

Home Owners Warranty Corporation

**Insurance/Warranty  
Documents**

SPECIMEN



## SECTION I – BUILDER'S LIMITED WARRANTY

**Identity of Warrantor.** The Builder identified on the Certificate of Home Enrollment ("Certificate") that accompanies this document is the Warrantor under this Builder's Limited Warranty ("Limited Warranty"). In the event the Builder cannot or will not perform its obligations under this Limited Warranty, the Builder has purchased insurance from which the Home Owner may benefit.

Home Owners Warranty Corporation ("HOW") administers the program under which this Limited Warranty is issued on behalf of the Builder. HOW is not the warrantor of the Limited Warranty, or the insurer of the Builder's performance pursuant to the Limited Warranty. It is merely the administrator of the Home Owners Warranty Program ("the Program" or "HOW Program"). Only HOW Insurance Company ("Insurer") is responsible for performance of the Limited Warranty in the event of a Builder Default under the Limited Warranty.

**To Whom Given.** This Limited Warranty is extended to you as the owner of the Home identified on the Certificate and is automatically transferred to subsequent owners for the unexpired term of the Limited Warranty.

### COVERAGE TERMS

1. The Limited Warranty commences on the date shown on the Certificate. This Limited Warranty terminates two (2) years after its commencement.
2. The Builder Default Coverage commences on the date shown on the Certificate. This Coverage terminates two (2) years after its commencement.

### LIMITED WARRANTY COVERAGE

#### COVERAGE DURING FIRST YEAR

The Builder warrants that for one (1) year, beginning on the Limited Warranty Commencement Date stated on the Certificate, the Home will be free from defects due to noncompliance with the Performance Standards attached to and incorporated into this Limited Warranty.

#### COVERAGE DURING SECOND YEAR

The Builder warrants that during the second year after the Limited Warranty Commencement Date stated on the Certificate:

1. the electrical, plumbing, heating, cooling and ventilation systems, of the Home (exclusive of appliances, fixtures and items of equipment) will be free from defects due to noncompliance with the Performance Standards attached to and incorporated into this Limited Warranty; and
2. the Home will be free from Major Structural Defects as defined in this Limited Warranty.

### COVERAGE FOR COMMON ELEMENTS IN CONDOMINIUM AND COOPERATIVE STRUCTURES

Common Elements serving condominium or cooperative units are also covered by this Limited Warranty. Common Elements are covered for the same length of time as similar items which are part of a Home, but the commencement date of the Limited Warranty period for Common Elements is determined by the Common Elements Commencement Date stated on the Certificate.

### CONSEQUENTIAL DAMAGES

Consequential damages are not covered by this Limited Warranty. (Some jurisdictions do not allow the exclusion or limitation of consequential damages so this exclusion or limitation may not apply to you.)

### REMEDY

If a defect occurs in an item which is covered by this Limited Warranty, the Builder will repair, replace or pay the Home Owner the reasonable cost of repairing or replacing the defective item(s).

If a Major Structural Defect first occurs during the two (2) year term of this Limited Warranty, the Builder will repair, replace or pay the Home Owner the reasonable cost of repairing or replacing the Major Structural Defect. Repair of a Major Structural Defect under this Limited Warranty is limited (1) to the repair of damage to the load-bearing portions of the Home which is necessary to restore their load-bearing function; and (2) to the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unliveable.

The Builder's **total liability** for deficiencies under this Limited Warranty is limited to the original purchase price of the Home as stated on the Certificate. The choice among repair, replacement or payment is solely that of the Builder.

The Builder has arranged for insurance through HOW Insurance Company ("Insurer") to respond in the event of a Builder Default under this Limited Warranty. The Insurer will pay losses in excess of an aggregate \$250 during the two (2) term of this Limited Warranty. This means that the Insurer will not be liable for the first \$250 of the cost of repairing or replacing the covered defect. This is an aggregate amount. If the loss on the initial claim is less than \$250, the remaining portion of the \$250 not used to offset the first claim will be applied to subsequent claims until the \$250 aggregate limit is reached. Steps taken by the Builder to correct defects under this Limited Warranty shall not extend the time of this Limited Warranty.

### OTHER INSURANCE OR WARRANTIES

In the event the Builder repairs or replaces, or pays the Home Owner the reasonable cost of repairing or replacing any defect covered by this Limited Warranty which is covered by other insurance or warranties, the Home Owner must, upon request by the Builder, assign the proceeds of such insurances or warranties to the Builder to the extent of the cost to the Builder of such repair, replacement or payment.

### OTHER RIGHTS

This Limited Warranty gives specific legal rights to the Home Owner. Other legal rights, which vary from state to state, may also be available. This Limited Warranty does not affect any rights the Home Owner or the Builder may have to one another under any other express or implied warranty.

## EXCLUSIONS

This Limited Warranty shall not extend to or include or be applicable to:

- A. Defects in outbuildings including, but not limited to detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements; or any other improvements not a part of the Home itself;
- B. After the first year of coverage, concrete floors of basements and concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home;
- C. Loss or damage to real property which is not part of the Home covered by this Limited Warranty and which may or may not be included in the original purchase price of the Home as stated on the Certificate;
- D. Any damage to the extent it is caused or made worse by:
  - 1. Negligence, improper maintenance or improper operation by anyone other than the Builder, its employees, agents or subcontractors; or
  - 2. Failure by the Home Owner or by anyone other than the Builder, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers of appliances, fixtures and items of equipment; or
  - 3. Failure by the Home Owner to give notice to the Builder and HOW of any defects within a reasonable time; or
  - 4. Changes of the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or
  - 5. Changes, alterations or additions made to the Home by anyone after the Limited Warranty Commencement Date stated on the Certificate; or
  - 6. Dampness or condensation due to the failure of the Home Owner to maintain adequate ventilation;
- E. Loss or damage which the Home Owner has not taken timely action to minimize;
- F. Any defect in, caused by, or resulting from materials or work (including, but not limited to, items shown on any Addendum to the Application for HOW Protection) supplied by anyone other than the Builder, its employees, agents or subcontractors;
- G. Normal wear and tear or normal deterioration;
- H. Loss or damage, not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the Home by the Builder, its employees, agents or subcontractors;
- I. Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water and changes in the underground water table which were not reasonably foreseeable;
- J. Loss or damage caused by or resulting from seepage of water.
- K. Loss or damage caused by or resulting from soil movement for which compensation is provided by legislation or which is covered by other insurance;
- L. Insect damage;
- M. Loss or damage which arises while the Home is being used primarily for nonresidential purposes;
- N. Failure of the Builder to complete construction of the Home;
- O. Any condition which does not result in actual physical damage to the Home, including, but not limited to: uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde or other pollutants and contaminants; or the presence of hazardous or toxic on-site materials;
- P. Bodily injury or damage to personal property;
- Q. Loss or damage caused by or resulting from abnormal loading on floors by the Home Owner which exceeds design loads as mandated by codes;
- R. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to inconvenience or relocation during repairs;
- S. Consequential damages (except where required by state law); and
- T. Any Request for Warranty Performance or insurance claim not filed in a manner set forth below in "Warranty Service" or "Insurance Claim Process".

## WARRANTY SERVICE

### Request for Warranty Service

The Home Owner with a warranty complaint should first send a clear and specific written complaint to the Builder and to HOW at the addresses shown on the Certificate. Ordinarily, the Builder will supply the warranty service provided under this Limited Warranty without the need for direct involvement by HOW. If the Home Owner believes that the Builder has not performed as requested, see "Request for Warranty Performance", below.

**Time of Notice of Claim.** Written notice of a defect in any item under this Limited Warranty must be received by HOW no later than thirty (30) days after the Limited Warranty coverage on that item expires. Coverage on certain items varies within the two (2) year Limited Warranty period. Consult LIMITED WARRANTY COVERAGE, above, and the PERFORMANCE STANDARDS that follow for specific coverage terms on specific items. If such notice is not received by HOW by that deadline, any Request for Warranty Performance or insurance claims for the defect may be rejected.

