



*Warranty Information*

**AmberHomes**, inc.  
a higher standard

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# **THE AMBER HOMES PROTECTION PLAN**

## **I. INTRODUCTION**

This introduction provides a general overview of the coverage in the Amber Homes Limited Warranty. The specific details, limitations and conditions of the Amber Homes Limited Warranty are provided to you in this book. In general, the Limited Warranty is a commitment that materials and workmanship are warranted for one year from the time of closing. The heating, air conditioning, electrical and plumbing systems are warranted for two years from closing. Defects in materials and workmanship in the structural elements of the home are warranted for ten years from closing through a third party warranty provider.

Some appliances, equipment and other components included in the home are not covered under the Amber Homes Limited Warranty, but are covered by separate warranties provided by the manufacturer or supplier. These warranties are assigned to you at the time of closing.

**THE SPIRIT OF THE LIMITED WARRANTY** – Our warranty commitment is easy to understand and based upon common sense. We believe you have the right to expect a clean home which is complete and free of defects at the time of closing. If there are problems because of defects in materials and workmanship as outlined above and described in more detail later, Amber Homes will arrange for repair or replacement under the terms of this warranty.

**THE RIGHTS OF YOUR HOME** – We view your warranty in terms of what you, the buyer, have a right to expect. We view the issue of preventative maintenance in terms of what your home has a right to expect from you. No materials used in the construction of your home will last forever. Most will last for a long time, if properly maintained. It is our desire to help you understand how to prolong the life of your home through the regular maintenance you need to conduct and that is appropriate for the types of materials used in your home.

The following page describes in general terms, what you have a right to expect from Amber Homes and what your home has a right to expect from you. Following that are the LIMITED WARRANTY, WARRANTY EXCLUSIONS, LIMITATION OF LIABILITY, DISPUTE SETTLEMENT, REQUESTING WARRANTY SERVICE AND DETAILED WARRANTY INFORMATION sections and helpful information on ways to keep your home in good condition.

# **YOUR RIGHTS AND THE RIGHTS OF YOUR HOME**

This section discusses in general layman's terms what you can expect from Amber Homes in the construction of your new home and what your home should expect from you in ongoing maintenance and care.

## **YOU HAVE A RIGHT TO EXPECT FROM AMBER HOMES**

## **YOUR HOME HAS A RIGHT TO EXPECT FROM YOU**

### **1. SOIL DRAINAGE**

Your home has been placed on good bearing soil. It was engineered to withstand the settlement that will occur. It should not settle in such a way as to create structural problems during the warranty period.

Your home and lot were designed with a particular drainage pattern which should carry rainwater away from the foundation. Water should not be directed to the edge of the foundation either in the form of lot drainage or the watering of flowers.

### **2. CONCRETE SURFACES**

The concrete surfaces in your home shall fulfil the functions for which they were intended without excessive settlement, cracking, or secondary damage, such as leaking. Since concrete is likely to crack, standards are defined in a later section.

Concrete surfaces should be free of salts (for ice) and excessive weight such as a moving van. Yard drainage should be maintained to divert water away from concrete surfaces, if possible, to eliminate the chance it will undermine the surface and erode the bearing soil.

### **3. STRUCTURAL INTEGRITY**

Your home was constructed plumb, level, and square. Since homes are constructed by human beings, using a variety of materials, small tolerances are normal. What we consider unacceptable tolerances are defined in the detailed warranty section which follows.

Structural alterations to the home must be performed by professionals who understand the load bearing requirements of the change. The reason that local municipalities require permits for building alterations is to make sure that the structural integrity of the home is maintained.

### **4. INTRUSION OF THE ELEMENTS**

Your home should not leak. Exceptions might occur such as when a driving rain forces water in vents, windows, or under doors. Under normal circumstances, your home should protect you from the intrusion of the elements.

In many cases, the seal around doors and windows is caulk. This material will require annual inspection and any necessary replacement after one to two years. Water from yard and lawn watering devices should not come in contact with the structure.

# **YOUR RIGHTS AND THE RIGHTS OF YOUR HOME**

## **YOU HAVE A RIGHT TO EXPECT FROM AMBER HOMES**

## **YOUR HOME HAS A RIGHT TO EXPECT FROM YOU**

### **5. MECHANICAL SYSTEMS**

Those systems installed in your home to provide power, water, treated air, ventilation and waste disposal are in working condition.

Since the mechanical systems of your home were designed for normal usage, placing unreasonable demands upon them will present problems. Plugging several electrical devices into one circuit may cause it to overload. Loading materials into a drain may cause it to clog. Undue weight should not be placed upon pipes or shower heads because they can break. Some devices must be cleaned or replaced periodically (e.g., furnace filters) so that they may operate as designed.

