



Home Warranty Program, 3 – 10 Year Coverage

The 2-10 Home Buyer's Warranty protects you against major structural defects; that is, actual physical damage to the load-bearing portions of your home.

Filing Claims, Provisions, Exclusions and Coverage pertaining to your policy are provided below.

North Carolina's 2-10 Home Buyer's Warranty, Years 3 – 10

REPORTING A STRUCTURAL DEFECT

If you believe your home has a Structural Defect that is covered under your Structural Defect Warranty, follow the instructions below.

1. Complete the Notice of Claim Form supplied at closing. Fully describe the nature of the Structural Defect and the date you first noticed it on the form.
2. For each claim, send a copy of your completed form, a copy of your Certificate of Warranty Coverage, and a \$250 claim investigation fee, payable to the Warranty Insurer stated on your Certificate of Warranty Coverage to:
HBW Warranty Administration Office
2675 S. Abilene Street
Aurora, CO 80014

We recommend you send the notice by certified mail, *return receipt requested*.

Except for authorized emergency repairs (see the Emergency Service section of this site for further information), do not repair a claimed Structural Defect before the Warranty Insurer has an opportunity to inspect the Structural Defect. Doing so will make it impossible for the Warranty Insurer to assess whether the Structural Defect was covered by your warranty; whether the repair you performed or caused to be performed was cost-effective, necessary, and effective; and whether the Warranty Insurer would have been able to solve the problem in another way. As a result, the Warranty Insurer will not accept coverage for any claimed Structural Defect that you have had repaired or replaced. In addition, you will not be reimbursed for any costs or expenses you undertake to investigate a structural defect such as, but not limited to, engineering and attorney's fees.

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COVERAGE

A Structural Defect is defined as actual physical damage to the designated load-bearing elements of the home caused by failure of such load-bearing elements which affects their load-bearing functions to the extent that your home becomes unsafe, unsanitary, or otherwise unlivable. The Structural

Defect warranty coverage is the same as that contained in regulations of the Department of Housing and Urban Development in effect at the time of the issuance of this Limited Warranty. This is coverage for catastrophic failure of load-bearing elements of your home. The designated load-bearing elements that are covered under this Structural Defect warranty are:

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

Examples of elements not covered by this Structural Defect warranty which are deemed NOT to have Structural Defect potential are:

1. Non-load-bearing partitions and walls
2. Wall tile or paper, etc.
3. Plaster, laths or drywall
4. Flooring and sub-flooring material
5. Brick, stucco, stone or veneer
6. Any type of exterior siding
7. Roof shingles, roof tiles, sheathing and tar paper
8. Heating, cooling, ventilating, plumbing, electrical and mechanical systems
9. Appliances, fixtures or items of equipment
10. Doors, trim, cabinets, hardware, insulation, paint and stains
11. Basement and other interior floating, ground-supported concrete slabs

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EXPRESS LIMITED WARRANTY COVERAGE/ CONDOMINIUMS

All exterior Common Element Stairways and Landings contained within multi-family projects will be covered only if they are constructed entirely of metal and/or concrete materials. All other exterior Common Element Stairways and Landings contained within multi-family projects are excluded from coverage unless your builder (as listed on your Certificate of Warranty) paid an additional fee for coverage of wood materials used in exterior Common Element Stairways and Landings as reflected on your Certificate of Warranty Coverage.

Under the Ten-Year Structural Defect Warranty coverage, the maximum claim investigation fee is \$250 per unit in the building or \$5000 per building, whichever is less. If your home is a condominium unit, by accepting this Limited Warranty, you agree to allow free access to, on, through or within your unit during normal business hours (after receiving notice from your association, your builder, HBW or the Warranty Insurer) so that repairs may be made to any adjacent unit or Common Element area. You also agree that if emergency repairs are required (which would be the responsibility of your builder or the Warranty Insurer) and you cannot be contacted within a reasonable period of time, you waive such notice.

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EXCLUSIONS

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

1. Damage to land and other real property that was not part of your home, or any property that was not included in the purchase price stated on the Certificate of Warranty Coverage.
2. Damage to swimming pools and other recreational facilities; driveways; boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of the home); fences; landscaping (including sodding, seeding, shrubs, trees, and plantings); sprinkler systems, patios, decks, stoops, steps and porches, outbuildings, detached carports, or any other appurtenant structure or attachment to the dwelling; or other additions or improvements not a part of your home.
3. Loss or damage which arises while your home is being used primarily for non-residential purposes.
4. Changes in the level of underground water table which were not reasonably foreseeable at the time of construction of your home.
5. Failure of your builder to complete construction.
6. Noncompliance with plans and specification; violations of local or national building codes, ordinances or standards.
7. Any condition which has not resulted in actual physical damage to your home.

8. Any loss or damage that is caused, or made worse, by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever, including without limitation:
 - a. Negligence, improper maintenance, defective material or work supplied by, or improper operation by, anyone other than your builder or its employees, agents or subcontractor, including failure to comply with the manufacturer's warranty requirements for appliances, equipment or fixtures.
 - b. Your failure to give prompt and proper notice to HBW and your builder of any defect.
 - c. Change of the grading of the ground that does not comply with accepted grading practices, or failure to maintain the original grade.
 - d. Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorms, fire, explosion, blasting, smoke, water, rainwater, ground water, flood, dampness, condensation, hail, snow, ice-storm, lightning, falling trees or other objects, aircraft, vehicles, mud-slide, avalanche, earthquake, or volcanic eruption.
 - e. Abuse or use of your home, or any part thereof, beyond the reasonable capacity of such part for such use.
 - f. Micro-organisms, fungus, decay, rotting of any kind including wet-rot, dry-rot or soft-rot; mold, mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos; any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic; and electromagnetic fields or emissions, including any claim of health risk or uninhabitability based on any of the foregoing.
 - g. Your failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable.
9. Any loss or damage caused by buried debris, underground springs, sinkholes, mine shafts or other anomalies which were not reasonably foreseeable in a building site provided by you.
10. Any defect or damage you knew about prior to the Effective Date of Warranty.
11. Any request for warranty performance submitted to HBW or Your Builder after an unreasonable delay, or later than 30 days after the expiration of the applicable Warranty Term.
12. Loss caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds.
13. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience, or annoyance.

14. Diminished market value of your home.
15. Any and all consequential loss or damage, including without limitation, any damage to property not covered by this Warranty, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits.
16. Any and all exclusions set forth in the Construction Performance Guidelines.

The Limited Warranty covers only those Defects and Structural Defects which first occur during the Warranty Term; any Defects or Structural Defects you knew about prior to the Effective Date of Warranty such as “walk-through” or “punch-list” items are not covered.

The Limited Warranty does not apply to any manufactured items such as appliances, fixtures, equipment (except as specifically defined in the Construction Performance Guidelines) or any other item which is covered by a manufacturer’s warranty; nor does it cover system defects that are caused by failure of any such manufactured item. Appliances and items of equipment not covered by this Limited Warranty include, but are not limited to: air-conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, chimes, dishwashers, dryers, electric meters, electronic air cleaners, exhaust fans, fire alarms, fire protection sprinkler systems, freezers, furnaces, garage door openers, garbage disposals, gas meters, gas or electric grills, heat exchangers, heat pumps, humidifiers, intercoms, oil tanks, outside lights or motion lights not attached to the home, range hoods, ranges, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool baths, and whole house fans.

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