

**Bonded Builders Warranty Group
Sample Warranty**

This sample warranty provides information on the basic terms and conditions of the warranty. It is not a valid warranty, provides no coverage, and is provided for information only. A warranty on any home is only issued upon BBWG receiving and accepting the Warranty Coverage Application, Warranty Enrollment Fee and any additional underwriting requirements from the Builder. The actual warranty issued may include State specific amendments not included in this sample. Contact your Builder for the specific coverages and warranty periods that may be provided on your home.

BUILDERS WARRANTY

AND

BUILDING STANDARDS

FOR YOUR NEW HOME

YOUR BUILDER CARED ENOUGH TO PROVIDE LIMITED WARRANTY COVERAGE THROUGH

BONDED BUILDERS WARRANTY GROUP

Be sure to read these documents to understand the benefits and limitations of Your warranties. You may return the warranty for cancellation within 30 days of Your receipt of it. If cancelled BBWG will refund the full Warranty Enrollment Fee paid to the Builder. Cancellation of this warranty does not extend or alter the Builder's responsibilities.

Bonded Builders Warranty Group

P.O. Box 33025 St. Petersburg, FL 33733

Phone: 800-749-0381 * Fax: 844-722-7113

www.bondedbuilders.com

BONDED BUILDERS WARRANTY GROUP

P.O. Box 33025 St. Petersburg, FL 33733
800-749-0381

WARRANTY CONFIRMATION

The Warranty Confirmation(s), any Warranty Amendment(s), Your Warranty Coverage Application and the Warranty Document form Your entire warranty contract. Please read these documents carefully and completely to understand the benefits, exclusions and limitations of the express limited warranty.

Workmanship/Materials & Systems Warranty

Warranty Number: [1234567WK]
Homeowner: [John & Mary Smith]
Property Address Covered by the Warranty: [123 Any Street]
[Any City, State 00000]
Warranty Start Date: [June 1, xxxx]
Warranty Expiration Date(s): Workmanship & Materials [June 1, xxxx]
Systems [June 1, xxxx]
Closing Contract Price of Home: [\$XXX,XXX]
Warranty Limit: [\$XXX,XXX]
Aggregate Warranty Limit: [\$XXX,XXX]
Builder: [ABC Builder]
[456 Any Street]
[Any City, State 00000]
[800-123-4567]
Warranty Enrollment Fee: [\$XXX]

The following are part of this Workmanship/Materials & Systems Warranty, along with this Warranty Confirmation Page:

- Workmanship/Materials & Systems Warranty
- General Warranty Provisions
- Construction Performance Standards
- Warranty Cover
- Warranty Amendments (attached if any):

BONDED BUILDERS WARRANTY GROUP

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800-749-0381

WARRANTY CONFIRMATION

The Warranty Confirmation(s), any Warranty Amendment(s), Your Warranty Coverage Application and the Warranty Documents form the entire warranty contract. Please read these documents carefully and completely to understand the benefits, exclusions and limitations of the express limited warranty.

EXPRESS LIMITED MAJOR STRUCTURAL DEFECT WARRANTY

Warranty Number: [1234567ST]
Homeowner: [John & Mary Smith]
Property Address Covered by the Warranty: [123 Any Street]
[Any City, State 00000]
Warranty Start Date: [June 1, xxxx]
Warranty Expiration Date(s): Major Structural Defects [June 1, xxxx]
Closing Contract Price of Home: [\$XXX,XXX]
Warranty Limit: [\$XXX,XXX]
Aggregate Warranty Limit: [\$XXX,XXX]
Builder: [ABC Builder]
[456 Any Street]
[Any City, State 00000]
[800-123-4567]
Warranty Enrollment Fee: [\$XXX]

The following are part of this Express Limited Major Structural Warranty, along with this Warranty Confirmation Page:

Express Limited Major Structural Warranty
General Warranty Provisions
Warranty Cover
Warranty Amendments (attached if any):

WORKMANSHIP, MATERIALS AND SYSTEMS WARRANTY

The Warranty Confirmation Page provides specific information on the Workmanship, Materials and Systems Warranty. Please review it carefully along with all the warranty provisions.

- A. Introduction**
- B. Coverage**
- C. Builder Responsibilities**
- D. BBWG Responsibilities**
- E. Your Responsibilities**
- F. How To Make A Claim**
- G. Alternative Dispute Resolution**
- H. Emergency Condition**
- General Warranty Provisions**
- Construction Performance Standards**

A. INTRODUCTION

THIS IS A WARRANTY AND NOT INSURANCE. THIS WARRANTY DOES NOT TAKE THE PLACE OF YOUR BUILDERS GENERAL LIABILITY INSURANCE OR YOUR HOMEOWNERS INSURANCE.

This warranty is on the Home. If the Home is sold, each successor in title to the Home, including a mortgagee in possession, is entitled to coverage under the warranty for its unexpired Warranty Period. There is no limit under this warranty to the number of successions during the Warranty Period.

B. WORKMANSHIP, MATERIALS and SYSTEMS WARRANTY COVERAGE

- 1. Workmanship and Materials** – Commencing on the Warranty Start Date, Your Builder warrants Your Home will be free from defects in workmanship and materials as such defects are defined in the Construction Performance Standards set forth herein. The Workmanship and Materials Warranty ends on the Warranty Expiration Date shown on the Warranty Confirmation page.
- 2. Electrical, Plumbing and Mechanical Systems** – Commencing on the Warranty Start Date, Your Builder warrants Your Home will be free from defects in the electrical, plumbing and mechanical systems of Your Home (referred herein collectively as “Systems”) as such defect is defined in the Construction Performance Standards set forth herein, including the wiring, piping and ductwork portions of the Systems. The Systems Warranty ends on the Warranty Expiration Date shown on the Warranty Confirmation page.

Appliances, fixtures or pieces of equipment that are covered by a manufacturer's warranty ARE NOT covered by this warranty. Defects in any of the systems resulting from failures in an appliance, fixture or piece of equipment covered by a manufacturer's warranty ARE NOT covered by this warranty.

There are specific exclusions in this warranty for which coverage is not provided. Refer to the Exclusions Section in the General Warranty Provisions.

Condominium Provision – Common elements of condominiums as they pertain to this warranty will be warranted against workmanship, materials and systems defects as stated above. Common elements are defined as any portion of a primary condominium structure, which is provided for the common use of the residents of the structure. Coverage for common elements shall commence on the certificate of occupancy date of the primary structure, housing individual units, as listed on the Warranty Coverage Application. Common elements claims are to be filed by the Condominium Association.

C. Builder Responsibilities Under the Workmanship, Materials and Systems Warranty

Your Builder has warranted Your Home to meet the Construction Performance Standards listed herein. The obligations under this Workmanship, Materials and Systems Warranty are the sole responsibility of Your Builder. If a defect occurs on an item during the applicable part of the Warranty Period and the item is covered by the Workmanship, Materials or Systems Warranty the Builder will repair or replace the defective item. The Builder's total liability under this warranty for the repair or replacement of defective items is limited to the Warranty Limit shown on

the Warranty Confirmation page. Your Builder's and/or BBWG's costs of determining the existence and/or extent of a covered defect, costs of designing, making, and monitoring repairs (or payments to You or to another instead) are deducted from the Warranty Limit.

The Builder or BBWG, if necessary, shall have the option to repair, replace or pay You the reasonable cost of repair and/or replacement of any covered defect. The choice to repair, replace or pay You for any defective item is solely that of the Builder or BBWG. The design, method and manner of such repair are within the sole discretion of the Builder, if the Builder pays for the repair, or BBWG, if BBWG pays for the repair. By accepting enrolment of Your Home into the BBWG Warranty Program You agree to the method and manner of repair and/or replacement selected by the Builder or BBWG. The repair shall bring the defective item in compliance with the applicable Construction Performance Standards listed herein. In no event shall the Builder or BBWG be liable for discontinued items, changes in dye lots, colors or patterns, or items not included in the original construction.

No repair or replacement shall extend the Warranty Period or any applicable part thereof.

D. BBWG Responsibilities Under the Workmanship, Materials and Systems Warranty

BBWG is the guarantor under this limited warranty and will meet the Builder's obligations to You for covered deficiencies if either, at BBWG's sole discretion and upon BBWG's receipt of sufficient proof, (1) the Builder is unable or unwilling to comply with the terms and conditions of the warranty and Construction Performance Standards as set forth herein; or (2) after an arbitration between You and the Builder has been conducted and after all alternative dispute resolution procedures contained herein have been completed and an arbitration award has been rendered against the Builder and the Builder refuses or is unable to comply with the award.

BBWG's total liability under this warranty for the repair or replacement of defective items is limited to the Warranty Limit shown on the Warranty Confirmation page, but in no case will BBWG's total liability for all warranties issued by BBWG on the Home exceed the Aggregate Warranty Limit shown on the Warranty Confirmation page. Your Builder's and/or BBWG's costs of determining the existence and/or extent of a covered defect, costs of designing, making, and monitoring repairs (or payments to You or to another instead) are deducted from the Warranty Limit and BBWG's Aggregate Warranty Limit.

E. Your Responsibilities Under the Workmanship, Materials and Systems Warranty

You are responsible for any damage to any improvement, fixture or property not constructed, installed or provided by the Builder that may need to be removed to repair the covered defect or which may be damaged by the implantation of repairs to the covered defect. You shall be responsible to pay for the cost of repair of such improvement, fixture or property necessitated by the removal of the addition or repair of a covered defect. Before BBWG repairs or pays for the repair of a claim, You must assign to BBWG any rights You may have against any other person with respect to the claim including but not limited to the Builder and/or its subcontractors or suppliers.

