

Luttrell Development LLC

Luttrell Development LLC
7529 Northshore Drive
Knoxville, TN 37919

Phone 865-539-0032
Fax 865-539-4661

Homeowners Information Manual

Prepared for
Homeowners

by
Luttrell Development

Updated August 13, 2007

1. CONSTRUCTION AND BUYER ACTIVITY SEQUENCE	1
2. PERMANENT FINANCING INFORMATION	2
MORTGAGE APPLICATION	2
GENERAL MORTGAGE INFORMATION	3
CLOSING INFORMATION.....	4
3. STANDARD FEATURES	5
STANDARD FEATURES IN ALL HOMES BUILT BY LUTTRELL DEVELOPMENT LLC	5
4. CHOICE SELECTIONS	8
5. CHANGE ORDERS	9
6. HOMEOWNER ORIENTATION	10
SCHEDULING	10
FORMS	10
PREPARATION.....	10
INSPECTION	10
ACCEPTANCE	11
COMPLETION OF ITEMS NOTED	11
7. CARING FOR YOUR NEW HOME	12
HOMEOWNER’S RESPONSIBILITIES.....	12
FREQUENTLY ENCOUNTERED SPILLS OR STAINS	20
CLEANING PROCEDURES FOR CARPET	21
8. WARRANTY SERVICE	24
TYPES OF WARRANTY SERVICE	24
SERVICE PROCESSING PROCEDURES	25
MATERIAL AND WORKMANSHIP STANDARDS.....	26
CONSTRUCTION STANDARDS	27
APPLIANCES	36
9. CLOSING INFORMATION	37
HOMEOWNER’S INSURANCE POLICY	37
SURVEY	37
CLOSING FUNDS.....	37
UTILITIES.....	38
TERMITE LETTER	38
CLOSING.....	38
PROTECTING YOUR OWNERSHIP THROUGH TITLE INSURANCE.....	38

Construction and Buyer Activity Sequence

As you can see from the flow chart on the preceding page, there are many activities involved in the process of building your new home. The actual construction is the most exciting and the easiest to see, but all of the activities have to occur in the proper sequence in order for you to move into your new home. We feel that if you understand the sequence you can help expedite the construction by having your part completed in time for the following activity. Unfortunately, we cannot control the time periods for some of the activities, but at least you can have an understanding of what is taking place.

During the actual construction of the house, most people have a very natural and overwhelming desire to see everything that is happening every day. We encourage you to watch as closely as you like; however, there are some *do's* and *don'ts* that we need to mention to help prevent misunderstandings or complications. Here are a few of the most common ones:

- u **Job Site Inspections.** Your home will be fully inspected by the appropriate local building authority and, if applicable, by an FHA or VA fee inspector at several stages of construction. You are welcome to inspect the home at any time *other* than normal working hours. If you choose to inspect the home, you must remember to **BE CAREFUL at all times!** We know how many ways there are to get injured and understand that you may not be used to being on a construction site, so please watch your step at all times. We cannot allow you to inspect the home during normal working hours when there may be work going on due to the greatly increased risk of injury. Please respect this policy and the workmen on your job.
- u **Job Materials.** The material used in your home is all new, quality material. Please do not assume that anything you see on your home site belongs to you. If we have ordered extra or unusable material, we will return it or use it elsewhere. Please do not remove anything from the job site.
- u **Construction Employees.** Subcontractors and their employees will do most of the work on your home. We also have some employees working directly for us that may be on your job site from time to time. Many of them will try to be helpful and answer your questions; however, because they have limited specialties, they can sometimes give confusing information. Also, they each have a job to do; the less time they spend talking, the more time they can spend building your home.

Permanent Financing Information

Mortgage Application

The first item requiring your attention after signing your contract is the completion of a mortgage application. Pursuant to the terms of your contract, you should accomplish this immediately. You will receive two fully executed copies of your Sales Contract, one of which is to provide to your lender.

Remember, the construction of your new home will not start until we have received a preliminary loan approval from the mortgage lender. So, the sooner you finish the mortgage loan application, the sooner we can start building your house, allowing us to be better able to meet the schedule for completion.

Your sales agent will work closely with you during the mortgage application process to help you get everything you need as quickly as possible. If you have any questions or concerns about anything during this process, please call your sales agent first as he or she should be able to answer your questions.

The "Mortgage Application Worksheet" that follows is only a guide. Some of the items listed may not apply to you and, most certainly, there will be some specific items your lender will request which we have not mentioned.

You can facilitate the mortgage application process by collecting the needed information before your appointment.

A. Property Information

- © The lender's copy of the contract for the purchase of your new home will include the legal description of the property and the price.

B. Personal Information

- © Social security numbers for all borrowers
- © Home address(es) for the last two years
- © Divorce decree and/or separation agreement, if applicable
- © VA Certificate of Eligibility, DD214 Discharge papers or statement of service, if applicable
- © Names in which property title will be held and type of title

C. Income

- ⓐ Borrower/co-borrower's income
- ⓐ Most recent pay stub(s)
- ⓐ Documentation on any supplemental income (bonuses, commissions, etc.)
- ⓐ Names, addresses and phone numbers of all employers for the last two years
- ⓐ Tax returns or W-2s for the last two years
- ⓐ If self-employed or a commissioned salesman, copies of tax returns for the past two years with all schedules and year-to-date information for current year signed by an accountant
- ⓐ Documentation on any alimony or child support if such income is to be considered for the loan

D. Real Estate Owned

- ⓐ Complete addresses
- ⓐ Names, addresses, phone numbers and account numbers for all mortgage lenders
- ⓐ Copies of leases for any rental property
- ⓐ Taxes and hazard insurance amounts for any rental property
- ⓐ Market-value estimate

E. Liquid Assets

- ⓐ Source of down payment and closing costs
- ⓐ Complete names, addresses, phone numbers and account numbers for all bank accounts, credit union accounts and/or investment accounts
- ⓐ Copies of most recent earning statements for investment accounts
- ⓐ Copies of any notes receivable
- ⓐ Other assets (i.e., boat, motorcycle, major works of art, etc.) and approximate value
- ⓐ Cash value of life insurance policies
- ⓐ Vested interest in retirement funds, IRAs, etc.

