BUILDER'S LIMITED WARRANTY

Administered by Professional Warranty Service Corporation

To the Home Buyer

Approximately 6 weeks after closing, you should receive a Builder's Limited Warranty Coverage Validation Form and the **BUILDER'S LIMITED WARRANTY** from the warranty program administrator. If you have not received these items by that time, first contact the **BUILDER** to verify that the application and fees were sent to the administrator. You do not have a valid warranty without the issuance of a Builder's Limited Warranty Coverage Validation Form and **BUILDER'S LIMITED WARRANTY.**

Enclosed with this **BUILDER'S LIMITED WARRANTY,** is a Builder's Limited Warranty Coverage Validation Form. The Builder's Limited Warranty Coverage Validation Form provides the dates on which the specific warranty coverage periods begin and expire. It is important that this form is retained with the **BUILDER'S LIMITED WARRANTY**.

This **BUILDER'S LIMITED WARRANTY** does not cover **CONSEQUENTIAL DAMAGES** or incidental damages. Liability under this **BUILDER'S LIMITED WARRANTY** is limited to the amount shown on the Builder's Limited Warranty Coverage Validation Form.

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WE make no housing merchant implied warranty of habitability or any other warranties, express or implied, in connection with the sales contract or the warrantied **HOME**, and all such warranties are excluded, except as expressly provided in this **BUILDER'S LIMITED WARRANTY**. There are no warranties which extend beyond the face of this **BUILDER'S LIMITED WARRANTY.**

Some States prohibit the exclusion or limitation of **CONSEQUENTIAL DAMAGES** or incidental damages by the **BUILDER**, so all the limitations or exclusions may not apply to **YOU.**

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PWSC Form No. 107 10/2014

I. Coverage Limit

The amount shown on the Builder's Limited Warranty Coverage Validation Form is **OUR** limit of liability. It is the most **WE** will pay or expend for all covered **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES** regardless of the number of claims made during the warranty period. Once **OUR** limit of liability has been paid, no further claims can be made against this **BUILDER'S LIMITED WARRANTY.**

II. Warranty Coverage

Coverage under this **BUILDER'S LIMITED WARRANTY** changes over the course of the ten year term. Section A refers to coverage provided during the first year; Section B refers to coverage provided during the second year; and Section C refers to coverage provided during the third through tenth year.

Section A Coverage

Beginning on the **WARRANTY DATE-HOME** and **WARRANTY DATE-COMMON ELEMENTS, WE** warrant for one year that the construction of **YOUR HOME** (including **COMMON ELEMENTS** related thereto) will conform to the **STANDARDS OF PERFORMANCE** for first year coverage and warranty tolerances for **DEFINED STRUCTURAL ELEMENT FAILURE(S)**. Coverage under Section A expires one year after the **WARRANTY DATE-HOME** and/or **WARRANTY DATE-COMMON ELEMENTS**. To be eligible for coverage **WE** must receive written notice of the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** within thirty (30) days after the expiration date of the coverage.

Section B Coverage

During the second year following the **WARRANTY DATE-HOME** or **WARRANTY DATE-COMMON ELEMENTS, WE** warrant that **SYSTEMS** (including the **COMMON ELEMENTS** related thereto) will conform to the **STANDARDS OF PERFORMANCE** for second year coverage and warranty tolerances for **DEFINED STRUCTURAL ELEMENT FAILURE(S)**. Coverage under Section B expires two years after the **WARRANTY DATE-HOME** or **WARRANTY DATE-COMMON ELEMENTS**. To be eligible for coverage **WE** must receive written notice of the **SYSTEMS DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** within thirty (30) days after the expiration date of the coverage.

Section C Coverage

During the third through tenth years following the **WARRANTY DATE-HOME** or **WARRANTY DATE-COMMON ELEMENTS**, **WE** warrant the construction of **YOUR HOME** (including **COMMON ELEMENTS** related thereto) will conform to the warranty tolerances for **DEFINED STRUCTURAL ELEMENT FAILURE(S)**. Coverage under Section C expires 10 years after the **WARRANTY DATE-HOME** or **WARRANTY DATE-COMMON ELEMENTS.** To be eligible for coverage **WE** must receive written notice of the **DEFINED STRUCTURAL ELEMENT FAILURE** within thirty (30) days after the expiration of the coverage.

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III. OUR Coverage Obligations

All notices of **DEFICIENCIES, DEFINED STRUCTURAL ELEMENT FAILURES**, and complaints under this **BUILDER'S LIMITED WARRANTY** must be made by **YOU** in writing. Telephonic or face-to-face discussion will not protect **YOUR** rights under this **BUILDER'S LIMITED WARRANTY.**

WE will have been considered to have breached this **BUILDER'S LIMITED WARRANTY** only if **WE** fail to correct a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** in accordance with the terms and conditions of this **BUILDER'S LIMITED WARRANTY.**

DEFICIENCIES

In the event a **DEFICIENCY** occurs during the applicable coverage period, **WE** will, upon receiving written notice from **YOU,** test or inspect the **DEFICIENCY** to confirm coverage for the **DEFICIENCY** within a reasonable time after **WE** receive **YOUR** notice. Upon confirmation of a **DEFICIENCY, WE, OUR** insurer, or another third party designated by **US** will repair, replace or pay **YOU** the actual cost of repairing or replacing the **DEFICIENCY**. The decision to repair, replace, or to make payment to **YOU** is at **OUR** or **OUR** insurer's sole option.

DEFINED STRUCTURAL ELEMENT FAILURE

In the event a **DEFINED STRUCTURAL ELEMENT FAILURE** occurs during the applicable coverage period, **WE**, **OUR** insurer, or another third party designated by **US** will, upon receiving written notice from **YOU**, test or inspect the **DEFINED STRUCTURAL ELEMENT FAILURE** to confirm coverage for the **DEFINED STRUCTURAL ELEMENT FAILURE** within a reasonable time after **WE** receive **YOUR** notice. Upon confirmation of a **DEFINED STRUCTURAL ELEMENT FAILURE**, **WE**, **OUR** insurer, or another third party designated by **US** will repair, replace or pay **YOU** the actual cost of repairing or replacing the **DEFINED STRUCTURAL ELEMENT FAILURE**. The decision to repair, replace, or to make payment to **YOU** is at **OUR** or **OUR** insurer's sole option.

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IV. Coverage Limitations

When **WE** repair a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE,** the repair will include the correction or replacement of only those surfaces, finishes and coverings that were damaged by the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** that were part of the **HOME** when title was first transferred by **US.**

WE will repair and replace surfaces, finishes and coverings that require removal or replacement in order for **US** to repair or replace **DEFICIENCIES** and **DEFINED STRUCTURAL ELEMENT FAILURE(S)**. The extent of **OUR** repair and replacement of these surfaces, finishes or coverings will be to approximately the same condition they were in prior to the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**, but not necessarily to a like new condition.

WE will only refinish those surfaces that were damaged by a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**.

When **WE** undertake repair on surfaces, finishes and coverings, **OUR** repair will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but **WE** cannot guarantee an exact match due to such factors as fading, aging and unavailability of the same materials.

