



Home Buyers Warranty®

Remodeler's
Choice™

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2-10 HBW® Home Improvement Warranty Booklet

Congratulations! **Your Home Improvement** has express limited warranty protection provided by a **Builder/Contractor** enrolled in the Home Buyers Warranty ("2-10 HBW") Program. This is probably one of the larger investments in **Your** home that **You** have made, and we wish **You** many years of enjoyment.

A home is a unique product, one that requires **Your** proper care and maintenance. Under the terms of this **Warranty**, **You** are expected to prevent damage and to ensure proper functioning of **Your Home Improvement** and its various systems.

This warranty booklet and the Limited Warranty Coverage Validation form (HBW 820) explain the Express Limited Warranty ("**Warranty**") in its entirety and WE STRONGLY URGE **YOU** TO READ BOTH DOCUMENTS CAREFULLY.

This is an express limited **Warranty** that **Your Builder/Contractor** has provided with **Your Home Improvement** and is not a service contract. The protection available under this express limited **Warranty** is specifically detailed in this warranty booklet. Briefly, this coverage includes:

- 1-Year **Workmanship** Coverage in accordance with the performance guidelines contained in this warranty booklet.
 - 2-Year **Systems** Coverage in accordance with the mechanical, electrical and plumbing systems performance guidelines contained in this warranty booklet.
- And if your HBW 820 indicates
- 10-Year **Structural** Coverage for structural defects meeting the **Structural Defect** definition contained in this warranty booklet.

This **Warranty** is a contract between **You** and **Your Builder/Contractor**. 2-10 HBW is the **Warranty Administrator**, but not a warrantor under the contract. Take time now to read this **Warranty** booklet. Please familiarize **Yourself** with both the coverage provided and the limitations on coverage.

Congratulations and enjoy **Your** new **Home Improvement!**

SECTION I -DEFINITIONS

Actual Physical Damage means a visually-observable, adverse condition evidenced by distortion, cracking or crushing in the **Designated Load-Bearing Members** caused as a result of the **Home Improvement**.

Builder/Contractor means the builder, contractor, **Home Improvement** professional, remodeler or tradesperson(s) listed on the **Limited Warranty Coverage Validation** (HBW 820). The **Builder/Contractor** is the warrantor under this **Warranty** and is responsible to **You** for fulfilling the express limited **Warranty** obligations identified on the **Limited Warranty Coverage Validation** form (HBW 820).

Builder/Contractor Application for Home Improvement Enrollment (HBW 802) is the agreement signed by **You** and the **Builder/Contractor** before the **Home Improvement** was enrolled.

Consequential Damage means any damage that is not a result of a **Deficiency** or a **Structural Defect** or consequential loss which includes without limitation, damage to existing structure that was not part of the Home Improvement, damage as a result of age, condition, or adequacy of existing structure that was not included in the **Home Improvement**, damage to personal property, damage to property that **You** do not own, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress, any medical or hospital expenses, or lost profits.

Date of Completion means the earlier of the date on which **You** accept the **Home Improvement** and make final payment or the date the **Home Improvement** is made available to **You** by the **Builder/Contractor** for first use.

Deficiency means the failure of the **Home Improvements** to comply with the **Performance Guidelines** in Section IX.

Designated Load-Bearing Members mean the following members that were added, altered, repaired or modified in performing the **Home Improvement**:

1. Footings and Foundation systems;
2. Beams;
3. Girders;
4. Lintels;
5. Columns;
6. Walls and partitions;
7. Roof framing systems; and
8. Floor systems

Elements not included in this definition are described in Section IV.

Effective Date of Warranty means the **Date of Completion** of **Your Home Improvement**.

Home means the dwelling where the **Home Improvement** was performed.

Homeowner means the person(s) holding legal title to the home.

Home Improvement means any alteration, repair, or modification of an existing home performed by or on behalf of the **Builder/Contractor** identified on the HBW 820 and described in the contract between **You** and **Your Builder/Contractor**. It does not include: repairs, modifications or alterations to existing home foundations and additions or improvements made to **Your Home** or **Home Improvement** after the **Effective Date of Warranty**.

Limited Warranty Coverage Validation (HBW 820) means the document which provides proof of express limited warranty coverage for a certain address, and the scope of coverage provided by **Your Builder/Contractor**.

Performance Guidelines are the residential construction performance guidelines for professional builders and remodelers that have been developed and accepted by the residential construction and remodeling industry and published by the National Association of Home Builders. They apply only to the 1-year **Workmanship** coverage and 2-year **Systems** coverage for a **Home Improvement**.

Structural Defect means **Actual Physical Damage** to the **Designated Load-Bearing Elements** of the **Home Improvement** caused by failure of such load-bearing elements which affects their load-bearing functions to the extent that your **Home Improvement** becomes unsafe, unsanitary or otherwise unlivable. This definition is the same as that contained in the regulations of the Department of Housing and Urban Development in effect at the time of the issuance of this **Warranty**. If provided by **Your Builder/Contractor**, structural defect coverage is for a ten year **Warranty Term**.

Systems mean the wiring, piping and ductwork in the electrical, heating, cooling, ventilating, and mechanical systems that were included in the **Home Improvement** as described in the contract between **You** and the **Builder/Contractor**. Systems coverage is for a two year **Warranty Term**.

Warranty means the **Home Improvement** Express Limited Warranty described in this **Warranty** booklet and the HBW 820.

Warranty Administrator means Home Buyers Warranty Corporation (“2-10 HBW”), a warranty administration company that performs certain tasks for the **Warranty Insurer**.

Warranty Insurer is the **Builder/Contractor's Warranty Insurer** as identified on the HBW 820.

Warranty Limit means the total final contract sales price of the **Home Improvement** as set forth on the HBW 820. The **Warranty Limit** is an aggregate limit; each paid **Workmanship**, **Systems**, or **Structural** coverage claim reduce the **Warranty** obligations of **Your Builder/Contractor** and **Warranty Insurer**.

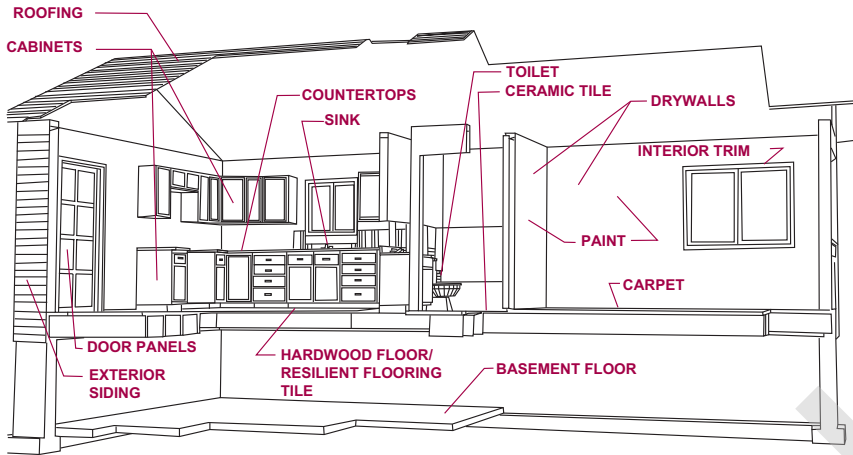
Warranty Term means the period of time during which **Warranty** coverage is provided, which term commences on the **Effective Date of Warranty**. Requests for warranty performance under this **Warranty** must be made in accordance with Section V of this Warranty booklet.

Workmanship means the site work, concrete, masonry, carpentry, moisture protection, doors, windows, finishes, specialties, cabinets, mechanical, and electrical components that were part of **Your Home Improvement** as described in the contract between **You** and the **Builder/Contractor**. Workmanship coverage is for a one year **Warranty Term**.