NOTE: Even if the Home Owner has previously contacted the Builder, **HOW MUST RECEIVE WRITTEN NOTICE OF ANY DEFECT IN ANY ITEM COVERED BY THIS LIMITED WARRANTY NO LATER THAN THIRTY (30) DAYS AFTER THE COVERAGE ON THAT ITEM EXPIRES.** This is necessary to protect the Home Owner's rights to warranty performance under this Limited Warranty.

### **Request for Warranty Performance**

If the Home Owner believes the Builder has not performed as requested in the complaint to the Builder and HOW, then the Home Owner should submit a Request for Warranty Performance form directly to HOW. The Request for Warranty Performance form must be received by HOW no later than one (1) year from the date of the initial written complaint to the Builder and HOW.

### **Dispute Settlement Under the HOW Program**

Upon receiving the Request for Warranty Performance form, HOW will notify the Builder asking him to respond to the Request. If the Builder disagrees with the Request, HOW will arrange for informal dispute settlement between the Home Owner and the Builder by a neutral third party ("dispute settler"). The Builder will be bound by the dispute settler's decision upon HOW's receipt of the Home Owner's Acceptance of Decision form.

Under the Magnuson-Moss Warranty Act and under this Limited Warranty, suit may not be filed against the Builder until the claim has been submitted to informal dispute settlement under the HOW Program and a decision has been reached or a waiting period of forty (40) days has been exceeded for a decision, following the submission of a Request for Warranty Performance form, whichever comes first. State or federal laws may permit filing of suit without waiting, despite this paragraph.

**Acceptance of Decision.** The Home Owner must sign and return to HOW, at the address shown on the Certificate, within forty-five (45) days after the date of the dispute settler's decision, an Acceptance of Decision form by which the Home Owner agrees to accept the decision only as to those items decided **in favor of the Home Owner.** The Builder must perform as required in the decision. The Builder is not responsible for damage caused or made worse by a delay in returning the Acceptance of Decision form to HOW.

The time allowed by the decision for performance by the Builder will be measured from the date the Acceptance of Decision form is received by HOW. If the Builder cannot perform as required in the dispute settler's decision because of circumstances beyond the control of Builder, i.e., weather or strikes, then the Builder must provide both the Home Owner and HOW 'with notice of the delay in performance. Then the Builder's time for performance may be extended. Failure of the Home Owner to accept the dispute settler's decision as to those matters decided in favor of the Home Owner may relieve the Insurer of its obligation to perform in the Builder's stead in the event of a Builder Default under this Limited Warranty. Acceptance of the dispute settler's decision in no way alters the Home Owner's legal rights against the Builder.

**Right of Access.** The Home Owner must provide the Builder with reasonable workday access to the property in order to perform the warranty service required under this Limited Warranty. Failure of the Home Owner to provide such access to the Builder may relieve the Builder of his obligations under this Limited Warranty.

**Release.** When the Builder finishes repairing or replacing the defect, or pays the Home Owner the cost of repairing or replacing the defect, a full release of all legal obligations with respect to the defect must be signed and delivered to the Builder by the Home Owner.

### **Other Claimants**

Any other person to whom this Limited Warranty is extended shall submit and pursue, by the procedures above, any claims that they may have.

### **HOW Not a Warrantor Nor Insurer**

HOW is neither a warrantor nor insurer of this Limited Warranty. Only HOW Insurance Company ("Insurer") is responsible for repairing or replacing defective items or paying the reasonable cost of such repair or replacement on the Builder's behalf in the event of a Builder Default under the Limited Warranty.

## **INSURANCE CLAIM PROCESS**

**How To Make An Insurance Claim.** If the Builder cooperates in the dispute settlement procedure but fails to perform within the time specified, **notify the Insurer.** The Insurer can be notified through HOW. The Insurer will perform the Builder's obligations as determined in the dispute settlement proceeding under the HOW Program.

## **DEFINITIONS**

Except as otherwise provided, the terms used in this Limited Warranty shall have the meanings assigned below:

- A. **"Appliances, Fixtures and Items of Equipment"** – Includes but is not limited to: furnaces, boilers, oil tanks and fittings, air purifiers, air handling equipment, ventilating fans, air conditioning equipment, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, automatic door openers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures, and circuit breakers.
- B. **"Builder"** – The person, corporation, partnership or other entity which is a participant in the HOW Program and provides this Limited Warranty.

- C. **"Builder Default"** – The Builder's liability resulting from the Builder's failure to perform under this Limited Warranty as determined in dispute settlement under the HOW Program or because of bankruptcy or insolvency.
- D. **"Building"** – The structure containing two or more Homes and certain Common Elements, as defined below, but not including personal property located in corridors, lobbies, rooms or other spaces within the structure.
- E. **"Common Elements"** – The structure, components of enclosure and any portion of the Building, as described in the condominium or cooperative documents, including, but not limited to, corridors, lobbies, vertical transportation elements, rooms or other spaces, which are provided for use in common by the residents of the structure, with free or limited access, and limited access balconies. Common Elements also means electrical, plumbing, heating, cooling and ventilation systems serving two or more Homes, and outbuildings containing part of such systems.
- F. **"Home"** – A single family house, or a Unit in a for sale multi-unit residential Building of four (4) units or less in which title to the individual units is transferred to owners under a condominium or cooperative regime.
- G. **"Home Owner"** – The first person to whom the Home is sold by the Builder and his successors in title. Home Owner does not include the Builder or any firm under common control of the Builder.
- H. **"Insurer"** – HOW Insurance Company, Wilmington, Delaware.
- I. **"Major Structural Defect"** – Actual physical damage to any of the following designated load-bearing portions of the Home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unliveable:
 

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

Damage to the following non-load bearing portions of the HOME may be covered by the Limited Warranty, but do not constitute a Major Structural Defect:

- |  |  |
|--|--|
| 1. Roofing and sheathing;  | 9. Electrical, plumbing, heating, cooling and ventilation systems; |
| 2. Drywall and plaster;  | 10. Appliances, fixtures and items of equipment;                   |
| 3. Exterior siding;  | 11. Paint;   |
| 4. Brick; stone or stucco veneer;  | 12. Doors and windows;   |
| 5. Floor covering material;  | 13. Trim;  |
| 6. Wall tile and other wall coverings;   | 14. Cabinets;  |
| 7. Non-load bearing walls and partitions;  | 15. Hardware; and  |
| 8. Concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; | 16. Insulation.  |

- J. **"Performance Standards"** – The locally applicable building codes, special standards developed by HOW, locally accepted building practices and performance standards which describe the Builder's obligation for specific defects under the Limited Warranty.
- K. **"Systems"** – Exclusive of appliances, fixtures and items of equipment, include the following:
  - 1. **"Plumbing System"** – Gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain field; 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.
  - 2. **"Electrical System"** – All wiring, electrical boxes, switches, outlets and connections up to the public utility connections.
  - 3. **"Heating, Cooling and Ventilation Systems"** – All ductwork, steam, water and refrigerant lines, registers, connector, radiation elements and dampers.

## OTHER CONDITIONS

**Independence from the Contract of Sale.** This Limited Warranty is independent of the contract between the Home Owner and the Builder for the construction of the Home and/or its sale to the Home Owner. Contract disputes which are not Limited Warranty disputes are not eligible for informal dispute settlement under this Limited Warranty. Nothing contained in the construction and/or sale contract or any other contract between the Home Owner and the Builder can restrict or override the provisions of this Limited Warranty. The Home Owner and the Builder may contract for additional standards or requirements, but such agreement between the Home Owner and the Builder will not be binding upon HOW or the Insurer.

**Notice.** All notices to the Builder, the Home Owner or to HOW must be sent by mail, postage prepaid, to the recipient(s) at the address(es) shown on the Certificate or to whatever other address the recipient(s) may designate in writing.

