

Customer Care Manual



EliteBuiltHomes.com/CustomerCare

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1. WELCOME TO YOUR NEW HOME

The entire staff at Elite Homes takes great pride in building your new home and would like to thank you for choosing Elite Homes.

This manual provides you with important information about your new home, its limited warranty, and our Customer Care procedures.

The "Customer Care" section of this manual describes our Customer Care procedures, which are the procedures you will use to obtain performance under your Home Owner's Limited Warranty (the "Limited Warranty"). It also contains procedures to use in case you need emergency repairs to your house. Copies of "Request for Service" forms used to request non-emergency Customer Care services are included with this manual and are also available through Elite Homes' website at elitebulthomes.com/customer-care/.

In the "Limited Warranty" section, we have reprinted a copy of our standard Home Owner's Limited Warranty, which details the limited warranty coverage provided by Elite Homes for your new home.

We have also provided you a copy of the National Association of Home Builders ("NAHB") "Your New Home and How to Take Care of It" booklet (the "NAHB Maintenance Booklet") and the NAHB Residential Construction Performance Guidelines (the "NAHB Performance Guidelines") at the time of your contract. The NAHB Maintenance Booklet provides homeowner maintenance requirements to help you maintain your home in excellent condition. Please pay close attention to the maintenance requirements in this booklet and contact the Customer Care Department if you have any questions. The NAHB Performance Guidelines seek to provide customers and builders measurable benchmarks that deal with performance expectations. Referring to these performance guidelines will help you understand what performance expectations are, and thus what is considered a deficiency we are required to address in accordance with the Limited Warranty.

We hope that you will find the Limited Warranty, the NAHB Maintenance Booklet, and the NAHB Performance Guidelines both helpful and informative. **WE URGE YOU TO TAKE THE TIME TO READ THE HOME OWNER'S LIMITED WARRANTY, NAHB MAINTENANCE BOOKLET AND NAHB PERFORMANCE GUIDELINES CAREFULLY AND COMPLETELY.**

2. YOUR BUILDER

Elite Homes is one of Louisville's most respected homebuilders. Every year, we build luxury homes in some of the Greater Louisville area's most coveted subdivisions. Each Elite built home showcases an intimate attention to detail, quality craftsmanship, and unparalleled value.

Since Elite's founding in 1976, the company has flourished into Kentucky's preeminent builder. Known for constructing timeless homes in thoughtfully planned neighborhoods, Elite has garnered a reputation for providing excellent service to homebuyers while building a stronger community.

With countless community service awards, industry accolades, and philanthropic endeavors, our team is committed to providing the best to those who call Louisville home.

We are honored you chose to build your dream home with Elite Homes.

3. CUSTOMER CARE

Elite Homes is dedicated to excellence in everything we do. Outstanding customer care is a prime example of that dedication. Our Customer Care Representatives are trained building professionals who are ready to respond to your customer care needs in a courteous and timely manner.

Customer Orientation

The Customer Orientation, commonly referred to as the “walk-through,” typically occurs several business days prior to your closing and provides you with the opportunity to view and celebrate the completion of your new home. We will send you a letter approximately 30 days prior to your closing explaining the details of your Customer Orientation and the scheduled day of that Customer Orientation. Your Construction Superintendent will contact you directly to confirm that date and a time.

This appointment will take approximately two to three hours. Since a home is a big investment, which needs your full attention, please make any childcare arrangements prior to the appointment.

At the Customer Orientation, you will be able to view and confirm the quality features included in each room and ensure that each installation has been made as promised. Elite Homes will point out and demonstrate the various features and operating systems within your home and will make sure that all options you have selected have been installed in accordance with your purchase contract. This is your opportunity to review and inspect various aspects of the home and compile a list of items that require attention for inclusion on the Customer Orientation Form.

Ask questions. This is your chance to learn how your new home works.

Emphasis should be placed on close inspection of surfaces and fixtures, to confirm that all materials are in new condition and undamaged. Please note that the following discrepancies must be noted on the Customer Orientation Form. **Because of the potential for damage during the move-in and while living in the home, Elite Homes will not be responsible for these items following the New Home Delivery unless they are specifically listed on the Customer Orientation Form:**

- Appliances – Marred, scratched, or damaged
- Cabinets and Cabinet Doors – Scratched, chipped, or damaged
- Ceramic tile – Broken, chipped, loose, cracked, or damaged tiles on counter tops, walls and floor
- Concrete driveways, garage slabs and walkways – Stained, marred, chipped, or damaged
- Countertops – Scratched, chipped, or damaged; seams sealed
- Doors and hardware – Scratched, marred, or damaged
- Drainage – Blocked or non-functioning drainage devices (gutters, catch basins and area drains, subsurface drains), and absence of ponding or puddling particularly near concrete
- Drywall (Sheetrock) – Marred, damaged, or gouged
- Electrical fixtures and light fixtures – Scratched, chipped, cracked, broken, or damaged
- Floor coverings – Stained, scratched, chipped, marred, or damaged
- Landscaping – Broken, damaged or non-working irrigation heads or lines, and dead plant or sod material
- Mirrors – Scratched, chipped, cracked, broken, or damaged

- Paint – Marred, scratched, or damaged paint on walls, trim and doorways
- Plumbing fixtures – Cracked, chipped, scratched, or damaged
- Screens – Missing, torn, gouged, or damaged window and door screens
- Sinks, tubs and showers – Scratched, cracked, chipped, marred, or damaged
- Windows – Scratched, chipped, cracked, or broken glass
- Exterior brick and siding-chipped, marred, scraped, or damaged
- Yard – Clean and free of debris

In the event you have identified things requiring repair or replacement, you will be given a form that will itemize such things. Your signature on the Customer Orientation Form indicates that, except for those items, you are accepting the condition of the home. You may move into your new home any time after completing your Customer Orientation, New Home Delivery, and Closing.

