

A. Coverage

For ten years from the Effective Date of Warranty, Your Home will be free of qualifying Structural Defects that occur in the Home FROM THE SILL PLATE UP.

THIS WARRANTY IS NOT AN INSURANCE POLICY, it is an EXPRESS LIMITED WARRANTY offered by the manufacturer of Your Home, which coverage is insured by New Home Warranty Insurance Company, a Risk Retention Group ("NHWIC"). 2-10 Home Buyers Warranty Corporation ("2-10 HBW") is the administrator of the Limited Structural Warranty. 2-10 HBW is NOT an insurer and has no financial obligations to You. **By acceptance of this Limited Structural Warranty, You waive and relinquish any and all implied warranties of habitability pertaining to structural defects to the extent allowed by the laws of Your State. ATTENTION NEW JERSEY BUILDERS, HOMEOWNERS AND CONSTRUCTION CODE OFFICIALS: THIS MANUFACTURERS WARRANTY DOES NOT MEET THE REQUIREMENTS OF THE NEW HOME WARRANTY AND BUILDERS' REGISTRATION ACT (P.L. 1977, c.467) AND ATTENDENT REGULATIONS (N.J.A.C. 5:25-1.1 et seq.).**

B. Limit of Liability

The maximum limit of liability during the ten-year term of this Limited Structural Warranty for any one claim and/or all claims in aggregate that are paid during the Warranty Term is limited to the price of the Home shipped from the manufacturer or \$150,000 whichever is less. This is the "Warranty Limit". When the Warranty Limit has been paid, Your warranty rights are extinguished. All of NHWIC's costs of designing and performing repairs to Your Home, or any cash payment paid to You in lieu of repairs, are deducted from Your Warranty Limit. The manufacturer or NHWIC has the sole right to choose to do the repair required (including the method of repair), or pay its fair value. The design, method or manner of such repair shall be within the sole discretion of the manufacturer, if the manufacturer pays for the repair or NHWIC, if NHWIC pays for the repair.

C. Arbitration

Any and all claims, disputes and controversies by or between the homeowner, the manufacturer, NHWIC and/or 2-10 HBW, or any combination of the foregoing, arising from or related to this Limited Structural Warranty, shall be settled by binding arbitration.

Agreeing to arbitration means You are waiving Your right to a jury trial, class action or consolidation.

The arbitration shall be conducted by DeMars & Associates, Ltd. or Construction Dispute Resolution Services, LLC. The arbitration shall be conducted pursuant to the applicable rules of the arbitration service unless noted otherwise. The choice of arbitration service shall be that of the homeowner. The arbitration shall be held in the home.

Any person in contractual privity with the manufacturer who may be responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

All administrative fees of the arbitration service and fees of the arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

The parties expressly agree that this Limited Structural Warranty and this arbitration agreement involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.

D. Definitions

"Effective Date of Warranty" is the date of first occupancy of the Home by the original owner.

"Sill Plate" is the horizontal structural member which rests on top of the foundation of the Home and is immediately below the floor framing system.

"Housing Unit/Home" is the physical unit as manufactured at the manufacturer's plant, and, with the unit serial number on file with NHWIC.

"Structural Defect" is actual physical damage to the following designated load-bearing elements of the Home caused by failure of such load-bearing elements which affected their load-bearing function to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable:

1. Beams;
2. Girders;
3. Headers;
4. Columns;
5. Load-bearing interior and exterior walls and partitions;
6. Floor joists and trusses;
7. Ceiling joists; and
8. Roof joists, rafters and trusses.

Examples of the elements which, under the Limited Structural Warranty, are deemed not to have Structural Defect potential are:

- a) non load-bearing partitions and walls;
- b) wall tile or paper, etc.;
- c) plaster, laths, or drywall;
- d) flooring and sub-flooring material;
- e) brick, stucco, stone, or veneer;
- f) any type of exterior siding;
- g) roof shingles, sheathing, and felt paper;
- h) heating, cooling, ventilation, plumbing, electrical, and mechanical systems;
- i) appliances, fixtures, or items of equipment; and
- j) doors, trim, cabinets, hardware, insulation, paint, and stains.

"Warranty Term" is the period during which a warranted defect must first occur in order to be covered hereunder. The Warranty Term begins on the Effective

Date of Warranty and ends ten (10) years thereafter.

