due to improper installation. | Homeowner is responsible for conditions not related to installation. |
| Exterior Walls | A 4.6 | Separation of siding or trim joints, or separation between trim and abutting masonry siding. | Builder will caulk separations greater than 3/8 inch. Also, exterior trim abutting masonry siding shall perform its function of excluding the elements. | Separations 3/8 inch or less are considered part of routine homeowner maintenance. |
| | A 4.7 | Cracks in stucco and cement plaster surfaces. | Builder will repair cracks greater than 1/8 inch in width. Exact match of color or texture cannot be expected. | Hairline cracks are common in this type of wall finish. |
| | A 4.8 | Siding deteriorates, delaminates or comes loose. | Builder will repair damaged siding and secure loose siding if caused by improper workmanship or materials. | Homeowner is responsible for maintenance. Wood siding will split, shrink and cup. |
| | A 4.9 | Cracks in masonry, veneer or stone exteriors. | Builder will repair cracks greater than 1/4 inch in width. | Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair. |

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| Doors | A 4.10 | Door binds against jamb or does not lock. | Builder will adjust door or latch if caused by faulty workmanship or materials, one time only during the first year. | Doors will expand and contract due to changes in climatic conditions. |
| | A 4.11 | Wood door panels shrink exposing bare wood. | Not a warranted condition. | Panels will shrink due to the nature of wood. Exposed unfinished surfaces can be expected. |
| | A 4.12 | Warping of exterior doors. | Builder will correct warpage greater than 1/4 inch, measured diagonally. | Doors will expand and contract due to changes in climatic conditions. |
| | A 4.13 | Door panel splits. | If split allows the entrance of elements, Builder will correct one time during the first year. | Splits which do not allow the entrance of elements are considered normal. Homeowner maintenance is required. |
| | A 4.14 | Drafts around door. | Builder will adjust poorly fitted doors or weather-stripping to prevent excessive infiltration under normal conditions. | Some infiltration is normal especially during high winds. Homeowner is responsible for minor alterations to adjustable thresholds and other parts of the door. |
| | A 4.15 | Torn or damaged screens. | Not a warranted condition. | Damaged door and window screens should be identified on a pre-closing walk-through inspection list. |
| | A 4.16 | Garage door fails to operate or fit properly. | Builder will adjust garage doors to meet the manufacturer's installation tolerances. | Garage doors are not designed to be weather-tight. Some entrance of elements can be expected and is not considered a deficiency. If Homeowner installs a garage door opener, the Homeowner is responsible for operation of door. |
| Windows | A 4.17 | Condensation or frost on interior window surface. | Not a warranted condition. | Condensation can occur on various types of windows. Temperature, humidity and living conditions can cause condensation. |
| | A 4.18 | Clouding or condensation on inside surface of insulated glass. | Builder will replace glass to comply with manufacturers requirements. | If condition is caused by Homeowner negligence, this is not a warranted condition. |
| | A 4.19 | Glass breakage. | Not a warranted condition. | Broken glass should be identified on a pre-closing walk-through inspection list. |
| | A 4.20 | Drafts around windows. | Builder will adjust poorly fitted windows or weather-stripping to prevent excessive infiltration under normal conditions. | Some drafts are normal especially during high winds. Caulking expands and contracts. Maintenance of caulking and weather stripping is Homeowner's responsibility. |
| | A 4.21 | Windows are difficult to open, close or lock. | Builder will adjust for proper fit according to the manufacturer's guidelines. | Windows should operate in conformance with the design standards established by the manufacturer. |
| Exterior Paint | A 4.22 | Paint or stain peels or deteriorates. | Builder will refinish affected areas matching color as closely as possible. | Fading is normal. Mildew and fungus on siding can be caused by weather conditions and are considered routine maintenance. Varnish or lacquer will deteriorate quickly and is not a warranted condition. |
| | A 4.23 | Paint splatters and smears on other surfaces. | This is not a warranted condition. | This item should be noted on a pre-closing walk-through inspection list. |
| | A 4.24 | Inadequate paint coverage. | Builder will repair affected area one time during the first year, matching color as closely as possible. | Minor imperfections such as overspray and brush marks can be expected. |
| | A 4.25 | Knots appear through paint or stain. | Builder will seal affected areas where excessive bleeding of knots appear and touch-up with original material color to match as closely as possible one time only during the first year. | Knots may be visible due to the material used. |