V. Exclusions

A. This **BUILDER'S LIMITED WARRANTY** does not cover:

1. Any **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURE(S)** resulting, either directly or indirectly, from the following causes or occurring in the following situations:

a. Fire;
b. Lightning;
c. Acts of God;
d. Explosion;
e. Riot and Civil Commotion;
f. Smoke;
g. Hail;
h. Aircraft;
i. Falling Objects;
j. Vehicles;
k. Floods;
l. Wind Driven Water;
m. Earth Movement including but not limited to:
   (i). Earthquake, landslide or mudslide;
   (ii). Mine subsidence, sinkholes or changes in the underground water table not reasonably foreseeable at the time of construction;
   (iii). Volcanic eruption; explosion or effusion;
n. Wind including but not limited to:
   (i). Gale force winds;
   (ii). Hurricanes;
   (iii). Tropical storms;
   (iv). Tornadoes;
o. Insects, animals or vermin;
p. Rot, moisture, corrosion, rust or mildew;
q. Changes of the grading of the ground by anyone other than **US** or **OUR** agents, or subcontractors;
r. Changes, additions, or alterations made to the **HOME** by anyone after the **WARRANTY DATE-HOME** or **WARRANTY DATE-COMMON ELEMENTS**, except those made or authorized by **US**;
s. Any defect in material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors;
t. Improper maintenance, negligence or improper use of the **HOME** by **YOU** or anyone else;
u. Dampness or condensation due to **YOUR** failure to provide adequate ventilation;
v. Abnormal loading on floors which exceeds design loads;

2. Any costs arising from, or any **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURE(S)** resulting from the actual, alleged or threatened discharge, dispersal, release or escape of **POLLUTANTS**. **WE** will not cover costs or expenses arising from the uninhabitability or health risk due to the proximity of **POLLUTANTS**. **WE** will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor **POLLUTANTS** ;

3. Any costs arising from, or any **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURE(S)** resulting from the effects of electromagnetic fields (EMF's) or radiation;

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4. Any damage to personal property;

5. Any **CONSEQUENTIAL DAMAGES** ;

6. Any damage to **CONSUMER PRODUCTS** ;

7. Any **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES**:

   a. that **YOU** become aware of after the **HOME** is not being used primarily as a residence;

   b. which **YOU** have not taken timely and reasonable steps to protect and minimize damage after **WE** have provided **YOU** with written authorization to prevent further damage;

8. Any **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** that is covered by any other express warranty or insurance coverage **YOU** may have; and

9. Any non-conformity with local building codes, regulations or requirements that has not resulted in a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**. While **WE** acknowledge **OUR** responsibility to build in accordance with applicable building codes, this **BUILDER'S LIMITED WARRANTY** does not cover building code violations in the absence of a **DEFICIENCY** or a **DEFINED STRUCTURAL ELEMENT FAILURE**. In such instance, **YOUR** recourse is under the building code and other applicable laws and not under this **BUILDER'S LIMITED WARRANTY.** This exclusion in no way mitigates or relieves **US** of **OUR** obligation to build in accordance with applicable building codes.

B. **OUR BUILDER'S LIMITED WARRANTY** does not cover any loss or damage as a result of any **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** which would not have occurred in the absence of one or more of the events or conditions listed in **Exclusions,** Section A.1, A.2 or A.3. above. **OUR BUILDER'S LIMITED WARRANTY** does not cover any such loss or damage regardless of:

   1. the cause of the excluded event or condition; or

   2. other causes of the loss or damage; or

   3. whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

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VI. Procedure to Request US To Perform Under This BUILDER'S LIMITED WARRANTY

If **YOU** become aware of a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** that **YOU** believe is covered under this **BUILDER'S LIMITED WARRANTY, YOU** have the following responsibilities:

A. Notification

Notify **US** in writing as soon as it is reasonably possible, but in no event may **YOUR** written notice be received by **US** or postmarked later than thirty (30) days after the warranty for the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** expires.

If the written notice is postmarked or received by **US** more than thirty (30) days beyond the warranty expiration date, **WE** shall have no obligation to repair or replace the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**.

If the **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** involves a **COMMON ELEMENT** written notice must be made by a designated representative of the condominium association.

B. Cooperate With US

YOU must give **US**, **OUR** employees, agents, subcontractors or insurers reasonable help in investigating, monitoring or correcting **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES**. Help includes, but is not limited to, granting **US** reasonable access to **YOUR HOME**.

If **YOU** fail to help **US**, **WE** will have no obligation to repair, replace or pay **YOU** for **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES**.

C. Do Not Make Voluntary Payments

YOU agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **YOU** believe is a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** without **OUR** prior written approval. **WE** will not reimburse **YOU** for costs incurred where **YOU** did not obtain **OUR** prior written approval.

However, **YOU** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without **OUR** prior written approval, provided the repairs are solely for the protection of the **HOME** from further damage, and provided **YOU** notify **US** as soon as possible, but in no event later than 5 days after the repairs were undertaken. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **YOU** must provide **US** with an accurate written record of the repair costs.

D. Sign A Release

When **WE** have completed repairing, replacing or paying **YOU** the cost of repairing or replacing, **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES**, **YOU** must sign a full release of **OUR** obligation for the **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES WE** corrected.

E. If YOU Disagree With US

Binding Arbitration will be the sole remedy for resolving disputes between **YOU** and **US** that arise from or relate to this **BUILDER'S LIMITED WARRANTY**. The binding arbitration procedure is described in the following section.

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VII. Binding Arbitration Procedure

Any disputes between **YOU** and **US** or **OUR** insurer related to or arising from this **BUILDER'S LIMITED WARRANTY** will be resolved by binding arbitration. Disputes subject to binding arbitration include but are not limited to:

A. **WE** do not agree with **YOU** that a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** is covered by this **BUILDER'S LIMITED WARRANTY**;

B. **WE** do not correct a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** to **YOUR** satisfaction or in a manner that **YOU** believe this **BUILDER'S LIMITED WARRANTY** requires;

C. **WE** fail to respond to **YOUR** written notice of a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**;

D. Disputes related to **COMMON ELEMENTS**;

E. Alleged breach of this **BUILDER'S LIMITED WARRANTY**;

F. Alleged violations of consumer protection, unfair trade practice, or other statutes;

G. Disputes concerning the issues that should be submitted to binding arbitration;

H. Disputes concerning the timeliness of binding arbitration requests.

Any binding arbitration proceeding will be conducted by an independent arbitration organization designated by **PWSC** or **OUR** insurer. The rules and procedures followed will be those of the designated arbitration organization. A copy of the applicable rules and procedures will be delivered to **YOU** upon request.

The arbitration will determine **YOUR** and **OUR** or **OUR** insurer's rights and obligations under this **BUILDER'S LIMITED WARRANTY**. These rights and obligations include but are not limited to those provided to **YOU** or **US** by local, state or federal statutes in connection with this **BUILDER'S LIMITED WARRANTY**.

The award of the arbitrator will be final, binding and enforceable as to both **YOU** and **US** or **OUR** insurer, except as modified, or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or, in their absence, the United States Arbitration Act (9 U.S.C.§ 1 **et seq.**)

Binding arbitration shall be the sole remedy for resolving disputes for **YOU** and **US** and **OUR** insurer. The costs and expenses for the arbitration will be paid by **US** or **OUR** insurer except for the Eighty Dollar ($80.00) arbitration filing fee which will be paid by the party requesting arbitration. If **YOU** request arbitration and **YOU** prevail on any claimed **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** under dispute, the Eighty Dollar ($80.00) arbitration filing fee will be refunded to **YOU.**

The process for **YOU** to initiate arbitration is described below. **WE** will use the same process if **WE** initiate arbitration.

