

# TRUE HOMES LIMITED HOME WARRANTY

This Limited Home Warranty is provided at no cost to you by True Homes, LLC and provides protection for the Home more fully described in the Home Agreement. The Home was built by True Homes, LLC and is protected by a Limited Warranty Policy issued by True Homes, LLC. This Limited Home Warranty will become effective at: the Transfer of Possession of completed Home by True Homes, LLC to Chatham County, North Carolina following the construction of the Home ("**Effective Date**"). Capitalized terms or terms in Bold type used but not otherwise defined in the text of this Limited Home Warranty shall have the meanings assigned to them in Section IX of this Limited Home Warranty. Any remaining warranty under this Limited Home Warranty will automatically transfer to any subsequent record owner(s) of the real property, but the Effective Date of this Limited Home Warranty will remain the same.

**WAIVER OF TRIAL BY JURY; WAIVER OF RIGHT TO PARTICIPATE IN CLASS ACTION.** EXCEPT AS EXPRESSLY PROHIBITED BY LAW, TRUE HOMES, LLC AND CHATHAM COUNTY, NORTH CAROLINA BOTH KNOWINGLY AND VOLUNTARILY AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY AND ANY RIGHT TO PARTICIPATE IN A CLASS ACTION AND INSTEAD AGREE TO SUBMIT ANY AND ALL DISPUTES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DISPUTES ARISING FROM THIS LIMITED HOME WARRANTY, THE LIMITED HOME WARRANTY DOCUMENTS, THE HOME AGREEMENT, THE HOME, OR THE RELATIONSHIP BETWEEN THE PARTIES, TO BINDING ARBITRATION, AS GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 et seq.), AND AS MORE SPECIFICALLY DESCRIBED IN THE DISPUTE RESOLUTION PROCEDURE SECTION OF THIS LIMITED HOME WARRANTY, SECTION VII BELOW.

**WAIVER OF CONSEQUENTIAL DAMAGES.** CHATHAM COUNTY, NORTH CAROLINA ALSO WAIVES THE RIGHT TO RECOVER FROM TRUE HOMES, LLC ALL CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGE, INCLUDING EMOTIONAL DISTRESS, PAIN AND SUFFERING, LOST PROFITS, DEPRECIATION OR OTHER STATUTORY DAMAGES, LOST WAGES OR OPPORTUNITY, LOST OR DAMAGED HOUSEHOLD ITEMS, HOUSING OR MEDICAL EXPENSE. The total liability under this Limited Home Warranty is limited to the most recent appraisal value at the time of the Transfer of Possession of the Home from True Homes, LLC to Chatham County, North Carolina.

**WAIVER OF IMPLIED WARRANTIES.** CHATHAM COUNTY, NORTH CAROLINA WAIVES ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF HABITABILITY. Other than as provided in this Limited Home Warranty, True Homes, LLC makes no other warranty, either express or implied, in connection with transfer of the possession of the Home or construction of the Home. All other warranties are excluded, except as expressly provided in this Limited Home Warranty. There are no warranties which extend beyond the face of this Limited Home Warranty policy.

## I. Coverage Limit

The Liability under this Limited Home Warranty is limited to the most recent appraisal value at the time of original transfer of the possession of the Home from True Homes, LLC to Chatham County, North Carolina. This is the most **we** will pay or expend for all covered **Defects** or **Load Bearing Deficiencies** regardless of the number of claims made during the warranty period. Once **our** limit of liability has been paid, no further claims can be made against this **Limited Home Warranty**.

## II. Warranty Coverage

Coverage under this **Limited Home Warranty** changes over the course of the warranty term as follows:

A. **FIRST YEAR COVERAGE:** Beginning on the **Effective Date**, True Homes, LLC warrants for **ONE YEAR** that construction of **your** Home will conform to the **STANDARDS OF PERFORMANCE FOR FIRST YEAR COVERAGE**. First Year Coverage expires on the **FIRST** anniversary of the **Effective Date**. To be eligible for First Year Coverage, **we** must receive written notice of the **Defect** prior to the expiration date of the coverage.