New Home Delivery

Approximately two to five days after the Customer Orientation and prior to your Closing, you will participate in our New Home Delivery conducted by your construction superintendent. Your New Home Delivery is your opportunity to review your warranty and maintenance manual in detail to (1) better understand how the features and systems of your home can be maintained and (2) to confirm that any adjustments noted on your previous Customer Orientation have been completed.

It is important that all service items remaining open as of the New Home Delivery be listed on the Customer Orientation Form, so that we may address them in a timely and complete manner. Though we will make every effort to complete any necessary service work prior to your move-in, occasionally we will be unable to complete a repair or replacement due to unforeseen circumstances. Delays can be caused by shortage of materials, back-ordered parts, labor problems, weather, or other unanticipated events.

Non-Emergency Customer Care Requests

Requests for repairs and replacements to your home after closing must be covered by the Limited Warranty. For your protection, to assure quality and so that we may maintain a complete file on your property, all requests for Customer Care services must be requested in writing and submitted either via email at customercare@elitebuilthomes.com or online at elitebuilthomes.com/customercare/. Elite Homes has prepared a Request for Service form for this purpose. Copies of the Request for Service form are provided with this manual. Additional Request for Service forms may be obtained from our Customer Care Department. Alternatively, a Request for Service form may be obtained through Elite Homes' company website, at www.elitebuilthomes.com/customercare/.

If you believe that you have a warranty claim, we suggest that you review the NAHB Performance Guidelines provided at closing and your Limited Warranty before you request the service. This will help you to decide if the claim is covered by the Limited Warranty, if it is covered by a separate manufacturer's warranty, or if it is your responsibility. If you believe that your claim is covered by the Limited Warranty, you may request service either on an emergency basis or a non-emergency basis as circumstances require.

Service calls are scheduled between the hours of 8 a.m. and 4 p.m., Monday through Friday. We will contact you to let you know the day we would like to enter your home to do the necessary inspections,

repairs or replacements. Requests for service work will be generally scheduled for completion within thirty (30) days per the procedures described in this manual. Please note that the Elite Homes representative cannot accept homeowner keys or house sit while work is being performed.

Our Sales Center is not responsible for scheduling service appointments or reviewing service claims, nor is it qualified to make judgments, regarding repairs and replacements. All such decisions must come from our Customer Care Department.

If you believe you have an emergency requiring immediate attention, please refer to the section in this manual titled "Emergencies (Section 4)." If your situation is not an emergency, please follow the steps below for requesting service.

For non-emergency customer care services, please fill out a Request for Service form completely, including the name of your community, address, close date, and work, home, and cell phone numbers. Provide a brief description of the work requested and its location in your home. For example, please indicate the room, the location in the room and a general description of the problem. Also, please indicate the date(s) and time(s) that are the most convenient for the work to be scheduled within the hours of 8 a.m. and 4 p.m., Monday through Friday.

Please either email your Request for Service form to the Customer Care Department at customercare@elitebulthomes.com or submit via an online form at elitebulthomes.com/customercare/. If you do not have access to the internet or email, please call our office at 502-245-6159 to request alternatives to submit a Request for Service from.

Telephone calls, text messages and face-to-face discussions with anyone from Elite Homes does not constitute a Request for Service. All Requests for Service under the Limited Warranty must be submitted in writing as stated above.

When we receive your Request for Service form, we will evaluate if the item is covered by the Limited Warranty, if it is the responsibility of a product manufacturer, or if it is your responsibility. In most cases, we must inspect the problem to review and fully understand the Request for Service and to determine warranty coverage and responsibility for subsequent actions.

Service requests that are the responsibility of product manufacturers can generally be brought to the attention of the appropriate manufacturers by telephone. The product manufacturers and their telephone numbers (or other service procedures) are listed in the manufactured product warranty documents delivered during your Customer Orientation and placed in the kitchen pantry or drawers.

You need to reasonably cooperate in permitting our Customer Care Department and their agents to inspect, investigate, test (including destructive testing), monitor, repair, replace or otherwise correct an alleged construction defect.

Please make every attempt possible to keep your scheduled appointments, once made, with our Customer Care Representatives and trade contractors. We do not reimburse for the time taken off work for scheduled appointments and repairs.

To the extent we are unable to schedule an appointment for inspection or schedule the trade to perform any required work within 14 days following inspection because of your extended time away from the home, we will close out the service request and ask that it be re-opened by you, upon return.

Elite Homes will not be responsible for expenses that you incur for repair work that is done by persons other than Elite Homes, unless that work is pre-authorized, in writing, by our Customer Care Department Manager. **Our Customer Care Department Representatives in the field do not have permission to authorize repair work by others and they do not have the authority to extend or alter the Limited Warranty in any way. Therefore, you must not incur any expense, make any voluntary payments, or assume any obligations to remedy a claimed defective condition without our Customer Care Department Manager's prior written approval.**

Requests for Customer Care services are usually scheduled for completion within thirty (30) days of receipt of the written request. Occasionally, due to circumstances beyond our control, this process may take more than thirty (30) days. Delays can be caused by shortage of materials, back-ordered parts, labor problems, weather, or other unanticipated events. We will keep you informed of the anticipated completion date. Some service calls will need to be scheduled over several days, based on the work to be done. For example, drywall repairs might be done at one time and repairs to cabinets might be done at another. This enables the Customer Care Department to complete repairs efficiently.