F. Liabilities

- ⓐ Names, account numbers, balances and current monthly payments for all revolving charge cards
- ⓐ Names, addresses, phone numbers, account numbers, approximate balances and monthly payments for all installment debt; if auto loan, make year and approximate value of auto.
- ⓐ Alimony or child support payments
- ⓐ Any other debts
- ⓐ Names, addresses, phone numbers and account numbers of recently paid-off accounts if such accounts are to be used to establish your credit

You will be asked to pay for a credit report and an appraisal upon signing the application.

We appreciate hearing your comments and evaluation of the service and attention you receive from the mortgage lender so we can evaluate the job they are doing for our customers.

General Mortgage Information

Preliminary Loan Approval

We require a preliminary approval from your mortgage lender in order to start the construction of your home if your home is not already completed or under construction at the time the contract is signed.

Interest Rate Lock-In

At some point before closing the mortgage lender may ask you to lock-in the interest rate and/or discount points for your permanent mortgage loan. We reserve the right to lock the discount points at any time prior to closing if they are equal to or less than the points agreed to in the contract; do not sign a lock-in agreement unless you are willing to pay the excess over the contract agreement. One discount point is equal to one percent of the mortgage loan.

Closing Information

The closing on your new home typically takes place at the title company. The appointment for your closing will be set through the Closing Coordinator at Luttrell Development LLC (the "Company").

While preparing for closing, you should keep the following items in mind:

1. You will need to obtain and present proof of a homeowner's policy from your insurance company.
2. The *final number* is usually available only very near to the actual closing date. Although a reasonably close estimate may be determined earlier, several closing items included in the final total are subject to last minute adjustments. Please note that these adjustments are the result of many factors over which the title company has little or no control. You will need to bring cash or certified funds, payable to the title company, with you to the closing.
3. The Company may or may not be present at your closing. The title company is **not** authorized to negotiate or make representations on behalf of either party at closing; therefore, please discuss any questions, agreements or other matters directly with us prior to closing.
4. You will need to notify all applicable utility companies of your impending move so that service is provided in your name. In order to avoid any interruption of service, we suggest you contact the phone company ahead of time. Our office will call each utility company the next business day following closing to have service disconnected in the Company's name. The phone number for each utility company can be found under Section 9 **Subdivision Documents**.

Standard Features

Standard Features in All Homes Built by Luttrell Development LLC

The following list sets forth some of the standard features included in a new Luttrell Development LLC home and is one of the reasons a Luttrell Development home is the best housing buy you can make in the Knoxville area. We are committed to providing the best value in housing, both before and after the sale.

1. Water pipes throughout interior of the house are crosslinked polyethylene (PEX-a). PVC pipe is used to provide service to the house and for drain and sewer lines.
2. Insulation:
 - R-33 insulation value in ceilings
 - R-11 insulation in walls with vapor barrier on heated sides
 - R-13 insulation in crawl space floors with vapor barriers on heated side
3. Double-pane, insulated glass in all exterior windows and doors.
4. All windows have full vinyl frames with extended manufacturer's warranty.
5. Dead bolts on all exterior doors for security and insurance savings.
6. Smoke detectors at each level of the house, in each bedroom and in garage hooked together in a series allowing all to go off if one becomes activated. Smoke detectors also have battery back-up in the event of loss of electricity to the house.
7. Frost-proof exterior water spigots in the garage and on the rear of the house.
8. Washer and dryer connections with dryer exhaust vented to the outside.
9. Wood kitchen and vanity cabinets.
10. Longwearing carpet with ½" re-bond pad.
11. General Electric appliances:
 - a) Dishwasher
 - b) Range hood
 - c) Self-clean range/stove
12. Knox County Code Administration inspections on

- a) Open trench before concrete footings are poured to check for solid-bearing soil
 - b) State electrical rough-in inspection
 - c) Plumbing and heat/air rough-in inspection
 - d) Framing inspection before sheetrock installed
 - e) Waterproofing inspection before backfilling basement
 - f) Gas line and vent inspection before sheetrock installed
 - g) Sewer line inspection by the utility district before sewer line is covered
 - h) State electrical final inspection before power is turned on
 - i) Final gas inspection
 - j) Final inspection before occupancy
13. Concrete driveway and sidewalks.
 14. **Written** one-year builder's warranty.
 15. Professionally landscaped lawns.
 16. Pre-finished aluminum gutters and downspouts.
 17. Combination of eave and ridge vents for maximum attic ventilation.
 18. Soil-treatment around foundation and underneath all interior concrete slabs during construction to prevent termite infestation.
 19. Ground-fault interruptible circuits on all bath, kitchen, garage and exterior outlets for safety in possible wet areas.
 20. Exterior light at every exterior entry door.
 21. Screens and tilt windows on all operable windows for ease in cleaning.
 22. 16" center (as opposed to 24" center) wall studs on all interior and exterior walls.
 23. Subflooring nailed and glued with exterior glue to prevent damage due to water during construction.
 24. Pre-wired for garage door openers.
 25. Pre-wired for both telephone and cable television.
 26. Ice-maker box in wall with cut-off at refrigerator space.
 27. Double-bowl kitchen sink with sprayer.
 28. Garbage disposal.
 29. Central heat and air conditioning (gas furnace and water heating where available).
 30. Ventilated closet shelving.
 31. Maintenance-free vinyl siding with a 50-year warranty.
 32. Maintenance-free solid vinyl windows with double-insulated glass and a 10-year/lifetime warranty.