### **6. FINISHED SURFACES**

Finished surfaces shall maintain the uniform or characteristic appearance with which they were installed for a reasonable period of time. Cracks or surface deterioration shall be repaired as provided in the Limited Warranty

Wood requires cleaning and sealing to prevent problems of water penetration and continual exposure to the elements. Painted or sealed surfaces must be cleaned and refinished as needed. If this is not done, the surface will deteriorate.

### **7. CARE & MAINTENANCE**

Although things wear out (such as flooring, countertops, mechanical equipment, etc.), components in your home should last a reasonable length of time (assuming you give them appropriate care and maintenance). This time will vary with the types of materials involved and usage.

Instructions for care and maintenance are included with many components of your home, including finished flooring, appliances and air handling equipment. Following these instructions will extend the life of these components.

### **8. COMMON ELEMENTS**

If your new home is part of a multi-family development, the common elements should be in the same clean and completed condition as your unit. This includes entries, common hallways and common utility and service areas.

The common areas require the same care and maintenance as your home. Although your homeowner or condo association is responsible for maintenance, all residents should strive to keep these areas clean and usable.

## II. THE LIMITED WARRANTY

THIS LIMITED WARRANTY INCLUDES PROCEDURES FOR INFORMAL SETTLEMENT OF DISPUTES (SUCH AS ARBITRATION) WHICH WILL BE BINDING ON YOU AND AMBER HOMES IF PERMITTED BY STATE LAW. YOU SHOULD READ THIS WARRANTY IN ITS ENTIRETY, INCLUDING THE ADDENDA AT THE END OF THIS WARRANTY BOOKLET, IN ORDER TO UNDERSTAND THE PROTECTION IT PROVIDES. EXCLUSIONS THAT APPLY, AND THE PERFORMANCE STANDARDS WHICH DETERMINE COVERAGE IN EACH CASE.

### A. THE LIMITED WARRANTY

Amber Homes' Limited Warranty relates only to Covered Defects which are defined as defects in material and workmanship that are either part of the structure or are elements of the home as supplied by Amber Homes at the date of closing. This is not an insurance policy nor a maintenance agreement, but a definition of what the owners have a right to expect in terms of a limited warranty.

This Limited Warranty is provided to the original purchaser of the home and is not transferable, except for the ten year coverage. If the original owner sells or rents the property, uses the home for a commercial use or any use other than originally intended, the Limited Warranty becomes null and void.

**One Year Coverage** – Amber Homes warrants the home and all elements not otherwise expressly limited in this warranty to be free of defects in materials and workmanship of the original construction, as defined in the Performance Standards, for a period of one year after the closing date.

**Two Year Coverage** – Amber Homes warrants the workability, as defined in the Performance Standards, of the plumbing, electrical, heating, ventilating, air conditioning and other mechanical systems for a period of two years after the closing date.

**Ten Year Coverage** – Amber Homes warrants the Structural Elements of the home are warranted by a third party insurer for a period of ten years after the original closing date to be free from defects in materials and workmanship if the defects diminish the ability of those Structural Elements to perform their load bearing functions as defined in the Performance Standards, rendering the home unsafe or uninhabitable. Structural Elements are defined as foundation systems and footings; load-bearing beams and girders; lintels (other than those supporting veneers); roof framing members (rafters and trusses); floor framing systems (joists and trusses); bearing walls; load-bearing columns; and structural roof sheathing (only if your Home has the original FHA financing in effect).

If a defect occurs in an item covered by this Limited Warranty, Amber Homes will repair or replace it to meet or exceed the Performance Standards. In the case of defects in Structural Elements, a third party warranty will repair or replace such Structural Elements to restore their load bearing functions, as designed, and make such other repairs as are necessary to return the home to safe living conditions and habitability.

Amber Homes assigns to the homeowners warranties for particular appliances and equipment furnished by the manufacturer to Amber Homes. Amber Homes provides no warranty on those items. If it is necessary to request warranty service in such a case, the homeowner must make a request directly to the manufacturer. In the unlikely event that the manufacturer is not responsive to the request, Amber Homes will use reasonable efforts to assist the homeowner in attempting to obtain the necessary repairs or replacements from the manufacturer.

The benefits included in this Limited Warranty are only available when service is requested according to the procedures established by Amber Homes and included in your warranty materials. In addition, your failure to reasonably provide access to the home during normal working hours for making repairs will relieve Amber Homes from its obligations under this Limited Warranty. Amber Homes is not liable for any lost wages if a homeowner chooses to be in attendance while such repairs are made. Amber Homes' total liability shall not exceed the original contract price of the home.