### General Provisions

- A. Should any provision of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, that determination will not affect the enforceability of the remaining provisions.
- B. This Limited -Warranty is to be binding on the Builder and the Home Owner, their heirs, executors, administrators, successors and assigns.
- C. Use of one gender in this Limited Warranty includes all other genders; and use of the plural includes the singular, as may be appropriate.
- D. This Limited Warranty is to be covered by and construed in accordance with the laws of the state in which the Home is located.

**Amendments.** The scope of the coverage of this Limited Warranty can only be changed or altered by use of the Addendum to the Application to HOW Protection.

**REQUEST FOR PERFORMANCE UNDER THE LIMITED WARRANTY**

DEAR HOME OWNER:

Before contacting HOW, send a clear and specific written request for warranty work to the Builder. Even if you have previously contacted the Builder, **HOW MUST RECEIVE WRITTEN NOTICE OF THE DEFECT IN ANY ITEM COVERED BY THIS LIMITED WARRANTY NO LATER THAN 30 DAYS AFTER THE COVERAGE ON THAT ITEM EXPIRES.\*** This is necessary to protect your rights to warranty performance under this Limited Warranty.

If you have already asked the Builder to correct a defect that you think is covered by this Limited Warranty, and believe the Builder has not responded as required under this Limited Warranty, fill out this form and send it to HOW. Make 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 will be on the Certificate of Enrollment. 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: \_\_\_\_\_  
Number and Street

\_\_\_\_\_ City State Zip

Home Phone: \_\_\_\_\_ (Area Code) Number Business Phone: \_\_\_\_\_ (Area Code) Number

Enrollment Number: \_\_\_\_\_

Limited Warranty Commencement Date: \_\_\_\_\_

Builder's Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Number and Street

\_\_\_\_\_ City State Zip

Phone Number: \_\_\_\_\_ (Area Code) Number

Builder HOW I.D. #: \_\_\_\_\_

Describe the defects which you think are covered by the Limited Warranty. Include when the defect first occurred or when you first noticed the defect. (Use additional sheets, if necessary).

I/we are notifying HOW that I/we asked the Builder to do work required under the Limited Warranty, and the Builder has not responded in the way required by the Limited Warranty.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

\*Certain items are covered only during the first year; others are covered for two (2) years. Refer to the Approved Standards for coverage periods.

**Table of Contents**

<b>SECTION</b>	<b>SUBJECT</b>	<b>PAGE</b>
I	Introduction . . . . .	9
II	Home Owner Responsibilities. . . . .	9
III	Performance Standards . . . . .	9

**I. Introduction**

**Please Read This Carefully.** The following is intended to acquaint you with the responsibilities of the Builder under this Limited Warranty. If a defect that results in actual physical damage to the Home occurs, the Performance Standards will be used to determine the Builder’s obligation under this Limited Warranty. If a specific defect is not addressed in the Performance Standards, one of the following standards will be used to determine the Builder’s obligation under this Limited Warranty:

- (a) Locally adopted codes; or
- (b) Model codes covering building, mechanical, plumbing and electrical systems (Appendix A); or
- (c) Codes of nearby jurisdictions; or
- (d) Locally accepted building practices.

Also note that coverage on certain items varies within the two (2) year Limited Warranty period and some items rely on proper maintenance by the Home Owner.

**II. HOME OWNER RESPONSIBILITIES**

The Home requires an active maintenance effort on the Home Owner’s part to reduce the likelihood of damage due to neglect, improper maintenance, or abnormal use. Various regional areas of the country have local maintenance problems, Some specific Home Owner responsibilities are included under specific topics in Section III, Performance Standards.

**NOTE:** Damage caused or made worse by Home Owner negligence, improper maintenance, or improper operation is expressly excluded under this Builder’s Limited Warranty.

**III. PERFORMANCE STANDARDS – Topic Index**

The Performance Standards list specific items (defects) within each separate area of coverage. The first section covers Workmanship and Materials; the second section covers Systems. The standards are expressed in terms of performance criteria. For easy comprehension, the format is designed as follows:

1. **Possible Deficiency** - a brief statement, in simple terms, of problems that may be encountered.
2. **Performance Standard** - a performance standard relating to a specific deficiency.
3. **Responsibility** - a statement of the corrective action required of the Builder to repair the deficiency or a statement of the Home Owner’s maintenance responsibilities.

**Workmanship and Materials, First Year Only**

	<b>Page</b>
1. Site Work . . . . .	10
2. Concrete . . . . .	10
3. Masonry . . . . .	11
4. Wood and Plastic . . . . .	11
5. Thermal and Moisture Protection . . . . .	12
6. Doors and Windows . . . . .	13
7. Finishes . . . . .	14
8. Specialties . . . . .	16
9. Equipment . . . . .	16
10. Plumbing . . . . .	17
11. Heating and Cooling . . . . .	17
12. Ventilation . . . . .	18
13. Electrical . . . . .	18

**Systems, First and Second Year**

	<b>Page</b>
14. Plumbing System . . . . .	18
15. Ventilation System . . . . .	19
16. Electrical System . . . . .	19

**WORKMANSHIP AND MATERIALS: FIRST YEAR ONLY****1. Site Work****Coverage: 1st Year Only****Area: Workmanship and Materials****A. Site Grading**

- (1) **Possible Deficiency** Settling of ground around foundation, utility trenches or other areas.
- Performance Standard** Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home.
- Responsibility** If the Builder has provided final grading: upon request by the Home Owner, Builder shall fill settled areas affecting proper drainage, one time only, during the first year of the Limited Warranty period. Home Owner shall be responsible for removal and replacement of shrubs or other landscaping affected by placement of such fill.

**B. Site Drainage**

- (1) **Possible Deficiency** Improper drainage of the site.
- Performance Standard** The necessary grades and swales shall have been established by the Builder to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales which drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.
- Responsibility** The Builder is responsible only for initially establishing the proper grades and swales. The Home Owner is responsible for maintaining such grades and swales once they have been properly established.

**2. Concrete****Coverage: 1st Year Only****Area: Workmanship and Materials****A. Expansion and Contraction Joints**

- (1) **Possible Deficiency** Separation or movement of concrete slabs within the structure at expansion and contraction joints.
- Performance Standard** Concrete slabs within the structure are designed to move at expansion and contraction joints.
- Responsibility** None.

**B. Cast-In-Place Concrete**

- (1) **Possible Deficiency** Basement or foundation wall cracks.
- Performance Standard** Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.
- Responsibility** Builder will repair cracks in excess of 1/8 inch width.
- 
- (2) **Possible Deficiency** Cracking of basement floor.
- Performance Standard** Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.
- Responsibility** Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.
- 
- (3) **Possible Deficiency** Cracking of slab in attached garage.
- Performance Standard** Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement shall be repaired.
- Responsibility** Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.
- 
- (4) **Possible Deficiency** Uneven concrete floors/slabs.
- Performance Standard** Except for basement floors 6r where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or areas of unevenness exceeding 1/4 inch in 32 inches.
- Responsibility** Builder will correct or repair to meet the Performance Standard.
- 
- (5) **Possible Deficiency** Cracks in concrete slab-on-grade floors with finish flooring.
- Performance Standard** Cracks which rupture the finish flooring material shall be repaired.
- Responsibility** Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place. (See also Performance Standard 7., "Finishes.")



<b>(6) Responsibility</b>	Pitting, scaling or spalling of concrete work covered by this Limited Warranty.
<b>Performance Standard</b>	Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.
<b>Responsibility</b>	Builder will take whatever corrective action necessary to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.
<b>(7) Possible Deficiency</b>	Settling, heaving, or separating of stoops, steps or garage floors.
<b>Performance Standard</b>	Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.
<b>Responsibility</b>	Builder will take whatever corrective action is required to meet the Performance Standard.
<b>(8) Possible Deficiency</b>	Standing water on stoops.
<b>Performance Standard</b>	Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.
<b>Responsibility</b>	Builder shall take corrective action to assure drainage of steps and stoops.