Step 1 **YOU** complete a Binding Arbitration Request Form and mail it together with an Eighty Dollar ($80.00) arbitration filing fee to **PWSC**. A Binding Arbitration Request Form is attached to this **BUILDER'S LIMITED WARRANTY**. **YOUR** Binding Arbitration Request Form must be received no later than 90 days after the coverage for the disputed item expires. Please Note that while **YOU** have 90 days to file for arbitration, this time period does not extend the warranty coverage period for **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES**. **YOU** must still notify **US** of an alleged **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE** no later than 30 days after coverage for that item expires.

Step 2 **PWSC** Will Arrange the Arbitration Proceeding. The Arbitrator or arbitration organization will notify **YOU** of the time, date and location of the arbitration hearing. Most often the hearing will be conducted at **YOUR HOME** or some other location that is agreeable to all the parties of the dispute. In scheduling the hearing the arbitrator will set a time and date that is reasonably convenient to all the parties.

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Step 3 The Arbitration Hearing**.** The parties at the arbitration hearing will include the arbitrator, **YOU, US** and/or **OUR** insurer.

After evidence is presented by **YOU**, **US** or **OUR** insurer, an award will be rendered by the arbitrator. The award is final and binding on **YOU, US** and **OUR** insurer. The award will include a ruling on the existence of any claimed or alleged **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES** as well as any other disputed matters or issues related to this **BUILDER'S LIMITED WARRANTY.**

Step 4 **OUR** Arbitration Performance Obligations**. WE** will comply with the arbitrator's award no later than 60 days from the date of the award. However, delays caused by circumstances beyond **OUR** or **OUR** insurer's control shall be excused.

Step 5 If **WE** Fail To Comply With The Award. **YOU** should contact **PWSC** at its mailing address specified in this **BUILDER'S LIMITED WARRANTY** if the arbitrator's award is not complied with in a timely manner. **PWSC** will then be responsible for contacting the arbitration organization. **PWSC** will establish an appropriate process to enforce compliance of the award as provided in the original binding arbitration proceeding.

VIII. General Conditions

A. **Separation of This BUILDER'S LIMITED WARRANTY From The Contract Of Sale**

This **BUILDER'S LIMITED WARRANTY** is separate and independent of the contract between **YOU** and **US** for the construction and/or sale of **YOUR HOME**. The provisions of this **BUILDER'S LIMITED WARRANTY** shall in no way be restricted by anything contained in the construction and/or sales contract between **YOU** and **US.**

B. **Transfer to Subsequent HOMEOWNERS**

YOU may transfer this **BUILDER'S LIMITED WARRANTY** to new owner's of the **HOME** for the remainder of the warranty coverage period provided that **YOU** or the new owners notify **PWSC** in writing, utilizing the Subsequent Home Buyer Acknowledgement and Assignment form attached to this **BUILDER'S LIMITED WARRANTY** after ownership is transferred. **OUR** duties under this **BUILDER'S LIMITED WARRANTY** to the new **HOMEOWNER** will not exceed the limit of liability then remaining, if any.

C. **Transfer of Manufacturer's Warranties**

WE assign to **YOU** all the manufacturer's warranties on all the appliances and equipment that **WE** installed in **YOUR HOME.** Should an appliance or item of equipment malfunction **YOU** must follow the procedures set forth in that manufacturer's warranty to correct the problem. **OUR** obligation under this **BUILDER'S LIMITED WARRANTY** is limited to the workmanlike installation of such appliances and equipment. **WE** have no obligation for appliances and equipment defined as **CONSUMER PRODUCTS.**

D. **Recovery Rights**

If **WE** repair, replace or pay **YOU** the cost to repair or replace a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**, or other related damage to **YOUR HOME** covered by this **BUILDER'S LIMITED WARRANTY, WE** are entitled, to the extent of **OUR** payment, to take over **YOUR** related rights of recovery from other people and organizations, including but not limited to, other

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warranties and insurance. **YOU** have an obligation not to make it harder for **US** to enforce these rights. **YOU** agree to sign any papers, deliver them to **US**, and do anything else that is necessary to help **US** exercise **OUR** rights.

E. **General Provisions**

1. If any of the terms or provisions of this **BUILDER'S LIMITED WARRANTY** conflict with the statutes of the state in which this **BUILDER'S LIMITED WARRANTY** is issued the warranty is amended to conform to such statute, except insofar as the terms and provisions are governed by the United States Arbitration Act.

2. If a court of competent jurisdiction deems any provision of this **BUILDER'S LIMITED WARRANTY** unenforceable, that determination will not effect the remaining provisions.

3. This **BUILDER'S LIMITED WARRANTY** is to be binding on **YOU** and **US** and, as respects the arbitration process, on **OUR** insurer. It is also binding on **YOUR** and **OUR** heirs, executors, administrators, successors, and assigns, subject to paragraph B of the **General Conditions.**

4. As may be appropriate, the use of the plural in this **BUILDER'S LIMITED WARRANTY** includes the singular, and the use of one gender includes all genders.

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IX. Definitions

BUILDER means the individual, partnership, corporation or other entity which participates in the Warranty Program administered by the Professional Warranty Service Corporation and provides **YOU** with this **BUILDER'S LIMITED WARRANTY**. Throughout this document the **BUILDER** is also referred to as **"WE"**, **"US"** and **"OUR"**.

BUILDER'S LIMITED WARRANTY means only this express warranty document provided to **YOU** by **US**.

COMMON ELEMENTS means the structure, components of enclosure, and any part of the **HOME**, as specified in the condominium documents as a **COMMON ELEMENT**. This may include, but is not limited to, corridors, lobbies, vertical transportation elements, rooms, balconies or other spaces that are for the common use of the residents of the **HOME. SYSTEMS** serving two or more **HOMES**, and the outbuildings that contain parts of such **SYSTEMS** are also included in this definition.

CONSEQUENTIAL DAMAGES means a loss or injury other than the cost to correct a **DEFICIENCY** or **DEFINED STRUCTURAL ELEMENT FAILURE**. This definition includes, but is not limited to, costs of shelter, food, transportation; moving and storage; any other expenses related to inconvenience or relocation during repairs to the **HOME**. **CONSEQUENTIAL DAMAGES** also refers to diminished market value of the **HOME**.

CONSUMER PRODUCT means any item of equipment, appliance or other item defined as a **CONSUMER PRODUCT** in the Magnuson-Moss Warranty Act (15 U.S.C.§. 2301, **et seq.**) Examples of Consumer Products include, but are not limited to, dishwasher, garbage disposal, gas or electric cooktop, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, garage door opener, clothes washer and dryer, hot water heater and thermostat.

DEFICIENCY (IES) means defects in materials or workmanship used in constructing the **HOME**. The defects must fail to conform with the standards and tolerances described in the **STANDARDS OF PERFORMANCE** section of this **BUILDER'S LIMITED WARRANTY**. **OUR** failure to complete the **HOME** or any portion of the **HOME** does not constitute a **DEFICIENCY**.