F. How to Make a Claim Under the Workmanship, Materials and Systems Warranty

If You believe Your Home has a defect that may be covered under the warranty during the applicable part of the Warranty Period, You must contact Your Builder as soon as possible upon your detecting a defect and before the expiration of the applicable Warranty Period. The Builder shall make a determination as to the extent such defect is warranted under the terms and conditions herein. The option to repair, replace or pay You the reasonable cost of repair or replacement is solely that of the Builder or BBWG. BBWG does not negotiate the scheduling of repairs and You must coordinate and cooperate with the Builder to provide access to the Home as provided in this warranty.

If you have notified Your Builder and are unable to resolve any warranty claim issues, You must completely fill out and transmit to BBWG the BBWG Workmanship, Materials and Systems Claim Form. Any and all claims must transpire and be discovered within the applicable Warranty Period. The BBWG Claim form must be received by BBWG no later than 30 days after the Warranty Expiration Date or You will have waived a claim for the defect and any claim submitted will be rejected. Telephone calls to BBWG shall not constitute a claim. **To the extent the applicable Warranty Period will expire before the above time frames are allowed to conclude, You must notify BBWG in writing before the expiration of the applicable Warranty Period. Notice to Your Builder within the applicable warranty period without separate written notice to BBWG shall result in Your claim being denied.**

Upon receipt of the BBWG Workmanship, Materials and Systems Claim Form, BBWG will contact the Builder and make attempts to get the Builder to comply with the terms and conditions of the applicable warranty Construction Performance Standard, or notify You if the claimed defect is not a warranted item.

G. Alternative Dispute Resolution For Workmanship, Materials and Systems Warranty

You, Your Builder and BBWG hereby agree that any dispute, controversy, claim or matters in question regarding the Workmanship, Materials and Systems Warranty between Builder, You, Your successors in interest and/or BBWG arising out of or relating to this Warranty including without limitation, a claim of subrogation, negligent or intentional misrepresentation or nondisclosure in the inducement, and breach of any alleged duty of good faith and fair dealing, (herein referred to collectively as a "Dispute"), shall be submitted to BBWG's Conciliation© Process where the parties will endeavor to resolve the Dispute in an amicable manner. BBWG will arrange a conciliation meeting at the Home, with You, or Your representative, the Builder, or Builder's representative and a conciliator assigned by BBWG. There is no charge to You for this conciliation process. During Conciliation, evidence presented by both parties will be evaluated to determine the warranty obligation owed (if any). The conciliator will inform both parties in writing of the decision. If accepted in total, the Builder will comply with the conciliator's decision and correct the listed items.

In the event any Dispute cannot be resolved by BBWG's Conciliation Process, the Dispute shall be submitted to a Claim Review Group consisting of the conciliator, and qualified third party representatives for You and the Builder. The Claim Review Group will be held at the Home. There is no charge to You for the Claim Review Group. However, You must pay any costs for Your representative. In the event any Dispute cannot be resolved by the Claim Review Group, You must submit the Dispute to binding arbitration pursuant to the terms and conditions of the Arbitration Section of this warranty.

BBWG reserves the right to attend any applicable Alternative Dispute Resolution proceeding, on behalf of the Builder, so as to allow for the enforcement of the terms and conditions of this warranty.

In Florida: The binding nature of the arbitration proceedings described herein shall not apply, however the arbitration required herein shall be a condition precedent to any and all litigation and/or formal court proceedings.

H. Emergency Condition For Workmanship, Materials and Systems Warranty

An Emergency Condition is one You cannot control that seriously affects Your ability to live in the Home or a condition that if not rectified will result in significant damage to the Home. In case of an Emergency Condition, You must notify the Builder immediately in order that further damages can be mitigated. If Your Builder has provided You with emergency numbers and/or procedures, You must comply with those procedures and/or exhaust those remedies prior to contacting BBWG. Failure to follow such procedures could, at BBWG's sole discretion, result in Your claim being denied.

You should take immediate action if circumstances dictate the need, but You agree that only those repairs necessary to eliminate the Emergency Condition or mitigate further damage shall be performed. You agree that any and all repairs performed beyond such measures will not be the responsibility of the Builder or BBWG, unless You first obtain the permission of Your Builder. Emergency Conditions occurring after normal business hours, over a weekend and/or on a holiday must be reported to the Builder on the next business day.

ANY UNAUTHORIZED REPAIRS MADE BY YOU OR SOMEONE UNDER YOUR DIRECTION, OTHER THAN THOSE PERMITTED ABOVE, WILL NOT BE REIMBURSED OR COMPENSATED. THE DECISION AND DETERMINATION AS TO THE EXTENT OF EXPENSES THAT ARE REIMBURSABLE UNDER THE WARRANTY FOR EMERGENCY CONDITIONS IS THE SOLE DISCRETION OF THE BUILDER AND/OR BBWG IF NECESSARY.

BONDED BUILDERS WARRANTY GROUP ("BBWG")
P.O. Box 33025 St. Petersburg, FL 33733 Phone: 800-749-0381

EXPRESS LIMITED MAJOR STRUCTURAL DEFECT WARRANTY

The Warranty Confirmation Page provides specific information on the Express Limited Major Structural Defect Warranty. Please review it carefully along with all the warranty provisions.

- A. Introduction**
- B. Coverage**
- C. BBWG Responsibilities**
- D. Your Responsibilities**
- E. How To Make A Claim**
- F. Alternative Dispute Resolution**
General Warranty Provisions

A. INTRODUCTION

THIS IS A WARRANTY AND NOT INSURANCE. THIS WARRANTY DOES NOT TAKE THE PLACE OF YOUR BUILDERS GENERAL LIABILITY INSURANCE OR YOUR HOMEOWNERS INSURANCE.

This warranty is on the Home. If the Home is sold, each successor in title to the Home, including a mortgagee in possession, is entitled to coverage under the warranty for its unexpired Warranty Period. There is no limit under this warranty to the number of successions during the Warranty Period.

B. Coverage

Commencing on the Warranty Start Date, BBWG warrants Your Home will be free from Major Structural Defects as such defects are defined herein. The Major Structural Defects warranty ends on the Structural Warranty Expiration Date shown on the Warranty Confirmation page.

A Major Structural Defect is:

1. Actual physical damage;
2. to the designated load-bearing portions of a Home;
3. caused by failure of such load-bearing portions that affects their load-bearing functions; and
4. to the extent that the Home becomes unsafe, unsanitary, or otherwise unlivable.

All four portions of the definition must be met to qualify the Home for Major Structural Defect Warranty coverage.

The **load bearing portions of the Home** are the framing members and other structural elements that transfer the load to the supporting ground. The covered load bearing portions of the Home are:

1. Load bearing foundation systems, piling, piers, stemwalls and footings;
2. Load bearing beams;
3. Load bearing girders;
4. Load bearing lintels;
5. Load bearing columns;
6. Load bearing walls and partitions;
7. Load bearing flooring sub systems; and
8. Load bearing roof framing systems, roof rafters and trusses.

Specific examples of **non-load bearing elements** of the Home include, but are not limited to:

1. Non-load bearing partitions and walls;
2. Wall tile or coverings;
3. Plaster, laths, or dry wall;
4. Flooring and sub-flooring material;
5. Brick, stucco, stone or veneer;
6. Any type of exterior siding;
7. Roof shingles, sheathing, flashing and tarpaper;
8. Heating, cooling, ventilating, plumbing, electric and mechanical systems;
9. Appliances, fixtures or items of equipment;
10. Doors, trim, cabinets, windows, hardware, insulation, paint, stains;

11. Basement, garage slabs and other interior concrete floor slabs.

There are specific exclusions in this warranty for which coverage is not provided. Refer to the Exclusions Section in the General Warranty Provisions.

C. BBWG's Responsibilities Under the Express Limited Major Structural Defect Warranty

BBWG will repair or replace a covered Major Structural Defect or pay You the reasonable cost of such repair or replacement. The repair of a Major Structural Defect consists of, and is limited to:

1. Repair or replace the load-bearing portions of Your Home necessary to restore the load-bearing function to eliminate any unsafe, unsanitary or otherwise unliveable condition;
2. Repair of those non-load bearing portions and systems of the Home damaged by the Major Structural Defect and whose repair is necessary to make Your Home once again safe, sanitary or otherwise liveable, such as restoration of the functionality of damaged windows, exterior doors, and the electrical, plumbing, heating, cooling and ventilating systems; and
3. Removal and repair or replacement of only those surfaces, finishes and coverings, original with the Home damaged by the Major Structural Defect or which require removal and replacement to repair the Major Structural Defect. Repair or replacement is limited to an attempt to match the condition of the affected area just prior to the Major Structural Defect as closely as practical, but not necessarily to a like new condition. In no event shall BBWG be liable for discontinued items, changes in dye lots, colors or patterns, or items not included in the original construction.

BBWG's total liability for the repair or replacement of Major Structural Defects is limited to the Warranty Limit shown on the Warranty Confirmation page, but in no case will BBWG's total liability for all warranties issued by BBWG on the Home exceed the Aggregate Warranty Limit shown on the Warranty Confirmation page. BBWG's costs of determining the existence and/or extent of a covered defect, costs of designing, making, and monitoring repairs (or payments to You or to another instead) are deducted from the Warranty Limit and BBWG's Aggregate Warranty Limit.

