

**NEW HOME
LIMITED WARRANTY**

**Healy Homes, LLC
11020 KINGSTON PIKE
SUITE 250
KNOXVILLE TN 37934
865.679.0780 office
865.675.2344 fax**

TABLE OF CONTENTS

I.	POLICY AND PROCEDURES	PAGE
	Warranty Statement	3
	Warranty Service Requests	4
II.	WARRANTIES	
A.	Warranty by Manufacturer and/or Contractor	5
1.	Heating and Air Conditioning	5
2.	Hot Water Heaters	6
3.	Plumbing & Caulking	6
4.	Electrical System	6
5.	Major Kitchen Appliances	7
B.	Warranty on Structural Items	7
1.	Footings	7
2.	Foundation	7
3.	Termite Treatment	7
4.	Concrete Slab Floor	8
5.	Frame	8
6.	Roof	8
7.	Settlement, Shrinkage, Condensation	8
C.	Warranty on Non-Structural Items	10
1.	Interior and Exterior Doors	10
2.	Trim	10
3.	Sheetrock (Drywall)	10
4.	Interior and Exterior Paint	11
5.	Vinyl Floor Covering	11
6.	Roof Guttering	11
7.	Counter Tops	11
8.	Insulation	11
9.	Carpet	11
10.	Cosmetic Items	12
11.	Hardwood Flooring	12
D.	Warranty on Exterior	12
1.	Concrete Areas	12
2.	Yards - Drainage	13
3.	Lawn and Shrubs	13
	MISCELLANEOUS	13
	Acknowledgment of Receipt	14

NAME OF BUILDER: HEALY HOMES (hereinafter referred to as "Builder")

NAME OF HOMEOWNER: _____

Address: _____

I. POLICY AND PROCEDURES

WARRANTY STATEMENT

BUILDER warrants certain items of the real property, as described herein, and provides a full warranty of only the *installation* of certain fixtures and equipment, hot water heaters and heating and air conditioning systems for a period of one (1) year from the date of ownership, and other items as described herein, for a period of thirty (30) days from the date of ownership. BUILDER's warranty program covers only the real property and does not extend to personal property or fixtures located within the dwelling unit, such as the water heater, air conditioning, or heating units. Such items are covered by the manufacturer's warranty which may be either a limited or general warranty. Each home purchaser has the opportunity to obtain a copy of the manufacturer's warranty covering the fixtures and other items of personal property located within the dwelling which will indicate the terms of the manufacturer's warranty and whether or not such warranty is a limited or general warranty.

BUILDER's warranty extends to the original owner only. All claims under this Warranty must be reported in writing within the first year to be considered valid.

In the event that items must be repaired or replaced, they will be repaired or replaced with like kind materials. In the event original materials are unobtainable and cannot be reordered exactly, Homeowner agrees to a substitution of replacement materials at Builder's discretion. Warranty on items replaced is not extended past the one year from ownership. All items, whether repaired, replaced or the original items, are covered for only the first year of ownership.

If any item under warranty has been altered, adjusted, or worked on in any other manner by anyone other than the BUILDER, its subcontractors, or manufacturer's representative, it will invalidate any further warranty by BUILDER, its subcontractors or the manufacturer.

BUILDER will not assume any responsibility for damages where it is evident that misuse or neglect on the part of the homeowner is the primary cause of said damages. Further, if Builder or a Subcontractor on the supplier list is scheduled for a warranty repair that is a result of misuse or lack of maintenance by Homeowner (clogged plumbing, burned-out lightbulbs, etc.) Buyer will be responsible for any service call fees, labor, and materials.

THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

WARRANTY SERVICE REQUESTS

I. Routine Requests Schedule

The first course of action on non-emergency items is to schedule directly with the provider on the attached list, especially concerning plumbing and HVAC issues.

Gather a list of any other non-emergency issues and email or mail them (no verbal requests or text messages will be honored) in a warranty request on the following intervals:

- 6 months after closing
- 11 months (this final list must be received **prior** to the end of the warranty period).