DEFINED STRUCTURAL ELEMENT FAILURE means that one or more of the structural elements identified below contains a flaw of such a magnitude that the warranty tolerance is exceeded. The only structural elements **WE** cover and their respective tolerances are as follows:

Defined Structural Element	**Warranty Tolerance**
A. Arches	
1. Masonry	Crack of 1/4 inch in width in arch, **or** settlement in span of arch of 1/2 inch.
B. Floor Systems	
1. Structural Concrete	Crack of 1/4 inch in width and 1/4 inch vertical displacement.
2. Joists	**DEFLECTION** of 1 inch in 15 feet.
3. Trusses	**DEFLECTION** of 1 inch in 10 feet.
C. Foundation	
1. Concrete Beams	Crack of 1/8 inch in width, **or** **DEFLECTION** of 1/4 inch in 30 inches.
2. Wood Beams: Built-up, Laminated or Solid	**DEFLECTION** of 1 inch in 10 feet.
3. Steel Beams	**DEFLECTION** of 1/2 inch in 8 feet.
4. Footings	Crack of 1/2 inch in width.
5. Concrete Walls	Crack of 1/4 inch in width and 1/4 inch vertical displacement, **or** out-of-plumb 1/4 inch in 12 inches measured from base of wall.
6. Masonry Walls	Crack of 3/8 inch in width, **or** out-of-plumb 1/4 inch in 12 inches measured from base of wall.

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	7. Concrete Columns	Bow of 1/2 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
	8. Masonry Columns	Out-of-plumb 1/8 inch in 12 inches measured from base of column.
	9. Steel Columns	Bow of 1 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
	10. Wood Columns	Bow of 1 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
D.	Lintels and Headers	
	1. Concrete, Masonry, Steel, or Wood	**DEFLECTION** of 1 inch in 4 feet.
E.	Roof Framing	
	1. Ridge Beam	**DEFLECTION** of 1 inch in 10 feet.
	2. Rafters Common, Jack, or Valley/HIP	**DEFLECTION** or bow of 1 inch in 10 feet.
	3. Ceiling Joists	**DEFLECTION** of 3/4 inch in 10 feet.
	4. Trusses	**DEFLECTION** of 1 inch in 10 feet.
F.	Structural Beams and Girders	
	1. Steel	**DEFLECTION** of 1/2 inch in 8 feet.
	2. Wood Solid, Built-up, or Laminated	**DEFLECTION** of 1 inch in 10 feet.

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G.	Structural Columns	
	1. Concrete	Bow of 1/2 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
	2. Masonry	Out-of-plumb 1/8 inch in 12 inches measured from base of column.
	3. Steel	Bow of 1 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
	4. Wood	Bow of 1 inch in 8 feet, **or** out-of-plumb 1/4 inch in 12 inches measured from base of column.
H.	Load Bearing Walls and Partitions	
	1. Studs	Bow or cup of 1 inch in 8 feet.

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DEFLECTION means the difference in elevation of high and low points along a diagonal, horizontal, or vertical plane caused by stress induced deformation of a load bearing member. **DEFLECTION** is measured from any two end points and a third reference point. The reference point may be located at any distance between the two end points.

EMERGENCY CONDITION means an event or situation that creates the imminent threat of damage to the **HOME** or the **COMMON ELEMENTS** related thereto, or results in an unsafe living condition due to **DEFICIENCIES** or **DEFINED STRUCTURAL ELEMENT FAILURES** that **YOU** become aware of at a point in time other than **OUR** normal business hours and **YOU** were unable to obtain **OUR** prior written approval to initiate repairs to stabilize the condition or prevent further damage.

HOME means a single family residence either attached or detached or a condominium or cooperative unit in a multi-unit residential structure covered by this **BUILDER'S LIMITED WARRANTY. HOME** does not include, without limitation, the following: detached garages, detached carports, outbuildings (except outbuildings that contain electrical, plumbing, heating, cooling or ventilation **SYSTEMS** used by the **HOME**); swimming pools and other recreational facilities, driveways, walkways, decks, patios, porch steps, stoops, boundary walls, retaining walls, bulkheads, fences, landscaping (including but not limited to sodding, seeding, shrubs, trees, plants), off-site improvements, or any other improvements that are not part of the **HOME**.

HOMEOWNER means the first person to whom a **HOME** (or unit in a multi-unit residential structure) is sold, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and such person's successors in title to the **HOME** and/or mortgagee in possession provided a Subsequent Home Buyer Acknowledgement and Assignment form (**PWSC** Form 302) is signed by the subsequent **HOMEOWNER**.

POLLUTANTS means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

PWSC means Professional Warranty Service Corporation which administers the warranty program in which **WE** participate. As such, **PWSC** assumes no other liabilities in connection with this **BUILDER'S LIMITED WARRANTY**. The **PWSC** mailing address is:

Professional Warranty Service Corporation
P.O. Box 800
Annandale, VA 22003-0800

STANDARDS OF PERFORMANCE means the standards and tolerances for materials and workmanship that are used in this **BUILDER'S LIMITED WARRANTY** to determine **OUR** responsibility for repairing **DEFICIENCIES** as identified on pages 14 through 35 of this document**.**

SYSTEMS means the following:

(a) Plumbing system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.

(b) Electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.

(c) Heating, Cooling, and Ventilation system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

SAMPLE

WARRANTY DATE-COMMON ELEMENTS means the Warranty Date for the first **HOME** to transfer title or be used for residential purposes in a multi-unit residential building. The **WARRANTY DATE-COMMON ELEMENTS** may be different from the **WARRANTY DATE-HOME** of **YOUR HOME**. Contact **YOUR** condominium association to determine the date when coverage began on **YOUR COMMON ELEMENTS**.

WARRANTY DATE-HOME means the date the title for the **HOME** is transferred by **US** to the first **HOMEOWNER** or the date the **HOME** is first used for residential purposes, whichever occurs first.

WE, US, OUR means the **BUILDER.**

YOU, YOUR means the **HOMEOWNER.**

X. STANDARDS OF PERFORMANCE

The **STANDARDS OF PERFORMANCE** listed in the following pages are intended to provide **YOU** with an understanding of **OUR** obligations under this **BUILDER'S LIMITED WARRANTY**. If a **DEFICIENCY** occurs to **YOUR HOME** that results in actual physical damage, the **STANDARDS OF PERFORMANCE** will be used to determine **OUR** responsibility under this **BUILDER'S LIMITED WARRANTY**.

Please note that damage that **YOU** cause or **YOU** made worse by **YOUR** negligence, improper maintenance or improper operation is excluded by this **BUILDER'S LIMITED WARRANTY**.