33. Homeowner Information Manual that explains your new home and the process of purchasing your new home from start to finish. The Manual may be updated from time to time as new information regarding product specifications and performance standards become available. We will attempt to send you any such updates during your one-year warranty period.

Choice Selections

You will make choices about your new home at the Company's office color-center. The Company representative helping you with your selections will explain to you the items available for selection. Occasionally a home is already under construction and the Company has already made some or all of these choices. Any selection ordered or installed cannot be changed. To ensure continuity of the production process, your selections should be completed within ten (10) days of signing your contract; if the house is under construction, selections may need to be made immediately to enable us to make any possible changes you may desire from what we have selected.

As a reminder, decorating choices that exceed the specified allowances for floor coverings, light fixtures, etc. will require payment directly to the respective company when you make your selection. Although such amounts can be credited at the closing and, thereby, added to your mortgage, they are not refundable.

Change Orders

From time to time you may realize you have forgotten to request an important item or feel that you need to change an item already selected. The Company has a Change Order Policy to deal with this scenario if it should occur. Depending upon the terms of your particular contract and the state of construction on your home, Change Orders will be considered as follows:

1. You must discuss the proposed change with your sales agent who will propose the request to the Company.
2. The Company will review and approve or disapprove the requested change according to this policy.
3. If the Company approves the requested change, such change will be forwarded to the construction superintendent for approval or disapproval.
4. If the construction superintendent approves the requested change, the Company will review and establish the cost, if any, of the proposed change.
5. The Company will then contact you to discuss the change and associated costs and obtain your approval.
6. You **must** pay for the change order at the time of acceptance. All such payments are **non-refundable** regardless of whether or not you close on the home.
7. Payments for change orders that are added to your mortgage loan will be credited to you at closing. You must discuss this with your mortgage lender prior to closing.

Changes made to your home may or may not affect the cost of your home. Since any change made affects the scheduling and orderly flow of construction, we endeavor to keep changes to a minimum and ask that you consider only the most absolutely necessary change request.

No changes will be considered once an item has been ordered or the work is performed. This policy is absolutely necessary for us to maintain the cost controls that enable us to provide you with the **best new home value in Knoxville**. Please take this into consideration when thinking of any changes.

A sample of our Change Order form is on the following page.

Chapter 6

Homeowner Orientation

Your Homeowner Orientation is an introduction to your new home and its many features—a meeting that goes beyond the traditional walk-through to include information about your new home and the surrounding community.

Scheduling

When the Company is satisfied that your new home is complete, we will schedule the Orientation with you. Appointments are available Monday through Friday 8:00 a.m. to 4:00 p.m. You will meet with a Company representative at your new home for an educational tour and inspection. The Orientation usually occurs two to five days before closing.

Forms

The Company representative will use an orientation checklist during closing. A copy has been included at the end of this chapter for your review. The following suggestions should help you derive the greatest benefit from your orientation.

Preparation

Allow enough time. We expect the Orientation to take from one to two hours. Try to arrange your plans so that you can utilize the full amount of time allotted.

Make a note of any questions you have about your home, the warranty coverage or the community to bring up at orientation. It is a good idea to read your Homeowner's Manual prior to this appointment so that you can ask for clarification on any areas with which you are unclear.

Experience has shown that the orientation is most beneficial when buyers are able to focus all their attention on their new home and the information presented. Although we appreciate that friends and relatives are anxious to see your new home, it would be best if they visit a little later. Similarly, we suggest that, if possible, children and pets not accompany you at this time. Any real estate agent that has been involved with your purchase may attend, although their attendance is not required.

Inspection

In addition to introducing you to your new home, the Orientation allows you and a Company representative to inspect your home. Any items listed on the "inspection list" will be resolved by the construction superintendent. Under normal conditions completion of these items can be expected before closing. You

will be notified by the Company of any delays caused by availability of parts or materials or delays caused by weather.

Acceptance

We will ask you to accept your home upon completion of the orientation subject to those items which have been noted. During your inspection plan to make careful note of the following items:

1. Sinks, tubs and plumbing fixtures
2. Countertops and cabinet doors
3. Light fixtures, mirrors and glass
4. Windows and screens
5. Tile, carpet and resilient flooring
6. Doors and wall surfaces
7. Finish on all appliances

Defects in these items, which are called *appearance* items, are usually readily detectable during the orientation inspection. These are also items which are most likely to be damaged during the move-in process. As a result, later warranty claims are normally not accepted by the Company on cosmetic damages to these items.

Completion of Items Noted

The construction superintendent takes responsibility for resolving any items noted. Under normal circumstances you can expect all of these items to be resolved before closing. You will be informed of any delays caused by back-ordered materials or any other reason beyond our control.

Once the items noted during your orientation are completed the responsibility of the construction superintendent in your home ends. Any new items that may arise will be handled by the Customer Service Manager under the terms and conditions of the Limited Warranty as discussed in a later section.

Caring for Your New Home

Homeowner's Responsibilities

A few continuing obligations after closing are our responsibility; however, in general it is now up to you to take over the care of your home.

As an added service to our buyers we have assembled a summary of common homeowner maintenance activities. We recognize that it would be impossible to anticipate and describe every action that might be needed for proper care of a home. While this discussion in no way claims to supply a complete listing of every action that might be needed, it does cover a great many important details. Additional information is included in the Materials and Workmanship Standards that are part of your Limited Warranty.

By caring for your new home attentively from the first day, you insure your own enjoyment of it for years. The care and attention provided by each homeowner contribute significantly to the overall desirability of the community.