<b>3. Masonry</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
-------------------	--------------------------------	--

**A. Unit Masonry**

<b>(1) Possible Deficiency</b>	Basement or foundation wall cracks.
<b>Performance Standard</b>	Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width shall be repaired.
<b>Responsibility</b>	Builder will repair cracks in excess of 1/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Warranty period.
<b>(2) Possible Deficiency</b>	Cracks in masonry walls or veneer.
<b>Performance Standard</b>	Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
<b>Responsibility</b>	Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year of the Limited Warranty period. Builder will not be responsible for color variation between old and new mortar.

<b>4. Wood and Plastic</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
----------------------------	--------------------------------	--

**A. Rough Carpentry**

<b>(1) Possible Deficiency</b>	Floors squeak or subfloor appears loose.
<b>Performance Standard</b>	Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.
<b>Responsibility</b>	Builder will correct the problem only if caused by an underlying construction defect.
<b>(2) Possible Deficiency</b>	Uneven wood floors.
<b>Performance Standard</b>	Floors shall not have more than 1/4 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.
<b>Responsibility</b>	Builder will correct or repair to meet Performance Standard.
<b>(3) Possible Deficiency</b>	Bowed walls.
<b>Performance Standard</b>	All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the wall's finished surface. Walls should not bow more than 1/4 inch out of line within any 32 inch horizontal or vertical measurement.
<b>Responsibility</b>	Builder will repair to meet Performance Standard.
<b>(4) Possible Deficiency</b>	Out-of plumb walls.
<b>Performance Standard</b>	Walls should not be more than 1/4 inch out of plumb for any 32 inch vertical measurement.
<b>Responsibility</b>	Builder will repair to meet the Performance Standard.

**B. Finish Carpentry (Interior)**

<b>(1) Possible Deficiency</b>	Poor quality of interior trim workmanship.
<b>Performance Standard</b>	Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width.
<b>Responsibility</b>	Builder will repair defective joints as defined. Caulking is acceptable.

**C. Finish Carpentry (Exterior)**

**(1) Possible Deficiency**

Poor quality of exterior trim workmanship.

**Performance Standard**

Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

**Responsibility**

Builder will repair open joints, as defined. Caulking is acceptable.

**5. Thermal and Moisture**

**Coverage: 1st Year Only**

**Area: Workmanship and Materials**

**Protection**

**A. Waterproofing**

**(1) Possible Deficiency**

Leaks in basement.

**Performance Standard**

Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

**Responsibility**

Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Home Owner action or negligence.

**B. Insulation**

**(1) Possible Deficiency**

Insufficient insulation.

**Performance Standard**

Insulation shall be installed in accordance with applicable energy and building code requirements.

**Responsibility**

Builder will install insulation in sufficient amounts to meet Performance Standard.

**C. Louvers and Vents**

**(1) Possible Deficiency**

Leaks due to snow or rain driven into the attic through louvers or vents.

**Performance Standard**

Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure.

**Responsibility**

None.

**D. Roofing and Siding**

**(1) Possible Deficiency**

Ice build-up on roof.

**Performance Standard**

During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

**Responsibility**

Prevention of ice build-up on the roof is a Home Owner maintenance item

**(2) Possible Deficiency**

Roof or flashing leaks

**Performance Standard**

Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Home Owner action or negligence.

**Responsibility**

Builder will repair any verified roof or flashing leaks not caused by ice build-up or Home Owner action or negligence.

**(3) Possible Deficiency**

Standing water on flat roof.

**Performance Standard**

Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

**Responsibility**

Builder will take corrective action to assure proper drainage of roof.

**(4) Possible Deficiency**

Delamination of veneer siding or joint separation.

**Performance Standard**

All siding shall be installed according to the manufacturer's and industry's accepted standards. Separations and delaminations shall be repaired or replaced.

**Responsibility**

Builder will repair or replace siding as needed unless caused by Home Owner's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Home Owner can expect that the newly painted surface may not match original surface in color.

**E. Sheet Metal**

**(1) Possible Deficiency**

Gutters and/or downspouts leak.

**Performance Standard**

Gutters and downspouts shall not leak but gutters may overflow during heavy rain.

**Responsibility**

Builder will repair leaks. It is a Home Owner responsibility to keep gutters and downspouts free of leaves and debris which could cause overflow.

<b>Possible Deficiency</b>	Water standing in gutters.
<b>Performance Standard</b>	When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.
<b>Responsibility</b>	Builder will correct to meet Performance Standard.

**F. Sealants**

<b>(1) Possible Deficiency</b>	Leaks in exterior walls due to inadequate caulking.
<b>Performance Standard</b>	Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.
<b>Responsibility</b>	Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Warranty period. Even properly installed caulking will shrink and must be maintained during the life of the Home.

<b>6. Doors and Windows</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
-----------------------------	--------------------------------	--

**A. Wood and Plastic Doors**

<b>(1) Possible Deficiency</b>	Warpage of exterior doors.
<b>Performance Standard</b>	Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).
<b>Responsibility</b>	Builder will correct or replace and refinish defective doors, during the first year of the Limited Warranty period.
<b>(2) Possible Deficiency</b>	Warpage of interior passage and closet doors.
<b>Performance Standard</b>	Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).
<b>Responsibility</b>	Builder will correct or replace and refinish defective doors to match existing doors as nearly as possible, during the first year of the Limited Warranty period.
<b>(3) Possible Deficiency</b>	Shrinkage of insert panels show raw wood edges.
<b>Performance Standard</b>	Panels will shrink and expand and may expose unpainted surface.
<b>Responsibility</b>	None.
<b>(4) Possible Deficiency</b>	Split in door panel.
<b>Performance Standard</b>	Split panels shall not allow light to be visible through the door.
<b>Responsibility</b>	Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Warranty period.

**B. Glass**

<b>(1) Possible Deficiency</b>	Broken glass.
<b>Performance Standard</b>	None.
<b>Responsibility</b>	Broken glass not reported to the Builder prior to closing is the Home Owner's responsibility.

**C. Garage Doors on Attached Garages**

<b>(1) Possible Deficiency</b>	Garage doors fail to operate properly, under normal use.
<b>Performance Standard</b>	Garage doors shall operate properly.
<b>Responsibility</b>	Builder will correct or adjust garage doors as required, except where the cause is determined to result from Home Owner action or negligence.
<b>(2) Possible Deficiency</b>	Garage doors allow entrance of snow or water.
<b>Performance Standard</b>	Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.
<b>Responsibility</b>	Builder will adjust or correct garage doors to meet manufacturer's recommendations.

**D. Wood, Plastic and Metal Windows**

<b>(1) Possible Deficiency</b>	Malfunction of windows.
<b>Performance Standard</b>	Windows shall operate with reasonable ease, as designed.
<b>Responsibility</b>	Builder will correct or repair as required.

<b>(2) Possible Deficiency</b>	Condensation and/or frost on windows.
<b>Performance Standard</b>	Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions, created by the Home Owner.
<b>Responsibility</b>	Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

**E. Weatherstripping and Seals**

<b>(1) Possible Deficiency</b>	Air infiltration around doors and windows.
<b>Performance Standard</b>	Some infiltration is normally noticeable around doors and windows, especially during high winds, Poorly fitted weatherstripping shall be adjusted or replaced. It may be necessary for the Home Owner to have storm doors and windows installed to provide satisfactory solutions in high wind areas.
<b>Responsibility</b>	Builder will adjust or correct poorly fitted doors, windows and poorly fitted weatherstripping.

<b>7. Finishes</b>	<b>Coverage 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
--------------------	-------------------------------	--

**A. Lath and Plaster**

<b>(1) Possible Deficiency</b>	Cracks in interior wall and ceiling surfaces.
<b>Performance Standard</b>	Hairline cracks are not unusual in interior wall and ceiling surfaces. Cracks greater than 1/8 inch in width shall be repaired.
<b>Responsibility</b>	Builder will repair cracks exceeding 1/8 inch in width as required one time only, during the first year of the Limited Warranty period (See also Performance Standard 7.F., "Painting.")