When the work is completed, you will be asked to sign an acknowledgment of completion and, where appropriate, a release of claims relating to the repaired construction defect. Any such release will not prevent you from making claims for subsequent or different construction defects.

In the event any dispute arises relating to warranty claims, such disputes may be resolved pursuant to the mediation and arbitration procedures specified in the Limited Warranty.

30 Day Follow Up

During the first 30 days in your new home, you may notice minor defects or discrepancies that were not noted during the Customer Orientation or New Home Delivery. We recommend you keep a list of these items for reference at the Follow Up Appointment. Our Customer Care team will contact you after two to three weeks in the home to schedule the 30 Day Follow Up Appointment. However, please feel free to contact us directly as soon as you settle into your home to schedule that appointment. Our Customer Care Team will meet with you to review each of the items and determine the course of action for each item. By waiting until you have lived in the home for a few weeks to report these items, we will be able to take care of most of them at once, rather than coming back several times to correct individual items. If an item cannot wait until this 30 Day Follow Up appointment, please follow the standard request for service procedures enumerated above.

This is not another full walk through of the home with you, but rather a process to allow us to work with you to efficiently address new items that are covered by the Limited Warranty. **Please remember that cosmetic damage not noted at the Customer Orientation is excluded from warranty service if not reported prior to occupancy. A detailed list of items that must be noted on the Customer Orientation Form are listed in the Customer Orientation section above.** That list notes, as a limited example, that marred, scratched, or damaged paint on walls, trim and doorways (i.e., paint touch up) must be listed on the Customer Orientation to be covered by the Limited Warranty. Therefore, any request for service related to paint touch up, as well as the other items listed in the Customer Orientation section above, that were not listed on the Customer Orientation Form would be excluded from warranty service.

1 Year Warranty

Elite Homes does not have any scheduled follow up appointments after the 30 Day Follow Up. Reference to a 1 Year Limited Warranty is intended to remind home owners that the Limited Warranty commences upon the closing of your home and terminates after 12 months. Therefore, subsequent to the 30 Day Follow Up any non-emergency or emergency service requests should be handled as described throughout this manual as they occur.

Statutory Claim Procedures

Customer Care services for your home are administered by Elite Homes' Customer Care Department through the normal "customer service" procedures described in this manual and in the Limited Warranty. You are encouraged to pursue any and all warranty or construction defect concerns through these normal warranty service procedures, as we believe these procedures provide the most efficient and reasonable methods for responding to and addressing such concerns.

However, please note that nothing in our Limited Warranty, in this manual, or in any other document provided in conjunction with the sale of this home, diminishes or supersedes any requirements applicable under the Notice and Opportunity to Repair Act (KRS 411.250 to 411.266).

It is our goal and desire to address your concerns through our normal warranty service procedures, without the need to resort to more formal processes. However, if you are not satisfied with our handling of your warranty service claim, prior to commencing an arbitration proceeding under the Limited Warranty (or any other permissible method for addressing the claim), you must comply with the conciliation requirement of the purchase and sale agreement or the claim requirements of the Notice and Opportunity to Repair Act. If the dispute is not resolved pursuant to conciliation or the claim requirements of Notice and Opportunity to Repair Act, it will be arbitrated pursuant to the arbitration procedures specified in the Limited Warranty and purchase agreement.



REQUEST FOR SERVICE FORM

Customer Name: _____ Today's Date: _____
 Community Name: _____ Close Date: _____
 Contact Phone: _____ Lot No: _____
 Email Address: _____
 Home Address: _____

All requests must be in writing. We invite you to submit your requests either via email or online. Prior to submitting your request, we suggest you review the Home Owner's Limited Warranty and NAHB Performance Standards to assist in determining if the item is potentially covered by the Home Owner's Limited Warranty, a separate manufacturer's warranty, or if it is your maintenance responsibility. If the request was an emergency and handled as noted in the Customer Care Manual, please submit this form so we have documentation of the matter.

Item No.	Date First Noticed	Description

My Appointment Preferences (For visit to my home):

Best Days: Monday Tuesday Wednesday Thursday Friday First Available

Best Times: 8:00 a.m. – Noon Noon to 4:00 pm First Available

Customer's Signature: _____

RETURN THIS FORM VIA: EMAIL customercare@elitebuilthomes.com

ONLINE enter directly at elitebuilthomes.com/customercare/

If you do not have access to email or the internet, please call our office at 502-245-6159 for alternatives for submitting your request for service.

4. EMERGENCIES

We define emergencies as problems that require immediate attention to protect you and your family from harm and/or to avoid immediate and significant damage to your property, your home or your homesite. These problems include:

1. TOTAL SEWER STOPPAGE – A total stoppage is defined as a situation in which your plumbing drainage system ceases to work, causing all your sinks, tubs or toilets to function improperly. A single toilet stoppage, when others are working properly, is not an emergency.

2. WATER SUPPLY LEAK – A water leak which requires that the water supply to your home be shut off to avoid serious water damage. A leak which can be isolated by the shut offs under the cabinet or at a specific plumbing fixture is not an emergency. Please refer to the water shut off procedure set forth below in this section of this manual.

3. TOTAL ELECTRICAL FAILURE – In the event of a total electrical failure, check with your neighbors to determine if the failure is widespread or limited to your house. If the failure is widespread, contact your electrical utility company. Before calling, check to ensure that all circuit breakers in the main electrical panel are in the "ON" position.