B. **FIRST AND SECOND YEAR COVERAGE:** Beginning on the **Effective Date**, True Homes, LLC warrants for **TWO YEARS** that the **Mechanical Systems** will conform to the **STANDARDS OF PERFORMANCE FOR FIRST AND SECOND YEAR COVERAGE**. First and Second Year Coverage for Mechanical Systems expires on the **SECOND** anniversary of the **Effective Date**. To be eligible for Second Year Coverage, **we** must receive written notice of the **Defect** prior to the expiration date of the coverage.

C. **LOAD BEARING COVERAGE:** Beginning on the **Effective Date**, True Homes, LLC warrants for **TEN YEARS** that no **LOAD BEARING DEFICIENCY** exists in the Home. Load Bearing Coverage begins on the **Effective Date** and expires on the **TENTH** anniversary of the **Effective Date**. To be eligible for Load Bearing Coverage **we** must receive written notice of the **Load Bearing Deficiency** prior to the expiration of the coverage.

## III. Our Coverage Obligations

All notices of **Defects**, **Load Bearing Deficiencies**, and complaints under this **Limited Home Warranty** must be made by **you** in writing, either mailed to the claim address below, or submitted via electronic message to [Warranty@truehomesusa.com](mailto:Warranty@truehomesusa.com). Telephonic or face-to-face discussion will not protect **your** rights under this **Limited Home Warranty**.

**We** will have been considered to have breached this **Limited Home Warranty** only if **we** fail to correct a **DEFECT** or **LOAD BEARING DEFICIENCY** in accordance with the terms and conditions of this **Limited Home Warranty**.

**DEFECT:** In the event a **DEFECT** occurs during the applicable coverage period, **we** will, upon receiving written notice from **you**, test or inspect the **DEFECT** to confirm coverage within a reasonable time after **we** receive **your** notice. Upon confirmation of a **DEFECT**, **we**, or another third party designated by **us** will repair, replace, or pay **you** the actual cost of repairing or replacing the **DEFECT**. The decision to repair, replace, or to make payment to **you** is at **our** sole option.

**LOAD BEARING DEFICIENCY:** In the event a **LOAD BEARING DEFICIENCY** occurs during the applicable coverage period, **we**, or another third-party designated by **us** will, upon receiving written notice from **you**, test or inspect the **LOAD BEARING DEFICIENCY** to confirm coverage within a reasonable time after **we** receive **your** notice. Upon confirmation of a **LOAD BEARING DEFICIENCY**, **we**, or another third-party designated by **us** will repair, replace or pay **you** the actual cost of repairing or replacing the **LOAD BEARING DEFICIENCY**. The decision to repair, replace, or to make payment to **you** is at **our** sole option.

## IV. Coverage Limitations

This Limited Home Warranty is not an insurance policy and does not take the place of either your general liability insurance or any Homeowners / Owners' / Tenants' Insurance policy. When **we** repair a **Defect** or **Load Bearing**

**Deficiency**, the repair will include the correction or replacement of only those surfaces, finishes and coverings that were damaged by the **Defect** or **Load Bearing Deficiency** that were part of the **HOME on the Effective Date**.

Our obligation to replace or repair an item pursuant to the Load Bearing Coverage in Section II(C) of this Limited Home Warranty does not extend to options contractually designated by True Homes as a “*structural option*” unless such option is also listed under the Load Bearing Coverage listed in this Limited Home Warranty. These non-Load Bearing options include, without limitation, non-load partitions and walls, wall or floor tile, drywall and plaster, floor and sub-flooring material, brick, stucco, stone or veneer, any type of exterior siding, roof shingles, sheathing or flashing, mechanical systems, appliances, fixtures, smart home technology, doors, trim, cabinets, windows, hardware, insulation, or paint.

We will repair and replace surfaces, finishes and coverings that require removal or replacement in order for us to repair or replace a **Defect** or **Load Bearing Deficiency**. The extent of our repair and replacement of these surfaces, finishes or coverings will be to approximately the same condition they were in prior to the **Defect** or **Load Bearing Deficiency**, but not necessarily to a like-new condition. We will only refinish those surfaces that were damaged by a **Defect** or **Load Bearing Deficiency**.