You and **Your** means the **Homeowner** or the person(s) who holds legal title to the **Home** where the **Home Improvement** was performed.

SECTION II - WORKMANSHIP COVERAGE - 1-YEAR WARRANTY TERM*

(*Indiana residents: Please read Addendum at the end of Section VIII.)

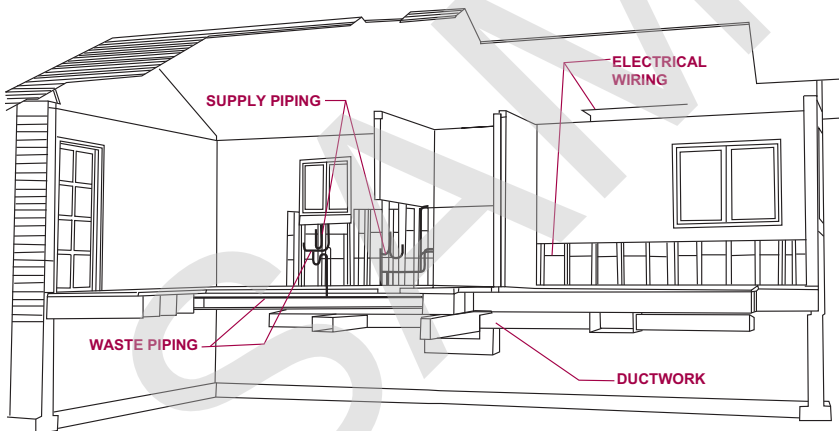


NOTE: FOR ILLUSTRATION PURPOSES ONLY. DRAWING IS DIFFERENT FROM THE DESIGN AND CONSTRUCTION OF YOUR **HOME IMPROVEMENT**. ONLY A FEW OF THE ITEMS COVERED UNDER THE ONE-YEAR WORKMANSHIP COVERAGE ARE SHOWN. FOR A MORE DETAILED LISTING SEE THE **PERFORMANCE GUIDELINES**.

Unless one or more of the Exclusions contained in Section VIII apply, for a **Warranty Term** of one (1) year, **Your Builder/Contractor** warrants that the **Workmanship** of **Your Home Improvement** will conform to the applicable **Performance Guidelines** as set forth in Section IX.

Your **Builder/Contractor** agrees to repair **Workmanship Deficiencies** that occur during the one year **Warranty Term**.

SECTION III - SYSTEMS COVERAGE - 2-YEAR WARRANTY SYSTEM

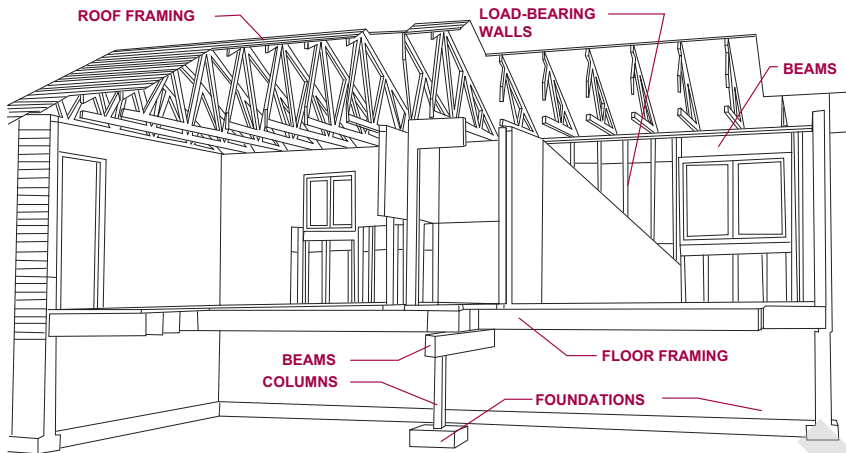


NOTE: FOR ILLUSTRATION PURPOSES ONLY. DRAWING IS DIFFERENT FROM THE DESIGN AND CONSTRUCTION OF YOUR **HOME IMPROVEMENT**. ONLY A FEW OF THE ITEMS COVERED UNDER THE TWO-YEAR SYSTEMS COVERAGE ARE SHOWN. FOR A MORE DETAILED LISTING SEE THE **PERFORMANCE GUIDELINES**.

Unless one or more of the Exclusions contained in Section VIII of this **Warranty** booklet apply, for a **Warranty Term** of two (2) years, **Your Builder/Contractor** warrants that the **Systems** of **Your Home Improvement** will conform to the applicable **Performance Guidelines** as set forth in Section IX.

Your **Builder/Contractor** agrees to repair **Systems Deficiencies** that occur during the two year **Warranty Term**.

SECTION IV - STRUCTURAL DEFECT COVERAGE - 10-YEAR WARRANTY TERM



NOTE: FOR ILLUSTRATION PURPOSES ONLY. DRAWING IS DIFFERENT FROM THE DESIGN AND CONSTRUCTION OF YOUR HOME IMPROVEMENT. DRAWING SHOWS SOME OF THE DESIGNATED LOAD-BEARING MEMBERS COVERED UNDER THE TEN-YEAR STRUCTURAL COVERAGE. FOR MORE INFORMATION, SEE THE EXPLANATION BELOW.

If indicated on your HBW 820 and unless one or more of the **Warranty Exclusions** contained in Section VIII apply, for ten (10) years from the **Effective Date of Warranty**, your **Builder/Contractor** warrants your **Home Improvement** against **Structural Defects**.

“Designated Load-Bearing Members” are defined in **Section 1 - Definitions**.

Examples of elements, but not inclusive of all elements, of the **Home Improvement** that are not **Designated Load-Bearing Members** and are not covered by this **Structural Defect** Coverage:

1. Non-load bearing walls and partitions;
2. Wall tile and wall paper, etc.;
3. Plaster, laths, and drywall;
4. Flooring and sub-flooring material;
5. Brick, stucco, stone or 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, trims, cabinets, hardware, insulation, paint and stains; and
11. Basement and other interior floating, ground-supported concrete slabs.

SECTION V - REQUESTING WARRANTY PERFORMANCE

1-Year Workmanship Coverage and 2-Year Systems Coverage. To request **Warranty** performance under **Your Builder/Contractor's** 1-year **Workmanship** coverage or 2-year **Systems** coverage, **You** must notify **Your Builder/Contractor** in writing within the applicable **Warranty Term**. **You** should include a copy of **Your** HBW 820 form with **Your** notice. **Your** request for warranty performance should clearly describe the **Deficiency** in reasonable detail. **Your Builder/Contractor** is obligated to repair, replace, or pay **You** the reasonable cost of repair (at their option) if a covered **Deficiency** occurs.

If a request for warranty performance to **Your Builder/Contractor** does not result in satisfactory action within a reasonable time, written notice must be given to the **Warranty Administrator**. This notice should describe each **Deficiency** in reasonable detail and must include a copy of all correspondence between **You** and the **Builder/Contractor**. The notice should be forwarded by *certified mail, return receipt requested*. A written request for warranty performance to the **Warranty Administrator** must be postmarked no later than thirty (30) days after the expiration of the applicable **Warranty Term**. If the written notice is postmarked or received by the **Warranty Administrator** more than thirty (30) days beyond the **Warranty Term**, there will be no obligation to repair or pay for a **Deficiency**. Sending a notice to **Your Builder/Contractor** does not constitute notice to the **Warranty Administrator**.