In addition to reviewing the information that follows, be certain to read all literature provided by the manufacturers of consumer products included with your home. Although much of the information may be familiar to you, some points may be significantly different from homes you have had in the past. Very little of the information contained in that material is repeated here. **For your own protection, activate specific manufacturer warranties by completing and mailing the registration cards included with their materials.** In some cases, manufacturer warranties may exceed the one-year coverage provided by the Company. It is in your best interest to be apprised of such coverage.

1. Natural Expansion and Contraction

All building materials are subject to expansion and contraction caused by changes in temperature and humidity. This applies to everything in your home including the concrete. Dissimilar materials expand or contract at different rates resulting in separation between materials, particularly dissimilar ones. The effects can be seen in small cracks in drywall and in paint, especially at the following areas: where moldings meet sheetrock, at mitered corners, where tile grout meets the tub or sink, etc. Although these cracks can be alarming to an uninformed homeowner, the cracks are very normal, even in the highest quality of construction. Shrinkage of wood components of your home is also inevitable. Be assured that it will happen in your home. This shrinking will be most noticeable during the first year but could continue beyond that time. In most cases a little paint and caulking can conceal this minor evidence of a very natural phenomenon. Even properly installed caulking will shrink and must be maintained.

As part of our service to you the Company will provide any necessary cosmetic repair, adjustment or touch-up **one time** during the warranty period at no additional charge to you. **Any further** maintenance or touch-ups are the Homeowner's **responsibility**. If cosmetic maintenance is necessary, we suggest that you wait until sufficient time has passed to be sure that most of the

shrinkage that may occur is over (usually about 6-9 months after completion and after the first winter heating season is over).

2. Heating System

Good maintenance of the furnace can save you energy dollars as well as prolong the life of the furnace itself. Carefully read and follow the manufacturer's literature on use and care. The following guidelines apply to all furnaces:

- * Remember to change the filter **monthly!** A clogged filter can slow air flow and cause cold spots in your home. Monthly filter changes are one of the most frequently overlooked details of Homeowner furnace care. We suggest you purchase filters in large quantities for the sake of convenience. It takes less than one minute to change the filter and you are much more likely to change it when you have one on hand.
- * Experiment with the adjustable registers in your home to establish the best heat flow for your lifestyle. Generally, heat can be diminished in seldom used or interior rooms; however, this is a very individual matter. You need to balance the system for your family's comfort.
- * For maximum comfort and efficient energy use place furniture and draperies to allow unobstructed air flow from registers.
- * Have a trial run early in the fall to test the furnace. (By the same token, have a trial run in the spring to test the air conditioning.) It is much less inconvenient to discover service is needed prior to the heating season getting underway.
- * If you find yourself with no heat, reviewing the checklist in your manufacturer's literature may help you identify the reason. There will be a service charge if your heating contractor makes a service call to repair one of the items listed in the literature.
- * Normal temperature variations from floor-to-floor (depending on the style of your home) can be as much as 8° or more on extremely cold days. The furnace will typically operate more frequently but for shorter periods of time during severe cold spells.
- * It is normal for the heating system to emit an odor for a few moments when it is first turned on after an extended period of not being used (i.e., after summer months if you do not use your air conditioning). This is caused by dust that has settled in the ducts and should pass very quickly.

3 Air Conditioning

Air conditioning can add greatly to the comfort of your home. Like a fireplace, though, if used improperly or inefficiently it results in wasted energy and frustration. These hints and suggestions are provided to help you maximize your air conditioning system.

- * To fully and efficiently utilize your air conditioning system you must understand that it is a total, whole-house system. The air conditioning unit is the mechanism in your home that produces cooler air. The air conditioning **system** involves **everything** inside your home (drapes, windows, etc.).
- * Your home air conditioning is a closed system meaning that the interior air is continually recycled and cooled until the desired air temperature is reached (another good reason to be sure you change your filter on a monthly basis!). Warm air from outside disrupts the system and makes cooling impossible; therefore, you **must** keep all windows closed. The heat from the sun shining through windows with open drapes is intense enough to overcome the cooling effect of the air conditioning unit. Drapes or blinds must be **closed** on these windows.

- * Time is of paramount importance in your expectations of an air conditioning system. Unlike a light bulb that reacts instantly when you turn on a switch, the air conditioning unit only **begins** its process when you set the thermostat. For example, if you arrive home at 5:30 one evening when the temperature has reached 90°, turn on your air conditioning unit and set the thermostat to 75°, the unit will begin cooling but it will take much longer to reach the desired temperature than if you had turned on your air conditioning unit and set your thermostat to 75° that morning. Likewise, if you are in the habit of turning your thermostat up before you go to work and turning it down to a comfortable temperature once you arrive home, you will experience a long wait for the new temperature to be reached. During the entire day the sun has been heating not only the air in the house but the walls, the carpet and the furniture. Once you set your thermostat and the unit begins cooling the air, the walls, carpet and furniture continue releasing the heat they have built up over the day, thereby nullifying the unit's cooling process. By the time the air conditioning unit has cooled the walls, carpet and furniture, you may well have lost your patience.
- * We suggest that you determine a comfortable temperature for you and your family, set your thermostat at that temperature and leave it alone.
- * You will find it advantageous to adjust the cooling vents to maximize air flow to occupied parts of the home.
- * If a humidifier is installed on the furnace system it should be turned off when using air conditioning; otherwise, additional moisture can cause a *freeze up* of the cooling system.
- * **NOTE:** There is evidence that burning certain candles with the air conditioning and/or heating system running could cause damage to the interior of your home and your belongings. If you choose to burn candles in your new home, keep an eye for any soot stains. A quick and easy test to see if a candle is burning clean is to place the new candle near a turned-on TV. After the candle has burned a few hours, wipe the screen with a clean, white tissue to see if any soot is present. If soot is present, stop burning the candle immediately. For more information on candle soot, access <http://www.homeenergy.org/198ghost.html> or <http://members.aol.com/BaileyIAQ/Soot.html>.