Amber Homes reserves the right to use its judgment in determining the most appropriate method of repairing warranty defects covered by the Limited Warranty. Amber Homes' offer to resolve an issue for which it bears no responsibility under this Limited Warranty does not create the responsibility to provide the resolution in another situation for which it bears no responsibility. Actions taken to cure defects will not exceed the periods of coverage specified in this Limited Warranty.

Amber Homes cannot guarantee, nor does it warrant, exact color matches in situations where materials are replaced or areas are repainted or original materials are discontinued.

## **B. EXCLUSIONS**

This Limited Warranty excludes any loss or damage which is not a Covered Defect, including:

1. Loss of or damage to any real property which is not part of the home covered by this Limited Warranty and which is not included in the original purchase price of the home as stated in the closing documents, including, but without limitation to the loss or damage to any real or personal property directly or indirectly damaged or caused by something other than a Covered Defect, any insurance deductible paid by you or anyone else, any lost wages for time taken off at work, or any damages caused by mold and/or fungus.
2. Any damage, to the extent it is made worse by:
  - a. Negligence, improper maintenance or intentional or improper operation acts or omissions by anyone other than Amber Homes, its agents, or subcontractors.
  - b. Failure by you or anyone other than Amber Homes, its agents or subcontractors to comply with the warranty requirements of manufacturers of appliances, fixtures and equipment
  - c. Failure by you to give timely notice to Amber Homes of any defects.
  - d. Changes in the grading of the ground by anyone other than Amber Homes, its employees, agents or subcontractors.

- e. Changes, alterations or additions made to the home by anyone other than Amber Homes, its employees, agents or subcontractors, after the Limited Warranty commencement date.
  - f. Dampness or condensation due to your failure to maintain adequate ventilation.
3. Loss or damage which the homeowner has not taken timely action to minimize.
  4. Any defect caused by, or resulting from, materials or work supplied by someone other than Amber Homes, its authorized agents or subcontractors.
  5. Normal wear and tear or normal deterioration.
  6. Loss or damage, not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the home by Amber Homes, its employees, authorized agents or subcontractors.
  7. Loss or damage caused by, or resulting from, accidents, riots and civil commotion, theft, vandalism, fire, explosion, power surges or failures, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, mud slide, earthquake and volcanic eruption.
  8. Loss or damage caused directly or indirectly by flood, wind driven water, surface water, waves, tidal waves, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable at the time of construction, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure), wetlands, springs or aquifers.
  9. Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil (excluding flood and earthquake) which is covered by any other insurance or for which compensation is granted by state legislation.
  10. Loss or damage to the home, persons or property directly or indirectly caused by insects, birds, vermin, rodents or other wild or domestic animals.
  11. Loss or damage resulting from use of the home for non-residential purposes.
  12. Loss or damage from any condition which does not result in actual physical damage to the home, including but not limited to, uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde or other pollutants and contaminants; or the presence of hazardous or toxic on-site materials or a loss in value to the property.
  13. Bodily injury or damage to personal property with respect to the homeowners or any third party.
  14. Loss or damage caused by, or resulting from, abnormal loading of structural elements by you or your agent which exceed design loads as mandated by codes.
  15. Consequential damages including without limitation lost wages as a result of any work time which a homeowner misses – even as a result of a covered defect.

## **C. LIMITATION OF LIABILITY**

IT IS UNDERSTOOD AND AGREED THAT AMBER HOMES' LIABILITY UNDER THIS WARRANTY (WHETHER IN CONTRACT, IN TORT, IN NEGLIGENCE OR OTHERWISE) IS LIMITED TO THE REMEDIES PROVIDED IN THIS LIMITED WARRANTY. AMBER HOMES' OBLIGATIONS UNDER THIS LIMITED WARRANTY AND UNDER THE PURCHASE AGREEMENT ARE LIMITED TO REPAIR AND REPLACEMENT. UNDER NO CIRCUMSTANCES SHALL AMBER HOMES BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES BASED ON A CLAIMED DECREASE IN THE VALUE OF THE HOME, EVEN IF AMBER HOMES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

THIS LIMITED WARRANTY IS THE ONLY WARRANTY APPLICABLE TO THIS PURCHASE. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY, ARE EXPLICITLY DISCLAIMED AND EXCLUDED.