BBWG shall have the sole option to repair, replace or pay You the reasonable cost of repair and/or replacement of any Major Structural Defect. The design, method and manner of such repair are within the sole discretion of BBWG. By accepting enrolment of Your Home into the BBWG Warranty Program You agree to the method and manner of repair and/or replacement selected by BBWG.

No repair or replacement shall extend the Warranty Period or any applicable part thereof.

D. Your Responsibilities Under the Express Limited Major Structural Defect Warranty

You are responsible for any damage to any improvement, fixture or property not constructed, installed or provided by the Builder, which is damaged by a covered Major Structural Defect, or is damaged during the repair of a covered Major Structural Defect, and You shall pay for the cost of repair of such improvement, fixture or property necessitated by the repair of a covered Major Structural Defect. Before BBWG repairs or pays for the repair of a claim, You must assign to BBWG any rights You may have against any other person with respect to the claim including the Builder and/or its subcontractors or suppliers.

E. How to Make a Claim Under the Express Limited Major Structural Defect Warranty

If you believe Your Home has a Major Structural Defect that may be covered under the Express Limited Structural Warranty during the applicable part of the Warranty Period, You must completely fill out and transmit to BBWG the BBWG Structural Claim Form. This Claim form should be transmitted as soon as possible upon your detecting a defect and before the expiration of the Warranty Period. Any and all claims must transpire and be discovered within the Warranty Period. The BBWG Claim form must be received by BBWG no later than 30 days after the Warranty Expiration Date or You will have waived a claim for the defect and any claim submitted will be rejected. Any and all reports, estimates, diagrams and/or pictures that may exist regarding the nature and extent of the alleged defect should accompany the claim form. Telephone calls to BBWG shall not constitute a claim.

After BBWG receives the Structural Claim Form, You will be contacted to make arrangements to have the Home inspected either by a BBWG representative or other qualified construction professional. The inspection will be conducted to gather evidence regarding the alleged defects. You should cooperate in all respects with the BBWG representative or other qualified construction professional to ensure that all of the alleged defects are reviewed and/or discussed. If necessary, at the option of BBWG, additional inspections and/or testing may be called for to enable the claim to be thoroughly investigated and evaluated. After BBWG, at its sole discretion has completed its investigation, BBWG shall notify You in writing as to the warranty coverage, if any, of the claimed Major Structural Defects.

If it is determined that the Major Structural Defects are covered by this warranty, You must provide BBWG with a full and unconditional release of all past rights and causes of action You may have with respect to all claimed Major Structural Defects determined to be covered under this warranty, including those rights and causes of action against the Builder, before BBWG will be obligated to pay a claim or make repairs. You shall return the signed release and/or assignment to BBWG within 60 days after receiving it from BBWG, or BBWG will void it.

F. Alternative Dispute Resolution For Express Limited Major Structural Defect Warranty

You, Your Builder and BBWG hereby agree that any dispute, controversy, claim or matters in question regarding the Major Structural Defect warranty between Builder, You, Your successors in interest and/or BBWG arising out of or relating to this Warranty including without limitation, a claim of subrogation, negligent or intentional misrepresentation or nondisclosure in the inducement, and breach of any alleged duty of good faith and fair dealing, (herein referred to collectively as a "Dispute"), shall be submitted to Mediation where the parties will endeavor to resolve the Dispute in an amicable manner.

The mediator's compensation fee, administrative fee and all expenses charged by the mediator and/or the mediation service shall be borne equally by the mediating parties. Each party shall pay their own attorney fees and expenses. Additional fees may be assessed in accordance with the mediation company rules and fees.

In the event any Dispute cannot be resolved by Mediation, You must submit the Dispute to binding arbitration pursuant to the terms and conditions of the Arbitration Section of this warranty.

In Florida: The binding nature of the arbitration proceedings described herein shall not apply, however the arbitration required herein shall be a condition precedent to any and all litigation and/or formal court proceedings.

GENERAL WARRANTY PROVISIONS

These General Warranty Provisions apply to each warranty to which they are attached and identified on the Warranty Confirmation Page.

- A. DEFINITIONS
- B. EXCLUSIONS – Items Not Covered By The Warranty
- C. ARBITRATION PROVISION
- D. GENERAL CONDITIONS
 - 1. Access to Your Home
 - 2. Mortgage Clause
 - 3. Resale – Transfer of Warranty
 - 4. Delay
 - 5. Assignment of Insurance Proceeds
 - 6. Exclusive Remedy Agreement
 - 7. Waiver of Implied Warranty
 - 8. Independence
 - 9. Attorney's Fees and Costs Forbidden
 - 10. Severability
 - 11. Binding Nature
 - 12. Gender
 - 13. Choice of Law
 - 14. Cancellation

A. DEFINITIONS

Aggregate Warranty Limit – the maximum amount BBWG is liable for under all warranties issued by BBWG on the Home. The Aggregate Warranty Limit is shown on the Warranty Confirmation page.

Alternative Dispute Resolution – The Conciliation[©], Claim Review Group, Mediation and/or the Arbitration processes used by BBWG to resolve issues arising only from the terms and conditions of a BBWG warranty.

Arbitration – An Alternative Dispute Resolution process wherein the designated neutral third party conducts a hearing wherein the parties present live testimony and evidence to the arbitrator. The arbitrator shall render a decision as to the party's responsibility under the terms and conditions of the warranty and the applicable law.

BBWG – Bonded Builders Warranty Group, the Warranty Company underwriting this program or its assigned authorized representatives.

Builder – The person, corporation, partnership or other entity registered under the BBWG program and who may have obtained this warranty on the Home. Builder is shown on the Warranty Confirmation page.

Claim Review Group – An Alternative Dispute Resolution process wherein a BBWG selected Conciliator, a qualified representative of You and a qualified representative of the Builder review the claim information and the terms and conditions of the warranty and shall issue, either by majority or unanimous vote, a claims decision, which shall be presented to You and the Builder with a copy to BBWG.

Complete Warranty Document – The entire warranty contract between You, Your Builder and BBWG consisting of the Warranty Coverage Application, the Warranty Confirmation page, any Warranty Amendments and the Warranty Document.

Conciliation[©] – An Alternative Dispute Resolution process conducted by BBWG to work with You and the Builder to amicably resolve any and all warranty disputes that may arise. The BBWG selected Conciliator shall render a non-binding opinion as to the rights and obligations of each party under the terms and conditions of the warranty.

Consequential Damage – Any property damage or bodily injury which follows as a result of structural damage or any other items covered under this warranty, including defects in plumbing, electrical, heating, cooling or ventilation systems. Consequential damage or resulting bodily injury or property damage are not covered under this warranty.

Home – A single or multi-family home, structure, dwelling or unit (herein called "Home") individually owned and covered by the warranty. The Home covered is shown on the Warranty Confirmation page under "Property Address Covered by the Warranty".

Mediation – An Alternative Dispute Resolution process wherein a neutral third party attempts to negotiate an amicable settlement between the parties and facilitate an agreed resolution that is accepted by the parties as a resolution to any and all complaints raised.

Warranty Confirmation Page – The page included as part of the Complete Warranty Document to identify the Home enrolled, the Warranty Limit, Aggregate Warranty Limit, Warranty Start Date, Warranty Expiration Date, any applicable Warranty Amendments, and other information specific to Your warranty.

Warranty Coverage Application – The required application form completed by Your Builder, and signed by You and Your Builder, to enroll Your Home.

Warranty Enrollment Fee – The fee paid for the warranty as indicated on the Warranty Confirmation page.

Warranty Expiration Date – The date the warranty ends as indicated on the Warranty Confirmation page or applicable Warranty Amendment.

Warranty Limit – The maximum amount payable under the terms of the warranty. The Warranty Limit is shown on the Warranty Confirmation page.

Warranty Period – The length of time Your Home is covered by the warranty for each type of coverage provided, beginning on the applicable Warranty Start Date and ending on the applicable Warranty Expiration Date.

Warranty Start Date – This is the date coverage under the warranty begins. It is the earlier of Your occupancy of the Home or the day that title transfers on Your ownership of the Home. The Warranty Start Date is shown on the Warranty Confirmation page.

You, Your, Yours – The Homeowner(s) who hold title to the Home covered by the warranty.