**B. Gypsum Wallboard**

<b>(1) Possible Deficiency</b>	Defects which appear during first year of the Limited Warranty such as nail pops, blisters in tape, or other blemishes.
<b>Performance Standard</b>	Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable.
<b>Responsibility</b>	Builder will repair only cracks exceeding 1/8 inch in width, one time only, during the first year the Limited Warranty period. (See also Performance Standard 7.F., "Painting.")

**C. Ceramic Tile**

<b>(1) Possible Deficiency</b>	Ceramic tile cracks or becomes loose.
<b>Performance Standard</b>	Ceramic tile shall not crack or become loose.
<b>Responsibility</b>	Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the Home Owner action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile.
<b>(2) Possible Deficiency</b>	Cracks appear in grouting of ceramic tile joints or at junctions with other materials such as a bathtub.
<b>Performance Standard</b>	Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.
<b>Responsibility</b>	Builder will repair grouting if necessary one time only, during the first year of the Limited Warranty period. Builder will not be responsible for color variations or discontinued colored grout. Regrouting of these cracks is a maintenance responsibility of the Home Owner within the life of the Home.

**D. Finished Wood Flooring**

<b>(1) Possible Deficiency</b>	Cracks developing between floor boards.
<b>Performance Standard</b>	Cracks in excess of 1/8 inch in width shall be corrected.
<b>Responsibility</b>	Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Warranty period, by filling or replacing, at Builder's option.

**E. Resilient Flooring**

<b>(1) Possible Deficiency</b>	Nail pops appear on the surface of resilient flooring.
<b>Performance Standard</b>	Readily apparent nail pops shall be repaired.
<b>Responsibility</b>	Builder will correct nail pops which have broken the surface. Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering.

<b>(2) Possible Deficiency</b>	Depressions or ridges appear in the resilient flooring due to subfloor irregularities.
<b>Performance Standard</b>	Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge placed over the depression or ridge with three inches of the straightedge on one side of the defect, held tightly to the floor.
<b>Responsibility</b>	Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or color variations in floor covering.
<b>(3) Possible Deficiency</b>	Resilient flooring loses adhesion.
<b>Performance Standard</b>	Resilient flooring shall not lift, bubble or become unglued.
<b>Responsibility</b>	Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Home Owner neglect or abuse.
<b>(4) Possible Deficiency</b>	Seams or shrinkage gaps show at resilient flooring joints.
<b>Performance Standard</b>	Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.
<b>Responsibility</b>	Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Home Owner neglect or abuse.

#### F. Paintina

<b>(1) Possible Deficiency</b>	Exterior paint or stain peels, deteriorates or fades.
<b>Performance Standard</b>	Exterior paints or stains should not fail during the first year of the Limited Warranty period. However, fading is normal and the degree is dependent on climatic conditions.
<b>Responsibility</b>	If paint or stain is defective, Builder will properly prepare and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished.
<b>(2) Possible Deficiency</b>	Painting required as corollary repair because of other work.
<b>Performance Standard</b>	Repairs required under this Limited Warranty shall be finished to match surrounding areas as closely as practicable.
<b>Responsibility</b>	Builder will finish repair areas as indicated.
<b>(3) Possible Deficiency</b>	Deterioration of varnish or lacquer finishes.
<b>Performance Standard</b>	Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Warranty.
<b>Responsibility</b>	Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.
<b>(4) Possible Deficiency</b>	Mildew or fungus on painted surfaces.
<b>Performance Standard</b>	Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposures (i.e., rainfall, ocean, lake or river front).
<b>Responsibility</b>	Mildew or fungus formation is a condition the Builder cannot control and is a Home Owner maintenance item unless it is a result of noncompliance with other sections of the Performance Standard.

#### G. Wall Covering

<b>(1) Possible Deficiency</b>	Peeling of wall covering.
<b>Performance Standard</b>	Peeling of wall covering shall not occur.
<b>Responsibility</b>	Builder will repair or replace defective wall covering applications.
<b>(2) Possible Deficiency</b>	Edge mismatching in pattern of wall covering.
<b>Performance Standard</b>	None.
<b>Responsibility</b>	None.

#### H. Carpeting

<b>(1) Possible Deficiency</b>	Open carpet seams.
<b>Performance Standard</b>	Carpet seams will show. However, no visible gap is acceptable.
<b>Responsibility</b>	Builder will correct.

<b>(2) Possible Deficiency</b>	Carpeting becomes loose, seams separate or stretching occurs.
<b>Performance Standard</b>	Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its point of attachment.
<b>Responsibility</b>	Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by Builder.
<b>(3) Possible Deficiency</b>	Spots on carpet, minor fading.
<b>Performance Standard</b>	Exposure to light may cause spots on carpet and/or minor fading.
<b>Responsibility</b>	None.

**I. Special Coatings**

<b>(1) Possible Deficiency</b>	Cracks in exterior stucco wall surfaces.
<b>Performance Standard</b>	Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width shall be repaired.
<b>Responsibility</b>	Builder will repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period.

<b>8. Specialties</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
-----------------------	--------------------------------	--

**A. Louvers and Vents**

<b>(1) Possible Deficiency</b>	Inadequate ventilation of attics and crawl spaces.
<b>Performance Standard</b>	Attic and crawl spaces shall be ventilated as required by the approved building code.
<b>Responsibility</b>	The Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

**B. Fireplaces**

<b>(1) Possible Deficiency</b>	Fireplace or chimney does not draw properly.
<b>Performance Standard</b>	A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees to close to the chimney. Some homes may need to have a window opened slightly to create an effective draft, if they have been insulated and weatherproofed to meet high energy conservation criteria.
<b>Responsibility</b>	Builder will determine the cause of malfunction and correct, if the problem is one of design or construction of the fireplace.
<b>(2) Possible Deficiency</b>	Chimney separation from structure to which it is attached.
<b>Performance Standard</b>	Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.
<b>Responsibility</b>	Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.
<b>(3) Possible Deficiency</b>	Firebox paint changed by fire.
<b>Performance Standard</b>	None.
<b>Responsibility</b>	None. Heat from fires will alter finish.
<b>(4) Possible Deficiency</b>	Cracked firebrick and mortar joints.
<b>Performance Standard</b>	None.
<b>Responsibility</b>	None. Heat and flames from "roaring" fires will cause cracking.

<b>9. Equipment</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
---------------------	--------------------------------	--

**A. Residential Equipment**

<b>(1) Possible Deficiency</b>	Surface cracks, joint delaminations and chips in high pressure laminates on vanity and kitchen cabinet countertops.
<b>Performance Standard</b>	Countertops fabricated with high pressure laminate coverings shall not delaminate.
<b>Responsibility</b>	Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.
<b>(2) Possible Deficiency</b>	Kitchen cabinet malfunctions.
<b>Performance Standard</b>	Warpage not to exceed 1/4 inch as measured from face frame to point of furthestmost with door or drawer front in closed position.
<b>Responsibility</b>	Builder will correct or replace doors or drawer fronts.

<b>(3) Possible Deficiency</b>	Gaps between cabinets, ceiling or walls.
<b>Performance Standard</b>	Acceptable tolerance 1/4 inch in width.
<b>Responsibility</b>	Builder will correct to meet Performance Standard.

<b>10. Plumbing</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
---------------------	--------------------------------	--

**A. Water Supply System**

<b>(1) Possible Deficiency</b>	Plumbing pipes freeze and burst.
<b>Performance Standard</b>	Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures, to prevent freezing.
<b>Responsibility</b>	Builder will correct situations not meeting the code. It is the Home Owner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

**B. Plumbing System**

<b>(1) Possible Deficiency</b>	Faucet or valve leak.
<b>Performance Standard</b>	No valve or faucet shall leak due to defects in workmanship and materials.
<b>Responsibility</b>	Builder will repair or replace the leaking faucet or valve.
<b>(2) Possible Deficiency</b>	Defective plumbing fixtures, appliances or trim fittings.
<b>Performance Standard</b>	Fixtures, appliances or fittings shall comply with their manufacturer's standards.
<b>Responsibility</b>	Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by the manufacturer.
<b>(3) Possible Deficiency</b>	Noisy water pipes.
<b>Performance Standard</b>	There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.
<b>Responsibility</b>	Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer."
<b>(4) Possible Deficiency</b>	Cracking or chipping of porcelain or fiberglass surfaces.
<b>Performance Standard</b>	Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.
<b>Responsibility</b>	Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.