4. Plumbing

- * Many plumbing clogs are caused by improper garbage disposal usage. **Always** use plenty of cold water when running the disposal. Allow the water to run 10-15 seconds after shutting of the disposal.
- * If you decide to finish the basement you need to insure that the plumbing lines are not isolated from a heating source without adding additional insulation.
- * Provided your home is heated at a normal temperature, pipes should not freeze. Heat should be set no lower than 65° when you're away during winter months. Garage doors should be kept closed to protect plumbing lines which may run through the garage area.
- * Review and follow the manufacturer's timetable and instructions for draining several gallons of water from the bottom of the water heater. Following these instructions helps to prevent build up of chemical deposits from the water thereby prolonging the life of the tank in addition to saving energy dollars.
- * Follow manufacturer's directions for cleaning fiberglass fixtures. Abrasive cleaners will remove the shiny finish leaving behind a porous surface that is difficult to maintain.
- * You will occasionally need to remove and clean the aerators on the faucets to allow proper water flow.

- * Outside faucets are *frost proof*. In order for this feature to be effective, **hoses MUST be removed after each use!** Water remaining in an attached hose can freeze and expand back into the pipe causing a break in the line. **Repair of a broken line to an exterior faucet** is a maintenance item and is **not** covered under our one-year warranty.
- * The Company cannot control what may be flushed into the house plumbing lines; therefore, **clogged drains** are **not** considered a warranty service item. You are responsible for cleaning the obstruction and for any resulting damage if clogged pipes should occur in your home.

5. Electrical

- * The master control panel containing electrical breakers for your home includes a main shut-off that controls all electrical power to the home. Individual breakers control the separate circuits.
- * 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.
- * If a wall outlet is not working check to see if it is an outlet that is controlled by a wall switch, then check the breaker. Many homeowners have experienced the embarrassment and expense of calling the electrician out only to have a bulb replaced or a switch turned on!
- * GFI (Ground Fault Interrupter) receptacles have a built-in element which senses fluctuations in power. Installation of these receptacles is required by building codes in bathrooms, kitchens, garages and outside. Heavy appliances such as freezers, hair dryers or power tools can trip the GFI breaker. Do **not** plug a refrigerator or food freezer into a GFI-controlled outlet; the likelihood of the contents being ruined is very high.
- * Each GFI receptacle has a test and reset button. Once each month you should press the test button to trip the circuit. To return service, press the reset button. If a GFI breaker trips during normal use it may be an indication of a faulty appliance—some investigation is in order.
- * If any circuit trips **repeatedly**, unplug all items connected to it and reset it. If the circuit remains on, one of the items you unplugged is defective and requires repair or replacement. Call an electrician to report if a circuit trips when nothing is connected to it.

6. Gas Shut-Offs

There is a shut-off on the gas line at or near its connection to each item that operates on gas. In addition, there is a main shut-off at the meter. These are pointed out during the Homeowner Orientation. If you suspect a gas leak, **leave home** and call the gas company immediately for emergency service.

7. Water Shut-Offs

Each sink and commode has a shut-off for its water supply. The location of the main water shut-off and meter are pointed out during the Homeowner Orientation.

8. Insulation

The effectiveness of blown insulation is diminished if it is uneven; therefore, do not store articles in your attic. The last step in any work done in your attic (i.e., installing a TV antennae, etc.) should be to check that the insulation lies smoothly and evenly. Do **not** step on drywall ceiling as personal injury or damage to the drywall can result.

9. Paint/Stain

- * When doing paint touch-ups with enamel use a small brush and apply paint **only** to the damaged spot. Enamel touch-ups will be shinier than the surrounding areas.
- * Old English Furniture Polish and Scratch Cover is inexpensive, easy to use and blends in well with wood grain for stain touch-ups. Follow the directions on the bottle when using.
- * Check the painted and stained surfaces of the exterior of your home annually. If you can repaint or re-stain before there is much chipping or wearing away of the original finish you will save the cost of extensive surface preparation.
- * Wood trim that is painted white or light colors will more readily show the grain and cracks and will require additional maintenance.
- * Color names and paint brands are noted on your color selection sheet. The Duron paint used in hour home can be purchased at Pittsburgh Paint stores. There are three in the area: Western Avenue (525-2222), Kingston Pike (675-2200) and Oakridge Turnpike (483-3524).

10. Wood Trim

Separation of wood trim from the adjacent material is a normal result of shrinkage which can require caulking and/or touch-up painting as a repair; this is a **Homeowner's maintenance responsibility**.

11. Door Locks

Lubricate door locks with graphite or other waterproof lubricant. Avoid oils because they will gum-up the locking mechanism.

12. Floor Coverings

A. Hardwood

- * Wood floors will respond noticeably to changes in humidity levels in the home, especially during winter. A humidifier will help, but will not completely eliminate this reaction. A temperature of 70°F and relative humidity of 35-50% are ideal.
- * Wood floors will exhibit the following traits:
 - | Small splinters of wood
 - | Dimples or scratches due to moving furniture, dropping heavy or sharp objects, etc.
 - | Some shrinkage or warping, especially around heat vents or any heat-producing appliance
 - | Warping due to floor becoming wet repeatedly (or thoroughly soaked one time)
 - | Dulling of finish in heavy traffic areas
 - | White, filmy appearance due to moisture (often from wet shoes or boots)
 - | Pet claws may scratch hardwood floors
- * Preventive maintenance is the primary goal in the daily care of your hardwood floor.
- * Clean up food spills in a timely manner using a very dry cloth. Use Hartco Easy Clean for tough food spills (available at Home Depot, Lowes or Henson Flooring Company).
- * Shoe marks can be removed using a spot application of a household cleaner and a **non-abrasive** scrubbing pad. Difficult marks can be removed using a *white-grade polishing pad and cleaner*. Keep high heels in good repair. Heels which have lost their protective cap (thus exposing the fastening nail) will exert over 8,000 pounds of pressure per square inch on the floor. That's enough to damage hardened concrete—it **will** mark your wood floor!