Following BUILDER review and approval, we will organize our Warranty Contractor and subcontractors according to repairs. An adult must be present on the scheduled date, and all appointments shall be scheduled between the hours of 8 AM and 4 PM, Monday through Friday.

Submit written warranty requests by email or US Mail to:

Healy Homes, LLC
11020 Kingston Pike, Suite 250
Knoxville TN 37934
Ashley@healybuilt.com

Text Messages and/or telephone calls of a routine nature will not be accepted because of the potential for misunderstandings and miscommunication, and doing so will delay processing of the request. Builder is not responsible for delays caused by incorrect reporting/submission of Homeowner's warranty request(s).

Under normal circumstances, we allow a four-week period for the completion of routine requests from the time we receive your list of warranty items. Although requests will receive prompt attention, there are times when subcontractors may be unavoidably delayed. Weather conditions, unavailability of proper materials or labor shortages may also delay immediate action.

Builder is not responsible for delayed reporting of Warranty Requests on the part of Homeowner and the term of this Limited Warranty expires 12 months following transfer of ownership.

II. Emergency Service

Emergency repairs shall be taken care of promptly. The telephone numbers of our subcontractors are on the Supplier List provided at closing. You may also call our office at 865-679-0780.

II. WARRANTIES

WARRANTY BY MANUFACTURER AND/OR CONTRACTOR

(See Manufacturer's Warranty to determine if warranty is full or limited)

The following warranties are guaranteed by the manufacturers of said products. BUILDER and its subcontractors will fully warrant only the installation of said items for a period of one (1) year. All other warranties stated are for the original owner only. In order to validate your manufacturer's warranty, please complete the warranty registration cards and mail them to the manufacturer within thirty days of occupancy.

Please note that the warranty will cover parts and labor for a period of one (1) year. Any installation or labor charges after one year will be the responsibility of the homeowner.

I. Heating and Air-Conditioning

Gas Heating. BUILDER, and its subcontractors fully warrant the installation only of any gas heating system. The manufacturer warrants the furnace to the first homeowner to be free from defects in material and workmanship for a period of one (1) year.

After the gas meter has been set, our heating subcontractor will adjust your furnace and set the thermostat correctly.

For better performance, and a cleaner home, you should change your filters every 30 days during winter and summer. After your first heating season, you can make arrangements with our heating contractor, or some other reliable contractor, for service.

For best results, keep your thermostat set at the desired temperature and do not constantly move it up and down.

Do not store any combustible materials near your furnace.

Air conditioning. BUILDER, and its subcontractors will fully warrant your system for a period of one (1) year.

Please see and activate the manufacturer's warranty for the specific warranty terms and conditions beyond the first year of ownership.

II. Hot Water Heaters

Gas/Electric Hot Water Heater. BUILDER and its subcontractors will fully warrant your water heater for a period of one (1) year. Your thermostat is initially set at a proper level for adequate hot water. Please do not constantly readjust this thermostat. Please see and activate the manufacturer's warranty for specific coverage beyond the first year of ownership.

If for any reason the water heater is cut off and the water drained from the tank, please make certain that the water is turned back on and the tank is full before you make any attempt to turn the heater back on. Failure to do so will damage your unit.

Do not store gas cans or any other combustible materials near your water heater.

III. Plumbing

The water and drainage pipes in the plumbing system in your home are under warranty by BUILDER and its subcontractors for a period of one (1) year. This warranty covers major faults such as water lines separating, faulty equipment, and faulty or improper installation, as well as faucet drips, sewer line stoppage, flushing mechanisms on toilets, the garbage disposal, and leaks under the kitchen and bathroom sinks. **It does NOT cover broken pipes due to Homeowner leaving hoses attached to exterior hose bibs in freezing temperatures or damage due to frozen pipes.**

Plumbing leaks should be reported to our warranty department immediately. Other than as stated above, we will not be responsible for water damage due to plumbing leaks.