Once the **Warranty Administrator** has received **Your** notification, the **Warranty Administrator** will again notify the **Builder/Contractor**. If the **Builder/Contractor** and **You** are unable to resolve **Your** differences either by **Yourselves** or with the help of the **Warranty Administrator**, **You** must arbitrate the dispute. The **Warranty Administrator** will provide a form to request arbitration after **You** have followed the above procedures. If the **Warranty Administrator** determines that **Your Builder/Contractor** cannot or will not resolve the problem, arbitrate, comply with an arbitration award, or is found not to be in compliance with an arbitration award by an arbitrator, the **Warranty Administrator** will so notify **You**. **You** must then forward to the **Warranty Administrator** a onetime \$250.00 claim deductible (check payable to the **Warranty Insurer** as stated on the HBW 820). The **Warranty Administrator** will then forward **Your** claim to the **Warranty Insurer**. The **Warranty Insurer** will investigate the claim and repair, replace, or pay **You** the reasonable cost of repair (at their option) of a covered **Deficiency**.

10-Year Structural Coverage. If **Your** HBW 820 indicates that you have 10-year **Structural Defect** coverage, and **You** believe that **Your Home Improvement** has a qualifying **Structural Defect**, **You** must notify the **Warranty Administrator** in writing, by *certified mail, return receipt requested*, within a reasonable time after **You** first notice the **Structural Defect**. **You** should include a copy of **Your** HBW 820 with **Your** notice. If the written notice is postmarked or received by the **Warranty Administrator** more than thirty (30) days after the 10-year **Warranty Term**, there will be no obligation to pay, repair or replace the claimed **Structural Defect**.

The **Warranty Insurer** requires a claim investigation fee of \$250.00 to be sent along with **Your** notice. The check should be made payable to the **Warranty Insurer** as stated on the HBW 820 form, and **Your** notice and check should be forwarded to the **Warranty Administrator**. The **Warranty Administrator** will then forward **Your** claim and the investigation fee to the **Warranty Insurer**. The **Warranty Insurer** will investigate the claim and repair, replace, or pay **You** the reasonable cost of repair (at their option) for the qualifying **Structural Defect(s)**. The claim investigation fee will be refunded if a qualifying **Structural Defect(s)** exists in the **Home Improvement**.

What to do in Case of an Emergency: An emergency is a condition in a **Home Improvement** that if not immediately repaired may cause damage to the **Home Improvement** or danger to occupants. **You** must contact **Your Builder/Contractor** immediately. If **You** are unable to contact **Your Builder/Contractor**, **You** must contact the **Warranty Administrator** in order to receive authorization to make any emergency repairs. If neither **Your Builder/Contractor** nor the **Warranty Administrator** is available for emergency authorization, 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 the **Warranty Administrator** on the next business day. Any unauthorized repairs will not be reimbursed unless **You** have followed the above procedures.

SECTION VI - REPAIRS

Your Warranty Insurer shall not be responsible for unauthorized repairs or replacement done by others or for the cost of such unauthorized repairs or replacement.

1-Year Workmanship and 2- Year Systems Coverage

- The **Builder/Contractor** or **Warranty Insurer** shall repair, replace, or pay **You** the reasonable cost of repair of any covered item in **Your Home Improvement** not in conformance with the **Performance Guidelines** during the applicable **Warranty Term**. The **Performance Guidelines** are found in Section IX.
- The choice as to the scope of repair, the repair technique, replacement, or payment in lieu of repair or replacement, is in the sole discretion of **Your Builder/Contractor** or **Warranty Insurer**. The **Builder/Contractor** or **Warranty Insurer** shall have the sole right to select the contractors, subcontractors or tradespeople used in the repair or replacement process.
- Repairs will meet locally accepted Building Codes in effect at the time of **Your Home Improvement**. The **Builder/Contractor** or **Warranty Insurer** is not obligated for any additional cost of repairs due to changes in the Building Codes implemented subsequent to the original construction of **Your Home Improvement**.
- **Your Builder/Contractor** or **Warranty Insurer** will try, to its best ability, to match colors, materials, and finishes. The **Builder/Contractor** or **Warranty Insurer** cannot be responsible for fading, discontinued patterns, or changes in dye lots.

10-Year Structural Coverage

- If indicated on your HBW 820, **Your Warranty Insurer** shall repair, replace, or pay **You** the reasonable cost of repair of a qualifying **Structural Defect**.
- The choice as to the scope of repair, the repair technique, replacement, or payment in lieu of repair or replacement, is at the sole discretion of the **Warranty Insurer**. The **Warranty Insurer** shall have the sole right to select the contractors, subcontractors or tradespeople used in the repair or replacement process.
- The repair of a **Structural Defect** is limited to:
 1. The repair of **Designated Load-Bearing Members**, which is necessary to restore their load-bearing function;
 2. The repair of non-load-bearing portions, items, or **Systems** of the **Home Improvement**, damaged by the **Structural Defect**; and
 3. The repair and cosmetic correction of only those surfaces, finishes, and coverings that were part of the **Home Improvement** damaged by the **Structural Defect** or which require removal and replacement to repair the **Structural Defect**.
- Repairs will meet locally accepted Building Codes in effect at the time of **Your Home Improvement**. The **Warranty Insurer** is not obligated for any increase or additional cost of repairs due to changes in **Building Codes** implemented subsequent to the original construction of **Your Home Improvement**.
- Repairs are intended to restore the **Home** or **Home Improvement** to approximately the condition just prior to the **Structural Defect**, but not necessarily to a like-new condition. The **Warranty Insurer** will try to its best ability to match colors, materials, and finishes and cannot be responsible for fading, discontinued patterns, or changes in dye lots.

SECTION VII - CONDITIONS

THIS IS AN EXPRESS LIMITED WARRANTY. To the extent possible under the law of your state, all other warranties, express or implied, including but not limited to any oral or written statements or representations made by Your Builder/Contractor or any other person, and any implied warranty of habitability, merchantability or fitness, are hereby disclaimed by Your Builder/Contractor and are hereby waived by You.**

(**California, Kansas and Nevada Residents: Please read ADDENDUM at the end of Section VIII.)

WARRANTY NOT INSURANCE. This **Warranty** is not an insurance policy. **You** should have homeowners insurance and this is not it. This is also not **Your Builder/Contractor's** Commercial General Liability insurance policy. This **Warranty** is not a maintenance agreement or service contract.

WARRANTY OBLIGATIONS. The **Warranty** obligations of the **Builder/Contractor** and **Warranty Insurer** during the entire term of the **Warranty** are limited to the final contract sales price, including original contract price, and price of any change orders subsequent to the original contract of the **Home Improvement** as set forth on the HBW 820. The **Builder/Contractor's** or **Warranty Insurer's** costs of designing, accomplishing and monitoring repairs to **Your Home Improvement** (or cash payment made in lieu of repair) will be deducted from the **Warranty Limit**. When the limit has been paid, **Your Warranty** rights are extinguished. The **Builder/Contractor's** or **Warranty Insurer's** obligations under this **Warranty** are excess of coverage provided by other warranties or insurance.

ACCESS TO YOUR HOME. In order for the **Builder/Contractor** or **Warranty Insurer** to carry out their responsibility under this contract, they will require access to **Your Home Improvement** from time to time. By signing the **Builder/Contractor Application For Home Improvement Enrollment** or by seeking benefits under this **Warranty**, **You** agree to grant access to **Your Builder/Contractor** or the **Warranty Insurer** and their agents during normal business hours to inspect, repair and conduct tests in **Your Home Improvement** as in their judgment may be required. Failure to allow access to **Your Home Improvement** will eliminate the **Builder/Contractor's** and the **Warranty Insurer's** obligation under this limited Warranty.

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 Warranty, 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 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 to each successor in title to the **Home** where the **Home Improvement** was performed, 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 **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 **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 **Warranty**. If **You** are a subsequent owner of the home (that is, an owner other than the original **Home Improvement** purchaser), **Your Home Improvement** may benefit from the coverage provided by this **Warranty**. Likewise, **You** are also bound by all the terms and conditions of the **Warranty**, including but not limited to requesting warranty performance and participation in binding arbitration.