When we undertake repair on surfaces, finishes and coverings, our repair will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but we cannot guarantee an exact match due to such factors as fading, aging and unavailability of the same materials. By way of illustration, and not by limitation, the following specific areas of potential misunderstandings are noted:

1. **Flooring.** We will repair or replace only the defective or damaged portion of the flooring and may substitute a similar product in place of unavailable material even where color, style, pattern, or sheen differences exist between the new material and the existing flooring. Alternatively, we may replace the entire room of flooring and insert one or more transition strips as needed to transition the replaced floor to existing and undamaged material in adjacent rooms, even where no transition strip existed prior to the repair.
2. **Siding.** We will repair or replace only the defective or damaged siding material and may substitute a similar product in place of the unavailable material even where color, style, pattern, or sheen differences exist between the new material and the existing flooring. Alternatively, we may replace one entire elevation of siding even when the material does not exactly match the other elevations.
3. **Exterior Painting.** We will paint only the replaced or repaired material even where color, style, pattern, or sheen differences exist between the new paint and the existing painted surfaces. Alternatively, we may voluntarily paint one entire elevation of siding even when the paint does not exactly match the other elevations.
4. **Interior Painting.** We will paint only the replaced or repaired material even where color, style, pattern, or sheen differences exist between the new paint and the existing painted surfaces. Alternatively, we may voluntarily paint one wall in a room even when the paint does not exactly match the other walls.
5. **Concrete Flatwork.** We will repair or replace only the defective or damaged portion of the concrete even where color, style, pattern, or sheen differences exist between the new material and the existing concrete. Alternatively, we may replace an entire section of concrete even when it will not be an exact match in color or sheen of surrounding material.
6. **Countertops and Backsplashes.** We will repair or replace only the defective or damaged portion of the countertop or backsplash where color, style, pattern, or sheen differences exist between the new material and the existing surface. Alternatively, we may replace an entire section of countertop or backsplash up to the next existing seam or break of material, even when it will not be an exact match in color or sheen of surrounding material.
7. **Granite, Stone, or Solid Surfaces.** We will repair or replace only the defective or damaged portion of the solid surface where color, style, pattern, or sheen differences exist between the new material and the existing surface. Alternatively, we may replace an entire section of the solid surface up to the next existing seam or break of material, even when it will not be an exact match in color or sheen of surrounding material.

8. **Plumbing or Electrical Fixtures.** We will repair or replace only the defective or damaged plumbing or electrical fixtures with the same plumbing or electrical fixture when the same product or material is available. If the product has been discontinued or is unavailable, we may replace with a similar product of substantially the same value even when there are color, style, pattern, or sheen differences between the new plumbing or electrical fixtures and the existing plumbing or electrical fixtures.

## V. Exclusions

- A. This **Limited Home Warranty** does not cover:
1. Any **Defect** or **Load Bearing Deficiency** resulting, either directly or indirectly, from the following causes or occurring in the following situations:
    - a. Fire;
    - b. Lightning;
    - c. Acts of God;
    - d. Explosion;
    - e. Riot and Civil Commotion;
    - f. Smoke;
    - g. Hail;
    - h. Aircraft;
    - i. Falling Objects;
    - j. Vehicles;
    - k. Floods;
    - l. Wind Driven Water;
    - m. Earth Movement including but not limited to:
      - i. Earthquake, landslide or mudslide;
      - ii. Mine subsidence, sinkholes or changes in the underground water table not reasonably foreseeable at the time of construction;
      - iii. Volcanic eruption; explosion or effusion;
    - n. Wind including but not limited to:
      - i. Gale force winds;
      - ii. Hurricanes;
      - iii. Tropical storms;
      - iv. Tornadoes;
    - o. Insects, animals or vermin;
    - p. Rot, moisture, corrosion, rust, mold or mildew;
    - q. Changes of the grading of the ground by anyone other than **us** or **our** agents, or subcontractors;
    - r. Changes, additions, or alterations made to the **Home** by anyone after the **Effective Date**, except those made or authorized by **us**;
    - s. Any defect in material or workmanship supplied by anyone other than **us** or **our** agents, or subcontractors;
    - t. Improper maintenance, negligence or improper use of the **Home** by **you** or anyone else;
    - u. Dampness or condensation due to **your** failure to provide adequate ventilation;
    - v. Abnormal loading on floors which exceeds design loads;
  2. Any costs arising from, or any **Defect** or **Load Bearing Deficiency** resulting from the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**. **We** will not cover costs or expenses arising from the uninhabitability or health risk due to the proximity of **Pollutants**. **We** will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor **Pollutants**;
  3. Any costs arising from, or any **Defect** or **Load Bearing Deficiency** resulting from the effects of electromagnetic fields (EMF's) or radiation;
  4. Any damage to personal property;