If the plumbing and/or garbage disposal is "stopped up" during the warranty period and the person servicing the plumbing finds foreign materials in the line, the Homeowner will be billed for the call.

Caulk/Grout Exterior and interior caulk/grout in bathtubs, shower stalls, and ceramic tile surfaces may crack or bleed in the months after installation. This is normal and should not be considered a problem. The warranty covers these items ONE (1) time, at the 11-month (final) warranty visit, if needed.

IV. Electrical System

BUILDER, and its subcontractors, will warrant the overall electrical wiring system in your home for a period of one (1) year.

All circuits in your home are protected by automatic circuit breakers. No fuses are required. Upon any electrical failures, check your circuit breaker first. Simply reset the switch by returning it to its normal position. Disconnect and check lamp cords or small appliances on the circuit with which you are having trouble.

If the electrical contractor performs a service call on the electrical system, and the item is determined to be Homeowner-caused (not an electrical defect), the Homeowner may be billed for the visit.
LIGHTBULBS ARE NOT A WARRANTY ITEM.

V. Major Kitchen Equipment

BUILDER, and its subcontractors, fully warrant the installation only of major kitchen appliances. All other warranty is covered by the manufacturer.

Any part of one of the major appliances furnished by Builder's Supplier as part of the dwelling that proves to be defective in material or workmanship within a one (1) year period from the date of occupancy will be repaired or replaced by **the manufacturer** with a new or functionally operating part, free of charge. Service labor required to replace such defective parts or make mechanical adjustments so that it performs to design specifications will be free of charge for a period of one (1) year following the date of original purchase. **Please make certain that you fill out and mail the warranty cards for all your appliances in order to validate your manufacturer's warranty.**

Appliances not provided by Builder's Supplier are EXCLUDED from the Builder's Warranty. Please make certain that you fill out and mail the warranty cards for all your appliances in order to validate your manufacturer's warranty.

WARRANTY ON STRUCTURAL ITEMS

BUILDER warrants that your house is constructed substantially according to the plans, specifications, and any approved change orders. The following items are considered to be of structural nature under this warranty: footings, foundations, concrete slab, frame, and roofing.

I. Footings

Footings are under warranty by BUILDER against abnormal settlement for a period of one (1) year. In the event that a settlement of the footing is reported within your warranty period, BUILDER will determine the method and extent of the correction.

II. Foundation

Foundation is under warranty by BUILDER against abnormal settlement for a period of one (1) year. This shall not be construed to mean that a foundation will not crack, but it does mean that BUILDER will repair any crack exceeding 1/2" in width within the first year of occupancy.

III. Termite Treatment

Your home has been treated for termites during construction. BUILDER warrants your home against termites for a period of one (1) year. After your first year of occupancy, you should contact a pest control company to check your home annually for termites.

IV. Concrete Slab Floor

The concrete slab floor is under warranty by BUILDER for a period of one year against abnormal settlement, but **not** against ordinary expansion cracks which are quite normal and common. Please note also that it is normal for concrete slab floors to be slightly irregular or uneven. In the event that settlement occurs which causes damage to the sheetrock, BUILDER will repair that sheetrock damage under this warranty.

V. Frame

BUILDER warrants that all framing is in place as specified on plans, specifications, and authorized change orders.

VI. Roof

BUILDER warrants the roof against leaks from shrinkage or settlement for a period of one (1) year from the date of occupancy. Any damage to the roof from natural elements may be covered by your insurance company and is not the responsibility of BUILDER.

Occasionally the plywood sheathing on the roof will show a slight irregularity of smoothness. This is quite normal and will not be replaced.

VII. Settlement, Shrinkage, & Condensation

The conditions stated below are considered normal for a new structure, and unless any of the items are of an extreme nature, repair will be at the Builder's Discretion, one-time, at the final year-end warranty service request.

Lumber, a porous material, easily absorbs moisture. During construction it is exposed to various weather conditions and naturally absorbs moisture from the atmosphere. In fact, lumber can become saturated, even though it does not come directly in contact with rain. When there is a decrease in the moisture content of a piece of lumber, shrinkage occurs. A new house may therefore actually decrease in size slightly as a result of shrinkage.