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| Roof | A 4.26 | Roof or flashing leaks. | Builder will correct roof or flashing leaks that occur under normal weather conditions. | If the cause of the leak is due to snow or ice build-up, high winds, driving rains, or Homeowner negligence, this is not a warranted condition. |
| | A 4.27 | Lifted, torn or curled roof shingles. | Builder will repair or replace if due to poor installation. | Damage caused by fire, explosion, smoke, or other accidents, by hail, lightning, hurricanes, tropical storms or abnormal weather is not a warranted condition. |
| | A 4.28 | Inadequate ventilation. | Builder will install louvers or vents based on industry standards. | Attics should be adequately vented to prevent excessive moisture buildup. Homeowner is responsible to keep vents clear of obstructions for proper air flow. |
| | A 4.29 | Gutters leak or have standing water. | Builder will repair joints to be leak free and correct pitch if standing water depth exceeds 1/2 inch. | Homeowner is responsible for keeping gutters and downspouts free from leaves and debris. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
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| A 5. INTERIOR | | | | |
| Sub-Flooring | A 5.1 | Loose sub-flooring. | Builder will repair if caused by improper installation. | Wood will shrink due to temperature and humidity changes which can affect sub-flooring. |
| Hard Surface Flooring (flagstone, marble, ceramic tile, slate) | A 5.2 | Flooring cracks or becomes loose. | Not a warranted condition. | This condition should be noted on a pre-closing walk-through inspection list. |
| | A 5.3 | Hollow sounding tile. | Not a warranted condition. | Hollow sounding tile is not considered a defect. |
| | A 5.4 | Shrinking or deterioration of caulking. | Builder is responsible only for initial application. | Caulking shrinks and deteriorates. Homeowner is responsible for maintenance and periodic re-application. |
| | A 5.5 | Cracks in grouting of ceramic tile joints. | Builder will repair cracks greater than 1/8 inch one time only during the first year. | Regrouting of cracks in grout joints is a Homeowner maintenance item. |
| Floor Covering | A 5.6 | Gaps at seams of resilient flooring. | Builder will correct gaps of similar materials in excess of 1/16 inch, and 1/8 inch where dissimilar materials abut. | Minor gaps should be expected. |
| | A 5.7 | Cuts and gouges in floor covering. | Not a warranted condition. | All cuts and gouges should be identified on a pre-closing walk-through inspection list. |
| | A 5.8 | Nail pops appear on the surface of resilient flooring. | Builder will repair nail pops that have damaged floor covering. | Damage caused by high heels, table and chair legs and similar objects is not a warranted condition. |
| | A 5.9 | Depressions or ridges in resilient flooring due to sub-flooring irregularities. | Builder will repair depressions or ridges greater than 1/8 inch. Ridges will be measured with a 6 inch straight edge centered on the ridge with an 1/8 inch spacer placed on one end. | Condition is to be repaired so as to comply with the tolerance and not be readily visible. |
| | A 5.10 | Resilient flooring fades, stains or discolors. | Not a warranted condition. | Fading, stains or discoloration should be identified on a pre-closing walk-through inspection list. |

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| | A 5.11 | Resilient flooring loses adhesive. | Builder will repair as necessary but is not responsible for discontinued patterns or color variations. | Homeowner is responsible for proper maintenance. |
| | A 5.12 | Seams in carpet. | Builder will repair seams in carpeting that separate due to improper installation. | Homeowner maintenance is required to prevent separation of seams. |
| | A 5.13 | Carpet loosens or buckles. | Builder will restretch carpet if condition is caused by an installation defect. | Stretching of new carpet is normal. Homeowner is responsible for proper care. |
| | A 5.14 | Carpet shows wear. | Not a warranted condition. | High-traffic areas in entryways and hallways will normally show wear. Homeowner is responsible for maintenance. |
| Hardwood Floors | A 5.15 | Gaps or cracks between finished floor boards | Builder will correct separations exceeding $\frac{1}{8}$ inch. | It is normal for wood to shrink and expand due to changes in humidity. Repair may be effected by filling the gap. |
| | A 5.16 | Finished floor boards that cup, crown or become loose. | Builder will correct only if the cause is due to improper installation. | It is normal for wood to experience some cupping or crowning due to the changes in humidity and other inherent features. Finished floors are subjected to Homeowner living conditions. Builder is not responsible for defects resulting from causes beyond its control. |
| Wall and Ceiling Surfaces | A 5.17 | Drywall cracks. | Builder will repair cracks greater than $\frac{1}{16}$ inch in width, one time only during the first year. | Minor cracks and slight imperfections, are common and can be expected. |
| | A 5.18 | Nail pops, trowel marks, tape blisters. | Builder will repair nail pops which have broken finished surface. Marks and blisters must be readily seen by visual inspection at a minimum distance of 6 feet under normal light conditions. | Minor depressions and slight mounds at nail heads are not warranted conditions. |
| | A 5.19 | Peeling of wallpaper installed by Builder | Builder will repair unless due to Homeowner neglect or abuses. | Maintaining adequate ventilation in areas of high humidity is the Homeowner's responsibility. |
| | A 5.20 | Lumps, ridges and nail pops in wallboard which appear after Homeowner has installed wall covering. | Not a warranted condition. | Homeowner should insure that surface to receive wall covering is suitable and is properly prepared. |
| | A 5.21 | Surface defects in finished woodwork. | Builder will repair surface marks that are visible at a distance of 6 feet under natural light. | Surface defects caused by Homeowner negligence are not a warranted condition. |
| | A 5.22 | Gaps between trim and adjoining surfaces. | Builder will correct gaps greater than $\frac{1}{4}$ inch. | Wood shrinkage is common. |
| | A 5.23 | Inadequate paint coverage on wall or trim surfaces. | Builder will repair affected area matching color as close as possible. | Minor imperfections such as overspray and brush marks can be expected. |
| Doors | A 5.24 | Door binds against jamb or does not latch. | Builder will adjust door or latch if caused by improper workmanship or materials. | Doors will expand and contract due to changes in climatic conditions. |
| | A 5.25 | Warpage of interior doors. | Builder will correct warpage greater than $\frac{1}{4}$ inch, measured from top to bottom vertically, or diagonally. | Doors will expand and contract due to changes in climatic conditions. |