<b>11. Heating and Cooling</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
--------------------------------	--------------------------------	--

**A. Heating**

<b>(1) Possible Deficiency</b>	Inadequate heating.
<b>Performance Standard</b>	Heating system shall be capable of producing an inside temperature of 70" F, as 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 ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted,
<b>Responsibility</b>	Builder will correct heating system to provide the required temperatures. However, the Home Owner shall be responsible for balancing dampers, registers and other minor adjustments.

**B. Refrigeration**

<b>(1) Possible Deficiency</b>	Inadequate cooling.
<b>Performance Standard</b>	Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78" F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in ASHRAE handbook. In the case of outside temperatures exceeding 95" F, a differential of 15" F from the outside temperature will be maintained. Federal, state, or local energy codes shall supersede this standard where such codes have been locally adopted.
<b>Responsibility</b>	Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

**C. Condensation Lines**

<b>(1) Possible Deficiency</b>	Condensation lines clog up.
<b>Performance Standard</b>	None.
<b>Responsibility</b>	Condensation lines will clog eventually under normal use. This is a Home Owner maintenance item. Builder shall provide unobstructed condensation lines at time of first occupancy.

<b>D. Evaporative Cooling</b>	
(1) Possible Deficiency	Improper mechanical operation.
Performance Standard	Equipment shall function properly at temperature standard set.
Responsibility	Builder will correct and adjust so that blower and water system operate as designed.

<b>12. Ventilation</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
------------------------	--------------------------------	--

<b>A. Air Distribution</b>	
(1) Possible Deficiency	Noisy ductwork.
Performance Standard	When metal is heated it expands and when cooled it contracts. The result is "ticking" or "crackling" which is generally to be expected.
Responsibility	None.
<hr/>	
(2) Possible Deficiency	Oilcanning.
Performance Standard	The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oilcan." The booming noise caused by "oilcanning" is not acceptable.
Responsibility	Builder will correct to eliminate this sound.

<b>13. Electrical</b>	<b>Coverage: 1st Year Only</b>	<b>Area: Workmanship and Materials</b>
-----------------------	--------------------------------	--

<b>A. Electrical Conductors, Fuses and Circuit Breakers</b>	
(1) Possible Deficiency	Fuses blow or circuit breakers (excluding ground fault interruptors) "kick out."
Performance Standard	Fuses and circuit breakers shall not activate under normal usage.
Responsibility	Builder will check wiring circuits for conformity with local, state, or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.
<hr/>	
<b>B. Outlets, Switches and Fixtures</b>	
(1) Possible Deficiency	Drafts from electrical outlets.
Performance Standard	Electrical junction boxes on exterior walls may produce air flow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new home construction.
Responsibility	None.
<hr/>	
(2) Possible Deficiency	Malfunction of electrical outlets, switches or fixtures.
Performance Standard	All switches, fixtures and outlets shall operate as intended.
Responsibility	Builder will repair or replace defective switches, fixtures and outlets.
<hr/>	
<b>C. Service and Distribution</b>	
(1) Possible Deficiency	Ground fault interruptor trips frequently.
Performance Standard	Ground fault interruptors are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.
Responsibility	Builder shall install ground fault interruptor in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.

**SYSTEMS: FIRST AND SECOND YEARS**

<b>14. Plumbing System</b>	<b>Coverage 1st and 2nd Years</b>	<b>Area: Systems</b>
----------------------------	-----------------------------------	----------------------

<b>A. Water Supply</b>	
(1) Possible Deficiency	Water supply system fails to deliver water.
Performance Standard	All on-site service connections to municipal water main and private water supply shall be the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
Responsibility	Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, the Builder has no responsibility.
<hr/>	
<b>B. Septic Tank System</b>	
(1) Possible Deficiency	Septic system fails to operate properly.
Performance Standard	Septic system shall function adequately during all seasons, under climatic conditions normal or reasonably anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, HOW-Approved Code Requirements.
Responsibility	Builder will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the builder's control. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or owner's contractors, not under the control of the builder; including, but not necessarily limited to; the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.



C. Piping

- |                                |   |
|--------------------------------|---|
| <b>(1) Possible Deficiency</b> | Leakage from any piping.  |
| <b>Performance Standard</b>    | <b>No</b> leaks of any kind shall exist in any soil, waste, vent or water pipe. Condensation on piping does not constitute leakage, and is not covered.   |
| <b>Responsibility</b>          | Builder will make repairs to eliminate leakage.   |
| <hr/>                          |   |
| <b>(2) Possible Deficiency</b> | Stopped. up sewers, fixtures and drains.  |
| <b>Performance Standard</b>    | Sewers, fixtures and drains shall operate properly.   |
| <b>Responsibility</b>          | Builder will not be responsible for sewers, fixtures and drains which are clogged through the Home Owner negligence. If a problem occurs, the Home Owner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, Builder will assume the cost of the repair; where Home Owner negligence is shown to be the cause, the Home Owner shall assume all repair costs. |
| <hr/>                          |   |
| <b>(3) Possible Deficiency</b> | Refrigerant lines leak.   |
| <b>Performance Standard</b>    | Refrigerant lines shall not develop leaks during normal operation.  |
| <b>Responsibility</b>          | Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by the Home Owner.   |

<b>15. Ventilation System</b>	<b>Coverage: 1st and 2nd Years</b>	<b>Area: Systems</b>
-------------------------------	------------------------------------	----------------------

A. Air Distribution

- |                                |  |
|--------------------------------|--|
| <b>(1) Possible Deficiency</b> | Ductwork separates or becomes unattached.                                  |
| <b>Performance Standard</b>    | ductwork shall remain intact and securely fastened.                        |
| <b>Responsibility</b>          | Builder will re-attach and re-secure all separated or unattached ductwork. |

<b>16. Electrical System</b>	<b>Coverage: 1st and 2nd Years</b>	<b>Area: Systems</b>
------------------------------	------------------------------------	----------------------

A. Wiring

- |                                |  |
|--------------------------------|--|
| <b>(1) Possible Deficiency</b> | Failure of wiring to carry its designed load.  |
| <b>Performance Standard</b>    | Wiring should be capable of carrying the designed load for normal residential use.   |
| <b>Responsibility</b>          | Builder will check wiring for conformity with local, state, or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications. |

**Appendix A – Model Codes**

**Building Codes**

- \* BOCA Basic Building Code, Building Officials & Code Administrators International, Inc.
- \* National Building Code, American Insurance Association
- \* Standard Building Code, Southern Building Code Congress
- \* Uniform Building Code, International Conference of Building Officials
- \* One and Two Family Dwelling Code, Under the Nationally Recognized Model Codes

**Mechanical Codes**

- \* Uniform Building Code, Volume II, Mechanical, International Conference of Building Officials
- \* BOCA Basic Mechanical Code Building Officials & Code Administrators International, Inc.

- Standard Mechanical Code, Southern Building Code Congress

**Plumbing Codes**

- ⊕ Standard Plumbing Code, Southern Building Code Congress
- \* Uniform Plumbing Code, International Association of Plumbing & Mechanical Officials
- ⊕ BOCA Basic Plumbing Code, Building Officials & Code Administrators International, Inc.

**Electrical Codes**

- ⊕ Electrical Code for One and Two Family Dwelling, National Fire Protection Association
- ⊕ National Electrical Code, National Fire Protection Association

## **SECTION III - BUILDER DEFAULT AND MAJOR STRUCTURAL DEFECT COVERAGE**

The Builder Default Coverage and Major Structural Defect Coverage are provided to the Home Owner pursuant to the Builder's insurance coverage obtained as a participant in the Home Owners Warranty Program ("HOW Program" or "the Program") and all of the amendments attached to the Certificate of Home Enrollment ("Certificate"). The Builder's insurance coverages provide certain benefits to the Home Owner as described below.