## **D. WARRANTY COVERAGE DISPUTES**

### **INTENT OF PARTIES**

Homeowner recognizes that the procedure described in this warranty is the only method by which Homeowner may demand that Amber Homes correct alleged defects in the Home. Amber Homes and the Homeowner agree that all disputes in any way related to this Limited Warranty (the "Disputes") shall be resolved according to the "Negotiation" and "Arbitration" provision of this section.

The Homeowner must make written claim and give Amber Homes adequate opportunity to inspect any alleged defect and to fix such defects and otherwise comply with applicable state laws governing same.

In the event that the Homeowner is not satisfied with Amber Homes rejection or handling of the warranty claim, Homeowner understands and agrees that this Limited Warranty requires Homeowner to go through the entire process described in the following and the result of the Negotiation and Arbitration provisions of this section. Homeowner understands and acknowledges that the arbitration ("Arbitration") described in the following shall be final and binding on the Homeowner and Amber Homes.

### **NEGOTIATION**

1. The parties each agree to participate in a period of good faith negotiations (the "Negotiation") as described in this section as the first step in resolving any dispute.
2. Homeowner recognizes that the Negotiation process described in this section must be completed before Homeowner can begin the Arbitration process described in this section.
3. If Homeowner disputes, or is unsatisfied with Amber Homes handling or rejection of a particular Warranty claim, Homeowner must first give written notice to Amber Homes of such dispute. The notice must contain the following information:

- a. A description of the nature of the Dispute and a description of what the Homeowner believes Amber Homes is obligated to do under the Warranty to resolve the dispute;
  - b. A description of the facts upon which the Homeowner bases its belief that Amber Homes is obligated to provide Warranty Service.
  - c. A proposed date and time for a conference ("Conference"), which date must fall on a business day between twenty-five (25) and sixty (60) days after the date the Homeowner sends the notice to Amber Homes. The Conference shall be held at the Home, unless otherwise agreed.
  - d. The notice shall be addressed to Amber Homes at the address set forth in this Warranty. The notice and all other notices described in the Warranty must be sent by either (1) personal delivery; (2) a nationally-recognized overnight courier, prepaid with instructions for next business day delivery or (3) prepaid certified or registered mail, return receipt requested.
4. Within ten (10) days of the Homeowners sending the Conference notice, Amber Homes shall provide a follow-up notice to the Homeowner confirming the time of the Conference and stating the name and title of the Amber Homes representative that will be attending the Conference.
  5. Prior to the Conference, Amber Homes and Homeowner agree that they will, in good faith, discuss and consider possible resolutions of the Dispute. At the Conference, the parties and their representatives shall confer together to resolve the Dispute for the maximum period of two hours, although the parties may extend or adjourn the meeting by mutual agreement. In addition, the Parties agree to consider, in their reasonable discretion, using a third party mediator at the parties' equal cost to resolve the dispute informally.
  6. If, after such conference, the entire Dispute has not been resolved, the Homeowner may, but shall not be required to, proceed to Arbitration as described in the following section. If, as a result of the Conference, certain issues in the Dispute have been resolved, the parties shall jointly state in writing the issues that have been resolved and the issues which remain unresolved and will require Arbitration. Although Arbitration is the next formal step in the procedure, the Parties may continue to negotiate informally to resolve the Dispute and/or mutually agree to submit the Dispute to a third party mediator following the Conference and prior to Arbitration.
  7. In order to increase the likelihood that the Dispute can be informally resolved outside of the Arbitration and to promote the free flow of candid discussion between the parties, both Parties acknowledge and agree that any offers of compromise or settlement shall be deemed to be in the interest of resolving the Dispute and therefore such offers of compromise or settlement are not admissible as evidence in the Arbitration.

#### **ARBITRATION**

1. In the event that the Parties have completed negotiation as required by the previous sections, but failed to resolve the Dispute, then, if either of the Parties wishes to pursue the matter further, the unresolved aspects of the Dispute shall be resolved by

Arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association which are then in effect. By agreeing to submit the Dispute to Arbitration, each party agrees it is giving up any rights it may possess to have the dispute litigated in a court or jury trial and it is giving up judicial rights to appeal and to discovery (except such discovery as is permitted under the Commercial Arbitration Rules).