The choice as to the scope of repair, the repair technique, or replacement versus the cost of repair, or replacement is **OURS** alone. When **WE** do undertake to repair or replace, **WE** try to match colors, dyes, patterns, materials, finishes, etc. However, fading, changes in color lots or discontinued patterns may prevent **US** from providing an exact match.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
A. Site Work	1. Site Grading	a. settling of ground around foundation, utility trenches or other filled areas does not allow water to drain away from home	1	**WE** will fill excessively settled areas which affect the proper drainage. **WE** will do this only during the first year.	Remove and replace shrubs, sod or other landscaping affected by the placement of the fill.
	2. Site Drainage	a. improper drainage of the site	1	**WE** will establish the proper grades and swales (sloped low areas) for water to properly drain away from the **HOME**. Where lot lines permit, the protective slope will be 6 inches in 10 feet around the foundation. Water will not stand or pond in crawl spaces. Water will not stand or pond within 10 feet of the **HOME** for extended periods after a rain (usually not more than 24 hours). For swales which drain other areas or where sump pumps discharge; a longer time is not unusual (48 hours). It is normal for water to stand after a heavy rainfall. **WE** will not make grading or ponding determinations while there is frost or snow on the ground, or while the ground is saturated or frozen.	Maintain the grades and swales after they have been properly established by **US**. Insure established drainage patterns are not impeded by landscaping, decking, patios, pools, driveways, walls, etc. which **YOU** install. Do not change the grade of the soil away from the foundation by building planters, raised beds, or other blocking construction. Damage caused by changes in drainage and grading is not covered. Where a sump pit has been installed by **US** but the sump pump was not contracted for or installed by **US**, **YOU** must first install a properly sized pump to determine whether this will correct the condition.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
B. Concrete	1. "Poured" concrete	a. cracks in basement or foundation walls	1	Shrinkage cracks are common in concrete foundation walls. **WE** will repair all cracks more than 1/8" wide.	
		b. cracks in basement floor	1	Minor cracks in basement floors are normal. **WE** will repair cracks more than 3/16" wide or 1/8" in vertical displacement.	
		c. cracks in slab in attached garage	1	**WE** will repair cracks in garage slabs more than 1/4" wide or 1/4" in vertical displacement.	
		d. uneven concrete floors or slabs	1	Concrete floors in rooms designed for habitability (as living space) will not have pits, depressions, or raised surfaces greater than 1/4" in 30". **WE** will repair these defects.	
		e. cracks in concrete slab-on-grade floors under finished flooring	1	**WE** will repair cracks which rupture the finished flooring material so the cracks are not readily apparent when the finished flooring material is in place. (See also Standard G., "Finishes.")	
		f. pitting, scaling or spalling (flaking, chipping) of concrete surfaces covered by the warranty	1	It is normal for some minor chipping of the surface to occur. Concrete surfaces should not disintegrate so that the aggregate is exposed and loosened under normal use and weather conditions. **WE** will repair concrete surfaces. **WE** are not responsible for deterioration caused by salt, chemicals, mechanical implements or other factors beyond **OUR** control.	Avoid damaging concrete with salt, chemicals, mechanical equipment, etc.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
B. Concrete	1. "Poured" concrete	g. settling, heaving or separating of stoops, steps or garage floors	1	Stoops, steps or garage floors will not settle, heave or separate more than 1" from the **HOME**. **WE** will repair these **DEFICIENCIES**.	
		h. standing water on stoops	1	Water shall drain from outdoor stoops and steps. However, it is normal for small amounts of water to stand on stoops for short periods after it rains. **WE** will correct any improper drainage.	
C. Masonry	1. Unit Masonry	a. cracks in masonry basement or foundation walls	1	Cracks up to 1/8" wide are not unusual in mortar joints of masonry foundation walls. **WE** will repair cracks more than 1/8" wide.	
		b. cracks in masonry or veneer walls	1	Cracks up to 3/8" wide due to shrinkage are common in mortar joints in masonry construction. **WE** will repair cracks more than 3/8" wide. **WE** will not be responsible for any difference in the color of the old and new mortar.	
D. Wood & Plastic	1. Rough carpentry	a. squeaking floors or subfloors that appear loose	1	These conditions are often temporary in new homes. **WE** will correct these conditions only if they are caused by underlying defects in construction. A squeak proof floor cannot be guaranteed.	
		b. uneven wood floors	1	**WE** will repair any floors that have more than 1/4" ridge or depression within any 30" measurement when measured in any direction to the joists.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
D. Wood & Plastic	1. Rough carpentry	c. bowed walls or other interior exposed surfaces	1	All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls will not detract from or blemish the wall's finished surface. **WE** will repair any walls which bow more than 3/8" out of line within any 30" horizontal or vertical measurement taken a minimum of 16" from any sheetrock corner or opening.	
		d. out-of-plumb walls	1	**WE** will repair any walls that are more than 1/4" out-of-plumb for any 30" vertical measurement.	
	2. Kitchen cabinets	a. warped kitchen cabinets	1	**WE** will repair any doors or drawer fronts that are warped more than 1/4". This condition is measured by closing the drawer or door and measuring from the face frame to the point of furthermost warpage. **WE** are not responsible for matching cabinet finishes.	
		b. gaps between the cabinets, or between the cabinets, ceiling, or walls	1	**WE** will correct any gap that is more than 1/4" wide.	Do not overload cabinets.
		c. split in panels of a cabinet door	1	If light is visible through the split in a panel, **WE** will repair the panel.	
	3. Countertops	a. Separation from wall	1	**WE** will repair the crack. Caulking is acceptable. **WE** will repair only once after closing or first occupancy, whichever occurs first.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
D. Wood & Plastic	4. Interior finish carpentry (trim inside the **HOME**)	a. Trim/molding has open joints between moldings and the surface areas to which the moldings are attached	1	**WE** will repair open joints in moldings or between moldings and surfaces if the gaps are more than 3/16" wide. Caulking is acceptable.	
	5. Exterior finish carpentry (wood siding, or masonry trim on the outside of the **HOME**)	a. Trim has open joints between pieces of trim, including siding and masonry	1	**WE** will repair any open joints that are more than 3/8" wide or which do not keep out the elements. Caulking is acceptable.	Maintain exterior finish by caulking and painting.
	6. Exterior siding	a. inadequate clearance between exterior siding and finished grade	1	**WE** will insure there is a 6" clearance between siding and finished grade at the time of closing or first occupancy whichever occurs first.	Maintain a 6" clearance between siding and finished grade.
E. Thermal and moisture protecting materials	1. Waterproofing	a. leaks in basement	1	Dampness on the walls or floors in the basement is not a defect. However, if water is actually trickling into the basement, **WE** will repair the leaks.	Maintain proper grades and drainage around the home and landscape properly to avoid water problems in the **HOME**.
	2. Insulation	a. insufficient insulation	1	**WE** will insulate the **HOME** as required to meet local energy and building requirements or, as applicable, FHA or VA requirements. Insulation does not render a wall or room soundproof.	
	3. Louvers and vents	a. rain or snow leaks into the attic through louvers and vents	0	**HOMES** must have louvers and vents for proper ventilation. Rain or snow will sometimes come through these openings.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
E. Thermal and moisture protecting materials	4. Roofing & siding	a. ice build-up on roof	0	During prolonged cold spells, ice is likely to build up on the eaves of the roof. This build-up will occur when snow and ice accumulate and gutters and downspouts freeze up.	
		b. leaks in roof or flashing	1	**WE** will repair roof or flashing leaks. Leaks caused by ice build-up are not **OUR** responsibility.	Clean leaves from valleys, gutters and downspouts.
		c. standing water on a flat roof	1	It is not unusual for minor ponding to occur on a flat roof for up to 24 hours after a rainfall. However, if water is not draining properly, **WE** will correct the drainage. **WE** are not responsible if the roof was specifically designed to retain water.	
		d. delamination of veneer siding or joint separation	1	All siding will be installed so that it meets the manufacturer's standards and industry standards and is sufficiently painted or protected. **WE** will repair or replace any siding that delaminates or separates. **WE** will only paint new materials as part of the repair. The paint may not be an exact match to the original colors.	Protect the siding from damage, such as leaning heavy objects against siding, ball dents and water from sprinklers striking the siding. Annually, seal or recaulk siding.
		e. wood siding	0	Gaps on end and side edge may occur due to normal expansion and contraction. **WE** cannot control wood expansion and contraction.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
E. Thermal and moisture protecting materials	5. Sheet metal	a. leaks in gutters and/or down-spouts	1	Gutters and downspouts might overflow during heavy rains. They should not leak at connections. **WE** will repair leaks.	Keep leaves and debris out of gutters to allow water to flow properly. Do not lean ladders against gutters and downspouts.
		b. standing water in gutters	1	It is common practice to install gutters approximately level, resulting in small amounts of water standing in a gutter after a rain. If the water is more than 1" deep in a gutter and the gutter is not clogged with debris, **WE** will repair the gutter so that water can drain properly.	Keep leaves and debris out of gutters to allow water to flow properly.
	6. Sealants	a. leaks in exterior (outside) walls because caulking is inadequate	1	If water enters the **HOME**, **WE** will repair leaking joints or cracks in the exterior wall surface, around openings and flashings.	Properly installed caulking may shrink. **YOU** must maintain caulking during the life of the home.
F. Doors and windows	1. Wood and plastic doors	a. outside doors are warped	1	**WE** will repair any doors that warp to the extent that they satisfy one of the following: • they no longer work; • they are no longer weather resistant; or • they warp more than 1/4", measured diagonally from corner to corner. **WE** will refinish any new doors to match other doors as closely as possible.	If **YOU** paint outside doors, doors must be properly prepared.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
F. Doors and windows	1. Wood and plastic doors	b. inside doors or closet doors are warped	1	**WE** will repair any doors that warp more than 1/4", measured diagonally from corner to corner. In the event **WE** install a new door, **WE** will finish new doors to match other doors as closely as possible.	
		c. panels in doors shrink so that raw wood edges show	0	It is normal for panels to shrink.	
		d. split in panels of a door	1	If light is visible through the split in a panel, **WE** will repair the panel. **WE** will make this repair only once after closing or first occupancy, whichever occurs first.	
	2. Garage doors on garages that are attached to the **HOME**	a. garage doors do not operate properly	1	If garage doors do not operate properly under normal use, **WE** will adjust or correct them. If **YOU** install a garage door opener, **WE** are no longer responsible for the operation of the garage door.	Keep all movable parts lubricated.
		b. rain or snow leaks through garage doors	1	Garage doors will be installed in accordance with manufacturer's specifications. **WE** will repair leaks resulting from a failure to properly install the garage doors. During severe weather conditions, some leakage may be normal.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
F. Doors and windows	3. Wood, plastic, and metal windows	a. windows do not function properly	1	**WE** will correct the windows so that they are relatively easy to operate.	Keep tracks and rollers cleaned, lubricated and adjusted.
		b. condensation and/or frost on inside surfaces of windows	0	Condensation may occur on the interior window surfaces with extremes in temperature and humidity. Individual living habits can impact humidity levels. These conditions are beyond **OUR** control and **WE** have no responsibility.	If a humidifier is installed, **YOU** must follow the manufacturer's recommendations for proper setting of the humidistat.
	4. Weather stripping and seals	a. air leaks in around doors and windows	1	Doors and windows will be installed in accordance with the manufacturer's standards. If air comes in because doors, windows, or weatherstripping were fitted poorly, **WE** will repair the improperly fitted doors, windows, or weatherstripping.	If **YOU** live in an area with high winds, storm doors and windows may be installed.
	5. Sliding doors	a. sliding doors do not operate properly	1	Sliding doors will be installed in accordance with the manufacturer's specifications. **WE** will repair inoperative sliding doors.	Keep tracks and rollers cleaned, lubricated, and adjusted.
	6. Glass	a. broken glass	0	**WE** will repair broken glass reported to **US** prior to closing or at first occupancy, whichever occurs first.	Report to **US** all broken glass prior to closing or at first occupancy, whichever occurs first.
	7. Hardware	a. locks on doors or windows do not operate properly	1	**WE** will repair any hardware which does not meet manufacturer's standards.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