- * Use protective walk-off mats at exterior doors to help prevent sand and grit from getting on the floor. Gritty sand is wood floorings worst enemy.
- * Area rugs are recommended in front of kitchen sinks. Do not use rugs with solid rubber or vinyl backings because yellowing of the surface can result from rubber or vinyl backing on area rugs or mats.
- * Install proper floor protectors on furniture used on hardwood floors. Protectors will allow chairs to move easily over the floor without scuffing the floor. Clean the protectors on a regular basis to remove any grit that may accumulate.
- * Vacuum regularly. When you vacuum your carpet, vacuum your hardwood floor. Sweep on a daily basis or as needed.
- * **Never wet mop** a hardwood floor! Excessive water causes wood to expand, possibly damaging the floor. When the floor becomes soiled, use Hartco Easy Clean and wipe with the Hartco Sh-Mop (available in a floor-care kit at Home Depot, Lowes or Henson's Flooring Company).
- * Waxing is **not** necessary or recommended. Once you wax a polyurethane finish floor, it is very hard to re-coat the floor because the new finish will not bond to the wax. Also, once you use wax, you must continue to maintain the wax and the floor. Preventive cleaning and a polishing buffer should be used to maintain the desire level of luster.
- * **DO NOT USE!** Murphy's Oil Soap – Furniture Polish – Window Cleaner – Vinegar and Water – Hard Surface Cleaners.

B. Vinyl

You may experience discoloration from common household stains including hair dye, juices, mustard and catsup. Permanent stains can result from tar, asphalt, shoe polish and permanent markers. Your vinyl will also discolor from long periods of sun exposure. Use only cleaning products recommended for your floor. Avoid wearing spike heels. Be sure you have proper floor protection on your table and chair legs—use floor protection made of carpet or felt, not rubber or plastic. Discoloration of the surface can result from rubber backing on area rugs or mats.

C. Carpet

All carpet has been protected with *Scotchguard*TM; however, no carpet is stain-proof. Blotting spills with cool water will remove many stains. Some household chemicals can either destroy or change the dyes used in your carpet; the most common are *acne medication, bleach, drain cleaner, toilet-bowl cleaner, corn & callus remover, insecticides* and *plant food* used in potted plants. Animal urine is also very damaging to the dye. The following pages contain common spills and stains with steps for cleaning them.

Vacuum your entire house at least once a week. Vacuum traffic areas at least twice a week. Shedding is common in new carpet because most carpets are sheared leaving millions of little fiber bits in the carpet. For the first few weeks you need to change vacuum cleaner bag often to avoid damaging your vacuum. Your carpet may also go through *sprouting* where a piece of yarn is longer than the carpet pile. Do **not pull the yarn; instead, cut it even with the carpet pile.**

- * Preventive maintenance is the best care for a carpet.

- * A carpet's best friend is a frequently used vacuum cleaner.
- * You can never over-vacuum a carpet.
- * An upright vacuum is best. Tank or canister-type vacuums should have a separate beater bar brush unit (*power pack*).
- * Frequent removal of loose soil will extend carpet life and reduce the need for frequent wet cleaning.
- * Check the vacuum cleaner belts, motor and beater bar brush often. The effectiveness of a vacuum depends on a clean, properly rotating brush.
- * Never allow your vacuum cleaner dust bag to become more than ½ full.
- * Clean carpet before it looks dirty.
- * Change the filters in your heating and air conditioning system regularly—your carpet and your entire house will stay cleaner longer.
- * Restrict food and drink to non-carpeted areas when at all possible.
- * Put attractive, washable mats in front of the doors used most often. Launder them often.
- * Save this manual and any papers that come with the carpet.
- * All the spill and cleaners were probably not removed completely if a spot re-appears after cleaning; further rinsing is necessary.
- * Choose who cleans your carpet and how it is cleaned carefully; your carpet's life depends on it.
- * Leaving detergent residue in your carpet after cleaning it is like shampooing your hair and not rinsing it.

Even though vacuuming can remove most of the dry soil, it is also necessary to clean your carpet on a regular basis to remove more oily or sticky soil that builds up in the pile. When cleaned regularly, it is much easier to remove this material. **The carpet in a typical household should be cleaned every 12 to 18 months** depending upon the number and age of the residents and amount and type of activity.

Choice of the proper cleaning system is important. Some systems may leave residues which promote re-soiling and defeat the whole purpose of cleaning. The recommendations below represent the best current knowledge and should help prolong the time between cleanings.

Shaw Industries recommends the hot water extraction system, commonly referred to as "steam cleaning," although no steam is actually generated. The process consists of spraying a solution of water and detergent into the carpet pile and recovering the water and soil with a powerful vacuum into a holding tank.

Professional carpet cleaners—it is to your advantage to use professional cleaners because their experience enables them to do a better job than you can do yourself. Their equipment

has more extraction power than the rental units available to you, and the carpet should dry more quickly. True professionals have also made the investment in training to understand the equipment, to know the proper cleaning agents for the situation at hand, and to recognize the differences in fibers and carpet construction.

One way to locate a professional cleaner is to contact the **Institute of Inspection, Cleaning and Restoration Certification (IICRC) at 1-800-835-4624**. This organization maintains a national directory of independent professional cleaners who are trained and certified in a variety of cleaning specialties. Call and explain that you have purchased a Shaw Industries carpet and would like the name of a cleaner near you who uses the hot water extraction system.