4. NATURAL GAS LEAK – In the event of a natural gas leak, immediately have every person vacate the home and contact your gas utility company from another location.

5. TOTAL LOSS OF WATER – In the event of total water loss, please check with your water company to determine if there is a general outage in your area.

6. TOTAL LOSS OF HEAT OR AIR CONDITIONING – Total loss of heat or air conditioning is considered an emergency only during extreme weather conditions. Extreme weather is defined as an outside high temperature over 85 degrees or an outside low temperature under 35 degrees in a 24 hour period. It is not considered an emergency if a home has two units and one is not working.

7. POTENTIAL FOR BODY HARM – Any other problem that, without immediate correction and precautionary measures, creates a potential for bodily harm that cannot be reasonably avoided.

Emergency service is provided for your convenience and safety. It is a function of the Customer Care Department and does not extend the coverage of the Limited Warranty. **The cost of any repairs that are made in response to an emergency request that are not an emergency or are not covered by the Limited Warranty will be the responsibility of the homeowner.**

Elite Homes will not be responsible for expenses that you incur for emergency repair work that is done by persons other than the contractors listed on the sticker affixed to the electrical panel shown to you at the Customer Orientation, unless that work is pre-authorized, in writing, by our Customer Care Department Manager. **Our Customer Care Department Representatives in the field do not have permission to authorize repair work by others and they do not have the authority to extend or alter the Limited Warranty in any way. Therefore, you must not incur any expense, make any voluntary payments, or**

assume any obligations to remedy a claimed defective condition without our Customer Care Department Manager's prior written approval.

In case of an emergency, your first step should be to protect your family from harm. Once you are sure of their safety, and if your safety will not be jeopardized, you should take steps to correct or lessen the effects of the emergency (using water shut-offs or unplugging appliances, etc.) as described below, and/or you should immediately contact our Customer Care Department.

In case an emergency occurs after normal business hours, please call one of the contractors listed on the sticker affixed to the electrical panel.

Do not delay in reporting an emergency. Damage caused by a delay in reporting an emergency will not be the responsibility of Elite Homes. **Damage to personal property is not covered by the Limited Warranty.**

Some circumstances that may constitute emergencies are not covered by Elite Homes' Limited Warranty, such as fires, earthquakes, severe weather, invasions of insects or other pests, etc. These circumstances may be covered by your homeowners' insurance or other insurance.

If your situation is covered by Elite Homes' Limited Warranty and does not fall within these emergency guidelines (such as an inoperative appliance, a loss of hot water only, a toilet stoppage, a dripping faucet or leak under the sink), you should use the normal procedures outlined above for requesting routine Customer Care Department services. If you believe that lack of immediate action in response to your situation could result in further damage, please call our Customer Care Department (or, if after normal business hours, please call one of the contractors listed on the sticker affixed to the electrical panel shown to you at the Customer Orientation).

Finally, please document the emergency for our records using the Request for Service Form so we have a record of any service done at your home.

Utility Shut-Off Procedures

During the Customer Orientation, you will be shown the locations of the various utility "shut off" locations at your new home, and you will be shown how to shut off those utilities at those locations. The following summarizes standard shut off procedures.

Gas

Follow these steps if you suspect a gas leak or can smell escaping gas.

1. Immediately have everyone vacate the home and get to a safe area.
2. Do not turn off, or on, any lights.
3. Call the fire department and then the gas company from another location to report the leak.

How to Shut-Off Electricity

1. Locate the circuit breaker box.
2. Locate the main breaker within the circuit breaker box.
3. Flip the main breaker switch to the OFF position.

How to Shut Off Water

1. If the leak is at a sink, toilet, washing machine, water heater or other location with a secondary shut-off valve for that specific location, and the leak is occurring at a point past the shut-off valve, turn the handle or valve to the right (clockwise) to tighten and shut off the flow.
2. If the foregoing procedure does not work, use the same procedure at the secondary shut-off valve (usually located at the front of the house or in the garage where the water service enters the home) or at the main water meter shut-off (usually located near the curb at the street), as necessary due to the location of the leak.

Emergency Instructions

Total Loss of Heat or Air Conditioning

If you find yourself with no heat or air conditioning, the checklist that follows may help identify the cause. You should also review the furnace manufacturer's literature for additional information. The following items are normal homeowner maintenance items. If we, or our trade contractor, makes a service call to turn on a switch, replace a fuse, or reset a breaker, you will be obligated to pay a service charge.

Check the following to determine if any are the cause of the non-operation.

- 1) The thermostat temperature setting and switches are set properly.
- 2) The ON/OFF switch on the furnace is not switched OFF; see manufacturer's book for location.
- 3) The gas valve(s) on the furnace has not been shut OFF.
- 4) The breaker on the electrical panel has not tripped.
- 5) Ensure the bottom panel (fan cover) is fully engaging the safety switch.

If none of these items corrects the problem, call our Customer Care Department or (after normal business hours) the HVAC contractor listed on the sticker affixed to the electrical panel as shown to you at the Customer Orientation.

Total Loss of Electricity

The main electrical control panel and meter will be located on the outside of your home. This panel contains electrical breakers that control all the electrical power to your home. In addition, individual breakers that control the separate circuits will be found in a secondary panel either in the garage, or in the basement, or in the home. The breakers in this secondary panel are labeled to indicate the area they control. There is also a separate 220 switch for the air conditioner, usually located near the outside compressor unit.