G. Finishes	1. Lath and plaster	a. cracks in inside walls and ceilings	1	Cracks in inside walls and ceilings are not unusual. **WE** will repair all cracks that are more than 1/8" wide. **WE** will repair these cracks only once after closing or first occupancy, whichever occurs first.	
	2. Gypsum wallboard	a. nail pops, blisters in tape, and other blemishes on inside walls and ceilings	1	**WE** will correct these imperfections only once after closing or first occupancy, whichever occurs first.	
		b. cracks	1	If the wallboard has cracks that are more than 1/8" wide, **WE** will repair.	
	3. Ceramic tile	a. chips or cracks in floor, counter or wall tile	0	**WE** will replace cracked or chipped tiles reported to **US** prior to closing or at first occupancy. **WE** will not be responsible to match the tile patterns or color between the old and the new tile and grout.	Report to **US** all cracked or chipped tiles prior to closing or at first occupancy, whichever occurs first.
		b. loose floor, counter or wall tile	1	**WE** will resecure loose tiles.	
		c. cracks in grouting of ceramic tile joints or at junctions between tiles and other materials (e.g., between tiles and bathtub)	1	Cracks in grouting of ceramic tile joints are commonly caused by normal shrinking of the grouting. **WE** will repair cracked grouting only once after closing or first occupancy. **WE** will not be responsible for discontinued grout or for differences in color between the old and the new grout.	Regrout cracks during the lifetime of the **HOME**.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
G. Finishes	4. Finished wood floors	a. cracks between the floor boards	1	**WE** will repair all cracks that are more than 3/16" wide.	
	5. Resilient flooring or floor covering	a. nail pops on surface of resilient floor covering	1	**WE** will repair any nail pops that break the surface of the flooring.	
		b. depressions or ridges in resilient flooring because the subfloor is irregular	1	**WE** will repair any ridges or depressions which are readily apparent and which are more than 1/8" high or deep. The ridge or depression measurement is the gap created at one end of a 6" straight-edge placed over the depression or ridge with 3" of the straightedge on one side of the defect, held tightly to the floor. **WE** will not be responsible to match the old and the new flooring.	
		c. resilient flooring lifts, bubbles, or becomes unglued	1	**WE** will repair these defects.	
		d. visible seams or shrinkage gaps at joints of resilient flooring	1	If the gaps are more than 1/8" wide between pieces of resilient flooring, **WE** will repair them. If the gaps between flooring and other materials are more than 1/8" wide, **WE** will repair the affected area only.	
		e. cuts and gouges	0	**WE** will repair cuts and gouges reported to **US** prior to closing or at first occupancy, whichever occurs first.	Report to **US** prior to closing or at first occupancy, whichever occurs first.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
G. Finishes	6. Paint, stain, or varnish	a. deteriorating, fading, or peeling of outside paint	1	Fading of a paint or stain is normal and not considered a defect. The amount of fading will depend on the climate where the **HOME** is located. **WE** will repair paint, stain or varnish which peels or deteriorates. **WE** will properly prepare and refinish any areas that are affected.	
		b. painting made necessary by other repair work	1	If painting is required because of other repair work, **WE** will paint to match surrounding areas as closely as possible.	
		c. deteriorating varnish or lacquer finish on outside woodwork	0	Varnish or lacquer on outside woodwork deteriorates quickly and is not covered.	
		d. deteriorating varnish or lacquer finish on inside woodwork	1	**WE** will retouch areas of the woodwork where the finish has deteriorated. **WE** will make this repair only once after closing or first occupancy, whichever occurs first.	
		e. mildew or fungus on painted surfaces	0	**WE** will remove mildew or fungus reported to **US** prior to closing or first occupancy. Mildew or fungus may form on painted surfaces over time because of warmth and moisture.	Report to **US** prior to closing or at first occupancy, whichever occurs first. Clean mildew or fungus regularly from exterior or interior surfaces.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
G. Finishes	6. Paint, stain, or varnish	f. deteriorating, fading, or peeling of interior paint	1	Interior painted surface should not deteriorate, fade, or peel. **WE** will touch-up only the affected areas one time after closing or first occupancy, whichever occurs first.	Maintain interior paint per manufacturer's specifications.
	7. Wall coverings	a. peeling wall covering	1	**WE** will repair wall covering which peels within the first year.	
		b. mismatched edges of wall covering, pattern mismatch, and open seams	0	**WE** will repair these conditions when reported to **US** prior to closing or at first occupancy, whichever occurs first.	
	8. Carpeting	a. open seams in carpeting	1	Visible carpet seams are not a defect. **WE** will repair any openings or gaps in the seams.	
		b. wall-to-wall carpeting comes up, is loose or stretched	1	If **WE** originally installed wall-to-wall carpeting as a primary floor covering, **WE** will re-attach or restretch any of the carpeting that has loosened from the material to which it was attached.	
		c. spots or minor fading on carpet	0	Spots and/or minor fading can occur naturally when a carpet is exposed to light. **WE** have no responsibility for this condition.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
G. Finishes	9. Stucco	a. cracks in outside stucco walls	1	Cracks are not unusual in the surfaces of outside stucco walls. **WE** will repair within the first year period, any cracks that are more than 1/8" wide.	
	10. Marble, real or synthetic, plastic laminate, porcelain, and fiberglass	a. blemishes, scratches, nicks, or chips	0	**WE** will repair blemishes, scratches, nicks, or chips reported to **US** prior to closing or at first occupancy, whichever occurs first. **WE** are not responsible for discontinued patterns or for differences in color between old and new.	Report to **US** prior to closing or at first occupancy, whichever occurs first.
H. Louvers, vents, and fireplaces	1. Louvers and vents	a. inadequate ventilation of crawl spaces	1	**WE** will repair the louvers and vents so that they provide proper ventilation. **WE** will not be responsible for problems caused by changes made to the original ventilation system.	
	2. Fireplaces and chimneys	a. improper drawing of fireplace or chimney	1	A number of items can cause temporary negative draft situations in a fireplace or chimney. These include high winds, obstructions such as large branches or trees too close to the chimney, or tight insulation and weatherproofing throughout the house. **WE** will not be responsible for these problems. If the draft problem is caused by improper installation, **WE** will repair the problem.	Insure there is sufficient fresh air make-up for the flue to draw properly. Before the beginning of the season that **YOU** will use the fireplace, look for any obstructions and clear prior to use.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
H. Louvers, vents, and fireplaces	2. Fireplaces and chimneys	b. separation of chimney from the structure to which it is attached	1	It is not unusual for a new chimney to separate slightly from the structure to which it is attached. **WE** will repair any chimney that has separated from the **HOME** more than 1/2" in any 10 feet vertical measurement.	
		c. firebox (area where combustion takes place) paint has changed	0	The heat from a fire can naturally change any finish on the firebox. This condition is not covered.	
		d. cracks in firebrick (brick that lines the fireplace) and mortar joints	0	Roaring fires can naturally cause this cracking. This condition is not a **DEFICIENCY**.	
I. Mechanical systems	1. Plumbing, water supply, and septic systems	a. plumbing pipes have frozen and burst	1	Drain, waste, vent, and water pipes will be adequately protected to prevent freezing as required by the applicable plumbing requirements for normally anticipated cold weather and in accordance with the design temperatures established by the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE). **WE** will repair any pipes not meeting the ASHRAE standards.	Drain water pipes and outside faucets when they are exposed to freezing temperatures.
		b. leaks in faucets or valves	1	**WE** will repair or replace any faucets or valves that leak due to **DEFICIENCIES** in workmanship or materials.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
I. Mechanical systems	1. Plumbing, water supply, and septic systems	c. **DEFICIENCIES** in plumbing fixtures, appliances, or trim fittings	1	**WE** will repair any fixture, appliance, or fitting which does not meet the manufacturer's standards.	
		d. noisy water pipes	1	Some noise in the water pipes is natural and comes from the flow of water and from the pipes expanding. If there is a pounding noise from improperly anchored pipes, **WE** will repair.	
		e. leaks in pipes	1 & 2	**WE** will repair any leaks in the drain, waste, vent or water pipes. Condensation on pipes is not the same as a leak, and is not a **DEFICIENCY**.	
		f. stopped up sewers, fixtures, and drains	1 & 2	**WE** will repair all sewers, fixtures, and drains that are clogged because of defects in construction. **WE** are not responsible for any **DEFICIENCY** which is not construction related, including any failure of municipal systems.	If sewers, fixtures, and drains are clogged because of **YOUR** actions, then **YOU** will pay the cost of repairing them.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
I. Mechanical systems	1. Plumbing, water supply, and septic systems	g. water supply system does not deliver water	1 & 2	**WE** are responsible for connecting all on-site service to municipal water mains and to private water supplies. **WE** are also responsible for making sure that an individual well on-site is installed to comply with all building and plumbing requirements. **WE** will repair problems caused by **DEFICIENCIES** in workmanship and materials. **WE** are not responsible for water quality. **WE** are not responsible for problems caused by conditions beyond **OUR** control.	
		h. septic tank, distribution box and pump do not meet state, county or local requirements	1 & 2	Septic tank will meet state, county, or local requirements. **WE** will repair any septic system that cannot properly handle the normal flow of household waste because of defects in workmanship or materials. **WE** are not responsible for conditions beyond **OUR** control, such as freezing, saturated soil, an increase in the elevation of the water table, excessive use of the system, or limitations established by the local governing agency.	Properly maintain the septic tank system to include proper grades, landscaping, and protection from vehicular traffic or excessive weight which would result in soil compaction. Tanks may need to be pumped during periods of excessive use or extended rainfall.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
I. Mechanical systems	1. Plumbing, water supply, and septic systems	i. septic drain fields	1 & 2	Septic drain fields will meet state, county, or local requirements. **WE** will repair any septic drain fields that cannot properly handle the normal flow of household waste because of defects in workmanship or materials. **WE** are not responsible for conditions beyond **OUR** control, such as freezing, saturated soils, increase in elevation of the water table, excessive use of the system, or limitations established by the local governing agency.	
	2. Heating system	a. inadequate heating	1	Heating system is designed to maintain an indoor temperature of 70° F. The temperature is measured in the center of each room at a height of 5 feet above the floor (under local outdoor winter design conditions as specified in the ASHRAE handbook). Federal, state, or local energy requirements take precedence. **WE** will repair the heating system so that it provides the required temperature.	Balance dampers and registers and make other minor adjustments for change of seasons. Maintain unit per manufacturer's specifications.
		b. leaks in refrigerant lines	1 & 2	**WE** will repair all leaking refrigerant lines and will recharge the unit, unless **YOU** caused the damage.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
I. Mechanical systems	3. Refrigeration	a. inadequate air conditioning	1	Cooling system is designed to maintain an indoor temperature of 78° F. The temperature is measured in the center of each room at a height of 5 feet above the floor (under local out-door summer design conditions as specified in ASHRAE handbook). If the temperature outside is above 95° F, cooling system must be able to maintain an inside temperature that is 15° below the outside temperature. Federal, state, or local energy requirements take precedence. **WE** will repair the cooling system so that it provides the required temperature.	Balance dampers and registers and make other minor adjustments for change of seasons and maintain proper window treatment to optimize cooling capabilities. Maintain unit per manufacturer's specifications.
	4. Condensation drain lines	a. clogged condensation drain lines	0	**WE** will provide clear condensation drain lines at closing or first occupancy, whichever occurs first. After this, **YOU** are responsible for keeping the condensation drain lines clear.	Condensation drain lines may clog, under normal use. **YOU** should keep these clear. Prior to using the cooling system each season, check condensation lines to ensure the drain lines are clear.
	5. Evaporative cooling system	a. mechanical part of the evaporative cooling system does not operate properly	1	**WE** will correct or adjust the blower and the water system so that it functions properly.	
	6. Air distribution system	a. ductwork makes ticking and crackling noises	0	The ductwork may make ticking and crackling noises when the metal in it expands from the heat and contracts from the cold. This condition is natural and is not a **DEFICIENCY**.	