5. Any **CONSEQUENTIAL or INCIDENTAL DAMAGES**;
6. Any damage to **CONSUMER PRODUCTS**;
7. Any **Defect or Load Bearing Deficiency** that **you** become aware of when or after the **HOME** is not being used primarily as a residence;
8. Any **Defect or Load Bearing Deficiency** which **you** have not taken timely and reasonable steps to protect and minimize damage after **we** have provided **you** with written authorization to prevent further damage;
9. Any **Defect or Load Bearing Deficiency** that is covered by any other express warranty or insurance coverage **you** may have;
10. Any loss or damage because of any **Defect or Load Bearing Deficiency** which would not have occurred in the absence of one or more of the events or conditions listed in **Exclusions**, Section A.1, A.2 or A.3 above; and
11. Any non-conformity with local building codes, regulations or requirements that has not resulted in a **Defect or Load Bearing Deficiency**. While **we** acknowledge **our** responsibility to build in accordance with applicable building codes, this **Limited Home Warranty** does not cover building code violations in the absence of a **Defect or Load Bearing Deficiency**. In such instance, **your** recourse is under the building code and other applicable laws and not under this **Limited Home Warranty**. This exclusion in no way mitigates or relieves **us** of **our** obligation to build in accordance with applicable building codes.

## VI. How to File a Claim Under This Limited Home Warranty

If **you** become aware of a **DEFECT or LOAD BEARING DEFICIENCY** that **you** believe is covered under this **Limited Home Warranty**, **you** have the following responsibilities:

- A. **Notification:** Notify **us** in writing as soon as it is reasonably possible, but in no event may **your** written notice be received by **us** or postmarked later than thirty (30) days after the Limited Home Warranty for the **DEFECT or LOAD BEARING DEFICIENCY** expires. If the written notice is postmarked or received by **us** after the warranty expiration date defined in Section II of this Limited Home Warranty, **we** shall have no obligation to repair or replace the **DEFECT or LOAD BEARING DEFICIENCY**.
- B. **Cooperate With us:** **You** must give **us**, **our** employees, agents, subcontractors or insurers reasonable help in investigating, monitoring or correcting **Defects or Load Bearing Deficiencies**. Help includes, but is not limited to, granting **us** reasonable access to **your HOME**. If **you** fail to help **us**, **we** will have no obligation to repair, replace or pay **you** for **Defects or Load Bearing Deficiencies**.
- C. **Do Not Make Voluntary Payments:** **You** agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **you** believe is a **DEFECT or LOAD BEARING DEFICIENCY** without **our** prior written approval. We will not reimburse **you** for costs incurred where **you** did not obtain **our** prior written approval. However, **you** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without **our** prior written approval, provided the repairs are solely for the protection of the **HOME** from further damage, and provided **you** notify **us** as soon as possible, but in no event later than 5 days after the repairs were undertaken. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **you** must provide **us** with an accurate written record of the repair costs.
- D. **Sign A Release:** When **we** have completed repairing, replacing or paying **you** the cost of repairing or replacing, **Defects or Load Bearing Deficiencies**, **you** agree to sign a full release of **our** obligation for the **Defects or Load Bearing Deficiencies** **we** corrected.
- E. **If you Disagree With us:** Binding Arbitration will be the sole remedy for resolving disputes between **you** and **us** that arise from or relate to this **Limited Home Warranty**. The Dispute Resolution Procedure is more fully described in Section VII of this Limited Home Warranty.