In the event of a total loss of power, check the main breaker in the panel next to the meter. Next, check with your neighbors and local utility company to see if power is out in your area for some reason. Both sources should be checked prior to calling for emergency service.

Circuit breakers have three positions: on, off, and tripped. When a circuit breaker trips it must first be turned "off" before it can be turned "on." Switching the breaker directly from "tripped" to "on" will not restore service.

IMPORTANT NOTE: If your main circuit breaker trips or is turned off, wait 2-3 minutes before turning it on. Then, restore power to the other circuits one by one. This avoids overloading the system.

If none of these items correct the problem, call our Customer Care Department or (after normal business hours) the electrical contractor listed on the sticker affixed to the electrical panel shown to you at the Customer Orientation.

PLEASE NOTE, LOSS OF POWER IN A LIMITED AREA OF THE HOME IS NOT CONSIDERED AN EMERGENCY.

If electricity is off in one area only, check the following items. If this checklist does not solve the problem, submit your written "Request for Service" form according to normal procedures.

Wall Switches: If a wall outlet is not working, check first to see if it is one that is controlled by a wall switch. In rooms that do have ceiling lights, the wall switch may control half of one outlet. Also confirm that the light bulb or appliance being used is working.

Ground Fault Interrupter Outlets and Circuits: GFI receptacles quickly sense fluctuations in power. Installation of these receptacles is required by building codes for bath, kitchen, exterior, garage and unfinished basement outlets. Excessive moisture and heavy appliances such as power tools can trip the GFI outlets and/or breakers. Faulty appliances, especially hair dryers, are a common cause of tripped GFI outlets and/or breakers. GFI outlets and circuits have a test and reset button on the breaker. To return service, press the reset button.

Total Loss of Water

The main water shut-off valve is located at the water meter box at the street. Each sink and commode have an individual shut off for its water supply. The locations of these shut-offs will be shown to you during the Construction Orientation.

If your water supply stops completely, check the main water meter shut-off to determine if that valve is open. Also, check with your neighbors or the local water utility to confirm the service has not been shut down in your area.

If these items do not correct or explain the problem, call our Customer Care Department or (after normal business hours) the plumbing contractor listed on the sticker affixed to the electrical panel as shown to you at the Customer Orientation.

PLEASE NOTE, LACK OF HOT WATER IS NOT CONSIDERED AN EMERGENCY. If you discover you have no hot water, check the pilot (if a gas unit) or check the breaker located in the garage (if an electric unit). In addition, check the temperature setting, and water supply valve of your water heater before calling for service. Refer to the manufacturer's literature for specific locations of these items and other "trouble shooting" information.

Plumbing Leaks That Require the Entire Water Supply to Be Shut Off

If a major plumbing leak occurs the first step is to turn off the supply of water to the area involved in order to prevent further damage from occurring.

If this means shutting off the water to the entire home, the problem is categorized as an emergency. Please refer to How To Shut Off Water in Section 4. Emergencies.

During normal business hours, call our Customer Care Department or (after normal business hours) the plumbing contractor listed on the sticker affixed to the electrical panel as shown to you at the Customer Orientation.

PLEASE NOTE: HAVING TO SHUT OFF THE WATER TO AN ISOLATED ITEM IN THE HOME (SUCH AS ONE TOILET) IS NOT AN EMERGENCY. Submit a Request for Service form through the Customer Care Department according to normal procedures to avoid paying unnecessary emergency service charges.

Total Sewer Stoppage

If a clogged sewer line prevents using water anywhere in your home, the problem is categorized as an emergency. During normal business hours, call our Customer Care Department or (after normal business hours) the plumbing contractor listed on the sticker affixed to the electrical panel as shown to you at the Customer Orientation.

Drains and sewer lines should operate freely. All the drain lines in the home are tested for the city or county inspection prior to closing. Therefore, Elite Homes will take responsibility only for obstructions that are the result of construction debris. If not construction debris, the homeowner will be responsible for any charges.

5. LIMITED WARRANTY

A sample copy of Elite Homes One Year Limited Warranty is reprinted on the following pages. Like any contractual limited warranty, this one specifies limits of Elite Homes responsibilities and conditions under which it is valid or applicable. Please read the Limited Warranty completely. If you have any questions, we will be pleased to discuss them with you.



Exhibit A

Home Owners Limited Warranty

Original Owner(s) Name(s): _____
 (hereinafter collectively called "Owner")

Builder's Name: _____
 (hereinafter called "Builder")

Commencement Date: _____

Witnesseth:

WARRANTY

NOTE: CONSEQUENTIAL AND INCIDENTAL DAMAGES ARE EXCLUDED AND THERE ARE LIMITATIONS IN THE DURATION OF IMPLIED WARRANTIES.

The Limited Warranty is extended to the above named Owner or Owners (referred to collectively as "Owner") while occupying the house as a residence during the coverage period. This warranty is extended to the original Owner only and is not transferable to subsequent owners.

TERMS

The term of the various coverages of this Limited Warranty shall begin on the commencement date and shall terminate 12 months after the commencement date, unless otherwise stated herein; PROVIDED, HOWEVER, the Limited Warranty shall be void and of no effect unless and until Owner has paid to Builder the full purchase price for the house and lot, including any and all current payments due under any promissory note or other indebtedness to Builder in connection with the purchase of the house and lot. Builder's performance under the Limited Warranty is conditioned upon payment of the purchase price being made by Owner when due; and Builder shall have no obligation under the Limited Warranty if Owner has not made all payments when due, regardless of the reasons for Owner's failure to make such payment(s). The failure to pay any portion of the purchase price when due shall be deemed a material failure by Owner under its Agreement with Builder. The commencement date, for purposes of this Limited Warranty, shall be defined as the earlier of two dates: (a) The settlement date, otherwise known as date of closing: or (b) the initial date of occupancy.