### **I. COVERAGE TERMS**

- A. Coverage for Builder Default under the Limited Warranty shall become effective on the Limited Warranty and Builder Default Coverage Commencement date stated on the Certificate. This Coverage shall terminate two (2) years from its Commencement Date.
- B. Coverage for Major Structural Defects shall become effective on the Major Structural Defect Coverage Commencement Date stated on the Certificate. This Coverage shall terminate eight (8) years from its Commencement Date.
- C. Termination of all Coverages shall occur automatically without further action on the part of Home Owners Warranty Corporation ("HOW"), HOW Insurance Company ("Insurer"), the Builder or the Home Owner. No claim will be honored following termination of the applicable coverage unless the Insurer has received notice, in writing of the existence of a defect no later than thirty (30) days after the coverage on that item expires.

### **II. WHAT IS COVERED**

- A. **DEFAULT BY THE BUILDER IN PERFORMANCE OF ITS OBLIGATIONS UNDER THE BUILDER'S LIMITED WARRANTY.**

In the event of a covered loss due to a Builder Default occurs, the Insurer will repair or replace the defective item(s), or will pay the Home Owner the reasonable cost of such repair or replacement on behalf of the Builder.

The Insurer's **total liability** under the Builder Default Coverage is limited to what is provided under Article III, The choice as to repair, replacement or payment is solely that of the Insurer.

- B. **MAJOR STRUCTURAL DEFECTS THAT FIRST OCCUR DURING THE TERM OF THE MAJOR STRUCTURAL DEFECT COVERAGE AS STATED ON THE CERTIFICATE.**

Repair of a Major Structural Defect is limited (1) to the repair of damage to the load-bearing portions of the Home which are necessary to restore their load-bearing function; and (2) to the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unliveable. In the event a Major Structural Defect occurs during the term of the Major Structural Defect Coverage, the Insurer will repair or replace the defective item(s) as described above or will pay the Home Owner the reasonable cost of such repair or replacement.

The Insurer's **total liability** is limited to what is provided in Article III, below. The choice as to repair, replacement or payment is solely that of the Insurer.

### **III. LIMITS OF LIABILITY**

**BUILDER DEFAULT COVERAGE.** If a defect occurs which is covered under the Builder Default Coverage, the Insurer's limit of liability shall not exceed the original purchase price of the Home as stated on the Certificate, reduced by the sum of all the Insurer payments for previous losses on that Home, if any. The Insurer will not be liable for the first \$250 of the cost of repairing or replacing covered defective items. This is an aggregate amount. If the loss on the initial claim is less than \$250, the remaining portion of the \$250 not used to offset the first claim will be applicable to subsequent claims until the \$250 aggregate limit is reached.

Steps taken by the Insurer to correct defects under the Builder Default Coverage shall not act to extend the time of this Coverage.

**MAJOR STRUCTURAL DEFECT COVERAGE.** If a Major Structural Defect first occurs during the term of the Major Structural Defect Coverage stated on the Certificate ("Years Three Through Ten"), the Insurer's limit of liability shall not exceed the original purchase price of the Home as stated on the Certificate, reduced by the sum of all the Insurer payments for previous losses on that Home, including payments made by the Insurer on the Builder's behalf under the Builder Default Coverage, if any.

For each occurrence of a Major Structural Defect, the Insurer will pay losses in excess of the first \$250 of loss. If the Home is located in a condominium or cooperative structure. See Section IX, Special Provisions for Condominiums and Cooperatives.

Steps taken by the Insurer to correct Major Structural Defects under the Major Structural Defect Coverage shall not act to extend the time of this insurance Coverage.

### **IV. EXCLUSIONS**

The Builder Default and Major Structural Defect Coverages shall not extend to or include or be applicable to:

- A. Defects in outbuildings including but not limited to detached garages and detached carports, (except outbuildings containing the electrical, plumbing, heating, cooling and ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off site improvements; or any other improvements not a part of the Home itself;

- B. After the first year of the coverage, concrete floors of basements and concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home;
- C. Loss or damage to real property which is not part of the Home and which is not included in the original purchase price of the Home stated on the Certificate;
- D. Any damage to the extent it is caused or made worse by:
  - 1. Negligence, improper maintenance or improper operation by anyone other than the Builder, its employees, agents or subcontractors; or
  - 2. Failure by the Home Owner or anyone other than the Builder, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers of appliances, fixtures and items of equipment; or
  - 3. Failure by the Home Owner to give notice to the Builder and to HOW of any defective item within a reasonable time; or
  - 4. Changes of the grading of the lot by anyone other than the Builder, its employees, agents or subcontractors; or
  - 5. Changes, alterations or additions made to the Home by anyone after the Limited Warranty Commencement date stated on the Certificate; or
  - 6. Dampness or condensation due to the failure of the Home Owner to maintain adequate ventilation;
- E. Loss or damage which the Home Owner has not taken timely action to minimize;
- F. Any defect in, caused by, or resulting from materials or work (including, but not limited to, items shown on any "Addendum to the Application for HOW Protection") supplied by anyone other than the Builder, its employees, agents or subcontractors;
- G. Normal wear and tear or normal deterioration;
- H. Loss or damage, not otherwise excluded under the Builder Default Coverage and Major Structural Defect Coverage, which does not constitute a defect in the construction of the Home by the Builder, its employees, agents or subcontractors;
- I. Loss or damage resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water and changes in the underground water table which were not reasonably foreseeable;
- J. Loss or damage caused by or resulting from seepage of water;
- K. Loss or damage caused by or resulting from soil movement for which compensation is provided by legislation or which is covered by other insurance;
- L. Insect damage;
- M. Loss or damage which arises while the Home is being used primarily for nonresidential purposes;
- N. Failure of the Builder to complete construction of the Home;
- O. Any condition which does not result in actual physical damage to the Home, including, but not limited to, uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde or other pollutants and contaminants; or the presence of hazardous or toxic on-site materials;
- P. Bodily injury or damage to personal property;
- Q. Loss or damage caused by or resulting from abnormal loading on floors by the Home Owner which exceeds design loads as mandated by codes;
- R. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to inconvenience or relocation during repairs;
- S. Consequential damages (except where required by state law); and
- T. Any insurance claim not filed in a manner set forth below in "How To Make A Claim."

## V. HOW TO MAKE A CLAIM

- A. All claims under either the Builder Default Coverage and Major Structural Defect Coverage must be pursued through the Insurer. Do not pursue such claims through the Builder. Notice to the Insurer must be given in writing and sent postage prepaid to HOW at the address shown on the Certificate, or to whatever other address HOW or the Insurer may designate. Notice to HOW shall be deemed notice to the Insurer. **Notice to the Builder shall not constitute notice to the Insurer.**
- B. Should the Builder Default on a Limited Warranty obligation or should a Major Structural Defect first occur during Years Three Through Ten, the Home Owner must notify the Insurer in writing of the claim. **THE NOTICE FULLY DESCRIBING THE BUILDER'S DEFAULT ON ITS WARRANTY OBLIGATION OR MAJOR STRUCTURAL DEFECT MUST BE RECEIVED BY HOW NO LATER THAN THIRTY (30) DAYS AFTER THE EXPIRATION OF THE APPLICABLE COVERAGE TERM.** Claims received by HOW more than thirty (30) days after the expiration of the applicable coverage term are not covered and may be rejected. If the Home is located in a condominium or cooperative structure, See Section IX, Special Provisions for Condominiums and Cooperatives.
- C. Upon satisfaction of a claim, the Home Owner shall give the Insurer a full and unconditional release with respect to that claim. The Home Owner shall cooperate fully with the Insurer in any attempt by the Insurer to obtain reimbursement from the Builder or others.