## VII. Dispute Resolution Procedure

True Homes, LLC and Chatham County, North Carolina acknowledge and agree that this Limited Home Warranty affects interstate commerce by virtue of the materials and components in the Home. Any dispute arising out of or relating to this Limited Home Warranty shall be resolved by binding arbitration pursuant to the Federal Arbitration Act, and shall be administered by such third-party arbitration administrator designated according to this Section VII, in accordance with its applicable rules for governing residential construction disputes. Disputes subject to binding arbitration include but are not limited to:

- A. Whether a **DEFECT** or **LOAD BEARING DEFICIENCY** is covered by this **Limited Home Warranty**;
- B. **We** fail or refuse to correct a **DEFECT** or **LOAD BEARING DEFICIENCY** to **your** satisfaction or in a manner that **you** believe this **Limited Home Warranty** requires;
- C. **We** fail to respond to **your** written notice of a **DEFECT** or **LOAD BEARING DEFICIENCY**;
- D. Any alleged breach of the Home Agreement or this **Limited Home Warranty**;
- E. Any alleged violations of consumer protection, license rules, unfair trade practice, or other statutes;
- F. Any dispute concerning whether an issue should be submitted to binding arbitration;
- G. Any dispute concerning the timeliness of binding arbitration requests.

Any binding arbitration proceeding will be administered by one of the following arbitration administrators:

- i. *DeMars & Associates, LTD;*
- ii. *Such other independent third-party arbitration administrator appointed by **us** that is qualified to administer arbitration pursuant to the Federal Arbitration Act; or*
- iii. *Such other independent third-party arbitration administrator designated by **you** that is (a) acceptable to **us**; (b) qualified to administer arbitration pursuant to the Federal Arbitration Act; and (c) willing to administer the arbitration consistent with this **Limited Home Warranty**.*

The arbitrator will determine **your** and **our** rights and obligations under this **Limited Home Warranty**. These rights and obligations include but are not limited to those provided to **you** or **us** by local, state or federal statutes in connection with this **Limited Home Warranty**.

The award of the arbitrator will be final, binding and enforceable as to both **you** and **us**, except as modified, or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or, in their absence, the Federal Arbitration Act.

Binding arbitration will be the sole remedy for resolving disputes for **you** and **us**. The cost and expense for the arbitration will be paid by **us** except for the One Hundred Dollar (\$100.00) arbitration filing fee which will be paid by the party requesting arbitration. If **you** request arbitration and **you** prevail on any claimed **DEFECT** or **LOAD BEARING DEFICIENCY** under dispute, the One Hundred Dollar (\$100.00) arbitration filing fee will be refunded to **you**. The process for either party to initiate arbitration is described below.

**Step 1** Either party may complete a [Binding Arbitration Request Form](#) and mail it to the following:

True Homes Legal Department  
Attn: Arbitration Requests  
2649 Brekonridge Centre Drive  
Monroe, NC 28110  
[legal@truehomesusa.com](mailto:legal@truehomesusa.com)

A Binding Arbitration Request Form is attached to this **Limited Home Warranty**. The Binding Arbitration Request Form must be received no later than 90 days after the coverage for the disputed item expires. Please note that while **you** have 90 days to file for arbitration, this time period does not extend the warranty coverage period for **Defects** or **Load Bearing Deficiencies**. **You** must still notify **us** of an alleged **DEFICIENCY** or **LOAD BEARING DEFICIENCY** before the warranty for that item expires.

**Step 2** Following receipt of your One Hundred Dollar (\$100) arbitration Fee, the arbitration administrator will identify a qualified arbitrator, in their sole discretion. Please note, the check should be payable to the arbitration administrator, who will not schedule the arbitration until after they receive the arbitration fee. The arbitrator will be one of the following, depending on the knowledge and experience needed to render an informed final decision:

- An attorney may be appointed if the claims involve complex contractual or legal questions.
- A structural engineer may be appointed for an allegation involving a Load Bearing Deficiency or other issue relating to structural integrity of the Home.
- A home inspector may be appointed if the claim involves workmanship, installation or other non-structural components.