The amount of shrinkage is directly proportional to the weight of the lumber and the heat involved. The greater the weight and the faster the drying process, the greater the shrinkage. Reverse conditions will have opposite consequences. This causes uneven shrinkage.

Some of the direct results of shrinkage may be:

1. Interior wood boards may slightly crack and caulking may shrink. All this is normal and will be the Homeowner's responsibility.

2. Various wood trim and hardwood floors separate. For example:
 - (a) 1/4 round molding separates from the baseboard in a downward direction.
 - (b) A space appears where the stairway meets the wall and trim.
3. Appearance of cracks above archways.
4. Exterior and interior doors do not function properly.
5. Miter joints where the trim meets, corners open slightly.
6. "Nail pops" appear in the drywall.
7. Base units or the kitchen cabinets appear to move from their original position, and the counter tops separate from the wall.
8. Grout cracks around the tile and bathtub.

The above conditions are normal. Not all of them will occur in every home. Do not attempt to remedy any of these problems during the first heating period.

Every effort has been made to minimize shrinkage in your home. At this time, there is no preventive measure known to completely eliminate shrinkage. After shrinkage has taken place, lumber will not absorb as much moisture from the atmosphere as it did during construction, because:

1. There is less exposure.
2. The home furnishings will absorb the moisture first.

Settlement occurs when the earth beneath the footing compacts from the weight of the new building upon it. It is normal for a new home to settle, and it is beyond anyone's control. Settlement often causes slight cracks in foundation walls and concrete slabs despite proper compaction.

Condensation takes place when warm, moist air comes in contact with a cold surface. Condensation may appear on water pipes, commodes, foundation walls, concrete floors, and windows. It generally appears in the rooms below the grade level during the hot summer months. The foundation walls are the lowest part of the home, and this area is therefore, the coolest section of the house. When the windows in this area are open, and extreme heat comes into contact with these cooler objects, moisture from the air will be deposited on the surfaces. A fan or dehumidifier can help remedy this situation.

Excessive moisture usually appears first on the inside of window panes. Your new home has been tightly constructed and well insulated. This moisture can be expelled only by adequate ventilation.

WARRANTY ON NON-STRUCTURAL ITEMS

The following items are not considered to be of structural nature and therefore are not covered by BUILDER's general warranty. The warranty on these items shall be as is stated in the following information.

I. Interior and Exterior Doors

All doors may bind at times. Don't be hasty in adjusting, planing, or cutting your doors; the problem may correct itself. Exterior doors are subject to severe conditions because of the exposure to both internal heat and external elements. A certain amount of expansion and/or contraction must be expected. Any door adjustments relative to expanding, etc. will be made at the end of your first year of ownership, if necessary, as reported on your final year end warranty service request.

Exterior doors will, under normal conditions have slight hairline cracks due to weather and cannot be guaranteed against such.

Door locks and miscellaneous hardware provided by Builder's Supplier are covered under this warranty.

DOOR LOCKS AND HARDWARE, AS WELL AS ANY OTHER INTERIOR HARDWARE NOT SUPPLIED BY BUILDER ARE EXCLUDED FROM THIS WARRANTY.

II. Trim

Due to the fact that it is normal for base shoe mold to separate slightly from the floor, there is no warranty covering this. However, cracks exceeding 1/4" in door trim at the joints will be filled and touched up ONE TIME ONLY, if requested, at your year-end service request.

III. Sheetrock (Drywall)

Often, natural shrinkage and normal settling are misunderstood for poor workmanship. Drywall defects exceeding 1/8 inch, such as nail-pops and cracks, will be repaired ONE TIME DURING YOUR ONE YEAR WARRANTY without charge, at your final year-end warranty visit. Modifications or damage to drywall caused by Homeowner are not covered under the Builder's Warranty. In the event a wall is damaged by a plumbing leak caused by BUILDER within the first 12 months of ownership, BUILDER will repair the wall and will re-paint ONLY the repaired area. Builder will use the original paint left with the house at closing, but will not guarantee an exact shade match. In the event Homeowner has disposed of the original paint left in the house at closing, Homeowner must purchase and be responsible for the color match of new paint.