While this **Warranty** is transferable to subsequent buyers, the **Builder/Contractor** or **Warranty Insurer** are not responsible for any representation or misrepresentation made by **You** to any subsequent buyer of the home where the **Home Improvement** was performed.

PAYMENTS AND REPAIRS. At the time of payment in lieu of repairs, **You** must sign and deliver to **Your Builder/Contractor** or **Warranty Insurer**, as applicable, a full and unconditional release for all parties, in recordable form, of all legal obligations with respect to the **Warranty** and any condition arising therefrom.

If the **Builder/Contractor** or **Warranty Insurer** repairs, replaces or pays **You** the reasonable cost to repair or replace a warranted item, the **Builder/Contractor** or **Warranty Insurer** shall be subrogated to all **Your** rights to recover against any person or entity. **You**

must execute and deliver any and all instruments and papers and take any and all actions necessary to secure such rights, including, but not limited to, assignment of proceeds of any insurance or other warranties to the **Builder/Contractor** or **Warranty Insurer**. **You** shall do nothing to prejudice these rights of subrogation.

Actions taken by the **Builder/Contractor** or **Warranty Insurer** to make repairs hereunder will not extend period of coverage under this **Warranty**.

SECTION VIII - EXCLUSIONS

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

1. Repairs, modifications, or alterations of existing foundations, including stabilization, re-leveling, crack repair, repair to bowed or buckling foundation walls; and any damage caused by such repairs;
2. Damage to **Your Home Improvement** caused by movement of a foundation not installed by **Builder/Contractor**;
3. Damage to land or other real property that is not part of **Your Home**;
4. Damage to common elements in multi-family structures;
5. Damage to swimming pools and other recreational facilities, driveways, walks, and roads;
6. Damage caused by or changes in the level of underground water table, which were not reasonably foreseeable at the time of construction of **Your Home Improvement**;
7. Loss or damage which arises while **Your Home Improvement** is being used primarily for nonresidential purposes;
8. Failure of **Your Builder/Contractor** to complete **Your Home Improvement**;
9. Noncompliance with plans and specifications; failure to obtain variances; violations of local or national building codes, ordinances, standards, or variances; however, this exclusion does not apply if the noncompliance or violation results in a qualifying **Deficiency** or **Structural Defect** under this **Warranty**;
10. Any condition which has not resulted in **Actual Physical Damage** to **Your Home Improvement**; however this exclusion does not apply if the condition results in a **Deficiency** covered in the **Performance Guidelines** (Section IX);
11. 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, any act, omission or negligence of any person:
 - a) Negligence, improper maintenance, defective material or work supplied by, or improper operation by, anyone other than **Your Builder/Contractor** or its employees, agents or subcontractors, including failure to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
 - b) Age, condition, or adequacy of existing structure, electrical, plumbing, heating, cooling, ventilating, or mechanical systems which were not part of **Your Home Improvement**, including any loss or damage caused by failure of existing structure to support additional loads of **Your Home Improvement**;
 - c) Your failure to give prompt and proper notice to the **Builder/Contractor** or **Warranty Insurer** of any **Deficiency** or **Structural Defect**;
 - d) Change of the grading of the ground that does not comply with accepted grading practices by anyone other than **Your Builder/Contractor**, or failure to maintain the grade;
 - e) Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorm, fire, explosion, blasting, smoke, water escape, flood, waves, tidal water, overflow of a body of water, wind-driven rain or snow, hail, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, avalanche, earthquake, or volcanic eruption;
 - f) Abuse or use of **Your Home Improvement**, or any part thereof, beyond the reasonable capacity of such part for such use;
 - g) Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold, mildew, water escape, vermin, termites, insects, pests, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, lead, 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;
 - h) **Your** failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable;
12. Any loss or damage caused by buried debris, underground springs, sinkholes, mineshafts or other anomalies that were not reasonably foreseeable;

13. Any request for **Warranty** performance submitted to the **Builder/Contractor** or **Warranty Insurer** after an unreasonable delay or later than 30 days after the expiration of the applicable **Warranty Term**;
14. Loss caused in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds;
15. Any loss or damage to the extent the loss or damage is covered by any other insurance, whether primary, excess, pro-rata or contingent;
16. 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;
17. Diminished market value of **Your Home** or **Home Improvement**;
18. Any and all **Consequential Damages**;
19. Any manufactured item of equipment, appliances, or any other consumer product covered by a manufacturer's warranty. Examples of non-covered items under this **Warranty** which are covered by separate manufacturer's warranties include, but are not limited to: air-conditioning units, boilers, central vacuum systems, dishwashers, dryers, electric meters, exhaust fans, furnaces, heat pumps, garage door openers, ranges, range hoods, refrigerators, swimming pools, saunas, sump pumps, thermostats, trash compactors, washers, water heaters, and whirlpool baths. Manufacturer's warranties on these items are assigned and passed through to **You** by **Your Builder/Contractor** at completion of the construction, and are separate from this **Warranty**. Should **You** find defects in any item of equipment, appliance, or any other item covered by a manufacturer's warranty, **You** must follow the procedures set forth in the manufacturer's warranty to correct the problem.
20. Any and all exclusions set forth in Section IX (**Performance Guidelines**);

ADDENDUM

***Indiana: State of Indiana Only** - If your HBW 820 indicates Your Builder is providing Two Year Workmanship, Two Year Systems and Four Year Roof Warranty coverage, **Your Builder/Contractor** warrants that **Your Home** will be free from Defects in material and workmanship for two years instead of one year as stated in the **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.

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

SECTION IX - PERFORMANCE GUIDELINES

The following **Performance Guidelines** are standards that have been developed and reviewed by **Home Improvement** professionals, builders, and remodeling contractors across the United States. They apply only to the 1-year **Workmanship** and 2-year **Systems Coverage**. The **Performance Guidelines**, which are incorporated by reference into this **Warranty**, provide guidelines as to what **You** may reasonably expect in terms of the performance of **Your Home Improvement**, and specifically what is considered a **Deficiency**, and therefore, covered during the **Warranty Term**. Additionally, **You** will find the **Performance Guidelines** helpful in determining what is customary and normal in a material or an aspect of **Your Builder/Contractor's** construction process. **You** should note that some of the guidelines describe **Your** responsibility for the care, maintenance, and upkeep of **Your Home Improvement**, and that the **Builder/Contractor** or **Warranty Insurer** is not responsible to make repairs that fall within **Your** responsibilities. Items in the **Home** not part of **Your Home Improvement** as described in the contract between **You** and **Your Builder/Contractor** are not covered under this **Warranty**.

While it is virtually impossible to develop a **Performance Guideline** for each possible **Deficiency**, these guidelines have attempted to isolate the most common deficiencies that occur and in so doing, list the extent of **Your Builder/Contractor's** or **Warranty Insurer's** responsibility and **Your** responsibility. Where a specific **Performance Guideline** has not been specified, the guidelines found in the publication *Residential Construction Performance Guidelines For Professional Builders & Remodelers, 2nd Edition*, National Association of Home Builders, (NAHB) 2000, 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.

Items covered under the **Performance Guidelines** have been organized by major categories as follows:

1-Year Workmanship Coverage

1. Site Work
2. Concrete
3. Masonry
4. Carpentry
5. Thermal and Moisture Protection
6. Doors and Windows
7. Finishes
8. Specialties
9. Cabinets and Vanities
10. Mechanical
11. Electrical Components

2-Year Systems Coverage

1. Mechanical
2. Electrical Systems

The following **Performance Guidelines** are expressed in terms of required guidelines that **Your Builder/Contractor's** construction should meet. Noncompliance with these construction guidelines calls for corrective action by **Your Builder/Contractor** or **Warranty Insurer**.