B. EXCLUSIONS – Items Not Covered By The Warranty

The following exclusions from warranty coverage apply to any and all warranties issued by BBWG, including Workmanship, Materials, Systems and Major Structural Defect warranties. The Home is warranted as constructed by the BBWG approved Builder. BBWG does not warrant deficiencies or defects regardless of (a) the cause of the excluded event; or (b) other causes of loss; or (c) whether other causes acted concurrently or in any sequence with the excluded events to produce the deficiency or defect. The following are excluded from coverage under this warranty:

1. Deficiency or defects to any property, or part of the property, that was not included in the Closing Contract Price shown on the Warranty Confirmation page;
2. Off-site improvements or any improvements installed after the Warranty Start Date whether provided by the Builder or others;
3. Drainage deficiencies that do not affect the structural integrity of the Home;
4. Any and all landscaping (including sodding, seeding, shrubs, trees, and plantings) and landscaping irrigation systems including but not limited to sprinkler systems, sprinkler heads and/or sprinkler control systems;
5. Fences, boundary walls, retaining walls and bulkheads, except those retaining walls and bulkheads that contain structural or foundation walls at the Home and/or provide structural support to the Home;
6. Outbuildings, sheds, storage buildings, porches, cabanas or any other detached structures including but not limited to detached carports and detached garages (except those outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems built or installed with and serving the Home);
7. Patios, decks, balconies, sidewalks, walkways, driveways, swimming pools, hot tubs, spas, exterior steam rooms, covered screen enclosures, and/or other recreational facilities;
8. Any damage caused by soil movement, if compensation is provided by state legislation or covered by other insurance;
9. Any damage as a result of insufficient (or change in) load-bearing capacity of the soil, sub-soils or surfaces of the soil or sub-soils on a lot prepared by You;
10. Any damage caused or made worse by inadequate, excessive or uneven watering of soils within close proximity of foundations in areas with active soil; or damage by trees planted within 10 feet of foundations;
11. After the first year, concrete floors of basements and attached garages that are built separate from foundation floors or other structural elements of the Home;
12. Failure of the Builder to complete construction of the Home or any component part of the Home in conformity with construction plans or specifications or to complete agreed upon walk-through “punch-out” items;
13. Failure of the Builder, their employees, agents, or subcontractors to perform pre-closing cleanup of any kind or failure to remove any spillage, or debris from construction site;
14. Any defects or deficiency caused by materials, design, construction, or work supplied by other than the original Builder of the Home, or their employees, agents, or subcontractors;
15. Changes, alterations or additions made to the Home by anyone other than those performed under obligations of this warranty;
16. Changes of the grading of the site by anyone other than the Builder originally building the Home or their employees, agents, or subcontractors;
17. Deficiency or defects caused or made worse by owners, occupants, or guests;
18. Any deficiencies or defects in workmanship, materials or structural portions normally covered by another warranty or insurance policy whether or not paid by such warranty or insurance policy;
19. Deficiency or defects resulting from accidents, riot, civil commotion, terror attacks, war, or Acts of God; including but not limited to fire, explosion, smoke, water escape, windstorm, mudslide, erosion, hail, lightning, hurricanes, tsunamis, falling trees, aircraft, vehicles, flood, earthquakes, sink holes, underground springs, volcanic eruptions, saturated soils or change in the level of the under ground water table;

20. Deficiency or defects resulting from burn holes, buried debris, or organic materials;
21. Any contamination caused or created by natural or man-made chemicals, compounds, or substances, or breakdown or adverse effects of chemicals, compounds, or substances used in the construction of the Home or site. Such contamination is not covered even if the Home is rendered unlivable;
22. Insect damage including termites;
23. Any damage caused by water intrusion, including but not limited to roof leaks, window sealants, plumbing or failure of vapor barriers, except as provided in the Workmanship, Materials and Systems warranty;
24. Dampness or condensation due to Your failure to maintain adequate ventilation;
25. Any loss, damages or other condition which is not a deficiency or defect of construction;
26. Consequential Damage: Any property damage or bodily injury which follows as a result of structural damage, or other defects covered under this warranty including defects in plumbing, electrical, heating and cooling;
27. Normal wear and tear or normal deterioration;
28. Cost of transportation, food, storage, moving contents, shelter, or other incidental expenses related to Your relocating during repair;
29. Any loss or damage which may arise while the Home is not being used primarily for residential purposes;
30. Any loss or physically inflicted damage which is not a construction deficiency or defect, including but not limited to chips, scratches, and dents in materials, fixtures, appliances, or other types of equipment;
31. Failure by You to give notice to the Builder and/or BBWG of any deficiencies or defects within a reasonable time or as specified in this warranty;
32. Negligence and/or improper maintenance or improper operation of items warranted under this warranty;
33. Failure of You or anyone to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
34. Any loss or damage which You have not taken reasonable timely actions to minimize;
35. Any dispute received by BBWG later than 30 days after the applicable Warranty Expiration Date for claimed items of deficiency or defect;
36. Any alleged deficiency or defect for which there is no evidence of deficiency or defects at the time of the claims investigation; or which has been repaired prior to a BBWG claims investigation unless such deficiency or defect is considered by BBWG to be an emergency repair which was repaired by You after the Builder failed to respond within a reasonable time. Emergency items will be determined by BBWG considering imminent danger of resulting damage to the Home. Emergency items will not include items of comfort to You such as but not limited to problems with air conditioners;
37. Any condition which does not result in actual physical damage to the covered Home;
38. Diminished market value of Your Home.

C. ARBITRATION PROVISION

In the event any Dispute under any BBWG warranty, including without limitation, a claim of subrogation, negligent or intentional misrepresentation or nondisclosure in the inducement, breach of any alleged duty of good faith and fair dealing, and/or any dispute over the scope of this Arbitration Provision, cannot be resolved by one of the Alternative Dispute Resolution processes described herein, You, the Builder and BBWG agree to submit the Dispute to binding arbitration. You will have the right to select the arbitration company from the list of approved arbitration companies BBWG will provide to You when arbitration is requested. The arbitration will be conducted under the arbitration company's rules in effect at the time of the arbitration.

The decision of the arbitrator shall be final and binding on all parties and may be entered as a judgment in any State or Federal court of competent jurisdiction. **By accepting the warranty, You are agreeing to waive Your right to a trial by either judge or jury in a court of law.**

The initiation or participation by any party in any judicial proceeding shall not be deemed a waiver of the right to enforce this arbitration provision and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration provision. Any party who shall commence a judicial proceeding concerning a dispute, which is arbitrable hereunder, shall also be deemed to be a party requesting arbitration within the meaning of this paragraph. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration provision, and the arbitrator shall have sole authority to award such fees and costs.

The arbitrator's compensation fee, administrative fee and all expenses charged by the arbitrator and/or the arbitration service shall be borne equally by the arbitrating parties. Each party shall pay their own attorney fees and expenses. Additional fees may be assessed in accordance with the arbitration company rules and fees. The arbitrator shall have the discretion to reallocate such fees and expenses, save and except attorney's fees, in the interest of justice.

The parties agree that this arbitration provision involves and concerns interstate commerce and is governed by the Federal Arbitration Act (Title 9 of the United States Code), now in effect and as same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provisions of the rules of the arbitration company under which the arbitration proceeding shall be conducted, the rules of the arbitration company shall govern the conduct of the proceeding. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. Arbitration may be demanded at any time, but only after completion of all conditions precedent, and may be compelled by summary proceedings in Court. The institution and maintenance of any action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy of claim to arbitration if any other party contests such action for judicial relief.

The resolution of any Dispute shall not be consolidated with disputes of other Homeowners or included in any class proceeding. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision of this warranty shall apply to all warranty Disputes. This arbitration provision shall survive termination, amendment or expiration of any of the documents or any relationship between the parties.

BBWG shall have the right, in advance of the arbitration proceeding, to re-inspect any Home which is the subject of the arbitration proceeding if the request for arbitration is made more than 60 days following the last claim decision of BBWG concerning such Home. No arbitration proceeding shall involve more than one single-family detached Home or, single unit in a multi-family building. However, at BBWG's sole option, multi-family buildings, including but not limited to condominiums, could be heard together in the same proceeding.

If any provision of this arbitration agreement shall be determined to be unenforceable by the arbitrator or by the court, the remaining provisions shall be deemed to be severable there from and enforceable according to their terms.

In Florida: The binding nature of the arbitration proceedings described herein shall not apply, however the arbitration required herein shall be a condition precedent to any and all litigation and/or formal court proceedings.

D. GENERAL CONDITIONS

- 1. Access to Your Home** – In order for the Builder or BBWG to fulfill their respective obligations under the terms and conditions of the warranty, access will be required to the Home. By having Your Home enrolled in the BBWG warranty program, You hereby grant access to Your Home during normal business hours for the purpose of allowing the Builder, BBWG, their agents, contractors and/or inspectors to conduct inspections, assess claims, make repairs and to conduct tests as may be determined as necessary. **Refusal To Allow Access To Your Home Will Void The Warranty.**
- 2. Mortgage Clause** – BBWG may, where applicable, make payment for any claim for \$1,000.00 or more to You and the Mortgagee as your respective interests may appear. The Mortgagee will be bound by the adjustment of any claim made with You.
- 3. Resale – Transfer of Warranty** – Each successor in title to the Home including, "Mortgagee in possession", is automatically entitled to coverage under this warranty up to the remaining amount of the Aggregate Warranty Limit for the unexpired Warranty Period. The transfer fee for this warranty shall not exceed \$40.00. There is no limit to the number of successions during the Warranty Period.
- 4. Delay** – If the Builder's or BBWG's performance of any of its obligations is delayed by any event not resulting from their own conduct, they will be excused from performing until the effects of that event are remedied. Examples of such events are: Acts of God or common enemy, war, riot, civil commotion, sovereign conduct, or acts of persons who are not parties to this warranty.
- 5. Assignment of Insurance Proceeds** – In the event Your Builder or BBWG repairs or replaces, or pays the cost of any defect covered by the Warranty for which You are covered by other insurance or warranties, You must, upon request by Your Builder or BBWG, assign the proceeds of such repair, replacement, payment and/or the right to pursue recovery for such payment to Your Builder or BBWG. This assignment includes but is not limited to Your homeowners insurance carrier, product manufacturer or any other entity or individual.