## VI. DEFINITIONS

Except as otherwise provided, the terms used in the Insurance Coverages shall have the meanings assigned below:

- A. **“Builder”** -The person, corporation, partnership or other entity which is a participant in the Home Owners Warranty Program and which obtained this Coverage.
- B. **“Builder Default”** – The Builder’s liability resulting from the Builder’s failure to perform under the Limited Warranty as determined in dispute settlement under the HOW Program or because of bankruptcy or insolvency.
- C. **“Building”** – The structure containing two or more Homes and certain Common Elements, as defined below, but not including personal property located in corridors, lobbies, rooms or other spaces within the structure.
- D. **“Common Elements”** – The structure, components of enclosure and any portion of the Building, as described in the condominium or cooperative documents, including, but not limited to corridors, lobbies, vertical transportation elements, rooms or other spaces, which are provided for use in common by the residents of the structure, with free or limited access, and limited access balconies. Common Elements also means electrical, plumbing, heating, cooling and ventilation systems serving two or more Homes, and outbuildings containing parts of such systems.
- E. **“Home”** – A single family house or a Unit in a for sale multi-unit residential structure of four (4) units or less in which title to the individual units is transferred to owners under a condominium or cooperative regime.
- F. **“Home Owner”** – The person to whom the Home is sold by the Builder and his successors in title. Home Owner does not include the Builder or any firm under common control with the Builder.
- G. **“Insurer”** – HOW Insurance Company, Wilmington, Delaware.
- H. **“Major Structural Defect”** – Actual physical damage to the following designated load-bearing portions of the Home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unliveable:
  - 1. Foundation systems footings;
  - 2. Beams;
  - 3. Girders;
  - 4. Lintels;
  - 5. Columns;
  - 6. Walls and partitions;
  - 7. Floor systems; and
  - 8. Roof framing systems.

Damage to the following non-load bearing portions of the Home does not constitute a Major Structural Defect:

- 1. Roofing and sheathing;
- 2. Drywall and plaster;
- 3. Exterior siding;
- 4. Brick, stone or stucco veneer;
- 5. Floor covering material;
- 6. Wall tile and other wall coverings;
- 7. Non-load bearing walls and partitions;
- 8. Concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home;
- 9. Electrical, plumbing, heating, cooling, and ventilation systems;
- 10. Appliance, fixtures and items of equipment;
- 11. Paint;
- 12. Doors and windows;
- 13. Trim;
- 14. Cabinets;
- 15. Hardware; and
- 16. Insulation.

## VII. OTHER INSURANCE

The Builder Default Coverage and Major Structural Defect Coverage are excess insurance coverages. This means that if a loss or damage occurs which is not otherwise expressly excluded under the above Coverages and the loss or damage is attributable to a peril which is specifically covered by other insurance carried by the Builder or the Home Owner, and applicable to the Home or its construction, The Insurer will not be liable for the loss except for that portion of the loss which is in excess of the amount due from such other insurance (whether collected or not) and the amount of such loss which is uncollectable from such other insurance because of the application of a deductible.

## VIII. RESALE

Each successor in title to the Home, including any mortgagee in possession, is automatically entitled to the benefits of the Builder Default and Major Structural Defect Coverages for their unexpired terms. There is no limit to the number of such successions during the term of such Coverages.

## IX. SPECIAL PROVISIONS FOR CONDOMINIUMS AND COOPERATIVES

### A. INCEPTION AND TERMINATION OF COVERAGE RELATING TO COMMON ELEMENTS.

- 1. Coverage for Common Elements applicable to Builder Default shall commence in the date of first occupancy of a Home in the condominium building or the settlement date for the first Home Owner, whichever first occurs. See the “Common Elements Commencement Date” on the certificate. This Coverage shall terminate two (2) years from the Common Elements Commencement Date.
- 2. Coverage applicable to Major Structural Defects in Common Elements shall commence two (2) years from the Common Elements Commencement Date and shall terminate eight (8) years from its commencement.

**B. CLAIMS ON COMMON ELEMENTS.**

Where a Common Element defect affects more than one Home in the condominium or cooperative structure, any portion of a claim involving Common Elements may only be made by a representative designated by the condominium or cooperative association to file such claims, except that prior to the Home Owners assuming control of the condominium or cooperative association, such claims may be filed and pursued over the signature of a majority of the Home Owners. Where the affect of the Common Element defect is limited to a single Home, the Home Owner of the affected Home may file a Common Elements claim unless such action by an individual Home Owner is prohibited in the condominium or cooperative documents.

**C. LIMITS OF LIABILITY.**

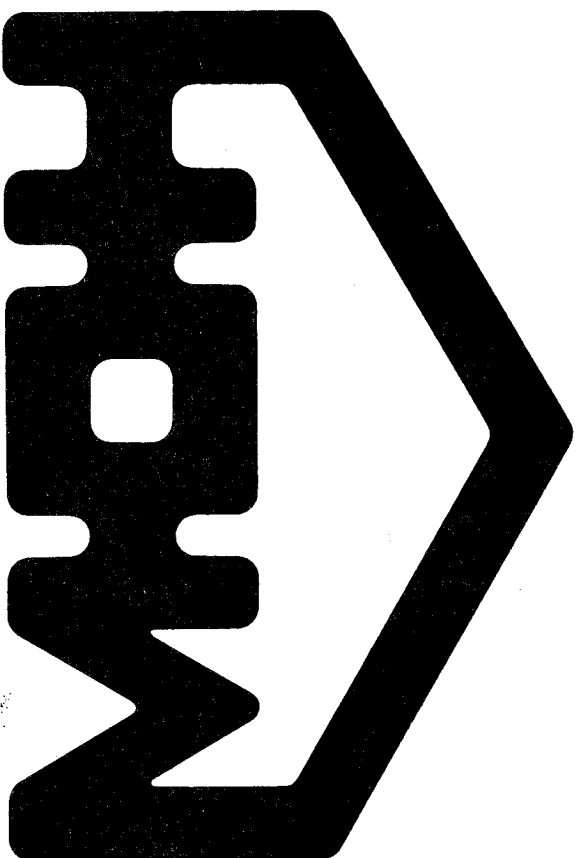
1. For claims involving Common Elements and arising from Builder Default under the Builder's Limited Warranty or from a Major Structural Defect which first occurs after expiration of the Builder's Limited Warranty, the Insurer shall only be liable for that amount which exceeds a sum equal to \$250 per Home affected by the Common Element defect.
2. Homes – See Article III, above.
3. If the Insurer chooses to pay the Home Owner or the Association instead of performing the repair or replacement work, the Insurer will pay the reasonable cost of repair or replacement above \$250 if the defect affects an individual Home, or above the sum determined in accordance with paragraph C. 1., above, if the defect affects Common Elements.

**D. PRO RATA LIABILITY**

In any claim involving Common Elements, the Insurer shall not be liable in excess of the Policy Limits applicable to the individual condominium or cooperative Units, as described in Article III, above. The Insurer also shall not be liable for a greater proportion of any such loss than the amount of interest in such Common Elements held by the individual Home Owners covered by Certificates at the time of the loss bears to the total interest in Common Elements of all condominium or cooperative Units, whether or not all such Units are completed or sold at the time of loss.

**X. GENERAL**

- A. If the Insurer's performance of any of its obligations is delayed by any event beyond the Insurer's own control or conduct, the Insurer will be excused from performing until the effects of that event are remedied. Examples of such are Acts of God or the common enemy, war, riot, civil commotion, sovereign conduct or acts of persons who are not parties to or beneficiaries of the Builder Default and Major Structural Defect Coverages.
- B. All notices required under the Insurance Coverages must be sent to HOW at the address shown on the Certificate. Notice to HOW shall be deemed notice to the Insurer. **Notice to the Builder shall not constitute notice to the Insurer.**
- C. **No** change in the Builder Default and Major Structural Defect Coverages will be valid unless in the form of an amendment attached to the Certificate and approved by an executive officer of the Insurer.
- D. Use of one gender will include all other genders; and use of the singular will include plural, as may be appropriate.
- E. Should any provision of the Builder Default and Major Structural Defect Coverages be deemed unenforceable by a court of competent jurisdiction, that determination will not affect enforceability of the remaining provisions.



**HOME OWNERS WARRANTY CORPORATION®**  
1110 North Glebe Road, Arlington, VA 22201