Plumbing leaks should be reported to our office immediately. We will not be responsible for water damage due to plumbing leaks.

IV. Interior and Exterior Paint

Exterior paint on any exterior feature of the house is NOT covered under the Builder Warranty; rather is a Homeowner Maintenance responsibility. Left over paint used in the construction of the house will be left in the garage for future use by Homeowner.

The interior paint on the house is not warrantied against normal wear and tear. Scuffs, scrapes and marks on painted surfaces not noted and mutually agreed upon during the Final Walk Through are NOT covered under the Builder Warranty. Left over interior wall and trim paint used in the construction of the house will be left in the garage for future use by Homeowner.

V. Vinyl Floor Covering

Vinyl flooring is warranted by BUILDER for one (1) year against bubbles, seams coming loose, or cracking. Neither the manufacturer nor BUILDER will guarantee vinyl flooring not to shrink. In the event that any repairs are necessary on vinyl flooring, the damaged area ONLY will be repaired with new material. However, we cannot guarantee the dye lot number to be the same as that originally installed. Scratches or damage to vinyl not noted and mutually agreed upon at the Final Walk Through are not covered under this Builder's Warranty.

VI. Roof Guttering

Your roof guttering is under warranty for one (1) year, including joints separating, and guttering and downspout becoming unattached. Your warranty does not include cleaning out of leaves and debris, nor the adherence of paint.

VII. Counter Tops

Counter tops are warranted by BUILDER against improper installation for a period of one (1) year. Buyer understands granite is a natural material and the color variation and mineral content will vary. Any cracks, chips, gouges, rust spots, burns or scratches must be reported prior to occupancy, otherwise we will assume no responsibility for these items. Natural metals in the granite may rust, which is considered a normal process, is not covered under this warranty, and the granite will be not replaced.

VIII. Insulation

BUILDER warrants that the insulation is installed according to the plans and specifications, and meets with the local building code requirements.

IX. Carpet

Your carpeting is under limited warranty by BUILDER and its subcontractor for a period of one (1) year against separation of seams and faulty installation.

X. Cosmetic Items

The upkeep of cosmetic aspects of your home is a Homeowner responsibility. BUILDER'S WARRANTY DOES NOT COVER ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features in your home. Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, granite, quartz or laminate tops, lighting fixtures, appliances, doors, paneling, siding, screens, windows, carpet, vinyl floors, cabinets, etc., which are not recognized and noted by you, and mutually agreed upon with Builder, AT FINAL INSPECTION ARE NOT COVERED UNDER THIS WARRANTY.

XI. Hardwood Flooring

Hardwood flooring is warranted against defect by flooring subcontractor; please see your list of suppliers and contact supplier with any defect concerns. Any cracks, chips, gouges, burns or scratches not noted and mutually agreed upon at the Final Walk Through are not covered under this Warranty. UNDER NO CIRCUMSTANCES SHOULD YOU USE ANY TYPE OF STEAM MOP OR WAX CLEANER ON YOUR WOOD FLOORS. Please maintain wood floors with manufacturer recommended products only.

WARRANTY OF EXTERIOR

I. Concrete Areas

Concrete patios in your home are under a warranty by the builder for a period of one (1) year from the date of occupancy. Walkways are covered by the same warranty.

Normal shrinkage of concrete will sometimes cause cracks in paved concrete areas. Joints have been placed in appropriate intervals to help control cracking. Every precaution has been taken to prevent cracking and chipping of concrete, but on occasion it will occur through no construction fault of the BUILDER. Any cracking that exceeds 1/2" will be filled if it is reported within one (1) year of occupancy. Anything that is less than 1/2" is to be a Builder Discretion item.