"You" or "Your" means the person(s) who hold title to the Home.

E. Exclusions

This Limited Structural Warranty coverage does not apply to:

1. Any item not supplied and installed by the manufacturer;
2. Defects arising from transportation or installation;
3. Damage to real property that is not part of Your Home;
4. The foundation;
5. Homes located in, or that may be relocated to, Alaska or outside of the United States.
6. Defects in any property which was not included in the original Home delivered for the original manufacturer's sales price;
7. Loss or damage which arises while Your Home is being used primarily for nonresidential purposes;
8. Failure of Your manufacturer to complete construction;
9. Noncompliance with plans and specifications; violations of local or national building codes, ordinances or standards;
10. 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:
 - a) Negligence, improper maintenance, defective material or work supplied by, or improper operation by anyone other than Your manufacturer or its employees, agents or subcontractors,
 - b) Your failure to give prompt and proper notice to 2-10 HBW and Your manufacturer of any defect;
 - c) Your failure to minimize or mitigate any defect, condition, loss or damage as soon as practical;
 - d) Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorm, fire, explosion, blasting, smoke, water escape, flood, dampness, condensation, hail, snow, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, landslide, avalanche, earthquake, volcanic eruption;
 - e) Abuse or use of Your Home, or any part thereof, beyond the reasonable capacity of such part for such use;
 - f) Microorganisms, decay, rotting of any kind, mold, mildew, vermin, termites, insects, plants, corrosion, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic,
 - g) Improper surface drainage;
 - h) Foundation movement;
 - i) Inadequate anchoring or securing of Your home to the foundation;
11. Damage due to subsidence, expansion, frost heave, or any other soil movement;
12. Any damage You knew about prior to the Effective Date of Warranty;
13. Loss caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds;
14. Any loss or damage to the extent the loss or damage is covered by any other insurance, whether primary, excess, pro-rata or contingent;
15. 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;
16. Diminished market value of Your Home;
17. Any and all consequential loss or damage.

F. Warranty Transferable

All of Your rights and obligations hereunder shall fully transfer to each successor in title to the Home, including any mortgages and possessors for the remainder of the Warranty Term, and any such transfer shall in no way affect or reduce the coverage as defined in this Limited Structural Warranty for its remaining term and remaining warranty limit.

G. Conditions

1. Other insurance. If there is other insurance covering the same loss or damage, NHWIC will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether collectable or not. NHWIC will not pay more than the applicable Warranty Limit.
2. Your duty when loss occurs:
 - a) Send notice by certified mail, return receipt requested, so You will have record of when the notice was sent. Be specific and send photos, if available. Include a copy of Your Certificate of Warranty and a \$200 claim investigation fee made payable to NHWIC, RRG. The claims investigation fee will be refunded to You if the claim is accepted by NHWIC. Remittance should be mailed to 2-10 Home Buyers Warranty, 13900 E. Harvard Ave., Aurora, CO 80014. The phone number is 855.429.2109.
 - b) If Your home is in a multi-family building, notice for each affected building must be made by the Homeowners' association or its designated representative.
 - c) Your claim must be filed within sixty (60) days from the date You became aware of any defect and no later than thirty (30) days after the expiration of the Warranty Term. Claims received after that will be denied.
 - d) You must permit access to Your Home during normal business hours for NHWIC, the manufacturer and its contractors to conduct all necessary inspections and to perform repairs. Failure to allow access will void the Limited Structural Warranty.
 - e) If You repair (or cause to be repaired) any claimed defect before allowing NHWIC the opportunity to perform an inspection, NHWIC will not accept Your claim, unless the repairs were done on an emergency basis with prior authorization from NHWIC. If NHWIC is unavailable for emergency authorization, You must make minimal repairs in order to mitigate further damages and report the emergency to NHWIC on the next business day. NHWIC will not reimburse for any unauthorized repairs unless the above procedures have been followed.
3. Subrogation. In the event of payment by NHWIC of loss hereunder, NHWIC shall be subrogated to all rights of the person(s) receiving payment against any party responsible for the defective materials or workmanship out of which NHWIC's loss payment arises except that NHWIC shall have no rights of subrogation against the manufacturer regarding Structural Defect losses.