SAMPLE

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor 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 Improvement.	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/Contractor.	If Builder/Contractor has provided final grading, Builder/Contractor shall fill settled areas affecting proper drainage, one time only, during the first year Warranty period. Homeowner is 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 Improvement. Site drainage, under this Warranty, is limited to grades within 10-feet and swales within 20-feet of the foundation of the Home Improvement. 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/Contractor is only responsible for initially establishing the proper grades, swales and drainage away from Home Improvement. The Homeowner is responsible for maintaining such grades and swales once constructed by the Builder/Contractor.	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.
		Builder/Contractor is not responsible for drainage deficiencies attributable to grading requirements imposed by state, county, or local governing agencies.	Standing or ponding water caused by changes in the grade or placement of sod, fencing, or any other obstructions by Homeowner is excluded from Warranty Coverage
Soil erosion.	NONE. NO COVERAGE.	NONE. Builder/Contractor is not responsible for soil erosion due to acts of God or other conditions beyond the Builder/Contractor's control.	Soil erosion and runoff caused by failure of the Homeowner to maintain the properly established grades, drainage structures and swales; stabilized soil, sodded, seeded and landscaped areas; are excluded from Warranty Coverage.
<i>1.3 Landscaping</i>			
Grassed or landscaped areas, which are disturbed or damaged due to work performed by Builder/Contractor 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/Contractor 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 Improvement was constructed or those added by the Homeowner or those that subsequently die are excluded from Warranty Coverage.
Outdoor plants, shrubs, or trees that are installed by the Builder/Contractor die after Home Improvement is completed.	Plants shall not die during the warranty period. Plants that die from natural causes or owner negligence are not covered.	Builder/Contractor will replace dead plants covered by the Performance Guideline with other plants of like kind or as close as reasonably available.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
2. Concrete			
<i>2.1 Cast-In Place Concrete</i>			
Basement or foundation wall cracks, other than expansion or control joints.	Concrete cracks greater than 1/8-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 the Warranty to permit normal stabilizing of the Home Improvement by settling.	Shrinkage cracks are not unusual and are inherent in the concrete curing process.
Cracking of basement floor.	Minor cracks in concrete basement floors are common. Cracks exceeding 3/16-inch in width or 3/16-inch in vertical displacement are deficiencies if the slab is in conditioned space.	Repair cracks exceeding maximum tolerance by surface patching or other methods, as required.	
Cracking of attached garage floor slab.	Minor cracks in concrete garage floors are common. Cracks exceeding 3/16-inch in width, or 1/8-inch in vertical displacement are deficiencies.	Repair cracks exceeding maximum tolerance by surface patching or other methods, as required.	
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/Contractor shall not have pits, depressions or area or unevenness exceeding 3/8-inch in 32-inches.	Repair/replace to meet the Standard. 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/Contractor shall take whatever corrective action is necessary to repair or replace defective concrete surfaces.	Builder/Contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the Builder/Contractor's control.
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 Improvement are a deficiency	Builder/Contractor shall take whatever corrective action is necessary to meet the 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. The Homeowner is responsible for maintenance of joint material.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
3. Masonry			
<i>3.1 Unit Masonry (Brick, Block and Stone)</i>			
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 are deficiencies.	Builder/Contractor will repair cracks greater than 1/4-inch by tuck pointing and patching. These repairs should be made toward the end of the first year of Warranty Coverage to permit Home Improvement to stabilize and normal settlement to occur. Builder/Contractor 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/Contractor shall investigate to determine cause. Builder/Contractor 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/Contractor shall repair basement walls that are bowed in excess of 1-inch in 8 feet.	
<i>3.2 Stucco and Cement Plaster</i>			
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. Fill with cement plaster or stucco to match finish and color as close as possible.	Builder/Contractor 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/Contractor shall repair areas where the coating has separated from the base.	Builder/Contractor is not responsible for failure to match color or texture, due to the nature of the material.
4. Carpentry			
<i>4.1 Rough Carpentry</i>			
Floors squeak, due to improper installation or loose subfloors.	Loud and objectionable squeaks caused by improper installation or loose subfloors are deficiencies, but a totally squeak-proof floor cannot be guaranteed.	Builder/Contractor 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 Standard requires the Builder/Contractor 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.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Uneven wood framed floors.	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 Performance Guideline.	
Wood flooring is unlevel at transition from existing flooring to room addition floor.	Flooring at transition area shall not slope more than 1/8 inch over six inches unless a threshold is added. Overall step down, unless previously agreed upon with the Builder/Contractor shall not exceed 1 1/8 inches.	Builder/Contractor will add threshold or transition material, or pull up the flooring and reduce the high spot, or if possible, shim under new framing to bring floor within Performance Guideline.	All floor joists shrink both seasonally and when aging. Variations caused by seasonal changes are not a deficiency.
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 Performance Guideline.	
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 Performance Guideline.	
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 are deficiencies.	Builder/Contractor 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/Contractor 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/Contractor 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 frame walls 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/Contractor shall make necessary modifications to any floor not complying with the Performance Guidelines.	
<i>4.2 Finish Carpentry</i> 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.	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Interior trim is split.	NONE. NO COVERAGE.	NONE.	Splits, cracks, and checking are inherent characteristics of all wood products, and are not considered deficiencies.
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/Contractor shall fill hammer marks and refinish or replace affected trim to meet the Performance Guideline. 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 Homeowner negligence. Where a sump pit has been installed by Builder/Contractor in the affected area but the sump pump was not contracted for or installed by Builder/Contractor, no action is required until the Homeowner installs a properly sized pump in an attempt to correct the condition. Should the condition continue to exist, then Builder/Contractor shall take necessary action to correct the problem.	Leaks caused by landscaping improperly installed by the Homeowner or failures by the Homeowner to maintain proper grades are excluded from 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/Contractor 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 Homeowner if it is found that the standard has been met by Builder/Contractor.	Leaks and any resulting damage to finished basement areas due to inadequate foundation waterproofing or drainage system original to Home are excluded from Warranty Coverage, unless Builder/Contractor installed new waterproofing or drainage system as part of Home Improvement.

Builder/Contractor shall investigate

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
<p><i>5.3 Ventilation and Moisture Control</i> Inadequate ventilation or moisture control in crawl spaces.</p>	<p>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.</p>	<p>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.</p>	<p>Temporary conditions may cause condensation in crawl spaces that cannot 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/Contractor's control. Maintaining adequate heat and seasonal adjustment of vents is the responsibility of the Homeowner.</p>
<p>Inadequate ventilation or moisture control in attics or roofs.</p>	<p>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.</p>	<p>Builder/Contractor 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.</p>	<p>The Homeowner is responsible for keeping existing vents unobstructed.</p>
<p>Attic vents or louvers leak.</p>	<p>Attic vents and louvers shall not leak.</p>	<p>Builder/Contractor shall repair or replace the roof vents as necessary to meet the Performance Guideline.</p>	<p>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.</p>
<p>Bath or kitchen exhaust fans improperly vented into attic.</p>	<p>Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate resulting in damage to supporting members or insulation are deficiencies.</p>	<p>Builder/Contractor shall vent exhaust fans to the outside to correct deficiencies.</p>	<p>Infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the Builder/Contractor.</p>
<p><i>5.4 Sealants</i> Water or air leaks in exterior walls due to inadequate caulking.</p>	<p>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.</p>	<p>Repair and/or caulk joints in exterior wall surfaces as required to correct deficiency one time only during the first year of Warranty Coverage.</p>	<p>The Homeowner must maintain caulking once the condition is corrected.</p>
<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, the Homeowner should be aware that the new finish may not exactly match the original surface texture or color.</p>	<p>Delaminated siding due to Homeowner's 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 it to come loose or fall off, is a deficiency.</p>	<p>Reinstall or replace siding and make it secure.</p> <p>Builder/Contractor will repair bowed</p>	<p>Loose or fallen siding due to Homeowners actions or neglect, such as leaning heavy objects against siding, impact, or sprinkler systems repeatedly wetting siding, is not a deficiency.</p>