Builder warrants that no area of concrete shall have standing water in excess of one inch (1"). If such occurs, the low area will be sectioned out and re-poured to correct the problem. Builder will not guarantee that the concrete repair will be the same color as the original concrete.

The warranty will cover deterioration of concrete surface due to improper installation or mixture ONLY, but NOT due to the use of salts or other materials which damage the surface.

II. Yards - Drainage

BUILDER warrants that, in general, yard will drain within 48 hours of the end of a rainfall event, and that no large standing areas of water will remain in your yard after 48 hours of the end of rainfall event. Homeowner acknowledges that under continuous rainfall conditions, yards may retain water. Yard includes only that area sodded, seeded or landscaped in accordance with specifications. Your lot has been graded to insure proper drainage away from your home. Should you wish to change the drainage pattern due to landscaping, fencing, installation of patio or service walks, or other reasons, be sure a proper drainage slope is retained. Builder assumes no responsibility for the grading if established pattern is altered. Builder assumes no responsibility for springs, or continuous dampness of soil.

In the rare event BUILDER deems it necessary to modify or improve drainage after closing (ownership), BUILDER will exercise his professional judgment, and that of his subcontractors, as to TIMING, MATERIALS, AND METHOD OF EXECUTION, considering factors of weather conditions, equipment and manpower availability. BUILDER determination of timing is critical in order to avoid damage to surrounding lawn and equipment and injury to persons when excessive and/or continuous rainfall has created unfavorable conditions for foot or equipment traffic.

III. Lawn and Shrubs

The growth or life of any plant life including sod grass, seeded grass, trees and shrubs are NOT COVERED UNDER THIS WARRANTY. All said plant life is the homeowner's responsibility to maintain immediately upon ownership. Builder will not re-grade a yard, nor remove or replace any shrubs or trees, except for those which are noted, discussed, and mutually agreed upon at final inspection.

MISCELLANEOUS

Homeowner acknowledges that the house will be in an active construction site until all lots/homes are completed and that during this time, Builder will adhere to Knox County requirements for site and road maintenance and debris removal. By signature below, Buyer acknowledges that occupancy within a subdivision under active construction will present heavy contractor and construction vehicle traffic, dust, and noise, and that the streets, individual lots and structures, foundations, entrance, and any storm water management structures in the subdivision may present hazards beyond Builder's control. Builder shall bear no responsibility for loss or damage to persons, vehicles or personal property caused by typical construction conditions outside of Builder's control.

ACKNOWLEDGMENT OF RECEIPT

I, _____, "Homeowner", hereby acknowledge receipt from Healy Homes, LLC, "Builder", the exclusive and total Builder's Warranty upon the home located at:

Lot _____ Unit _____, _____ Subdivision
Address _____ ("Premises").

Builder and Homeowner agree to first attempt Mediation to resolve any dispute arising under this New Home Limited Warranty.

Homeowner hereby agrees that any and all disputes arising out of this Home Warranty or the construction or condition of the Premises, or alleged breach of this Home Warranty, or alleged violations of statutes or regulations relating to consumer protection, the quality of the building or workmanship or any other dispute involving the construction of the building, shall be resolved by first attempting mediation. In addition, Homeowner agrees that Homeowner may not initiate any mediation proceeding for any claim arising out of this Home Warranty or relating to the construction or condition of the Premises, or alleged violations of statutes or regulations relating to consumer protection, the quality of the building or workmanship or any other dispute involving the construction of the building unless and until Homeowner has first given Builder specific written notice and given Builder a reasonable opportunity after such notice to cure any default, including the repair of the Premises, in accordance with the Home Warranty.

Buyer's Initials: _____ Builder's Initials: _____

I hereby acknowledge that the Warranty herein received is the total and exclusive Warranty, excluding any and all implied warranties, relating to the home being purchased herein.

Dated the _____ day of _____, 20____.

Homeowner's Signature: _____

Homeowner's Signature: _____

Builders Signature: _____

Notary: _____ Date: _____ Seal: _____