2. Homeowner and Amber Homes agree that in addition to the Commercial Arbitration Rules, the following additional rules shall govern Arbitration: A) The arbitrator shall not be any past or present owner, officer, director, employee, consultant, agent, attorney or other representative of any homebuilder or real estate agent, or any affiliate of any of them; B) The location for the Arbitration shall be at the home or at such a place as is mutually agreed; C) A transcript may be made of the proceedings at either party's request (and cost); D) The party requesting the Arbitration shall post the initial fee for such Arbitration although the Arbitrator shall have the discretion to require reimbursement of the fee in connection with any award; E) The Arbitrator may act as a mediator to attempt to resolve the Dispute before commencing any formal Arbitration proceedings; F) The Arbitration award shall state findings of fact and conclusions of law. Homeowner and Amber Homes further agree that Homeowner and Amber Homes shall be bound by the results of the Arbitration and that such results may not be appealed by either Homeowner or Amber Homes. Either Homeowner or Amber Homes may enter the arbitrator's decision as a judgment in any court of competent jurisdiction. Regardless of the outcome of the Arbitration, neither Homeowner nor Amber Homes has the right to take legal action in state or federal courts, before or after the Arbitration decision has been issued.

## **STATUTES OF LIMITATIONS**

A demand for Arbitration must be filed under the Commercial Arbitration Rules within the time periods described by the applicable legal statutes of limitations. The notice described in the above sections shall not stop or toll the running of any statute of limitations.

## **E. REQUESTING WARRANTY SERVICE**

If a claimed defect occurs in Years 1 and 2, you must notify Amber Homes in writing (a Warranty Service Request form has been provided to you). Your request for warranty service should clearly describe the claimed defect in reasonable detail. Multiple requests may be included on the same form. If a claimed defect of a structural nature occurs in years 3 through 10, you must notify the applicable third party insurer to review the item. All such notices must be presented in writing to the third party insurer at their address. Any such notice should describe the condition of the Structural Defect in reasonable detail.

# NOTES

# AmberHomes, inc.

## III. Amber Homes Performance Standards

This section establishes the standards for determining whether the concern you have with some element of your home is covered by this Limited Warranty. Where specific standards and actions are not shown, the standard shall be the accepted industry practice for workmanship and materials.

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
<b>BASEMENT</b>				
	EXPANSION JOINTS	Cracks appear in the expansion joints in basements or on concrete foundation surfaces	Such action was the intent of the engineered joint. No action is required.	N/A
	FLOOR	Depression in floor exceeding 1/4" in 32" length	Amber Homes will fill area to tolerance.	1 year
		Uneven floor area where crown exceeds 1/4" in 32" length	Amber Homes will level area to tolerance.	1 year
	FOUNDATION WALLS	Cracks in the foundation walls that exceed 1/8" in 32" length	Amber Homes will patch the voids in the wall	1 year
	SUMP PUMP	Sump pump fails to operate	Amber Homes will repair or replace	1 year
	WATERPROOFING	Leaks in basement or crawlspace	Amber Homes will eliminate the cause of leaks. (Humidity and condensation issues are not warranted.)	1 year

<b>CABINETS</b>				
	KITCHEN/BATH	Cabinets separate from wall or ceiling 1/4" measured diagonally	Amber Homes will repair.	1 year
		Cracks in door panels	Amber Homes will replace	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Door warpage exceeding 1/4" in height and width	Door will be replaced.	1 year
		Misalignment of doors	Amber Homes will adjust.	1 year
		Variation in stain color	Due to normal grain variations, Amber Homes cannot guarantee stain color.	N/A

## CHIMNEY & FIREPLACE

BRICK	Exterior and interior brick veneer cracking in excess of 1/8"	Amber Homes will repair joints or brick.	1 year
CHIMNEY	Chimney separation exceeding 1/2" from attached structure	Amber Homes will determine cause of separation and correct as necessary.	1 year
FIREPLACE	Smoke escapes into living room	Amber Homes will correct if problem is caused by improper installation or design. NOTE: High winds or external factors such as trees can cause negative draft situations. Make sure damper is fully opened.	1 year
	Water infiltration into firebox from the flue	A certain amount of rainwater can be expected under certain conditions. No action is required.	N/A

## CONCRETE

DRIVEWAYS	Depressions which retain water in excess of 1" deep	Amber Homes will repair.	1 year
FLATWORK	Concrete surfaces settle or heave in excess of 2" where it abuts another concrete surface	Amber Homes will repair.	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Cracks exceeding 1/4" in width or vertical displacement	Amber Homes will repair by patching.	1 year
	GARAGE FLOOR	Disintegration of the concrete surface resulting in the appearance of coarse aggregate below the surface	Amber Homes will repair concrete surfaces unless caused by salt or chemical damage.	1 year
	STOOP	Stoop settles, heaves, or separates in excess of 1" from home	Amber Homes will repair	1 year

### COUNTER TOPS

KITCHEN/BATHS	Delamination of counter top material	Amber Homes will repair.	1 year
	Open seams in counter tops	Amber Homes will repair.	1 year
	Cracks in marble, granite surfaces	Amber Homes will repair	1 year
	Gaps between counter top and wall in excess of 3/16"	Amber Homes will repair	1 year