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Siding is bowed.	Bows exceeding 1/2-inch in 32-inches are deficiencies.	siding to meet standard. If replacement of siding is required, Builder/Contractor will match original material as closely as possible. Homeowner should be aware that the new finish may not exactly match the original surface texture or color.	Bowed siding due to Homeowner's actions or neglect, such as bowing caused by sprinkler system repeatedly wetting siding, is not a deficiency.
Nails have stained siding.	Nail stains exceeding 1/2-inch in length and visible from a distance of 20-feet are deficiencies.	Builder/Contractor shall correct by either removing stains, painting, or staining the affected area. Builder/Contractor 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.	"Natural weathering" or semi-transparent stains are excluded from coverage.
<i>5.6 Roofing</i> Roof or flashing leaks.	Roof or flashing leaks that occur under normal weather conditions are deficiencies.	Correct any roof or flashing leaks that are verified to have occurred under normal weather conditions.	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.
Roof shingles have blown off.	Shingles shall not blow off in winds less than the manufacturer's standards or specifications.	Builder/Contractor 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. 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. Homeowners should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility if shingles blow off in higher wind speeds.
Defective shingles.	NONE. NO COVERAGE.	NONE	Manufacturing defects in shingles are not covered under this Warranty. Homeowners should consult shingle manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility.
Standing water on built-up roofs.	Water shall drain from a flat or low-pitched roof within 24-hours of a rainfall.	Builder/Contractor 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/Contractor will repair gutters to assure proper drainage.	Homeowner is responsible for keeping gutters and downspouts free from debris that would obstruct drainage.

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
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 Warranty Coverage.	
Bottom of doors drag on carpet surface.	Where it is understood by Builder/Contractor and the Homeowner that carpet is planned to be installed as floor finish by Builder/Contractor, the bottom of the doors that drag on the carpet are deficiencies.	Undercut doors as required.	Where carpet is selected by the Homeowner having excessive high pile, the Homeowner is 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.	
<i>6.2 Garage Doors</i>			
Garage door fails to operate or fit properly.	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.	Make necessary adjustments to meet the manufacturer's installation tolerances.	No adjustment is required when cause is determined to result from anyone but Builder/Contractor or Builder/Contractor subcontractor's installation of an electric door opener.
<i>6.3 Wood, Plastic and Metal Windows</i>			
Window is difficult to open or close.	Windows should require no greater operating force than that described in the manufacturer's specifications.	Builder/Contractor shall correct or repair as required to meet manufacturer's specifications. Adjust sash balances one time only	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Double hung windows do not stay in place when open.	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.	during the first year of Warranty Coverage. Where possible, instruct the Homeowner on the method of adjustment for future repair. NONE.	
Condensation or frost on window frames and glass.	NONE.		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.
6.4 Hardware Hardware does not work properly, fails to lock or perform its intended purpose.	All hardware installed on doors and windows that do not operate properly are deficiencies.	Builder/Contractor shall adjust, repair, or replace hardware as required.	
6.5 Storm Doors, Windows and Screens Storm doors, windows and screens do not operate or fit properly.	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.	Builder/Contractor shall make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.	Missing screens, rips or gouges in the screen mesh are not covered by this Warranty.
6.6 Weather-stripping and Seals Drafts around doors and windows.	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.	Builder/Contractor shall repair to meet Performance Guideline.	In high wind areas, the homeowner may need to have storm windows and doors installed to eliminate drafts.
6.7 Glass and Glazing Clouding and condensation on inside surfaces of insulated glass.	Insulated glass that clouds up or has condensation on the inside surfaces of the glass is a deficiency.	Builder/Contractor shall replace glass in accordance with window and glass manufacturer's requirements.	
7. Finishes 7.1 Lath and Plaster Cracks in plaster wall and ceiling surfaces.	Hairline cracks are not unusual. Cracks in plaster wall and ceiling surfaces exceeding 1/16-inch in width are deficiencies.	Builder/Contractor 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 Warranty Coverage to allow for normal movement in the Home Improvement.	
7.2 Drywall Drywall cracks.	Hairline cracks are not unusual. Cracks in interior gypsum board or other drywall materials exceeding 1/16-inch in width are deficiencies.	Builder/Contractor 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 Warranty Coverage to allow for normal movement in the Home Improvement. Builder/Contractor will repair such	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Nail pops, blisters, or other blemish is visible on finished wall or ceiling.	Nail pops and blisters that are readily visible from a distance of 6 feet under normal lighting conditions are deficiencies.	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 Warranty Coverage to allow for normal settlement of the Home Improvement. Builder/Contractor will repair to meet Performance Guideline, 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 Warranty Coverage to allow for normal settlement of the Home Improvement.	Depressions or slight mounds at nail heads are not considered deficiencies. Builder/Contractor is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper.
Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints.	Cracked or exposed corner bead, trowel marks, excess joint compound, or blisters in drywall tape, are deficiencies.	Builder/Contractor shall repair grouting as necessary one time only within the first year of the Warranty Coverage.	Cracking and loosening of flooring caused by the Homeowner's negligence is not a deficiency. Builder/Contractor is not responsible for color and pattern variations or discontinued patterns of the manufacturer.
<p><i>7.3 Hard Surfaces</i> Flagstone, Marble, Quarry Tile, Slate, or other hard surface flooring is broken or loose.</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.	Builder/Contractor shall replace cracked tiles, marble, or stone and reseal loose tiles, marble, or stone flooring.	Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub, shower basin, or countertop are considered Homeowner maintenance and any resultant damage to other finish surfaces due to leaks, etc. are not considered deficiencies.
Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub, shower, or countertop.	Cracks in grouting of ceramic tile joints are deficiencies. Regrouting of these cracks is a maintenance responsibility of the Homeowner after the Builder/Contractor has regrouted once.	Builder/Contractor shall correct nail pops that have caused damage to the floor material and repair or replace damaged floor covering in the affected area. Builder/Contractor is not responsible for discontinued patterns or color variations.	
<p><i>7.4 Resilient Flooring</i> Nail pops appear on the surface of resilient flooring.</p>	Readily apparent nail pops are deficiencies.	Builder/Contractor shall take required action to bring the deficiency within acceptable tolerances so as to be not readily visible. Builder/Contractor is not responsible for discontinued patterns or color variations in the floor covering, Homeowner neglect or abuse, nor installations performed by others.	
Depressions or ridges appear in the resilient flooring due to subfloor irregularities.	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.	Builder/Contractor shall repair or replace resilient flooring or base as required. Builder/Contractor is not responsible for discontinued patterns or color variations.	
Resilient flooring or base loses adhesion.	Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.	Builder/Contractor shall repair or	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Seams or shrinkage gaps show at resilient flooring joints.	Gaps in excess of 1/16-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.	replace the resilient flooring to meet the Performance Guideline. Builder/Contractor is not responsible for discontinued patterns or color variations of floor covering. Proper repair can be affected by sealing gap with seam sealer.	
<i>7.5 Finished Wood Flooring</i> Cupping, open joints, or separations in wood flooring.	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.	Builder/Contractor 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.	Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of the 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. Homeowners 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 this Warranty.
<i>7.6 Painting</i> Knot and wood stains appear through paint on exterior.	Excessive knot and wood stains that bleed through the paint are considered deficiencies.	Builder/Contractor shall seal affected areas where excessive bleeding of knots and stains appear and touch-up paint to match as closely as possible.	
Exterior paint or stain peels or deteriorates.	Exterior paints or stains that peel or deteriorate during the first year of ownership are deficiencies.	Builder/Contractor 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 Warranty on the newly repainted surfaces will not extend beyond the original Warranty period.	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.
Painting required as corollary repair because of other work.	Necessary repair of a painted surface under this Warranty is to be refinished to match surrounding areas as closely as possible.	Builder/Contractor shall refinish repaired areas to meet the standard as required.	
Mildew or fungus forms on painted or factory finished surfaces.	NONE. NO COVERAGE.	NONE.	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.
		Builder/Contractor shall refinish	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Deterioration of varnish or lacquer finishes.	Natural finish on interior woodwork that deteriorates during the first year of the Warranty Coverage is a deficiency.	affected areas of natural finished interior woodwork, matching the color as closely as possible.	Varnish-type finishes used on exterior surfaces will deteriorate rapidly and are not covered by the Warranty.
Interior paint coverage.	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.	Builder/Contractor 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/Contractor is not required to repaint an entire room unless all walls and ceiling have been affected.	
Paint splatters and smears on finish surfaces.	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.	Builder/Contractor shall remove paint splatters without affecting the finish of the material, or replace the damaged surface if paint cannot be removed.	Minor paint splatter and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be Homeowner maintenance and are not deficiencies.
<i>7.7 Wall Covering</i> Peeling of wallcovering installed by Builder/Contractor.	Peeling of wallcovering is a deficiency, unless it is due to the Homeowner's abuse or negligence.	Builder/Contractor shall repair or replace defective wallcovering.	
Patterns in wallcovering are mismatched at the edges.	Patterns in wallcovering shall match at the edges.	Builder/Contractor shall remove mismatched wallcovering and replace. Builder/Contractor is not responsible for discontinued or variations in color.	Defects in the wallcovering patterns are the manufacturer's responsibility, and excluded from Warranty Coverage.
Lumps and ridges and nail pops in wallboard that appear after the Homeowner has wallcovering installed by others.	NONE. NO COVERAGE.	NONE.	The Homeowner 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/Contractor 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 Warranty. Homeowners should consult carpet manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility for color variations.
		Builder/Contractor will restretch or	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
<p>Carpeting loosens, or the carpet stretches.</p>	<p>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.</p>	<p>resecure carpeting to meet Performance Guideline one time only during the first year of Warranty Coverage.</p>	
<p>8. Specialties</p>			
<p><i>8.1 Fireplaces</i></p>			
<p>Fireplace or chimney does not draw properly causing smoke to enter home.</p>	<p>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/Contractor by constructing a fire so the condition can be observed.</p>	<p>When determined the malfunction is based upon improper construction of the fireplace, the Builder/Contractor shall take the necessary steps to correct the problem.</p>	<p>When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond Builder/Contractor's control, Builder/Contractor is not responsible.</p>
<p>Chimney separation from structure to which it is attached.</p>	<p>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.</p>	<p>Builder/Contractor 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.</p>	
<p>Cracks in masonry hearth or facing.</p>	<p>Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Cracks in stone or brick hearth or facing greater than 1/4-inch in width are deficiencies.</p>	<p>Builder/Contractor will repair cracks exceeding standard by pointing or patching. Builder/Contractor is not responsible for color variations between existing and new mortar.</p>	<p>Heat and flames from normal fires can cause cracking of firebrick and mortar joints. This should be expected, and is not covered by this Warranty.</p>
<p><i>8.2 Wood Decks</i></p>			
<p>Wood deck is springy or shaky.</p>	<p>All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes, National Forest and Paper Association span tables, or a higher guideline agreed upon before construction by the Homeowner and Builder/Contractor.</p>	<p>Builder/Contractor will reinforce or modify, as required, any wood deck not meeting Performance Guideline.</p>	<p>Deflection within the limits established by the span tables is not a deficiency.</p>
<p>Spaces between decking are not uniform.</p>	<p>The spaces on opposite sides of individual deck boards shall not differ in average width by more than 3/16-inch at the time the deck is complete, unless otherwise specified by Homeowner.</p>	<p>Builder/Contractor will realign or replace decking boards to meet the Performance Guideline.</p>	<p>Spaces will naturally tend to change over time because of shrinkage and expansion of individual boards. Builder/Contractor is only responsible for correct spacing at the time of installation.</p>