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| | A 5.26 | Excessive opening at bottom. | Builder will correct gaps that exceed 1½ inch between bottom of passage door and finished floor or 2 inches between bottom of closet door and finished floor. | It is common to have an opening to allow an air passage. |
| | A 5.27 | Bottom of door rubs on carpet. | Builder will undercut door as necessary. | Builder is not responsible if Homeowner installed the carpet or if Homeowner selects an excessively high pile. |
| | A 5.28 | Hardware does not work or perform its intended purpose. | Builder will repair, adjust or replace as required. | Normal wear and tear can be expected. The hardware manufacturer's warranty shall apply. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|------------------------|-------|---|--|--|
| A 6. MECHANICAL | | | | |
| Plumbing System | A 6.1 | Faucet, valve or pipe leak. | Builder will repair a leaking faucet or valve if due to faulty workmanship and materials. Condensation on pipes does not constitute a leak. | Homeowner is responsible for maintenance including replacing worn or defective washers or seals. Scratches, tarnishing or marring must be identified on a pre-closing walk-through inspection list. |
| | A 6.2 | Noisy water pipe. | Builder will correct hammering noise. | Some noise can be expected due to flow of water and pipe expansion. This is not a warranted condition. |
| | A 6.3 | Plumbing pipes freeze and burst. | Builder will repair if caused by faulty workmanship or materials. Pipes are to be adequately protected to prevent freezing during normal anticipated cold weather. | Homeowner is to maintain suitable temperatures inside the Home to prevent freezing or bursting. Homes unoccupied for an extended period of time should be properly winterized or checked periodically to insure that systems are in good working condition. Homeowner negligence is not a warranted condition. |
| Water Supply System | A 6.4 | Water supply fails to deliver water. | Builder will correct if due to faulty workmanship or materials inside the Home. | Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty. |
| Sewage Disposal System | A 6.5 | Clogged drain or sewer. | Builder will correct clog within structure caused by faulty workmanship or materials. | Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Homeowner maintenance and proper use is required. |
| | A 6.6 | Septic system fails. | Builder is responsible for installing the system in compliance with local codes and requirements. Defects resulting from noncompliance are warranted. | Homeowner is responsible for maintenance and proper care of the system. Issues not related to workmanship or materials are considered non-warranty items. |
| Electrical System | A 6.7 | Malfunction of outlets, switches or fixtures. | Builder will repair or replace defective outlets, switches or fixtures. | Homeowner should exercise caution if an outlet, switch or fixture appears defective. |
| | A 6.8 | Drafts from electrical outlets. | Not a warranted condition. | Air can be drawn through outlets. This is normal. |
| | A 6.9 | Failure of wiring to carry its designated load. | Builder will repair wiring if failure is caused by improper installation or materials. | If failure is caused by overloading the circuit or Homeowner negligence, this is not a warranted condition. |

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| Heating, Ventilating and Cooling System | A 6.10 | Inadequate heating. | Builder will correct if heating system cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. Builder will balance dampers, registers and make minor adjustments one time only during the first year. All rooms may vary in temperature by 5 or 6 degrees. This is acceptable under industry standards. | Orientation of the Home, location of rooms and location of vents can cause temperature variations. If outdoor temperature falls below design temperature, the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage. |
| | A 6.11 | Inadequate cooling. | Builder will correct if cooling system cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. On hot days, when outside temperature is above 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. This standard may be superceded by energy codes adopted by the local jurisdiction. All rooms may vary in temperature by 5 or 6 degrees. This is acceptable under industry standards. | Orientation of the Home, location of room and location of vents can cause temperature variations. If outdoor temperature rises above design temperature the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage. |
| | A 6.12 | Leak in cooling system. | Builder will repair if due to faulty installation or materials. | Homeowner is responsible for system maintenance. |
| | A 6.13 | Duct work separates. | Builder will reattach and resecure separated ductwork. | Homeowner maintenance is required. |
| | A 6.14 | Ductwork noise and oilcanning. | Builder will take necessary steps to eliminate oilcanning and booming noise. | When metal heats or cools noise in ductwork may occur for a brief period of time. |