**Step 3** The Arbitrator will arrange the Arbitration Proceeding. In scheduling the hearing, the arbitrator will set a time and date that is reasonably convenient to all the parties. The Arbitrator or arbitration organization will notify both parties of the time, date and location of the arbitration hearing. Most often the hearing will be conducted at **your HOME** or some other location that is agreeable to all the parties of the dispute.

**Step 4** The Arbitration Hearing. The parties at the arbitration hearing will include the arbitrator, **you**, and **us**.

To maintain the efficient and cost-effective benefits of arbitration to both parties, there will be no formal discovery process and the arbitration will be limited to one (1) day. Either party may provide the arbitrator with any evidence the party wishes the arbitrator to consider, and the arbitrator may request any additional information from either party. However, neither party has the right to demand any information from the other party, and depositions will only be permitted when deemed essential by the arbitrator.

After an opportunity to present evidence by both parties, an award will be rendered by the arbitrator. The award is final and binding on both parties. The award will include a ruling on the existence of any claimed or alleged **Defects or Load Bearing Deficiencies** as well as any other disputed matters or issues related to this **Limited Home Warranty**.

**Step 5** Arbitration Performance Obligations. **We** will comply with the arbitrator's award no later than 60 days from the date of the award. However, delays caused by circumstances beyond **our** control shall be excused.

## VIII. General Conditions

- A. **Transfer to SUBSEQUENT HOMEOWNERS.** This **Limited Home Warranty** will automatically transfer to any subsequent owners of the **HOME** for the remainder of the warranty coverage period regardless of how the transfer of title occurs, how many transfers of title occur, or whether we were notified about the transfer of title. **Our** duties under this **Limited Home Warranty** apply to any record owner(s) of the real property for the remainder of the Warranty Term, to meet but not exceed the limit of liability then remaining under this Limited Home Warranty, if any.
- B. **Transfer of Manufacturer's Warranties.** **We** assign to **you** all the manufacturer's warranties on all the appliances and equipment that **we** installed in **your HOME**. Should an appliance or item of equipment malfunction **you** must follow the procedures set forth in that manufacturer's warranty to correct the problem. **Our** obligation under this **Limited Home Warranty** is limited to the workmanlike installation of such appliances and equipment. **We** have no obligation for appliances and equipment defined as **CONSUMER PRODUCTS**.
- C. **Recovery Rights.** If **we** repair, replace or pay **you** the cost to repair or replace a **DEFECT or LOAD BEARING DEFICIENCY**, or other related damage to **your HOME** covered by this **Limited Home Warranty**, **we** are entitled, to the extent of **our** payment, to take over **your** related rights of recovery from other people and organizations,

including but not limited to, other warranties and insurance. **You** have an obligation not to make it harder for **us** to enforce these rights. **You** agree to sign any papers, deliver them to **us**, and do anything else that is necessary to help **us** exercise **our** rights.

**D. General Provisions**

1. If any of the terms or provisions of this **Limited Home Warranty** conflict with the statutes of the state in which this **Limited Home Warranty** is issued the warranty is amended to conform to such statute, except insofar as the terms and provisions are governed by the Federal Arbitration Act.
2. If a court of competent jurisdiction deems any provision of this **Limited Home Warranty** unenforceable, that determination will not affect the remaining provisions.
3. This **Limited Home Warranty** is to be binding on **you** and **us**. This **Limited Home Warranty** is also binding on **your** and **our** heirs, executors, administrators, successors, and assigns, subject to paragraph B of the **General Conditions**.
4. As may be appropriate, the use of the plural in this **Limited Home Warranty** includes the singular, and the use of one gender includes all genders.

## IX. Definitions

**CONSEQUENTIAL DAMAGES** means a loss or injury other than the cost to correct a **DEFECT or LOAD BEARING DEFICIENCY**. This definition includes, but is not limited to, costs of shelter, food, transportation; moving and storage; any other expenses related to inconvenience or relocation during repairs to the **HOME**. **CONSEQUENTIAL DAMAGES** also refers to diminished market value of the **HOME**. We reserve the right, but not the obligation, to exercise broad discretion to cover other expenses that we believe to be reasonably related to a Defect or Load Bearing Deficiency.