### DOORS

EXTERIOR	Failure to operate properly by binding, sticking; not latching or sealing	Amber Homes will make necessary corrections.	1 year
	Shrinkage of wood door panels	Panels will shrink and expand and may expose unpainted or unstained surfaces. No action is required.	N/A
	Split in door panel	Unless splits or cracks present problems of continual deterioration or leaking, Amber Homes will take no action; otherwise Amber Homes will correct.	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Warping in excess of 1/4" measured diagonally from corner to corner or to the extent they become inoperable or cease to be weather resistant	Amber Homes will correct or replace and refinish door.	1 year
	GARAGE	Failure of garage door to operate properly	Amber Homes will correct or adjust door as required.	1 year
		Leak (through) or under door	Amber Homes will make needed adjustments if necessary. Some entrance of the elements can be expected under high wind conditions.	1 year

#### DRYWALL (SHEETROCK)

##### INTERIOR FINISH

Crack in drywall, nail pops	Amber Homes will repair any cracks, nail pops, blisters in tape, and corner bead pops on a one-time basis during first year.	1 year
Excessive waviness or seams visible in normal light	Amber Homes will repair cracks 1/8" or greater or obvious irregularities. Amber Homes cannot be responsible for color variation.	1 year

#### EXTERIOR

##### TRIM

Excess warping, cupping, splitting or rotting of wooden members	Amber Homes will repair or replace as necessary.	1 year
Exterior trim pulls away from its surface	Amber Homes will re-nail and seal the material on the surface to which it is attached.	1 year
Open joints in exterior trim exceed 1/4"	Amber Homes will correct the problem, on a one-time basis	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
	FLASHING	Flashing leaks	Leaks due to improperly installed flashing will be corrected.	1 year
	SHINGLES	Ice-damming causing leaks into living areas	In some conditions, snow build-up on roofs due to freeze/thaw cycles can result in ice-damming at the gutters, causing water to back up under shingles and enter the home. No action is required if condition is caused by radical swings of freezing and thawing in the weather. If condition is caused by poor insulation, Amber Homes will repair.	1 year
	WALLS	Siding materials become loose or detached	Unless the problem is a result of catastrophic winds, Amber Homes will correct.	1 year
		Siding materials show signs of deterioration and/or delamination	Amber Homes will hold manufacturer responsible for repairing or replacing faulty material.	1 year
<b>FLOORING</b>				
	CARPET	Carpet becomes loose at edges	Amber Homes will repair.	1 year
		Carpet buckles	Amber Homes will restretch carpet on a one-time basis.	1 year
		Fading, staining, or discoloration	Manufacturer's warranty will apply if due to carpet defect.	1 year
		Premature wearing	Manufacturer's warranty will apply.	N/A
		Visible gaps in seams	Amber Homes will repair.	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
HARDWOOD		Gaps in floors	Amber Homes will make a one-time repair to gaps in excess of 1/8". Hardwood floors will expand and contract due to humidity changes within your home.	1 year
		Loose boards	Amber Homes will repair.	1 year
RESILIENT FLOORING		Becomes loose or bubbles	Amber Homes will repair.	1 year
		Fading or discolorations	Manufacturer's warranty will apply.	N/A
		Gaps in seams (sheet goods)	Amber Homes will repair.	1 year
		Gaps in seams exceed 1/8" (resilient block tile)	Amber Homes will repair.	1 year
		Indentations due to normal traffic	No action required.	N/A
		Subfloor causing depressions or ridges exceeding 1/8" on 6" span	Amber Homes will repair.	1 year
		Fasteners popping through	Amber Homes will repair.	1 year
<b>FOUNDATION</b>	<b>**Coverage in years 1-2 by Amber Homes, years 3-10 by third party 10-year warranty provider</b>			
FLOOR SLAB**		Serious cracks and/or deterioration in the foundation floor slab which cause the home to be unsafe or uninhabitable	Amber Homes will repair cracks and repair the finished floor.	10 years
FOOTINGS & WALLS**		Serious cracks and/or deterioration in the foundation footings or foundation walls which cause the home to be unsafe or uninhabitable	Amber Homes will make the necessary repairs and/or replacement to the structural elements and related damage.	10 years