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|---|--------|--|--|---|
| A 7. GENERAL NEW HOME COMPONENTS | | | | |
| Bathroom and Kitchen | A 7.1 | Gaps between cabinets, walls or ceiling. | Builder will repair gaps greater than 1/4 inch. Cabinets are to be securely mounted. | Minor separation is normal. Acceptable methods of repair may be caulking, molding, or other ways to meet the standard. |
| | A 7.2 | Cracked door panel. | Not a warranted condition. | Cracked door panels should be identified on a pre-closing walk-through inspection list. |
| | A 7.3 | Warping of cabinet door or drawer front. | Builder will repair warpage greater than 1/4 inch from the face of the cabinet frame to the most distance of warpage on door in a closed position. | Warpage may be a temporary condition when caused by climatic changes. |
| | A 7.4 | Doors or drawers malfunction. | Builder will repair or replace as needed. | Homeowner negligence is not a warranted condition. |
| | A 7.5 | Defective plumbing fixture, fitting or appliance. | Builder will repair any fixture or fitting which does not conform to the manufacturer's standards. | Homeowner is responsible for maintenance. |
| Countertops | A 7.6 | Chips, cracks, scratches in countertops, cabinets, fixtures, or appliance. | Not a warranted condition. | These conditions should be identified on a pre-closing walk-through inspection list. |
| | A 7.7 | Delamination in high pressure laminates of countertops. | Builder will repair. | This condition should be identified on a pre-closing walk-through inspection list. |
| Chimney and Fireplace | A 7.8 | Chimney separates from the Home. | Builder will repair separation greater than 1/2 inch within 10 feet. | It is normal for chimneys to settle causing separation. |
| | A 7.9 | Chimney smoke inside Home. | Builder will repair if the condition is caused by improper construction or inadequate clearance one time only during the first year. | Smoke is caused by a negative draft where outside air is pulled into the room through the chimney. It can be caused by high winds, outdoor obstructions such as trees or the physical location of the chimney. A negative draft is usually temporary and can be corrected by opening a window to create a positive draft. |
| | A 7.10 | Water infiltration into firebox from flue. | Not a warranted condition. | A certain amount of rainwater can be expected under certain conditions. |
| | A 7.11 | Firebrick or mortar joint cracks or color of firebrick changes. | Not a warranted condition. | Heat in a fireplace may cause cracking or discoloration. |
| Appliances and Equipment | A 7.12 | Appliances or equipment installed by Builder do not operate. | Builder will repair or restore the operation of appliances and equipment if damaged during installation or from improper installation. | Normal wear and tear and defects resulting from negligence or Homeowner abuse are not warranted. Other manufacturers' warranties may apply to new appliances and equipment. |

B. Year 2 Only

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|--------------------------------|------|---------------------------------------|---|---|
| B. YEAR 2 COVERAGE ONLY | | | | |
| Electrical System | B. 1 | Wiring fails to carry specified load. | Builder will correct if failure is due to improper installation or materials. | Electrical fixtures are covered in year one only. |
| Heating and Cooling Systems | B. 2 | Duct work separates. | Builder will correct. | Homeowner maintenance is required. |
| Plumbing Systems | B. 3 | Pipe leaks. | Builder will correct. | Condensation on pipes does not constitute leakage. |
| | B. 4 | Water supply fails to deliver water. | Builder will correct if due to faulty workmanship or materials inside the Home. | Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty. |
| | B. 5 | Clogged drain or sewer. | Builder will correct clog within structure caused by faulty workmanship or materials. | Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Homeowner maintenance and proper use is required. |
| | B. 6 | Septic system fails. | Builder is responsible for installing the system in compliance with local codes and requirements. Defects resulting from noncompliance are warranted. | Homeowner is responsible for maintenance and proper care of the system. Issues not related to workmanship or materials are considered non-warranty items. |

C. 10 Year WSC Coverage only

The following Warranty Standards are applicable only to the Load-bearing Warranted Structural Components expressly stated in this Limited Warranty. Read Sections 1 through 4 to determine if the following Warranty Standards apply. These Standards are included to provide an understanding of how issues will be evaluated.

| CATEGORY | REF. | CONDITION | STANDARD | REMARKS |
|---|------|---|--|--|
| C. 10 YEAR COVERAGE - LOAD-BEARING WARRANTED STRUCTURAL COMPONENTS | | | | |
| Concrete Components | C. 1 | Cracks in concrete beams | Warrantor will repair cracks greater than $\frac{1}{8}$ inch in width and $\frac{1}{2}$ the beam thickness in depth. Corrective action may include measures as determined by the Warrantor. | Shrinkage and non-structural cracks are typical in new home construction and are not considered a warranted condition. Cracks less than $\frac{1}{8}$ inch in width or $\frac{1}{2}$ the beam thickness in depth are not considered a warranted condition. |
| | C. 2 | Cracks in poured concrete walls. | Warrantor will repair cracks greater than $\frac{1}{4}$ inch in width and $\frac{1}{4}$ inch displacement and $\frac{1}{2}$ of the wall thickness in depth. Corrective action may include measures as determined by the Warrantor. | Minor cracking due to shrinkage, backfilling or soil conditions is typical in new home construction and are not considered a warranted condition. Cracks less than $\frac{1}{4}$ inch in width and $\frac{1}{4}$ inch displacement or $\frac{1}{2}$ of the wall thickness in depth are not considered a warranted condition. |
| | C. 3 | Cracks in structural poured concrete floor systems. | Warrantor will repair cracks greater than $\frac{1}{4}$ inch in width and $\frac{1}{4}$ inch vertical displacement and floor covering directly affected by the crack. Corrective action may include measures as determined by the Warrantor. | Warrantor will match finish as closely as possible. Cracks less than $\frac{1}{4}$ inch in width and $\frac{1}{4}$ inch vertical displacement are not considered a warranted condition. Expansion joints allow for expansion and contraction in floors and walls and thus are not considered a warranted condition. |
| | C. 4 | Movement in poured concrete floor. | Warrantor will repair movement greater than 1% over the length of the foundation from the Original Construction Elevation. Corrective action may include measures as determined by the Warrantor. | Some movement should be expected due to regional soil conditions and seasonal climate changes. Movement of 1% or less over the length of the foundation from OCE is not considered a warranted condition. |