**CONSUMER PRODUCT** means any item of equipment, appliance or other item defined as a **CONSUMER PRODUCT** in the Magnuson-Moss Warranty Act (15 U.S.C. " 2301, et seq.) Examples of Consumer Products include, but are not limited to, dishwasher, garbage disposal, gas or electric cooktop, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, garage door opener, clothes washer and dryer, hot water heater and thermostat.

**DEFECT(S)** means defects in materials or workmanship used in constructing the **HOME**. The defects must fail to conform with the standards and tolerances described in the **STANDARDS OF PERFORMANCE** section of this **Limited Home Warranty**.

**LOAD BEARING DEFICIENCY or DEFICIENCIES** means that one or more of the load bearing components of your Home, as identified in the Standards of Performance, contains a flaw of such a magnitude that the defined warranty tolerance is exceeded. The only load bearing elements **we** cover under this **Limited Home Warranty** and their respective tolerances are specifically listed in the Standards of Performance.

**DEFLECTION** means the difference in elevation of high and low points along a diagonal, horizontal, or vertical plane caused by stress induced deformation of a load bearing member. **DEFLECTION** is measured from any two end points and a third reference point. The reference point may be located at any distance between the two end points.

**EFFECTIVE DATE** means the date that Chatham County, North Carolina takes possession of the Home following construction of the Home. In the event that there is a dispute or ambiguity concerning the actual date of possession of the Home by Chatham County, North Carolina, the issuance of the Certificate of Occupancy shall become the controlling "Effective Date."

**EMERGENCY CONDITION** means an event or situation that creates the imminent threat of damage to the **HOME** or the **COMMON ELEMENTS** related thereto, or results in an unsafe living condition due to **Defects** or **Load Bearing Deficiencies** that **you** become aware of at a point in time other than **our** normal business hours and **you** were unable to obtain **our** prior written approval to initiate repairs to stabilize the condition or prevent further damage.

**HOME** means a single-family residence either attached or detached or multi- unit residential structure covered by this **Limited Home Warranty**. **HOME** does not include, without limitation, the following: detached carports, outbuildings (except outbuildings constructed by **us**); swimming pools and other recreational facilities, driveways, walkways, decks, patios, boundary walls, non-engineered retaining walls, fences, landscaping (including but not limited to sodding, seeding, shrubs, trees, plants), off-site improvements, or any other improvements to the Home made by **you**, or any other improvements that are not part of the **HOME**.

**HOMEOWNER** means the first person to whom a **HOME** (or unit in a multi-unit residential structure) is transferred, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and any successors in title to the **HOME**.

**MECHANICAL SYSTEMS** mean the following:

- (a) Plumbing system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
- (b) Electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.
- (c) Heating, Cooling, and Ventilation system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

**POLLUTANTS** means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, fungal growth, and waste materials, including materials to be recycled.

**STANDARDS OF PERFORMANCE** mean the standards and tolerances for materials and workmanship that are used in this **LIMITED HOME WARRANTY** to determine **our** responsibility for repairing **Defects**, as listed in the attached section titled "**STANDARDS OF PERFORMANCE**". These Standards of Performance are intended to provide **you** with an understanding of **our** obligations under this Limited Home Warranty. If a **DEFECT** occurs to **your HOME**, where that **DEFECT** results in actual physical damage, the **STANDARDS OF PERFORMANCE** will be used to determine **our** responsibility under this Limited Home Warranty. Please note that damage that **you** cause, or **you** made worse by **your** negligence, improper maintenance or improper operation is excluded by this Limited Home Warranty. The choice as to the scope of repair, the repair technique, or replacement versus the cost of repair, or replacement is **ours** alone. When we do undertake to repair or replace, we try to match colors, dyes, patterns, materials, finishes, etc. However, fading, changes in color lots or discontinued patterns may prevent **us** from providing an exact match.

**We, us, our** means **TRUE HOMES, LLC, a Delaware limited liability company**.

**You, your and yours** means **CHATHAM COUNTY, NORTH CAROLINA**. Upon transfer of the real property to any record owner(s) subsequent to Chatham County, North Carolina, "you," "your" and "yours: shall refer to all subsequent record owner(s).