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
FRAMING	**Coverage in years 1-2 by Amber Homes, years 3-10 by third party 10-year warranty provider			
	BEARING WALLS & BRACES**	Deterioration of the bearings walls and/or braces which cause the home to be unsafe or uninhabitable	Amber Homes will make the necessary repairs and/or replacement to the structural elements and related damage.	10 years
	FLOOR & ROOF SHEATHING**	Deterioration of floor and/or roof sheathing which causes the home to be unsafe or uninhabitable	Amber Homes will make the necessary repairs and/or replacement to the structural elements and related damage.	10 years
	STRUCTURAL FASTENERS**	Failure of structural fasteners associated with the structural elements of the home which cause the home to be unsafe or uninhabitable	Amber Homes will make the necessary repairs and/or replacement to the structural elements and related damage.	10 years
	TRUSSES AND/OR JOISTS**	Deterioration of floor trusses or joists and/or roof trusses or joists which cause the home to be unsafe or uninhabitable	Amber Homes will make the necessary repairs and/or replacement to the structural elements and related damage.	10 years
	VENTS	Leaking through vents or louvers	Amber Homes will correct if there are problems with the vents or louvers, but not if the leak is from wind-driven rain or snow.	1 year
	WALLS/FLOORS	Crowns in walls or floors exceeding 1/4" in 32" length	Amber Homes will correct the problem.	1 year
		Delamination or deterioration of subflooring	Amber Homes will repair or replace faulty material.	1 year
		Depressions in walls or floors exceeding 1/4" in 32" length	Amber Homes will correct the problem.	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		The floor squeaks	Amber Homes will take corrective action to eliminate loose flooring and minimize squeaks on a one-time basis. The absence of squeaks cannot be guaranteed.	1 year
		Wall is out of plumb over 1/4" in a 32" vertical measurement	Amber Homes will correct the problem.	1 year
	WINDOWS	Condensation (or frost)	Condensation on interior window surfaces is the result of extreme temperature differences and high levels of humidity inside the home. No action is required.	N/A
		Defects, including stress cracks or failed seals in insulated windows.	Amber Homes will replace defective glass. Manufacturer's warranty will apply after 2 years.	1 year
		Excess air infiltration	Some infiltration around windows is normal especially during high winds. Amber Homes will take necessary corrective action by adjusting windows or weather stripping.	1 year
		Fail to operate properly	Amber Homes will correct or repair as needed.	1 year

## INSULATION

### INFILTRATION

Insufficient insulation

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

1 year

## INTERIOR

### CERAMIC TILE

Cracks in grout

Amber Homes will repair.

1 year

Tile cracks or loosens

Amber Homes will repair.

1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
	DOORS	Door is loose or rattles at latch	Amber Homes will repair.	1 year
		Door rubs on jamb	Amber Homes will repair.	1 year
		Split in door panel	Amber Homes will fill split and finish to match as close as possible.	1 year
		Delamination of door frame	Manufacturer's warranty will apply.	N/A
		Warping exceeds 1/4" vertically or horizontally	Amber Homes will replace.	1 year
		Door is loose or rattles at latch	Amber Homes will repair.	1 year.
<b>MASONRY (BRICK)</b>				
	EXTERIOR FINISH	1/8" or greater cracks	Amber Homes will repair cracks 1/8" or greater by refinishing joints.	1 year
		Efflorescence on masonry walls	Amber Homes will correct.	1 year
		Moisture entering home through masonry	Amber Homes will correct.	1 year
<b>MECHANICALS</b>				
	ELECTRICAL	Circuit breakers trip excessively	Amber Homes will correct.	2 years
		Malfunction of outlets, switches or fixtures	Amber Homes will correct.	2 years
	HEATING & COOLING	Condensation lines clog	Amber Homes will correct.	2 years
		Ductwork separates	Amber Homes will correct.	2 years
		Leak in refrigerant lines	Amber Homes will correct.	2 years

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Not heating (cooling) properly	Amber Homes will take corrective action if ASHRAE standards are not met.	2 years
		Settling of exterior HVAC unit	Amber Homes will correct excessive settling of 2" or more on a one-time basis.	2 years
	PLUMBING	Cracks or chips in plumbing fixtures	Amber Homes is not responsible unless condition is noted on the final walk-through.	N/A
		Defective plumbing, fixtures, fittings, or appliances	Amber Homes will repair or replace.	2 years
		Faulty water supply system	Amber Homes will make necessary corrections to improperly installed water supply systems, but cannot be held responsible for conditions beyond their control, such as municipal system problems.	2 years
		Freezing and bursting of plumbing pipes	Amber Homes will make necessary corrections to assure that plumbing pipes are adequately protected against normal anticipated cold weather (except undrained exterior faucets).	2 years
		Leakage from any piping (not including condensation)	Amber Homes will make necessary repairs in any soil, waste, vent, or water pipe.	2 years
		Leaky faucets	Amber Homes will repair as necessary.	2 years