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| Masonry Components | C. 5 | Cracks in load bearing concrete and masonry walls. | Warrantor will repair cracks greater than $\frac{3}{8}$ inch in vertical or horizontal displacement. Corrective action may include measures as determined by the Warrantor. | Shrinkage and non-structural cracks are common in new home construction. Masonry veneers are not Load-bearing Warranted Structural Components. Cracks less than $\frac{3}{8}$ inch in vertical or horizontal displacement are not considered a warranted condition. |
| | C. 6 | Column movement. | Warrantor will repair out-of-plumb movement greater than 1 inch in 96 inches. Corrective action may include measures as determined by the Warrantor. | Some movement is typical in new home construction and is not considered a warranted condition. Movement less than 1 inch in 96 inches is not considered a warranted condition. |
| Wood Components | C. 7 | Deflection in beam or joist. | Warrantor will repair deflection greater than 1 inch in 120 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new Home construction. Minor warping is typical as wood dries out and is not considered a warranted condition. Deflection less than 1 inch in 120 inches is not considered a warranted condition. |
| | C. 8 | Deflection in floor or roof trusses. | Warrantor will repair deflection greater than 1 inch in 120 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new Home construction. Variations in temperature and humidity may cause temporary deflection beyond the standard. Minor warping is typical as wood dries out and is not considered a warranted condition. Deflection less than 1 inch in 120 inches is not considered a warranted condition. |
| | C. 9 | Movement of a load bearing wall. | Warrantor will repair movement greater than $1\frac{1}{2}$ inches per 96 inches. Corrective action may include measures as determined by the Warrantor. | Some movement is typical in new Home construction. Minor warping may occur as wood dries out and is not considered a warranted condition. Movement less than $1\frac{1}{2}$ inches per 96 inches is not considered a warranted condition. |
| | C. 10 | Deflection of a load bearing wall. | Warrantor will repair deflection greater than 1 inch in 96 inches measured horizontally or vertically. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new Home construction. Deflection less than 1 inch in 96 inches measured horizontally or vertically is not considered a warranted condition. |
| | C. 11 | Movement of a wood column. | Warrantor will repair movement greater than $1\frac{1}{2}$ inches per 120 inches of vertical height. Corrective action may include measures as determined by the Warrantor. | Some movement is typical in new home construction. Movement less than $1\frac{1}{2}$ inches per 120 inches of vertical height is not considered a warranted condition. |
| | C. 12 | Deflection of a wood column | Warrantor will repair deflection greater than 1 inch per 120 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new home construction. Deflection less than 1 inch per 120 inches is not considered a warranted condition. |
| Metal Components | C. 13 | Deflection in beam or joist. | Warrantor will repair deflection greater than 1 inch in 120 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new home construction. Deflection less than 1 inch in 120 inches is not considered a warranted condition. |
| | C. 14 | Deflection in floor or roof trusses. | Warrantor will repair deflection greater than 1 inch in 120 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new home construction. Deflection less than 1 inch in 120 inches is not considered a warranted condition. |
| | C. 15 | Movement of a load bearing wall. | Warrantor will repair movement greater than $1\frac{1}{2}$ inches per 96 inches. Corrective action may include measures as determined by the Warrantor. | Some movement is typical in new home construction. Movement less than $1\frac{1}{2}$ inches per 96 inches is not considered a warranted condition. |
| | C. 16 | Deflection of a column | Warrantor will repair deflection greater than 1 inch per 96 inches. Corrective action may include measures as determined by the Warrantor. | Some deflection is typical in new home construction. Deflection less than 1 inch per 96 inches is not considered a warranted condition. |

Section 6. REQUEST FOR WARRANTY PERFORMANCE

A. Notice to Warrantor

If you believe your Home has a listed warranted defect covered and not excluded under this warranty, you must notify the Warrantor in writing as provided below. This written request for warranty performance must be received electronically, via fax or postmarked no later than thirty (30) days after the expiration of the applicable warranty period. For example, if the item is one that is warranted during the first year of coverage, a request for warranty performance must be received electronically, via fax or postmarked no later than thirty (30) days after the end of the first year to be valid. In all cases you must notify the Warrantor immediately of any alleged defect in a Load-bearing Warranted Structural Component.

1. Notice to Warrantor in years one (1) and two (2).
 - a. If a Warranted Defect occurs in years one (1) or two (2), you must notify your Builder in writing. Your request for warranty performance must clearly describe the Warranted Defect(s) in reasonable detail.
 - b. Your Builder will, within a reasonable period of time, investigate your warranty request and determine whether the defects described in the complaint are under warranty. You are to cooperate with your Builder including access to your Home to inspect the affected areas during normal business hours and at other reasonable times. Failure to allow access during normal business hours and at other reasonable times will void this Warranty.
 - c. Your Builder will advise you in writing as to whether your complaint is a warranted defect. If it is, your Builder has the option to perform repair work as described in this Limited Warranty or to make payment for the repair. If you added improvements which were not part of the Builder's original construction work, you are responsible for removal and/or repair of these items. Warranty repairs will be made during normal business hours.
 - d. If your Builder does not respond to your request for warranty performance, you must give written notice to American eWarranty as provided in Section 6.B. Such notice to American eWarranty must be received within thirty (30) days of the expiration of the applicable warranty period or the request will be rejected as untimely made.
 - e. A request for warranty performance to your Builder does not constitute notice to American eWarranty and it will not extend applicable warranty periods
2. Notice to Warrantor for Load-bearing Warranted Structural Components in years three (3) through ten (10).
 - a. If a defect related to a Load-bearing Warranted Structural Component occurs in years three (3) through ten (10) of the Limited Warranty, you must notify American eWarranty in writing as provided in Section 6.B.
 - b. Your request for warranty performance must describe the condition of the Load-bearing Warranted Structural Component in reasonable detail.
 - c. A defect will not be covered under this warranty if notice is received after the date of warranty coverage expires. These time limits are a material condition of the warranty.