6. **Exclusive Remedy Agreement** – Except as provided herein, You have waived the right to seek damages or other legal or equitable remedies from the Builder, its principles, his subcontractors, agents, vendors suppliers, workers, material men, and/or design professionals under any and all causes of action whether statutory or at common law, including but not limited to negligence and/or strict liability. The agreement contained herein shall be enforceable to the fullest extent permissible by the law of the state in which the property is located and shall apply to any claim thereafter made against the Builder or any other person. Your sole remedy, in the event of a defect in Your Home or in the real property upon which it is situated, is as prescribed in the terms and conditions of the BBWG Warranty issued on the Home. Nothing in this paragraph shall effect or be applicable to any other express written warranty You may have received from any single vendor or manufacturer who has supplied any appliance or component for the Home.
7. **Waiver of Implied Warranties – (Habitability, Merchantability, Fitness for a Particular Purpose and/or Good and Workmanlike Construction)** – By receiving, accepting and/or agreeing to the BBWG Express Limited Warranty including but not limited to the terms and conditions contained herein, You hereby waive any and all other express or implied warranties, including but not limited to any oral or written representations or statements made by the Builder or any other implied warranty including but not limited to warranties of habitability, merchantability, fitness for a particular purpose and/or good and workmanlike construction. This waiver shall not apply to the extent not permitted by the law of the state in which the property is located.
8. **Independence** – The BBWG Warranty is independent of the contract between You and Your Builder for the construction of the Home and/or its sale to You. Contract disputes, which are not warranty disputes, as covered under this warranty are not eligible for dispute resolution hereunder. Nothing contained in any other contract between You and Your Builder can restrict or override the provisions of the BBWG Warranty.
9. **Attorney's Fees and Costs Forbidden** – Each party shall bear its own costs of litigation and under no circumstances shall any party, prevailing or otherwise be entitled to an award and/or judgment which includes or provides for attorney's fees and/or court costs.
10. **Severability** – Should any provisions of this contract be deemed by a court of competent jurisdiction to be unenforceable, the remaining portions of this warranty shall be given full force and effect and the determination will not affect the enforceability of the remaining provisions.
11. **Binding Nature** – The Warranty is to be binding upon the Builder, You, Your heirs, executors, administrators, successors and assigns.
12. **Gender** – The use of one gender in the Warranty includes all other genders; and use of the plural includes the singular as may be appropriate.
13. **Choice of Law** – The warranty is to be construed in accordance with the laws of the state in which the Home is located.
14. **Cancellation** – You may return the warranty for cancellation within 30 days of Your receipt of it. If returned the warranty will be cancelled and the full Warranty Enrollment Fee will be refunded to the Builder. Cancellation of this warranty does not extend or alter the Builder's responsibilities.

CONSTRUCTION PERFORMANCE STANDARDS

These Construction Performance Standards apply to the Workmanship, Materials and Systems warranty to which they are attached and identified on the Warranty Confirmation Page.

The following Construction Performance Standards are the official standards used by BBWG in determining coverage under the Workmanship, Materials and/or Systems Warranty. This warranty does not warrant that the Home has been built in compliance with federal, state or local building standards or codes even though the Builder is required to comply with such standards or codes. **Items covered by a manufacturing warranty ARE NOT warranted under this express limited warranty.**

In no event shall Builder, or BBWG be liable for discontinued items, changes in dye lots, colors or patterns, or items not included in the original construction.

The Performance Standards set forth in the following pages are meant to be demonstrative of the most frequent deficiencies of concern. The validity of all claims not covered by these Performance Standards shall be determined on the basis of the National Home Builders Association Residential Performance Guidelines.

Important Notice: When determining responsibility under the Construction Performance Standards, only reports from BBWG approved construction consultants (inspection firms, contractors etc.) will be considered. Some firms and individuals feel it is their responsibility to locate possible problems rather than to resolve issues under consideration and they regularly address items not covered under the terms of the warranty.

Index to Construction Performance Standards

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Definitions:

POSSIBLE DEFICIENCY – a brief statement in simple terms of the problems to be considered.

PERFORMANCE STANDARD – a performance standard relating to a specific deficiency.

BUILDER RESPONSIBILITY – possible corrective action(s) suggested to the Builder to repair the defect.

YOUR RESPONSIBILITY – items expressly excluded from the warranty and which are considered part of the general maintenance of Homeownership.

1. SITE WORK

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
SITE GRADING	Settling of ground around foundation, utility trenches, or other areas.	Settling of ground around foundation, utility trenches or other filled areas shall not interfere with water drainage away from the Home.	Fill those areas where proper drainage has been affected. This shall be done one time only, during the first year of the Warranty Period. The Homeowner(s) shall be responsible for replacement of all grass, shrubs and landscaping in the affected area.	
SITE DRAINAGE	Improper drainage of the site.	Necessary grades and swales will be completed to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods next to the Home after a rain (generally no more than 24 hours). The possibility of standing water after a heavy rainfall should be anticipated. Grading determination shall not be made while there is frost on the ground, or while the ground is saturated.	For initial establishment of proper grades and swales only.	Maintaining proper grades and swales once they have been properly completed. Damage caused by decks, pools, patios, planters, etc. You installed, which interfere with proper site drainage, are not covered. Erosion control is Your responsibility.

2. CONCRETE

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
RANDOM CONCRETE CRACKS	Random cracks in concrete.	Normal shrinkage due to the dehydration of the concrete can cause random cracking in concrete slabs.	None	
CAST-IN-PLACE CONCRETE	Basement or foundation wall cracks.	Shrinkage cracks greater than 1/8 inch in width will be repaired.	Repair cracks in excess of 1/8 inch in width.	
	Cracking of basement floor.	Minor cracks in concrete basement floors are normal. Cracks exceeding 1/4 inch in width or 3/16 inch in vertical displacement shall be repaired.	Repair cracks exceeding maximum tolerances by surface patching or other methods as required. Builder is not responsible for color variation.	
	Cracking of slab in attached garage.	Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement will be repaired.	Repair cracks exceeding maximum tolerances by surface patching, or other methods as required. Builder is not responsible for color variation.	
	Uneven concrete floors/slabs.	Except for basement floors or where a floor, or portion of a 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 36 inches.	Correct or repair deficiencies exceeding maximum tolerances. Builder is not responsible for color variation.	
	Cracks in concrete slab-on-grade floors with finish flooring.	Cracks which rupture the finish flooring material shall be repaired.	Repair cracks, so they are not readily apparent.	
	Pitting, scaling or spalling of concrete work covered under this Limited Warranty.	Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.	Take corrective action to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and factors not under Builder's control. Unless otherwise specified, Builder is not responsible for roof water run-off onto patios, walkways or driveways.	Avoid damaging the surface by the use of salts and chemicals not specifically designed for use on these surfaces.
	Settling, heaving, or separating of stoops, steps or garage floors structurally attached to the Home.	Stoops, steps or garage floors should not settle, heave or separate in excess of 1 inch from the house structures.	Take whatever corrective action is required to meet the Performance Standard.	
	Standing water on stoops.	Water should drain from all outdoor stoops and steps. Minor water standing on stoops for a short period after rain is a possibility.	Provide proper drainage of steps and stoops. Builder is not responsible for color variation of repair.	

3. MASONRY (stucco see Finishes)

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
UNIT MASONRY	Non-structural foundation wall cracks.	Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width will be repaired.	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 Warranty Period. Builder is not responsible for color variation.	

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Cracks in masonry walls or veneer.	Small cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width will be repaired.	Repair cracks in excess of 3/8 inch by pointing or patching. These repairs shall be reported to the Builder, but made close to the end of the first year of the Warranty Period to allow expansion, contraction and normal settling. Builder is not responsible for color variation.	Periodic sealing of mortar joint cracks to preclude water intrusion.

4. WOOD AND PLASTIC

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
ROUGH CARPENTRY	Floors or stairs squeak or sub-floor seems loose.	A squeak-proof floor/stair cannot be guaranteed.	Correct the problem only if caused by an underlying construction defect.	
	Uneven wood floors.	Floors shall not be more than 1/4 inch out of level within any 32-inch horizontal measurement.	Correct or repair to meet Performance Standard.	
	Bowed walls or ceilings.	Walls and ceilings shall not be more than 1/2 inch out of level within any 32-inch horizontal measurement, not including drywall corner bead.	Repair to meet the Performance Standard.	
	Out of plumb walls.	Walls should not be more than 1/4 inch out of plumb for any 32-inch vertical measurement.	Repair to meet the Performance Standard.	
FINISH CARPENTRY (INTERIOR)	Poor quality of interior trim workmanship.	Joints in moldings or joints between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width.	Repair defective joints as defined. Caulking is acceptable. Builder is not responsible for color variation.	Periodic caulking of seams between baseboard and finished floor.
FINISH CARPENTRY (EXTERIOR)	Exterior finish siding has open joints between pieces of trim.	Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/16 inch.	Repair only once during the first year of Warranty Period. Caulking is acceptable.	Maintain the exterior finish by periodic caulking and painting.
	Inadequate clearance of wood siding from finished grade.	There should be a 6-inch clearance between the wood siding and the finished grade at the time of closing or first occupancy, whichever comes first.	Builder will insure that there is a minimum 6-inch clearance between the wood siding and the finished grade at the time of closing or first occupancy, whichever comes first.	Maintain a 6 inch clearance between the siding and finished grade.
	Delamination of veneer siding or joint separation.	All siding shall be installed according to the manufacturer's and industry's accepted standards. Separations and delaminations shall be repaired or replaced.	Repair or replace affected siding, as needed, unless caused by manufacturer's defect or Homeowner(s) neglect to maintain siding properly. Manufacturing defects are not covered under this warranty and must be reported to that manufacturer. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Homeowner(s) can expect that the newly painted surface may not match original surface in color.	