The termination date of the Limited Warranty shall not be extended because of any period of time during which the Limited Warranty is void and of no effect because of Owner's failure to pay the full purchase price as described above.

NOTE TO OWNER:

All new homes go through a period of settlement and as the seasons change periods of expansion or contraction will occur. As a result, the home will experience minor material changes which are unavoidable and considered normal. It will be helpful to the Owner's home maintenance program to keep a color chart of the different materials used on the home and a small supply of corresponding colored paint, stain, grout, etc., for easy touch up.

THIS LIMITED WARRANTY IS THE ONLY EXPRESSED WARRANTY EXTENDED TO OWNER BY BUILDER. ANY ITEM AND CONDITIONS NOT SPECIFICALLY COVERED BY THIS WARRANTY ARE EXCLUDED FROM COVERAGE AND ARE THE RESPONSIBILITY OF OWNER. IT IS EXPRESSLY UNDERSTOOD THAT THIS LIMITED WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND HABITABILITY. IN NO EVENT SHALL BUILDER BE LIABLE FOR ANY DAMAGES (CONSEQUENTIAL OR OTHERWISE) ARISING FROM ANY DEFECTS IN ANY ITEM COVERED HEREUNDER. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE.

MANUFACTURER'S WARRANTIES:

Builder assigns and passes through to Owner the Manufacturer's warranties on all "consumer products" as defined in the Magnuson-Moss Warranty Act (15 U.S.C. SS 2301-2311). The following items are classified as "consumer products" when sold as part of a house and are covered by Magnuson-Moss Warranty Act:

1. Heating and Ventilation - Furnace, air conditioning, coils and compressor, humidifier, electronic air cleaner, heat pump, exhaust fan, thermostat.
2. Mechanical\Electrical - Intercom, central vacuum system, security system, fire and smoke alarm, fire extinguisher, garage door opener, door chimes, electric meter, gas meter, barbecue grill, light bulbs.
3. Plumbing - Water heater, water pump, water meter, sump pumps, water softener.
4. Appliances - Oven, surface unit, range, trash compactor, freezer, refrigerator, dishwasher, oven hood, disposal, ice maker, food center, clothes washer, clothes dryer, hot water dispensers.

EXCLUSIONS

The following are not covered by the Limited Warranty:

1. Any appliance, equipment, or other item in the house which is a "consumer product" as defined above under manufacturer warranties.
2. Damage due to the abuse or neglect of the Owner or the Owner's failure to provide proper maintenance.
3. Defect in swimming pools, patios, walkways, driveways, retaining walls, fences, or any other improvements not a part of the house itself.
4. Any natural trees, grasses, sodding or other landscaping.
5. Defects or damage caused by someone other than Builder.
6. Defects or damage resulting from any changes made by someone other than Builder including, but not limited to, changes in the structure of the house, mechanical or electrical systems, and exterior grading.
7. Injury to any person, bodily or otherwise, whether or not caused by any defect in the construction of the house and whether or not resulting from the negligence of the Builder.
8. Defects in or damage to any real or personal property which was not a part of the house or real property included in the original purchase.

9. Normal wear and tear, normal deterioration, normal discoloration, warpage or shrinkage of materials or other normal changes which are the result of characteristics common to the materials used.

10. Loss or damage not caused by a defect in the construction of the house by the Builder.

11. Accidental loss or damage including, but not limited to: fire, explosion, smoke, insect damage, soil erosion, water escape, changes not reasonably foreseeable in the level of the underground water table, glass breakage, windstorm, hail or lightning, extremes in temperature, falling trees, aircraft and vehicles, flood, earthquake (exclusive of soil movement from causes other than flood or earthquake), except when such loss or damage is caused by our failure to comply with acceptable standards and practices.

12. Minor defects including chips, scratches and mars in tile, woodwork, walls, painting, porcelain, brick, counter tops, mirrors, carpeting, marble, glass and plumbing fixtures which are not recognized and brought to our attention at the time of final inspection.

13. Incidental or consequential damages.

14. Section 4-5-23 of the Residential Construction Performance Guidelines is not applicable in our area. Our local Performance Guideline for Section 4-5-23 is as follows: No point along the top of any course shall be more than 1/4 inch higher or lower than any other point within 10 feet along the top of the same course, or 1/2 inch in any length, except that the owner and the contractor may agree to match or otherwise compensate for pre-existing conditions. Discussion: Some brick, including tumbled and distressed brick, may have dimensional tolerances that result in exceeding this performance guideline.

CLAIMS PROCEDURES:

Upon detecting the existence of a defect, the Owner shall follow the procedures set forth below:

1. If the defect is covered by this Limited Warranty, written notice with a thorough and complete explanation of the defect, shall be sent to Builder no later than thirty (30) days following the expiration of the twelve (12) month warranty period. Only emergency reports will be taken by telephone. Following the receipt of your requests, we will make an inspection of your home within thirty (30) days after receipt of such notice. If such inspection reveals that repairs or adjustments covered by the Limited Warranty are required, we will make the necessary repairs or adjustments within ninety (90) days at no cost to you, weather and labor conditions permitting and emergencies excepted. Inspection, service and repairs will only be performed during normal working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.

2. If the defect is covered by a manufacturer's warranty, follow the instructions provided with such warranty. In the absence of a written manufacturer's warranty, contact Builder's office for information and assistance in filing the claim.