B. Notice to American eWarranty

1. Written notice to the American eWarranty requesting warranty performance must be sent by:
 - a. Completing the online form at <http://www.americanewarranty.com/service.html> or
 - b. Standard mail to American eWarranty, Department C, 119 Aster Drive Suite 105, Harrisburg, PA 17112.
2. Your notice to American eWarranty must contain the following information:
 - a. Unique Warranty ID Number and Start Date of Warranty;
 - b. Your Builder's name and address;
 - c. Your name, address, email, and telephone number (including Home and work numbers);
 - d. A reasonably specific description of the Defect(s);
 - e. A copy of any written notice to your Builder; and
 - f. Photographs, if they would be helpful in describing the Defect.
3. When a request for warranty performance is filed, it is your responsibility to substantiate that the need for warranty performance exists and to pay both the cost of the substantiation and the cost of correcting any damage done by such substantiation.

C. Response following a request to American eWarranty for warranty performance.

1. Within thirty (30) days after American eWarranty receives proper notice requesting warranty performance and any applicable fee is paid, we will review and respond to your request by communicating with you, your Builder and any other individuals or entities who may possess relevant information.
2. At any time after American eWarranty receives proper notice of your request for warranty performance, we may schedule an inspection of the alleged Warranted Defect. Your cooperation is essential and we may request access to inspect the Home and ask for more information to process your request
3. If your Builder defaults on a year one (1) or two (2) Warranted Defect obligation for which the Builder is the Warrantor and you are entitled to a remedy under this Limited Warranty pursuant to an arbitration/judicial award, prior to repair or replacement of the Warranted Defect(s), **you must pay American eWarranty a non-refundable Warranty Service Fee of Two Hundred Fifty dollars (\$250.00) per claim.** If American eWarranty elects to pay you cash rather than to repair or replace the Warranted Defect, the Warranty Service Fee will be subtracted from the cash payment due you.

4. During years three (3) through ten (10), you must pay **American eWarranty a non-refundable Warranty Administration Fee of One Hundred Fifty dollars (\$150.00) per claim** that will need to be submitted with the above-referenced written notice.
5. When a request for warranty performance regarding a Load-bearing Warranted Structural Component is validated, prior to repair or replacement of the warranted defect, **you must pay American eWarranty a non-refundable Warranty Service Fee of Five Hundred dollars (\$500.00) per claim.** If American eWarranty elects to pay you cash rather than to repair or replace the warranted item, the Warranty Service Fee will be subtracted from the cash payment due you.

D. Arbitration

1. Any and all disputes, claims and controversies between the Homeowner, the Builder, the Insurer and/or the administrator or arising from this Limited Warranty will be resolved by binding arbitration. This includes but is not limited to any unresolved request, any issue not addressed by the builder, any alleged deficiency in or to the Home, breach of any alleged good faith and fair dealing, alleged violations of consumer protection, unfair trade practice, or other statutes, breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract including this arbitration agreement.
2. You or the Warrantor may request Arbitration. Arbitration is the sole recourse for resolving disputes and you agree to waive your right to a trial by either judge or jury in a court of law. The findings of the Arbitrator are final and binding on all parties except as modified or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or in their absence, the U.S. Arbitration Act (9 U.S.C. 1. et.seq.).
3. To begin the arbitration process, you must give American eWarranty written notice requesting arbitration of the Unresolved Request Item. Notice must be provided in the manner described in Section 6.B. If you make this request, you must pay the arbitration fee before the matter is submitted to the arbitration service. The Arbitrator has the power, however, at the close of the arbitration to charge this fee to any party or split it between the parties. Neither party to the arbitration can claim punitive damages and the Arbitrator shall not have authority to award such damages.
4. Within twenty (20) days after American eWarranty receives your written request and the arbitration fees, your Unresolved Request Item or dispute issue(s) will be submitted to an arbitration service for resolution. Any binding arbitration proceeding will be performed by an independent, recognized arbitration service selected by American eWarranty. The arbitration service will select a qualified Arbitrator to arbitrate the matter. The rules and procedures will be those of the designated arbitration service and a copy will be delivered upon request.
5. The Arbitrator will arrange a reasonably convenient time, date and location for the arbitration hearing. Normally this takes place at the home.
6. If any party commences litigation, same will be considered a violation of this binding arbitration agreement, and that party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees incurred in seeking dismissal of such litigation.
7. The initiation or participation by any party in any judicial proceeding shall not be deemed a waiver of the right to enforce this arbitration agreement and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement.
8. The builder and/or the warranty administrator shall have the right, in advance of the arbitration proceeding, to re-inspect the home if the request was made more than sixty (60) days following the last claim decision of the warrantor concerning the home.
9. An arbitration proceeding shall involve only one single-family detached home or a single unit in a multi-family building. If more than one proceeding is involved in a multi-family building, the administrator shall have the sole option to combine such proceedings.
10. If any provision of this arbitration agreement shall be determined to be unenforceable by the arbitrator or by any court, the remaining provisions shall be deemed to be severable and enforceable according to their terms.
11. The parties agree that this arbitration agreement involves and concerns interstate commerce and is governed by the Federal Arbitration Act (9 U.S.C. 1.et.seq.) and the rules of the independent arbitration service which conducts the arbitration to the exclusion of any different or inconsistent state or local laws, ordinances, or judicial rules.
12. Enforcement of Arbitration Award.
 - a. Except as provided in Subsection b below:
 - i. For a year one (1) or two (2) Warranted Defect, the Builder must comply with the Arbitrator's Award within sixty (60) days from the date the arbitrator, arbitration service or Administrator (whichever is earlier) sends it to the Builder.
 - ii. In years three (3) through ten (10) for a Load-bearing Warranted Structural Component, the Warrantor must comply with the Arbitrator's Award within sixty (60) days from the date the Administrator receives it.
 - b. The Warrantor must begin compliance as soon as possible and complete it within the sixty (60) day compliance period, except for repairs that would reasonably take more than sixty (60) days. An example that could extend the time frame would be inclement weather. In such circumstances, the Warrantor will complete such repairs or replacement as soon as possible without incurring overtime or weekend expenses.
 - c. You must provide the Warrantor with reasonable weekday access to your Home during normal business hours so that it can perform its obligations. Failure by you to provide such access to the Warrantor may result in further damage