5. THERMAL AND MOISTURE PROTECTION

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
WATERPROOFING	Leaks in foundation and basement.	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.	Take such action as necessary to correct covered leaks except where the cause is determined to result from Homeowner(s) action or negligence.	Maintain proper grades and drainage around the Home.

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Covered leaks in exterior wall not adequately sealed or caulked.	Joints and/or cracks in exterior walls and openings shall be sealed and/or caulked to prevent water penetration in accordance with industry standards.	Repair any deficiency once during the first year of the Warranty Period only. Builder is not responsible for color variation.	Maintain caulking and sealing in exterior walls.
	Mold, mildew or fungus.	Mold, mildew or fungus can form as a result of leaks or condensation. This is considered consequential damage.	None	Mold, mildew or fungus control is Your responsibility; see Homeowner Maintenance Manual available from BBWG.
INSULATION	Insufficient insulation.	Insulation will be installed in accordance with local applicable energy and building code requirements or, as applicable, FHA and VA requirements.	Insulate the Home as required to meet local energy and building code requirements. This will not make a room sound proof.	
LOUVERS AND VENTS	Leaks due to snow or rain driven into the attic through louvers or vents.	Attic vents/louvers must be provided for proper ventilation of the attic space of the structure.	None	
ROOFING	Ice build-up on roof.	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.	None	Prevention of ice build-up on a roof is a Homeowner(s) maintenance item.
	Roof or flashing leaks.	Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Your action or negligence.	Repair any verified roof or flashing leaks not caused by ice build-up or by Your action or negligence.	Maintain the roof and periodically remove leaves, pine needles and other debris from the roof surface, valley gutters and down spouts.
	Standing water on flat roof	Water shall drain from a flat roof except for minor ponding immediately following a rainfall unless the roof is specifically designed for water retention.	Take corrective action to assure proper drainage of roof.	
SHEET METAL	Gutters and/or downspouts leak.	Gutters and downspouts shall not leak but gutters may overflow during heavy rain.	Repair leaks one time during the first year of the Warranty Period. Caulking is acceptable.	Keep leaves and debris out of gutters and downspouts to assure proper water flow.
	Water standing in gutters.	When gutters are unobstructed by debris, the water level shall not exceed one (1) inch.	Correct to meet Performance Standard. Small amounts of water may stand in certain sections of gutter immediately after a rain.	Keep leaves and debris out of gutters and downspouts to assure proper water flow.

6. DOORS AND WINDOWS

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
WOOD AND PLASTIC DOORS	Warping of exterior doors.	Exterior doors may 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.	Correct or replace and refinish defective doors during the first year of the Warranty Period. Repairs or replacements may not match the original door, but will match as closely as possible.	If You paint or stain the outside doors, the surfaces must be properly prepared before applying paint or stain.
	Warping of interior passage and closet doors.	Interior doors (full openings) shall not warp to the extent that the door becomes inoperable.	Correct or replace and refinish defective doors to match existing doors as nearly as possible during the first year of the Warranty Period.	
	Shrinkage of insert panels reveal raw or unpainted wood edges.	Panels will naturally shrink and expand and may expose unpainted surface(s).	None	
	Split in door panel.	Split panels shall not allow visible light or weather intrusion through the door.	If light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Warranty Period.	

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Malfunction of door locks and hardware.	Door locks and hardware shall operate as designed.	Correction of any defect shall be agreed upon prior to acceptance of the Home.	
GLASS	Glass broken or scratched.	If reported prior to first occupancy, glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions.	Defective glass reported to the Builder prior to closing.	
SLIDING DOORS	Sliding doors do not operate properly.	The Builder will assure that sliding doors are installed according to manufacturer's specifications. It is acceptable for small amounts of water to stand in the bottom of the track for a period of time after a rain.	Adjust or repair inoperative sliding doors, one time only, during the first year of the Warranty Period.	Maintain the sliding doors per manufacturer's specifications. The slide tracks must be kept clean and free of debris, the rollers lubricated and adjusted.
GARAGE DOORS ON ATTACHED GARAGES	Garage doors fail to operate properly under normal use.	Garage doors shall operate properly.	Correct or adjust garage doors as required, except where the cause is determined to result from Your negligence. If You install a garage door opener, the Builder will no longer be responsible for the operation of the garage door.	Lubricate all moveable parts as mentioned in the operating manual.
	Garage doors allow intrusion of water or snow.	Garage doors will be installed as recommended by the manufacturer. Some intrusion of the elements can be expected under abnormal conditions.	Adjust or correct garage doors one time only, unless caused by Your negligence.	
WOOD, PLASTIC, AND METAL WINDOWS	Malfunction of windows.	Windows will operate with reasonable ease, as designed.	Correct as required.	Keep tracks and rollers cleaned, lubricated and adjusted.
	Condensation and/or frost on windows.	Windows will collect condensation on interior surfaces when extreme temperature difference and high humidity levels are present. Condensation is usually the result of climactic/humidity conditions, sometimes created by the Homeowner(s) comfort preference.	Unless attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.	If a humidifier is installed, You will follow the manufacturer's recommendations for proper setting of the humidistat.
WEATHER-STRIPPING AND SEALS	Interior water seepage.	Caulking in areas where water is supplied, such as sinks, tubs, showers and hose bibs, is required to prevent water intrusion.	Once during the first year repair any area deemed to be deficient to meet the performance standard. Builder is not responsible for color variation.	Caulking is an on-going responsibility of Yours.
	Air and/or water infiltration around doors and windows.	Infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weather-stripping shall be adjusted or replaced.	Adjust or correct improperly fitted doors, windows and weather stripping one time in the first year of the Warranty Period.	To have storm doors and windows installed to provide satisfactory solutions in high wind areas.

7. FINISHES

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
LATH AND PLASTER	Cracks in interior wall and ceiling surfaces.	Hairline cracks are not unusual in interior wall and ceiling surfaces. Cracks greater than 1/8 inch in width are considered excessive.	Repair cracks exceeding 1/8 inch in width as required, one time only, during the first year of the Warranty Period. Builder is not responsible for color variation.	
GYPSUM WALLBOARD (DRYWALL)	Defects, which appear during the first year of the Limited Warranty such as, nail pops, blisters in tape, or other blemishes.	Slight blemishes 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.	Repair only cracks exceeding 1/8 inch in width, one time only, during the first year of the Warranty Period. Builder is not responsible for color variations in the paint or differences in finished texture.	

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
CERAMIC OR MARBLE TILE	Ceramic or marble tile cracks or becomes loose or hollow sounding.	Ceramic or marble tile cracks or becomes loose as a result of expansion or contraction of the surface upon which it is placed. The Builder responsibility in this event should be discussed prior to closing (contract Homes) to avoid misunderstandings. Unless otherwise agreed, the following Builder responsibility applies.	Replace cracked tiles and resecure loose tiles only once during the first year of Warranty Period, unless the defects were caused by Your action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile or grout. Hollow sounding tile is not considered a defect.	RegROUT cracks after initial repairs have been made.
	Cracks appearing in grouting of ceramic or tile joints.	Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions. Homeowner(s) is responsible for maintenance of grouted areas.	Repair grouting if necessary, one time only, during the first year of the Warranty Period. Builder will not be responsible for discontinued tile patterns, color variations, or discontinued colored grout. RegROUTing of cracks is a maintenance responsibility of the Homeowner(s) within the life of the Home.	RegROUT cracks after initial repairs have been made.
	Lippage of adjoining ceramic or marble tile.	Lippage (vertical displacement) in excess of 1/4 inch will be repaired, except where the materials are designed with an irregular height (such as hand-made tile).	Repair to meet the accepted tolerance. Builder will not be responsible for discontinued tile patterns, color variations, or discontinued colored grout.	
FINISHED WOOD FLOORING	Wood flooring does not adhere	Wood flooring shall not lift or become unglued.	Repair or replace, at Builder's sole option, the affected wood flooring as required. Builder shall not be responsible for color variation of wood flooring or for problems caused by Your neglect or abuse.	
	Cracks developing between floor boards.	Cracks in excess of 1/8 inch in width shall be corrected.	Repair cracks in excess of 1/8 inch within the first year of the Warranty Period by filling or replacing, at Builder's option.	
RESILIENT FLOORING	Nail-pops appearing on the surface of resilient flooring	Readily apparent nail pops will be repaired.	Correct nail pops, which are above the surface. 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.	
	Depressions or ridges appear in the resilient flooring due to sub-floor irregularities.	Readily apparent depressions or ridges exceeding 1/4 inch in 36 inches shall be repaired. Visible cracks in the underlying slab are unavoidable and are considered acceptable unless the cracks rupture the resilient flooring.	Take necessary corrective action to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder shall not be responsible for discontinued patterns or color variations in floor covering.	
	Cuts and gouges appear in the surface of the resilient flooring.	The Builder will assure that the surface of the flooring does not have any observable cuts and gouges.	Repair cuts and gouges reported in writing prior to closing or first occupancy, whichever occurs first.	Protect the resilient floor surface by having chair and furniture protective devices installed and/or maintained.
	Resilient flooring does not adhere.	Resilient flooring shall not lift, bubble or become unglued.	Repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder shall not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Your neglect or abuse.	