Builder/Contractor will repair the

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Wood deck is out of level.	No point on the deck surface shall be more than 1/2 inch higher or lower than any other deck surface point within 10 feet on a line parallel to the home, unless the Homeowner and Builder/Contractor agree to intentionally build a wood deck out of level in order to match or compensate for inaccuracies in existing structure.	deck as necessary to meet the Performance Guideline.	A slop of approximately 1/8-inch per foot in the perpendicular direction is desirable to shed water and prevent ice build-up, and is not a deficiency.
Railings on wood decking contain slivers in exposed areas.	Railings on wood decks shall not contain slivers longer than 1/8 inch in exposed areas at the time the job is accepted.	Builder/Contractor will repair railings as necessary to remove slivers prior to acceptance of the job.	Slivers can develop from weathering of unprotected wood. Repair of slivers after acceptance of the job is a Homeowner maintenance responsibility.
9. Cabinets and Vanities			
<i>9.1 Kitchen Cabinets and Vanities</i>			
Kitchen and vanity cabinet doors and drawers bind.	Cabinet doors and drawers shall open and close with reasonable ease.	Builder/Contractor shall adjust or replace doors and drawers as necessary to meet 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 furthest point of warpage on the drawer or door front in a closed position is a deficiency.	Builder/Contractor shall correct or replace door or drawer front as required.	
Gaps between cabinets, ceiling and walls.	Countertops, splashboards, 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/Contractor shall make necessary adjustment of cabinets and countertop or close gap by means of molding suitable to match the cabinet or countertop finish, or as closely as possible; or other acceptable means.	
<i>9.2 Countertops</i>			
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/Contractor shall repair or replace laminated surface covering having cracks or joints exceeding the allowable width.	
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/Contractor shall repair or replace the leaking faucet or valve.	Leakage caused by worn or defective washers or seals are Homeowner 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 the Homeowner's responsibility.
		Builder/Contractor shall correct to	

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
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.	eliminate "water hammer."	Noises due to water flow and pipe expansion are not considered deficiencies.
<p><i>10.3 Heating and Air Conditioning</i></p> <p>Inadequate heat.</p>	<p>A heating system shall be capable of producing an inside temperature of at least 70-degrees Fahrenheit as measured in the center of any habitable room that was part of the Home Improvement 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 the room.</p>	<p>Builder/Contractor is not responsible for inadequate performance of an existing heating system, where there was a modification, alteration or extension of an existing system for which Builder/Contractor did not provide overall system redesign and did not install new heating units of greater capacity to handle additional heating loads. Where Builder/Contractor installed or increased capacity of existing system, Builder/Contractor shall correct heating system as required to provide the required temperatures if a deficiency exists.</p>	<p>Orientation of home and location of room that was part of Home Improvement will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. The Homeowner is responsible for balancing dampers and registers and for making other necessary minor adjustments.</p>
Inadequate cooling.	<p>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 any habitable room that was part of Home Improvement 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.</p>	<p>Builder/Contractor is not responsible for inadequate performance of an existing air conditioning system, where there was a modification, alteration or extension of an existing system for which Builder/Contractor did not provide overall system redesign and did not install new cooling units of greater capacity to handle additional cooling loads.</p> <p>Where Builder/Contractor installed or increased capacity of existing system, Builder/Contractor shall take correct cooling system to meet the Performance Guideline during the first year of Warranty Coverage.</p>	<p>Orientation of home and location of room that was part of Home Improvement will also provide a temperature differential, especially when the air-conditioning system is controlled by a single thermostat for one or more levels. The Homeowner is responsible for balancing dampers and registers and for making other necessary minor adjustments.</p>
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/Contractor shall install required insulation.	
Condensate lines clog up.	NONE. NO COVERAGE.	Builder/Contractor shall provide clean and unobstructed lines on Warranty Effective Date.	Condensate lines will clog under normal conditions. The Homeowner is responsible for continued operation of drain lines.