that will not be covered by this Limited Warranty and may extend the time during which Warrantor may fulfill its obligations.

E. Conditions of Warranty Performance

1. Before the Warrantor pays for the reasonable cost of repair or replacement, you must sign and deliver to the Warrantor a full and unconditional release, in recordable form, of all legal obligations with respect to the Warranted Defects and any relating conditions and complete any paperwork or agreements required by repair contractors. The Warrantor is not responsible for any damage that occurs to the home while the homeowner is in receipt of the above-referenced release, repair paperwork or agreements and has not executed and returned same to the Administrator within 2 weeks, along with the applicable warranty service fee.
2. If the Warrantor elects to make a cash settlement for the reasonable cost of a warranted defect, the settlement must be in writing. The Homeowner shall have up to two (2) weeks to respond.
3. If the Warrantor repairs, replaces or pays you the reasonable cost to repair or replace a Warranted Item, the Warrantor shall be subrogated to all your rights of recovery against any person or entity. You must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assigning the proceeds of any insurance or warranties to the Warrantor. You shall do nothing to prejudice these rights of subrogation.

Section 7. WARRANTY PROVISIONS

- A. This Limited Warranty is NOT an insurance policy, a maintenance agreement or a service contract.
- B. This Limited Warranty provides coverage only in excess of coverage provided by other available warranties or insurance, whether or not in place or collectible.
- C. This Limited Warranty is binding on your Builder and you and your heirs, executors, administrators, successors and assigns.
- D. This Limited Warranty shall be interpreted and enforced in accordance with the state in which the Home is located.
- E. This Limited Warranty is separate and apart from other agreements or contracts between you and your Builder, including any sales agreements or any repair agreements originating after the start date of this Limited Warranty. This Limited Warranty cannot be affected, altered or amended in any way by any other agreement, except by a formal written instrument signed by you, American eWarranty and your Builder (unless the builder is unavailable).
- F. If any provisions of this Limited Warranty are determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
- G. All notices required under this Limited Warranty must be in writing and sent to the address the recipient may designate in writing.
- H. If performance by the Warrantor under this Limited Warranty is delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God or nature, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by you or a person or entity not a party to this Limited Warranty.
- I. In this Limited Warranty, reference to a person includes entities and vice versa. Use of the singular includes the plural. Use of one gender includes the other gender.
- J. Evaluation of issues reported will be based on the terms and conditions listed in this warranty booklet and not on third party observations or recommendations that are not part of the Limited Warranty.

Section 8. DEFINITIONS

Certain terms used in this Limited Warranty book are defined below. This is designed to help you better understand the meaning of terms and the coverage described herein:

- A. American eWarranty – 119 Aster Drive Suite 105, Harrisburg, PA 17112. This is the administrator of this Limited Warranty. American eWarranty is neither the Warrantor nor the Insurer.