BUILDER'S PERFORMANCE:

The attached Residential Construction Performance Guidelines prepared by the National Association of Home Builders are incorporated herein and are intended to be used by Owner and Builder as guidelines in the determination of acceptable performance criteria in construction of the house.

If a defect is an item which is covered by this Limited Warranty, the Builder will repair or replace, or pay Owner the reasonable costs of repairing or replacing the defective item. The choice among repair, replacement or payment is the Builder's. Action taken by the Builder to correct defects shall not extend any term of this warranty. Corrective work shall be performed by Builder only during normal working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. No corrective work will be performed on Saturday, Sunday or company holidays. Builder shall not be required to enter the premises to perform corrective work unless Owner has provided Builder with key, written permission to enter and a complete written release of liability.

Corrective work performed by Builder to repair a defect covered by this Limited Warranty shall be at no charge to Owner.

CONCILIATION/ARBITRATION:

If defects are claimed by Owner, Owner and Builder shall comply with the claim procedures in the Limited Warranty, including but not limited to the notice requirements. If Builder fails to comply with the claim procedures in the Limited Warranty or if the parties are unable to mutually resolve any question with respect to the performance of this Agreement, Owner must contact the Home Builders Association of Louisville (the "Association") no later than 180 days following

expiration of the twelve (12) month warranty period which shall not be deemed to be an extension of the twelve (12) month warranty period and request conciliation, unless Builder in writing waives the conciliation procedure. Owner will submit \$50 for administrative costs along with complaint forms and any other documentation reasonably requested by the Association to evidence Owner's compliance with the claims procedures set forth herein. Builder will be billed \$200 when a team is assigned for conciliation. Any money being withheld from Builder by Owner must first be placed in the Association's escrow account before the conciliation meeting will be held. At the conciliation meeting, which shall be held in the Commonwealth of Kentucky, only Owner, Builder, Builder's supervisory personnel at Builder's discretion, and the conciliators appointed by the Registered Builder Committee of the Association shall be present. If a conciliation agreement is not signed by Builder and Owner, the Association may refund the escrowed funds. Following completion by Builder of the remedial steps contained in any Conciliation Agreement signed by Owner and Builder within the time periods indicated, if any, the Association may distribute funds held in escrow to Builder; provided, however, if, in the sole opinion of the Association, Builder has not performed the remedial steps set forth in the Conciliation Agreement as intended by Owner, Builder and the Conciliators, the Association may refund escrowed funds to Buyer. The Association provides the conciliation procedure only as a service to its members and home buyers and does not undertake or guarantee, expressly or impliedly, to perform any obligation of Builder resulting from such procedure. The provisions of this paragraph shall not apply unless Builder is at all times during the conciliation procedure a member of the Association.

If parties are unable to mutually resolve any controversy or claim through the conciliation procedure, or if parties agree to waive the conciliation procedure or if the conciliation procedure is not otherwise available to the parties for any reason, then any controversy or claim arising out of or relating to this Limited Warranty or any breach of this Limited Warranty, shall unless waived in writing by both parties be settled by binding arbitration held in the Commonwealth of Kentucky and submitted to a professional arbitration service under its rules relating to the construction industry and the Kentucky Arbitration Act; provided, however, if the dispute between the parties involves a claimed construction defect, then prior to commencement of arbitration Owner shall give written notice to Builder of the claimed defect, and Builder shall have the right to offer to cure the claimed defect, all as more particularly set forth in the agreement between Owner and Builder and as set forth in the Notice and Opportunity to Repair Act (KRS 411.250 to 411.266) the arbitrator's decision shall be final and legally binding and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each party shall be responsible for its share of the arbitration fees in accordance with the applicable rules of the arbitration service selected. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award or fails to comply with the arbitrator's award, the other party is entitled to recover its costs, including a reasonable attorney fee, for having to compel arbitration or defend or enforce the award. Notwithstanding any other provision of this Limited Warranty, Owner shall give Builder an adequate opportunity to repair, replace or pay for any defective construction.

Date of Closing or Occupancy

This acknowledges the receipt of the "Home Owner's Limited Warranty"

Address

Owner's Signature

Owner's Signature

(Builder)

By _____ Title _____

Performance Expectations

While we have provided you a copy of the NAHB Performance guidelines, we are including the following information with respect to performance expectations as they are some of the more common questions that arise. Please refer to the NAHB Performance Guidelines for a more detail list of items and standards.

- Concrete** The characteristics of concrete can produce minor cracking, chipping, and spalling, as well as surface discolorations from admixtures, sealants, oils, and contact with equipment. All are considered cosmetic and within the range of normal expectations.
- Displacement or cracking in excess of NAHB Performance guidelines within the 1-year limited warranty period will be repaired.
- Drywall** We will repair nail pops, blisters, or other drywall blemishes that are readily visible from a standing position facing the surface at a distance of 6 feet, under normal lighting conditions one time during the warranty period. We will touch up paint on repaired areas only. A perfect match between original and new paint cannot be expected, and we will not paint the entire wall or room. Because such repairs are only done one time during the warranty period, and the paint may not match as well the longer one waits, careful consideration should be given as to the timing of any such repairs.
- Color Match** While we will use reasonable care when making repairs to concrete, shingles, siding, paint, flooring, brick and all other products, color match is not guaranteed due to changes in the original products from weathering and exposure, and to variations and changes in manufacturers products.
- Lot Drainage** Lot grading and swales are considered properly working if covered by healthy grass even if the area remains wet for several days after rain. Generally, standing water within 10 ft of the home should not remain after 24 hours, or after 48 hours in other areas such as swales or where the sump pump discharges.