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Seams or shrinkage gaps show at resilient flooring joints.	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.	Repair or replace, at Builder's option, the affected resilient flooring as required. Builder shall not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by Your neglect or abuse.	
PAINTING	Exterior paint or stain peels, deteriorates or fades.	Exterior paints or stains should not fail during the first year of the Warranty Period. Fading is normal and the degree is dependent on climactic conditions.	Prepare and refinish affected areas, if paint or stain is defective, matching color as close as practicable. Where finish deterioration affects the majority of a wall area, the whole area will be refinished.	Maintain the exterior surfaces per the manufacturer's specifications.
	Additional painting required due to other repair work that is the Builder's responsibility.	Painting repair required under this Warranty shall be finished to match surrounding areas as closely as practicable.	Refinish repair area as indicated.	
	Deterioration of varnish or lacquer finishes.	Natural finishes on interior woodwork shall not deteriorate during the first year of the Warranty Period. Varnish type finishes used on the exterior will deteriorate rapidly and are not covered by this Warranty.	Retouch affected areas of natural finish interior woodwork, attempting to match the color as closely as practicable.	Maintain these surfaces per the manufacturer's specifications.
	Mildew or fungus on painted surfaces.	Mildew or fungus may form on a painted surface if the structure is subject to abnormal exposures or weather conditions.	None. Mildew or fungus is a condition the Builder cannot control.	Mildew control is Your responsibility. You are responsible for cleaning and maintaining surfaces in order to minimize the presence of mildew and fungus. See Homeowner's Maintenance Manual (available from BBWG) for additional information.
WALL COVERING	Peeling of any wall covering.	Peeling of wall covering shall not occur.	Repair or replace defective wall covering applications	
	Edge mismatching in pattern of wall covering.	Not a construction defect, and should be called to Builders attention prior to closing.	None	
CARPETING	Open carpet seams or stretching occurs.	Wall to wall carpeting, when stretched, shall not come loose from the point of attachment. Carpet seams may show but no separation at seam should occur.	Correct if original installation was at direction of the Builder.	
	Spots on carpet, minor fading.	Exposure to light can cause spots on carpet and/or minor fading.	None	
	Edge mismatching in pattern of wall covering and/or other floor coverings.	Not a construction defect, and should be discussed with the Builder prior to closing.	None	
STUCCO	Cracking occurs in exterior stucco wall surfaces.	Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width shall be repaired.	Surface repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Warranty Period. Builder is not responsible for color variation.	Maintain normal expansion/contraction cracking in stucco to preclude water intrusion.
ROOF TILE	Broken roof tile.	Not a construction defect, and should be called to Builder's attention prior to closing.	Improper treatment can cause roof tile to crack. Broken roof tile not reported to the Builder prior to closing is Your responsibility.	
ROOF SHINGLES	Sheathing nails have loosened from framing and raised asphalt shingles.	Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.	Repair all areas as necessary to meet the Performance Standard.	

8. SPECIALTIES

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
LOUVERS AND VENTS	Inadequate ventilation of attics and crawl spaces.	Attic/crawl spaces shall have a ventilation area as required by the approved building code.	Provide for adequate ventilation under code. Builder is not responsible for any alterations to the system.	
FIREPLACES	Fireplace or chimney does not draw properly.	Properly designed and constructed fireplaces and chimneys will 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 too close to the chimney. Some Homes may need to have a window opened slightly to create an effective draft when the Home has been insulated and weatherproofed to meet energy conservation criteria. Any existing manufacturing warranty will exclude coverage from this warranty.	Where there is a fireplace or chimney malfunction, the Builder will determine the cause and correct it, if the problem is one of construction.	
	Chimney separation from structure to which it is attached.	Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed 3/8 inch from the main structure in an 8-foot vertical measurement.	Determine the cause of separation and correct if standard is not met (one time only). Caulking is acceptable.	
	Firebox paint discolored by fire or heat.	None	None. Heat from fires will alter finish.	
	Cracked firebrick and mortar joints.	None	None. Heat and flames from "roaring" fires will cause cracking.	
CABINETS & COUNTERTOPS	Surface cracks, delamination and chips in high pressure laminate on vanity/kitchen cabinet countertop.	Countertops fabricated with high-pressure laminate coverings shall not delaminate.	Replace delaminated coverings to meet specific criteria. Builder will not be responsible for chips and cracks unless noted prior to closing.	Maintain these surfaces according to manufacturer's specifications. Joints in a laminate surface should be caulked to maintain a proper moisture barrier to assure proper performance of the covering. See Homeowner's Maintenance Manual (available from BBWG) for additional information.
	Kitchen cabinet door and/or drawer malfunctions.	Warpage not to exceed 1/4 inch as measured from face frame to furthest point of warpage with door or drawer front in closed position.	Correct or replace doors or drawer fronts. Builder is not responsible for color variation.	
	Gaps between cabinets, ceiling or walls.	Acceptable tolerance shall not exceed 1/4 inch in width.	Correct to meet Performance Standard. Caulking is acceptable. Builder is not responsible for color variation.	

9. PLUMBING

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
PLUMBING-WATER SUPPLY SYSTEM	Plumbing pipes freeze and burst.	Drain, waste/vent and water pipes shall be adequately protected, as required by code, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures to prevent freezing.	Correct to meet the code.	Drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Water supply system fails to deliver water.	All connections to municipal water main and private water supply (except equipment, pumps, motors, valves, switches and related items) shall be the Builders responsibility. Private systems shall meet applicable codes at time of construction.	Private systems shall be designed and installed in accordance with approved building, plumbing and health codes. Builder will repair if failure is the result of defective workmanship or materials. Builder has no responsibility for elimination of the sources of supply when the problem is beyond Builder's control. The Builder is not responsible for water quality.	
	Leakage from piping.	No leaks of any kind shall exist in any soil, waste, vent, or water pipe. Condensation does not constitute leakage.	Make repairs to eliminate leakage.	
	Stopped up sewers, fixtures and drains.	Sewers, fixtures and drains will operate properly.	Where defective construction is shown to be the cause, Builder will assume the cost of the repair. Builder shall not be responsible for sewers, sewer systems, fixtures and drains, which are clogged through Your negligence.	If a problem occurs, consult Your Builder for a proper course of action. Where Your negligence is shown to be the cause, You shall assume all repair costs.
	Leak in faucet or valve.	Valves or faucets shall not leak due to defects.	Repair or replace leaking faucets or valves when due to defects in workmanship or material. You are responsible for maintenance. Fixtures covered by a manufacturing warranty are not covered by this warranty.	
	Noisy water pipes.	There will be some noise emitting from the water pipe system due to the flow of water.	Eliminate "water hammer" or excessive noise only if due to improper installation. Builder cannot remove all water flow noises and pipe expansion.	
	Septic system fails to operate properly.	Septic system shall be designed and installed to comply with applicable, approved code requirements. Septic system shall function adequately and handle properly designed flow of household effluent specified by the governing health and building department regulations in effect at the time of construction and during all seasons, under normal local climactic conditions. Approval of the governing regulatory authority at the time of construction shall evidence Builder's compliance with this standard.	Repair or correct malfunctioning or non-operating systems, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the Builder or Builder's contractors, or subcontractors. Builder will not be responsible for system malfunction or damage, which is caused by Your negligence, lack of system maintenance, or other causes attributable to actions of You or Your contractors, not under the control of the Builder. These include, but are not necessarily limited to the addition of fixtures, items of equipment, appliances, pumps, motors, valves or switches, 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 that may be critical to the system's functioning.	Properly maintain the system by maintaining proper grades, landscaping, gutters and protecting the area from heavy vehicular traffic, which could cause soil compaction. Septic tanks may need to be pumped during periods of excessive use or extended rainfall. Seek a reliable septic tank contractor for this service. In case of dispute, if Builder has obtained approved permits from the governing health authority, You must provide proof system was installed improperly.
	Cracking or chipping of porcelain or fiberglass.	Chips and cracks on surfaces of bathtubs/sinks can occur when hit by sharp or heavy objects.	Builder will not be responsible for repairs unless damage has been reported to Builder prior to closing and/or listed on the original "walk-through/punch list".	

10. HEATING

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Inadequate heating.	Heating system shall be capable of producing an inside temperature of 70 degrees F, as measured in the center of each room at a height of 5 feet above the floor. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.	Correct heating system to provide the required temperatures.	Maintain the heating system and assure that air filters are cleaned/changed per manufacturer's recommendations. Balance the dampers and registers to assure proper air distribution. See Homeowner's Maintenance Manual available from BBWG for additional information.

11. COOLING

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Inadequate cooling.	Where air-conditioning is provided, the cooling system shall be capable of maintaining summer design conditions as specified in ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees F, a differential of 15 degrees F is acceptable. Federal, state, or local energy codes shall supersede this standard where such codes have been locally adopted.	Builder shall correct cooling system to meet temperature conditions in accordance with specifications.	The Homeowner(s) will maintain the cooling system and assure that air filters are cleaned/changed per manufacturer's recommendations. Balance the dampers and registers to assure proper air distribution. See Homeowner's Maintenance Manual available from BBWG for additional information.
	Cooling lines leak.	Cooling lines shall not develop leaks during normal operation.	Repair lines leaking refrigerant and re-charge unit, unless damage has been caused by the events or occurrences caused by You.	