- B. Appliances, fixtures, and items of equipment - means furnaces, boilers, oil tanks and fittings, air purifiers, air handling equipment, ventilating fans, air conditioning equipment, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, automatic door openers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures, circuit breakers, and other similar items.
- C. Arbitration - a binding dispute resolution process in which a designated neutral third party conducts a hearing where the parties present live testimony and evidence to the arbitrator. The arbitrator shall render a decision as to responsibility of each party based on the terms and conditions of the warranty and applicable law.
- D. Arbitrator - a neutral third-party representative of an arbitration service, appointed by such service to resolve an Unresolved Request Item or issue.
- E. Builder - means the legal entity or individuals registered with American eWarranty who have obtained this warranty. The Builder is not an agent of the Administrator or the insurer.
- F. Electrical systems - means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.
- G. Exclusion - items, conditions, issues or situations not warranted or not covered by a performance standard and this Limited Warranty.
- H. Habitable area - is the living space defined as the enclosed area in a Home that is suitable for year-round residential use.
- I. Heating, Ventilating, and Cooling System - means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.
- J. Home - means a newly constructed private dwelling unit and the fixtures and structure that are made a part of a newly constructed private dwelling unit at the time of construction.
Home does not include:
1. Outbuildings, including detached garages and carports, except outbuildings that contain plumbing, electrical, heating, cooling, or ventilation systems serving the new Home;
 2. Driveways;
 3. Walkways;
 4. Patios and decks;
 5. Boundary walls;
 6. Retaining walls;
 7. Landscaping;
 8. Fences;
 9. Off-site improvements; and/or
 10. Appurtenant recreational facilities.
- K. Homeowner - means the purchaser of a new Home who uses the Home for residential purposes during the warranty period. In Sections 5, 6 and Section 8.L. of this Limited Warranty, Homeowner includes Tenant and property manager.
- L. Homeowner responsibility - an action required by the Homeowner for proper maintenance or care of a Home or an element or component of the Home concerned. A Homeowner's failure to substantially comply with a stated Homeowner responsibility creates an exclusion to the warranty for the performance standard.
- M. Insurer - the warranty insurer that is established at the time this agreement is executed.
- N. Limited Warranty - the specific terms and conditions contained in this warranty book. It only applies to specific components and standards which are identified in this book.
- O. Load-bearing Warranted Structural Components (WSC) - those specific items defined in this Limited Warranty in Section 5.C.
- P. Manufactured product - a component of the Home that was manufactured away from the site of the Home and that was installed in the Home without significant modifications to the product as manufactured. Manufactured products commonly installed in residential construction include but are not limited to dishwashers, cook tops, ovens, refrigerators, trash compactors, microwave ovens, kitchen vent fans, central air conditioning coils and compressors, furnace heat exchanges, water heaters, carpet, windows, doors, light fixtures, fireplace inserts, pipes and electrical wire. For purposes of this warranty, a manufactured product includes any component of a Home for which the manufacturer provides a warranty.

- Q. Original Construction Elevations - actual elevations of the foundation taken near to closing of the Home. Such actual elevations shall include elevations of porches and garages if those structures are part of a monolithic foundation. To establish original construction elevations, elevations shall be taken at a rate of approximately one elevation per 100 square feet showing a reference point, subject to obstructions. Each elevation shall describe the floor covering. If no such actual elevations are taken, then the foundation for the habitable areas of the Home are presumed to be within +/- 0.75" (total 1.5") of level over the length of the foundation.
- R. Plumbing systems - means: Gas supply lines and fittings; Water supply, waste, and vent pipes and their fittings; Septic tanks and their drain fields; Water, gas, and sewer service piping and their extensions to the tie-in of a public utility connection; On-site wells and sewage disposal systems.
- S. Structurally Attached - an integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.
- T. Unresolved Request - all requests for warranty performance, demands, disputes, controversies and differences that may arise between the Homeowner, the Warrantor or the Administrator that cannot be resolved between them. An Unresolved Request Issue may be a disagreement regarding:
1. What this Limited Warranty covers;
 2. An action performed, to be performed, or not performed under this Limited Warranty; and/or
 3. The cost to repair or replace any item covered by this Limited Warranty or regarding any other dispute.
- U. Warranted Defect - a condition of a listed Warranted Item that, according to the Warranty Standards described in this Limited Warranty requires action by the Warrantor. Failure to complete construction of the Home or any portion of the Home, in whole or in part is not considered a Warranted Defect.
- V. Warranted Items - those items in the Home that are specifically identified in the Warranty Standards described in Section 5 that can require action from the Warrantor if a specific listed warranty standard is not met.
- W. Warrantor - your Builder in years one (1) and two (2); the Insurer in years three (3) through ten (10) for Load-bearing Warranted Structural Components and for Defects in years one and two if your Builder defaults and an arbitration/judicial award has been granted to the Homeowner.
- X. Warranty Standards - the specific listed standards, described in Section 5, by which the condition of a warranted item will be judged to determine whether action by the Warrantor is required, and if so, the type of action that such condition requires of the Warrantor.
- Y. Warranty Start Date - means the first day that the owner occupies the new Home, settles/closes on the new Home, makes the final contract payment on the new Home, or obtains an occupancy permit for the new Home if the Home is built on the owner's property, whichever is earlier.

**American eWarranty
Signature Page**

Instructions to Builders/Closing Agents:

After this page is signed by both the Homeowner and the Builder (normally on or before closing), give this page to the BUILDER for their file.

Homeowner Name
Street Address
City, State, Zip

Phone: Homeowner Phone E-Mail Address: Homeowner Email
Warranty ID Number: Final Sales Price: \$ Maximum Limit of Liability: \$

Warranty Start Date:

Builder Information:

Builder Name
Builder Street Address
City, State, Zip **Builder Phone**
Builder Email

I (We) acknowledge that I (we) have received and read this Limited Warranty including its provisions, exclusions of personal injury or other consequential or secondary damages and its process for resolving warranty issues through binding arbitration. I (We) understand owning a Home requires regular and ongoing Homeowner maintenance.

| | | | |
|-----------|------|-----------|------|
| Homeowner | Date | Homeowner | Date |
|-----------|------|-----------|------|

Your Builder represents it is a member in good standing authorized to provide the American eWarranty on this Home and that the Home meets the construction standards established by the program.

| | |
|------------------------|------|
| Builder Representative | Date |
|------------------------|------|

One copy to Homeowner One copy to Builder