Do-it-yourself systems—If you decide to rent a steam cleaning machine and do it yourself, check several cleaning systems before making a selection. **Most rental units available do not adequately clean and may actually damage the carpet.** Consider the following:

1. Some rental companies have cleaning equipment that is similar to what the professionals use. The cleaning equipment should have enough vacuum power to allow the carpet to dry within 6 to 12 hours after cleaning. **Avoid rental units found in many retail and grocery stores that do not have enough power to extract the cleaning solution from the carpet adequately and which may actually damage the carpet due to overwetting.**
2. **Avoid overwetting the carpet.** Prolonged dampness may promote growth of mildew and bacteria in the carpet or **cause separation of the backing**. A carpet that is wet for more than 24 hours could develop a growth of mold and mildew.
3. Use a cleaning solution with a pH less than 10, preferably near 9, and with a minimum of non-sticky residue. The attraction between the detergent and the particles of soil and oil is critical during the cleaning process. However, the detergent residue continues to attract the particles after cleaning. Increasing the amount of cleaning solution beyond the recommended level does not greatly increase cleaning performance, but makes the removal of detergent more difficult. Because buildup of detergent residue is the most common cause of accelerated re-soiling complaints, do not use extra cleaning solution. Shaw Industries recommends a clear water rinse after cleaning.
4. Do not use cleaning or spotting solutions with optical brighteners. Do not use any silicone-based anti-soil treatments on carpets produced by Shaw Industries. The only anti-soil products approved for use as needed are either DuPont Teflon® or 3M Scotchgard™.
5. Reduce drying time by using several fans to move air across the carpet in combination with a dehumidifier or air conditioner to pull moisture out of the air. Carpet should be dry within 12 hours; even less is better.

Bonnet cleaning systems—Bonnet cleaning systems employ a rotating bonnet of terry cloth or other absorbent material to agitate the carpet pile and absorb soil. **Shaw Industries does not recommend this cleaning system.** The bonnet system has very limited ability for soil removal and leaves much of the detergent in the pile since it employs no real extraction. Another disadvantage is that the spinning bonnet may distort the fibers of cut pile carpet, fuzzing the pile and leaving distinct swirl marks.

1.

Frequently Encountered Spills or Stains

Spill/Stain	Procedure	Spill/Stain	Procedure
Acid toilet bowl cleaner	A	Jelly	A
Acne medication	B	Lipstick	B
Alkaline drain cleaner	C	Margarine	B
Apple juice	A	Mascara	B
Applesauce	A	Mayonnaise	B
Asphalt	B	Medicine	A
Barbecue sauce	B	Mouthwash	A
Beer	A	Mustard	C
Bleach	C	Nail polish	B
Blood	A	Oil	B
Butter	A	Ointment	B
Candy	A	Orange juice	A
Carmel syrup	A	Orange soda	A
Catsup	A	Paint (latex)	A
Cheese spread	B	Paint (oil)	B
Chocolate	B	Pet feces	A
Chocolate milk	A	Pet urine	C
Chocolate syrup	A	Plant food	A
Clay	A	Rouge	B
Coffee	C	Rust	A
Cola	A	Salad Dressing	B
Cooking oil	B	Salad oil	B
Cough syrup	A	Shoe polish	B
Cranberry juice	A	Soft drinks	A
Crayons	B	Soil	A
Dirt	A	Soot	A
Felt-tip marker	B	Soup	B
Furniture dye	B	Spaghetti sauce	B
Gelatin	A	Steak sauce	B
Grape juice	A	Syrup	A
Gravy	A	Taco sauce	B
Grease	B	Tar	B
Hair dye	C	Tea	C
Hand cream	B	Tomato juice	A
Ice cream	A	Vomit	A
Ink	B	Water colors	B
Ink (water soluble)	A	Whiskey	A
Insecticides	B	Wine	A
Iodine	B		

(See following page for Cleaning Procedures)

Procedure A

Step 1 Apply detergent solution (non-bleaching) sparingly; agitate the stained area gently with fingertips. Blot with clean, dry, white cloth to remove substance. Rinse thoroughly with clear water to remove detergent residue. Blot carpet dry.

Often *Step 1* will remove stains without further cleaning. If the stain is still visible, continue with *Steps 2* and *3*, except as noted below.

NOTE: For acid toilet bowl cleaners **DO NOT PROCEED PAST STEP1!** Follow the cleaning with a thorough clear-water rinse and blot dry.

Step 2 Follow the detergent/rinse procedure with the recommended ammonia solution. Blot the stained area again to remove the substance. Rinse thoroughly with clear water. Blot dry.

Step 3 Apply the suggested vinegar solution to the entire area that has been cleaned. Blot to remove the cleaning solution. Rinse thoroughly with clear water. Blot dry.

Procedure B

Step 1 Apply only enough dry cleaning fluid or alcohol to dampen the stain. Blot dry. Repeat as long as the stain continues to transfer.

Step 2 **If stain is still visible, apply detergent solution (non-bleaching) sparingly. Agitate the stained area gently with your fingertips. Blot to remove substance and rinse thoroughly with clear water to remove detergent residue. Blot dry.**

Step 3 **Apply the suggested water solution to the entire area that has been cleaned. Rinse thoroughly with clear water. Blot dry.**

Procedure C

Step 1 Apply detergent solution (non-bleaching) sparingly. Agitate the stained area gently with your fingertips. Blot to remove substance. Rinse thoroughly with clear water to remove detergent residue. Blot dry.

Step 2 **Apply the suggested vinegar solution to the entire area that has been cleaned. Blot to remove the cleaning solution. Rinse thoroughly with clear water. Blot dry.**

13. Landscaping

The purchase of a new home is a major undertaking and is not limited only to the closing date when it seems as if a *million things* must all come together at once. The purchase of a new home is an ongoing process that requires time, effort and understanding on your part of how to properly maintain and care for your home so as to achieve the highest value for your investment.