Warranty Exclusions

A full copy of the Limited Warranty is provided above. The following is a partial list of specific items not covered by the Limited Warranty.

- Concrete** Damage to concrete caused by use of salts or chemical deicers.
- Cracks in attached patio slabs, steps, and sidewalks.
- Landscaping** Sod is not a warrantable item if healthy when laid. Any sod not healthy at closing must be noted on the Customer Orientation Form and will be replaced. Any sod damage by a warrantable drainage deficiency will be overseeded or replaced after the drainage has been corrected.
- Trees and shrubbery are not warrantable if healthy when installed. Any trees or shrubbery not healthy at closing must be noted on the Customer Orientation Form. Trees and shrubbery in undisturbed natural areas of the lot are not warrantied at all. Any trees or

shrubbery damaged by a warrantable drainage deficiency will be replaced after the drainage has been corrected.

Homeowner
Changes

Any item not installed and supplied by or through Elite Homes.

Any defect or damage caused by someone other than Elite Homes.

Damage caused by an alteration of the product installed by or through Elite Homes. For example, modification to the HVAC system to add additional air conditioning for additional living space added to an unfinished basement.

Drainage issues caused by a homeowner's alteration of the grade of the yard during landscaping or other modifications are not warrantable.

Personal
Property

Consequential and incidental damages are excluded from the limited warranty.

Home Buyers should submit claims for these items to their homeowner's insurance. Please make proper inquiries to your insurance broker with regard to proper coverage and differences regarding sump pump failure, day-light drain failure, and sewer back up.

Model Homes versus New Construction Homes

Model homes are used by Elite Homes to demonstrate floor plans, elevations, and structural and design options available to be purchased as well as designer features that may not be offered for purchase to provide buyers the ability to see other possibilities for the home after closing. If you did not purchase the model, your new home is a "New Construction Home". Model homes and New Construction Homes differ in several ways, including but not limited to specifications, features, decorator items and landscaping, to name a few. The following are some examples, though not a complete list, of these differences.

Air Conditioning

Due to sales traffic in the model homes, there may be additional air conditioning than what is provided in a New Construction Home.

Design and Decorating

Model homes can have design features that differ from those available in a New Construction Home. The differences could be in materials, interior and exterior colors, surface covering, trim details, doors, windows, and location of windows, garage doors and other features.

Dimensions

New Construction Homes can have different interior and exterior dimensions than those of the model homes. The differences can result from variations in the elevations of homesites, changes in design that are made after the models are completed and other factors. The differences can be seen in ceilings, windows, room sizes, homesite set-backs and in other areas.

Elevations

The plan and elevation on your homesite can differ significantly from those of the model homes. These differences sometimes result from topographical variations and grading plans. As a result, the external appearance of your home may be different from the models, resulting in changes of window or door sizes or locations, materials used, numbers of steps in the garage and porches, exposed basement foundations walls, etc.

Entrance and Walkways

Entrance to, and walkways of the models can vary. In New Construction Homes, standard walkways are used.

Interior Features

The model home suggests how a home might be decorated. Therefore, the models may have items such as window coverings, wall coverings, ceiling trim details, built-in security, music systems and other features that differ from the New Construction Homes. Usually, the Sales Centers are in decorated garages of model homes. The Sales Center is not intended to represent the finish of New Construction Home garages.

Landscaping

Model homes are landscaped with more mature plantings, special plant selections, and unique hardscape features that are not provided in a New Construction Home landscaped by Elite Homes. New Construction Homes may not include Elite Homes installed landscape in the rear yard, front yard or both.

Structural and Design Options

Depending on when the model was built in any particular community certain options may no longer be available. Elite Homes may discontinue, revise or add options based on our discretion which considers factors such as, but not limited to, how often they are selected and new trends in design.

Manufacturers' Warranties

Items ordinarily covered by manufacturer's warranties are listed below. All these items are excluded from the Limited Warranty. All items listed below may or may not be in your home, and/or your home may contain other items covered by Manufacturer warranties. Therefore, all manufactured products excluded from the Limited Warranty may not be on the following list.

Please review the information that is provided by the manufacturers for these items, particularly warranty limitations and maintenance procedures. Brochures and other information are supplied with most of these items and are provided to you at the New Home Delivery. Additional copies may be obtained by the Customer Care Department.

The following items are typical products that may be covered by manufacturers warranties, rather than the Limited Warranty (your home may or may not contain any or all of the following):

Appliances

Refrigerator
Freezer
Range
Fireplaces

Dishwasher
Clothes Dryer
Trash Compactor
Ice Maker

Oven Hood
Clothes Washer
Oven

Heating and Ventilation

Air Conditioning System
Space Heater
Exhaust fans

Heat Pump
Coils and Compressor
Thermostat

Furnace
Humidifier
Air Cleaner

Flooring Material

Carpet
Marble
Laminate

Vinyl
Ceramic Tile

Wood and Engineered Wood
Pavers

Mechanical and Electrical

Central Vacuum System
Security System
Door Chimes

Garage Door Opener
Fire and Smoke Alarms
Electric Meter

Intercom
Light Bulbs
Gas Meter

Plumbing

Garbage Disposal
Tub and Shower Valve
Whirlpool Bath
Water Heater

Toilets
Pressure Regulators
Water Softener
Water Dispenser

Faucets
Tub and Shower
Sinks
Sump Pumps