Builder/Contractor shall correct and

ITEMS COVERED UNDER THE 1-YEAR WORKMANSHIP COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Improper mechanical operation of evaporative cooling system.	Equipment that does not function properly at temperature standard set is a deficiency.	adjust so that blower and water system operate as designed during the first year of the 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/Contractor 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 trip.	Fuses and circuit breakers that deactivate under normal usage, when reset or replaced are deficiencies during the first year of the Warranty Coverage.	Builder/Contractor is not responsible for blown fuses or circuit breakers unless existing system was upgraded to code and required capacity by Builder/Contractor. Builder/Contractor 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 airflow 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 that do not operate as intended are considered deficiencies only during the first year of the Warranty Coverage.	Builder/Contractor 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.
<i>11.2 Service and Distribution</i>			
Ground fault interrupter trips frequently.	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.	Builder/Contractor shall replace the device if defective during the first year of the Warranty.	

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
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12. Mechanical Systems

12.1 Septic Tank Systems

Septic systems fail to operate properly.

Septic system should be capable of properly handling normal flow of household effluent.

Builder/Contractor is not responsible for inadequate performance of an existing septic system, including systems to which additional fixtures; appliances or other sources of waste are connected, unless the capacity of the existing system has been increased by the Builder/Contractor as part the Home Improvement. Where Builder/Contractor installed new system or increased capacity of existing system, Builder/Contractor shall take corrective action if it is determined that malfunction is due to a deficiency in workmanship or materials supplied by Builder/Contractor, or failure to construct system in accordance with state, county, or local requirements. Builder/Contractor 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 /Contractor is not responsible for septic system deficiencies attributable to failure of any part of existing system that was not upgraded or replaced, or deficiencies attributable to inadequacy or unsuitability of existing lot or home site for septic system. Builder/Contractor is also not responsible for malfunctions which occur or are caused by conditions beyond Builder/Contractor's control, including, Homeowner negligence, abuse, freezing, soil saturation, changes in ground water table, or other acts of nature.

The Homeowner is responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency. The following are considered Homeowner negligence or abuse as exclusion under the 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/Contractor; 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 this Warranty.

12.2 Plumbing

Water in plumbing pipes freezes, and the pipes burst.

Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather.

Builder/Contractor shall correct conditions not meeting Performance Guideline.

Burst pipes due to Homeowner's neglect and resultant damage are not Builder/Contractor's responsibility. The Homeowner is 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, the Homeowner is 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.

ITEMS COVERED UNDER THE 2-YEAR SYSTEMS COVERAGE

Deficiency	Performance Guidelines	Builder/Contractor Responsibility	Exclusion
Leakage from any piping.	Leaks in any waste, vent and water piping are deficiencies.	Builder/Contractor 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/Contractor is not responsible for sewers, fixtures, or drains that are clogged because of Homeowner's 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/Contractor shall make necessary repairs. If Homeowner's actions or negligence is the cause, the homeowner is responsible for correcting the problem. Homeowner is liable for the entire cost of any sewer and drain cleaning service provided by Builder/Contractor where clogged drains are caused by Homeowner's actions or negligence.	Builder/Contractor is not responsible for sewer lines that extend beyond the property lines on which the home is constructed.
<i>12.3 Water Supply</i> Water supply system fails to deliver water.	All service connections to municipal water main or private water supply are Builder/Contractor's responsibility when installed by Builder/Contractor.	Builder/Contractor 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/Contractor's control, then Builder/Contractor is not responsible.
<i>12.4 Heating and Air Conditioning</i> Refrigerant lines leak.	Builder/Contractor-installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies.	Builder/Contractor shall repair leaking lines and recharge the unit as required.	Leaks due to homeowner's actions or negligence are excluded.
Ductwork separates, becomes unattached.	Ductwork that is not intact or securely fastened is a deficiency.	Builder/Contractor shall reattach and re-secure all separated or unattached ductwork.	
13. Electrical System <i>13.1 Electrical Conductors</i> Failure of wiring to carry its designed load.	Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles, and equipment, is a deficiency.	Builder/Contractor is not responsible for inadequate performance of an existing electrical system, where there was a modification, alteration or extension of an existing system, which exceeds the capacity of the system (service, controls, circuits) unless system was upgraded to code and required capacity by Builder/Contractor. Where Builder/Contractor installed or increased capacity of existing system, Builder/Contractor shall check wiring and replace if it fails to carry the design load.	



Home Buyers Warranty®

HOME BUYERS WARRANTY CORPORATION
Warranty Administration Office
10375 E. Harvard Ave.
Denver, CO 80231
720-747-6000

**NOTICE OF COMPLAINT FORM
FOR HOME IMPROVEMENT
WARRANTY COVERAGE
Workmanship/Systems complaints only**

Please read the 2-10 HBW® Home Improvement Warranty Booklet for filing instructions and pertinent information. If your previous written attempts to resolve your problems with the Builder/Contractor have failed, then this form is to be sent to your Builder/Contractor, with a copy to the 2-10 HBW® Warranty Administration Office. This form must be received by your Builder/Contractor and 2-10 HBW® no later than thirty (30) days after the expiration of the applicable warranty term or the coverage will be denied. We recommend certified mail, return receipt requested.

NAME _____

ADDRESS OF COMPLAINT _____
(Street)

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

HOME PHONE () _____

BUSINESS PHONE () _____

EFFECTIVE DATE OF WARRANTY _____ / _____ / _____
(Date of Completion or First Use) (Mo.) (Day) (Year)
Limited Warranty Coverage Validation Warranty #R

NATURE OF DEFECT (BE SPECIFIC) _____

DATE DEFECT FIRST OBSERVED _____

DATE FIRST REPORTED TO BUILDER/CONTRACTOR _____

Attach any copies of relevant correspondence between you and your Builder/Contractor involving this matter. Please provide any correspondence that indicates that your Builder/Contractor has failed to perform his/her warranty obligations, and a copy of the Limited Warranty Coverage Validation form.

CHECK ONE (if applicable)
 1. FHA 2. VA 3. RHS
 Case # _____
 If you are the original owner, and your Home has original
 FHA-financing, please provide the following:
 Name of mortgage company: _____
 Address of mortgage company: _____

Homeowner Signature _____ Date

Homeowner Signature _____ Date

SAMPLE



Home Buyers Warranty®

NOTICE OF CLAIM FORM FOR STRUCTURAL CLAIMS ONLY

HOME BUYERS WARRANTY CORPORATION
Warranty Administration Office
10375 E. Harvard Ave.
Denver, CO 80231
720-747-6000

Please read the 2-10 HBW® Home Improvement 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 Completion or First Use)

Limited Warranty Coverage Validation Warranty #R

Please note that 2-10 HBW® 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: _____

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 (BUILDER/CONTRACTOR) OR CLAIMANT (HOMEBUYER) FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER (BUILDER/CONTRACTOR) OR CLAIMANT (HOMEBUYER) 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 original FHA-financing, please provide the following:

Name of mortgage company: _____

Address of mortgage company: _____

Homeowner Signature (Date)

Homeowner Signature (Date)

SAMPLE



Home Buyers Warranty®

Remodeler's
Choice™