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
I. Mechanical systems	6. Air distribution system	b. ductwork makes a booming noise	1	This booming is called "oilcanning." **WE** will repair the ductwork.	
		c. separated or unattached ductwork	1&2	**WE** will re-attach or re-secure all ductwork that has become separated or unattached.	**YOU** should not walk on, place heavy objects against or otherwise subject ductwork to unusual loads.
J. Electrical system	1. Electrical conductors, fuses, and circuit breakers	a. fuses blow or circuit breakers (excluding ground fault interrupters) "kick out"	1	**WE** will check the wiring circuits and make sure that they conform with approved local electrical requirements.	Do not overload circuits.
	2. Outlets, switches, and fixtures	a. air leaks around electrical outlets	1	Cold air can be drawn through an outlet on an exterior wall into a room. **WE** will repair one time after closing or first occupancy, whichever comes first.	
		b. malfunction in electrical outlets, switches, and fixtures	1	**WE** will repair or replace all defective outlets, switches, or fixtures.	
	3. Service and distribution	a. ground fault interrupters frequently trip (these are sensitive safety devices that are installed into the electrical system to protect from electrical shock)	1	Ground fault interrupters are sensitive and can be easily tripped. Normally, this is not indicative of a construction defect. **WE** will install ground fault interrupters to meet the electrical requirement. **WE** will correct the interrupters if the tripping is due to a defect in installation.	A tripped ground fault interrupter usually indicates an overloaded circuit or the connected appliance contains a faulty ground.