12. CONDENSATION LINES

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Clogging of condensation lines.	None. Condensation lines will clog eventually under normal use.	Provide unobstructed condensation lines at time of first occupancy.	Maintenance is required. See Homeowner's Maintenance Manual (available from BBWG) for additional information.

13. AIR DISTRIBUTION

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Noisy ductwork.	When metal is heated it expands and when it cools it contracts. The result is a cracking sound, which is generally to be expected.	None	
	Ductwork separates or becomes unattached.	Ductwork should remain intact and securely fastened.	Re-attach and re-secure all separated or unattached ductwork.	

14. ELECTRICAL

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
ELECTRICAL CONDUCTORS, FUSES AND CIRCUIT BREAKERS	Failure of wiring to carry its designed load to the electrical box.	Wiring should be capable of carrying the designed load to the electrical box under normal residential use.	Check wiring for conformity with local, state, or approved national electrical code requirements. Builder shall repair wiring not conforming to code specifications.	

	POSSIBLE DEFICIENCY	PERFORMANCE STANDARD	BUILDER RESPONSIBILITY	YOUR RESPONSIBILITY
	Fuses blow or circuit breakers "kick out" (excluding ground fault interrupters).	Fuses and circuit breakers shall not activate under normal usage.	Check wiring circuits for conformity with local, state, or approved national electrical code requirements. Builder shall correct wiring not conforming to code specifications.	
OUTLETS, SWITCHES AND FIXTURES	Drafts from electrical outlets.	Electrical junction boxes on exterior walls may produce airflow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new Home construction.	None	
	Defective wiring to electrical outlets, switches or fixtures.	Wiring to electrical outlets, switches and fixtures should operate as intended.	Check wiring and connections and repair. Builder is not responsible for defective or malfunctioning pieces of equipment.	
SERVICE AND DISTRIBUTION	Ground fault interrupter trips frequently.	Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.	Install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered unless due to faulty installation.	

**CONSTRUCTION PERFORMANCE STANDARDS
FOR FOUNDATIONS AND MAJOR STRUCTURAL COMPONENTS
Texas Only**

The following Construction Performance Standards are added to the warranty for homes located in Texas only and are used by BBWG in determining coverage under the Express Limited Major Structural Defect warranty to which they are attached and identified on the Warranty Confirmation Page.

The following terms when used in these Construction Performance Standards are defined as follows:

Original Construction Elevations – actual elevations of the foundation taken prior to substantial completion of the residential construction project. Such actual elevations shall include elevations of porches and garages if those structures are part of the monolithic foundation. To establish original construction elevations, elevations shall be taken at a rate of approximately one elevation per 100 square feet showing a reference point, subject to obstructions. Each elevation shall describe the floor. If no such actual elevations are taken than the foundation for the habitable areas of the Home are presumed to be level +/- 0.75 inch (three-quarters of an inch) over the length of the foundation. The habitable areas of the Home shall be considered the enclosed area in a home that is suitable for year-round residential use excluding garages, porches and/or decks.

Code – the International Residential Code for One- and Two-Family Dwellings published by the International Code Council, or if the context requires, the National Electrical Code.

(a) Performance Standards for Slab Foundations.

- (1) Slab foundations should not move differentially after they are constructed, such that a tilt or deflection in the slab in excess of the standards defined below arises from post-construction movement. The protocol and standards for evaluating slab foundations shall follow the "Guidelines for the Evaluation and Repair of Residential Foundations" as published by the Texas Section of the American Society of Civil Engineers (2002), hereinafter referred to as the "ASCE Guidelines" with the following modifications:
 - a. Overall deflection from the Original Construction Elevations shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress, as described in Section 5 of the ASCE Guidelines, that results in actual observable physical damage to the non-load-bearing elements of the Home.
 - b. The slab shall not deflect after construction in a tilting mode in excess of one percent from the Original Construction Elevations resulting in actual observable physical damage to the load-bearing portions of the Home.
- (2) If measurements and associated symptoms of distress show that a slab foundation does not meet the deflection or tilt standards stated in paragraph (1) of this subsection, a third-party inspector's recommendation shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines together with the terms and conditions of this warranty. To the extent of conflict between the ASCE Guidelines and this warranty, the terms of this warranty shall prevail.

(b) Performance Standards for Major Structural Load-bearing Portions of a Home other than Slab Foundations.

- (1) Floor over pier and beam foundations.
 - a. A floor over pier and beam foundation shall not deflect more than L/360 from its Original Construction Elevations and have that movement create actual observable physical damage to the load-bearing portions of the Home identifiable in Section 5.3 of the ASCE Guidelines.
 - b. If a floor over pier and beam foundation deflects more than L/360 from its Original Construction Elevation and the movement has created actual observable physical damage to the non-load-bearing elements of a Home identifiable in Section 5.3 of the ASCE Guidelines, a third-party inspector's recommendation shall be based on applicable remedial measures as described in Section 7 of the

ASCE Guidelines together with the terms and conditions of this warranty. To the extent of conflict between the ASCE Guidelines and this warranty, the terms of this warranty shall prevail.

- (2) Load-bearing portions.
 - a. A load-bearing portion of the Home shall not crack, bow, become distorted or deteriorate, such that it compromises the structural integrity of a Home or the performance of a structural system of the Home resulting in actual observable physical damage to a non-load-bearing element of the Home.
 - b. If a load-bearing portion of a Home cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a load-bearing portion of the Home, BBWG shall take such action as necessary to repair, reinforce or replace such load-bearing portion to restore the structural integrity of the Home or the performance of the affected load-bearing portion of the Home.
- (3) Deflected load-bearing portion.
 - a. A load-bearing portion shall not deflect more than the ratios allowed by the Code.
 - b. If a load-bearing portion of the Home is deflected more than the ratios allowed by the Code, BBWG shall take such action as necessary to repair, reinforce or replace such load-bearing portion to restore the structural integrity of the Home or the performance of the affected load-bearing portion of the Home.
- (4) Damaged load-bearing portion.
 - a. A load-bearing portion of the Home shall not be so damaged that it compromises the structural integrity or performance of the affected load-bearing portion of the Home.
 - b. If a load-bearing portion of the Home is so damaged that it compromises the structural integrity or performance of a load-bearing portion of the Home, BBWG shall take such action as necessary to repair, reinforce or replace such load-bearing portion to restore the structural integrity of the Home or the performance of the affected load-bearing portion.
- (5) Separated load-bearing portion.
 - a. A load-bearing portion shall not separate from a supporting member more than 3/4 of an inch or such that it compromises the structural integrity or performance of the load-bearing portion.
 - b. If a load-bearing portion is separated from a supporting member more than 3/4 of an inch or separated such that it compromises the structural integrity or performance of a load-bearing portion of the Home, BBWG shall take such action as necessary to repair, reinforce or replace such structural component to re-establish the connection between the load-bearing portion and the supporting member, to restore the structural integrity of the Home and the performance of the affected load-bearing portion.
- (6) Non-performing load-bearing portion.
 - a. A load-bearing portion of the Home shall function as required by the Code.
 - b. If a load-bearing portion of the Home does not function as required by the Code, BBWG shall take such action as necessary to bring the variance within the standard stated in subparagraph (A) of this paragraph.

WARRANTY AMENDMENT

The warranty to which this Amendment is attached is modified as follows:

This Express Limited Warranty is designed to meet the criteria for acceptability of insured 10 year Protection Plans as set by the Department of Housing and Urban Development (HUD) published in the Federal Register Volume 55 No. 194. and the Department of Veterans Affairs (VA).

If the Home has a FHA, VA or Rural Development financed mortgage:

1. Workmanship, Materials and Systems Warranty - Section G Alternative Dispute Resolution:
 - a. The requirement to submit a Dispute to the Claim Review Group is deleted. After unsuccessful Conciliation You may seek judicial remedies or submit the Dispute to arbitration according to the Arbitration Provision of this warranty. If the Dispute is submitted to arbitration, the arbitration will be binding and judicial remedies are waived.
2. Express Limited Major Structural Defect Warranty - Section F Alternative Dispute Resolution:
 - a. The requirement to submit a Dispute to Mediation is deleted. If You do not agree with the claim determination after BBWG's inspection of the alleged defects, You may seek judicial remedies or submit the Dispute to arbitration according to the Arbitration Provision of this warranty. If the Dispute is submitted to arbitration, the arbitration will be binding and judicial remedies are waived.
3. General Provisions
 - a. Section A Definitions is modified by addition of the following:
 - i. Actual Physical Damage – a visually observable, adverse condition evidenced by distortion, denting, bowing, buckling, protrusion, cracking, or crushing in a portion of the Home.
 - b. Section C Arbitration Provision is modified by addition of the following:
 - i. You may seek judicial remedies before submitting the Dispute to arbitration if the applicable Alternative Dispute Resolution process in the warranty is unsuccessful. However, if the Dispute is submitted to arbitration, the arbitration will be binding and judicial remedies are waived.
 - c. Section D General Conditions, paragraph 14 is modified as follows:
 - i. In the event of FHA, VA or Rural Development financing this warranty cannot be canceled.
4. In the case of cash payments under the warranty, Builder and BBWG are required to make such payments to You and Your mortgagee. You must provide the name and address of Your mortgagee, the FHA, VA or Rural Development case number and the loan number when You file a claim.

All other terms and conditions of the Warranty Document remain unchanged.