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Noisy water pipes (e.g. water hammer)	Amber Homes will correct as necessary.	2 years
		Stopped up sewer, fixtures, or drains	Amber Homes will assume responsibility for clogged sewers, fixtures, and drains where defective construction or workmanship caused the problem.	2 years

## PAINTING & CAULKING

EXTERIOR	Separation or deterioration of caulk	Amber Homes will repair.	1 year
	Excessive fading or uneven fading on a wall surface	Amber Homes will correct.	1 year
	Flaking, scaling of painted surfaces	Amber Homes will correct.	1 year
	Mildew appears on painted surfaces	Fungus must be cleaned when detected by homeowner as a maintenance item. No action is required.	N/A
INTERIOR	Excessive or differential fading of painted surfaces	Amber Homes will repair.	1 year
	Scaling or flaking of painted surfaces	Amber Homes will repair.	1 year
	Cracking or deterioration of caulking	Amber Homes will repair on a one-time basis.	1 year

## ROOFING

EXTERIOR	Roof and roof flashing leaks	Amber Homes will make necessary repairs.	1 year
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CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
		Shingles blow off roof	Amber Homes will reseal or replace unless caused by wind velocities exceeding manufacturer tolerances.	1 year
		Uneven shading of roof shingles	Shade variations in shingles is normal. No action is required.	N/A
	SURFACE	Snow and ice buildup on roof	Prevention of ice build-up is the responsibility of homeowner.	N/A

**SHEET METAL**

	GUTTERS	Gutters do not drain	Amber Homes will assure adequate fall to limit standing water depth to 1/2". Homeowner is responsible for keeping gutters clean.	1 year
		Leaking gutters	Amber Homes will correct as necessary.	1 year

**SITE WORK**

	ASPHALT DRIVEWAYS	Indentations or depressions caused by settlement which retain water in excess of 1" deep	Amber Homes will repair.	1 year
		Crack 1/4" in width	Amber Homes will repair.	1 year
	DRAINAGE	Improper drainage of the site; standing or ponding water in the yard beyond a 24-hour period (48 hours on swales)	Amber Homes will regrade yard or swales in 1st year if proper grades were not established initially. Homeowner is responsible for maintaining drainage of lot. No grading determination can be made during frost conditions.	1 year

CATEGORY	ITEM	OBSERVATION	ACTION REQUIRED	COVERAGE
	GRADING	Settlement of soil exceeding 6" deep	Amber Homes will fill affected areas on a one-time basis, reinstalling displaced plant material if originally installed by Amber Homes.	1 year
	LANDSCAPING	Trees, shrubs and grass die after move-in	If an irrigation system has not been installed, there is no warranty for landscaping. If the system was installed, trees, shrubs and sod planted from April to October are warranted for 30 days. If planted from November to March, due to winter conditions, the plantings must be evaluated in April for viability before warranty will apply.	30 Days

## **APPENDIX**

HUD ADDENDUM (Applicable to FHA/VA Financed Homes Only):

The following language is added to Section II.A:

Notwithstanding anything to the contrary herein contained, during the first year of coverage, Amber Homes will correct problems with, or restore the reliable function of appliances and equipment damaged during installation or improperly installed by Amber Homes. In addition, Amber Homes will correct Construction Deficiencies in workmanship and materials resulting from the failure of the home to comply with standards of quality as measured by acceptable trade practices. "Construction Deficiencies" are defects (not of a structural nature) in the home that are attributable to poor workmanship or the use of inferior materials which result in the impaired functioning of the home or some part thereof. Defects resulting from abuse by you or someone else or from normal wear and tear are not considered Construction Deficiencies. Buyer may ask for a review and resolution of a disputed claim by HUD prior to engaging in arbitration.

Where a covered defect is determined to exist and where either Amber Homes or the Third Party Insurer elects to pay the reasonable cost of repair or replacement in lieu of making such repair or replacement, the cash offer must be in writing and you will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD-approved fee inspector (inspection costs to be paid by Amber Homes or the Insurer, as appropriate) unless:

- (a) The cash offer is made pursuant to a binding bid by an independent third party contractor which will accept an award of a contract from you pursuant to such bid;
- (b) Payment is being made in settlement of legal action; or
- (c) You are represented by legal counsel.

The effective date will be the date on which closing of settlement occurs in connection with the initial sale of the home. In no event will the effective date be later than the date of FHA endorsement of your mortgage on the home.

The warranty for basement slabs in the state of Colorado is extended from the first through the fourth year.