SAMPLE

Type of Material or area of **YOUR HOME**	Specific item or work	**DEFICIENCY** or Condition	Years Covered	**OUR** responsibility	**YOUR** Responsibility
J. Electrical System	3. Service and distribution	b. electrical wiring does not carry its designed load for normal residential use	1 & 2	**WE** will repair any wiring that does not conform with approved local electrical requirements. **WE** are responsible for original installation only. **WE** are not responsible for problems caused by conditions beyond **OUR** control.	

SAMPLE

BINDING ARBITRATION REQUEST FORM

Dear Homeowner:

Prior to requesting Professional Warranty Service Corporation (PWSC) to begin a binding arbitration procedure for your claimed Builder's Limited Warranty deficiencies, you should have sent your builder a clear and specific written request to correct those deficiencies. If you have already requested your builder in writing to correct a deficiency that you think is covered by the Builder's Limited Warranty, and believe the builder has not properly responded, fill out this form and send it to PWSC. Be sure to attach a copy of the written complaint that you previously sent to the builder.

The information you need to fill out this form can be found on the Builder's Limited Warranty Coverage Validation Form. However, if you do not know the answers to any questions, write "Don't Know." Please do not leave any item blank.

Your name: _____

Address: _____
City State Zip

Home Phone: _____ **Business Phone:** _____

Builder's Limited Warranty : _____ **Warranty Date-Home:** _____

Builder I.D. Number: __ __ __ - __ __ __ __ **If applicable, FHA/VA Case:** _____

Named Builder Insured: _____

Address: _____

_____

_____

SAMPLE

Describe the deficiencies which you think are covered by the Builder's Limited Warranty. Include when the deficiency first occurred or when you first noticed the deficiency. (Use additional sheets, if necessary).

I/we are hereby requesting PWSC to initiate an arbitration to determine the builder's obligations with respect to the existence of alleged deficiencies under the Builder's Limited Warranty and under applicable federal, state, and local law regarding the Builder's Limited Warranty. I/we understand that the arbitration award shall be final and binding on all parties and shall limit our ability to initiate a lawsuit against the builder and/ or PWSC or the Builder's Limited Warranty insurer.

_____

_ signature Date

INSTRUCTIONS: Send this Binding Arbitration Request Form along with the required eighty dollar ($80.00) arbitration filing fee to:

PROFESSIONAL WARRANTY SERVICE CORPORATION
P. O. BOX 800
ANNANDALE, VIRGINIA 22003-0800

SUBSEQUENT HOME BUYER ACKNOWLEDGEMENT AND ASSIGNMENT

Upon execution of this form any coverage remaining under the BUILDER'S LIMITED WARRANTY applicable to the home as specified on the Builder's Limited Warranty Coverage Validation Form is transferred to the subsequent homeowner. Any obligations under the BUILDER'S LIMITED WARRANTY to any subsequent homeowner shall not exceed the limit of liability remaining at the time of transfer, if any.

The undersigned home buyer(s) hereby acknowledges and agrees:

- **I/we acknowledge that I/we have reviewed and understand the BUILDER'S LIMITED WARRANTY document (PWSC 107).**
- **I/we understand and acknowledge that Professional Warranty Service Corporation ("PWSC") is not the warrantor of the BUILDER'S LIMITED WARRANTY.**
- **I/we understand that I/we am responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the builder shall not be responsible for any damage to the home which is the result of my/our failure to maintain the home.**
- **I/we acknowledge and agree all disputes under and relating to the BUILDER'S LIMITED WARRANTY (including disputes on which issues shall be submitted to arbitration; alleged breach of the BUILDER'S LIMITED WARRANTY; and alleged violations of statutes or regulations relating to consumer protection or unfair trade practices) shall be submitted to binding arbitration before an independent third party arbitration organization. I/we agree the decision of the arbitrator(s) shall be binding on all parties to the arbitration. Any such binding arbitration(s) shall be conducted in accordance with the rules and procedures applicable to the arbitration organization hearing the dispute or, where those rules are silent, the United States Arbitration Act (9 U.S.C. § 1 et. seq).**

SAMPLE

Signature of subsequent Home Buyer(s): _____ **Date:** _____

Print name: _____

Signature: _____ **Date:** _____

Print name: _____

Address of Home: _____

Builder's Limited Warranty Coverage Validation Number: _____

INSTRUCTIONS: Sign, fill in Limited Warranty # in the space provided (this number is provided on the Builder's Limited Warranty Coverage Validation Form), and provide a telephone number where you can be reached.

Mail this form and a photocopy of the settlement/closing documents indicating transfer of title to:

PROFESSIONAL WARRANTY SERVICE CORPORATION
P.O. BOX 800
ANNANDALE, VA 22003-0800