One of the maintenance items that homebuyers most frequently overlook is the proper care and maintenance of the yard and landscaping. It will require many evenings and weekends of your time in order to nurture a new yard into one that attracts the attention of neighbors and passersby.

The Company has graded your yard to ensure proper drainage away from the house, has fine-raked the surface soil and has spread seed, fertilizer and straw. In essence, we have provided you with a **starter lawn**. It is **your** responsibility as the homebuyer to bring the yard to maturity through diligence and hard work. The lawn will require proper watering, fertilizing, re-seeding of bare spots, filling in of wash-out areas, etc. The shrubs and trees will also require proper watering as well as pruning and an occasional spraying for insects and parasites.

The Company warrants that any newly planted shrubs, trees, plants and grass are alive **at the time of the Homeowner Orientation**. These items should be **carefully** inspected and any concerns should be discussed at that time.

Our warranty **specifically excludes** the following items:

- * Damage to landscaping due to erosion or other natural causes (i.e., heavy rains, downpours, blowing winds, ice storms, etc.) after closing.
- * Damage to landscaping attributable to improper care and/or maintenance by the homeowner and/or his agents (i.e., not watering the lawn on a daily basis, allowing the straw to blow off the seeded lawn, etc.).
- * Damage caused by walking on the lawn while soil is wet and unstable thus creating depressions in the yard.
- * Damage caused by utility contractors (cable television, phone, gas, electric, etc.) while working in the street right-of-way.
- * The life or condition of any tree, plant or grass on the property after closing.

14. Pest Control

We treat the soil around the foundation of your house to prevent termite infestation. We provide a letter at closing from the pest control contractor as proof of the treatment. You should contract with the pest control contractor of your choice to do an annual inspection for termite infestation. If you sell your home in the future, your pest control contractor can then provide the same *termite letter* for you to give to the new owner as required at closing.

You should be aware that the Company does **not** treat any home to prevent any **other** pest infestation. There are many factors that may cause other pests (such as mice, ants, spiders, roaches, etc.) to come into your new home; we cannot control these problems. If you have a problem with such pests you will have to use the appropriate methods to eliminate them including, if necessary, contracting with a pest control contractor.

15. Concrete Driveways

Concrete driveways enhance the appearance and value of your home and provide many years of service with a minimum amount of maintenance. To maintain a durable driveway that will be relatively free of service blemishes throughout its service, the homeowner should follow the following recommendations:

- * Do **not** drive on new concrete for at least **seven days**. Do **not** let heavy trucks on the driveway.
- * Do not allow drain water to undermine the slab and cause settlement cracks.
- * Refrain from using de-icing chemicals such as salt or calcium chloride for snow and ice removal during the first winter. **Sand** can be used for traction.
- * **!!WARNING!! Never use de-icers containing fertilizer ingredients such as ammonium sulfate and ammonium nitrate! Concrete should also be protected from exposure to liquid fertilizer systems used on lawns!**
- * Keep your concrete clean. Even though concrete is the most durable building material known to man, many substances can damage or discolor concrete if left in place over an **extended** period of time. Usually, sweeping and rinsing with a garden hose is sufficient maintenance; however, stubborn stains may require high-pressure sprays or detergents.

Warranty Service

While we strive to build a defect-free home, we're realistic enough to know we may make mistakes. When we do, we'll correct them.

In support of this valuable commitment, we extend to you a detailed Limited Warranty. Included is an extensive list of materials and workmanship standards which cover many of the common concerns that typically arise in a new home. The purpose of including these standards is to let you know what we will do to remedy items which do not meet the **industry standards**.

You will receive the signed Limited Warranty for your home at closing. A sample is provided in this manual for your review. We suggest that you carefully read through this information as well as the service procedures discussed below. If you have any questions regarding standards or procedures, contact either your sales representative or our warranty manager.

All non-emergency items for which you request service **must** be reported in **writing**. We will **not** accept non-emergency warranty requests expressed verbally over the **phone or in person**. Having your requests in writing enables us to keep an accurate account of all service requests. A Warranty Service Request form is provided at the back of this chapter. Please feel free to make copies of this form for your use.

It is our policy to remedy any situation before further damage can occur. Accordingly, the homeowner must report any item that can potentially cause damage to any other area of the house immediately. We cannot be responsible for any subsequent damage caused due to the failure to report a warrantable item.

Types of Warranty Service

Emergency Service

Emergency, as defined by the warranty, includes

- ← **Total loss of heat**
- ← **Total loss of electricity**
- ← Plumbing leak so extensive that it requires the **entire** water supply to be shut **off**
- ← **Total loss of water**
- ← Any situation that endangers the occupants or the home

For **emergency** service during business hours, call the Company office at 539-0032. These are the only types of service requests we will accept verbally. After hours, weekends, or holidays, call the necessary subcontractor directly for **emergency** service.

For your protection always follow up with written notice to the Company if you make use of after-hours emergency service. This will ensure that the warranty file on your home is complete and accurate in addition to alerting us to any finish work related to the emergency problem.

Emergency Service Numbers

In the unlikely event that your new home should have a problem of an emergency nature during **non-office hours**, the following telephone numbers are provided for **emergency** service only:

Plumbing:	992-3547	Express Plumbing (Danny Bailey)
Electrical:	938-5299	Allen Edmondson Electrical Contractors
Heat & Air:	947-4267	A-1 Finchum Heat & Air
Gas:	524-2911	KUB

Other Warranty Service

Please initiate all non-emergency service requests by completing a Warranty Service Request in writing and submitting it to our office or e-mailing us at luttreldevelopment@comcast.net.

Kitchen Appliance Warranties

The manufacturers of kitchen appliances will work directly **only** with you if any repairs are needed for these products. Customer service phone numbers are listed in the use and care materials for the individual appliances. Be prepared to provide the model and serial number of the item and the closing date on your home. Appliance warranties are generally for one year from the date of closing. Refer to the literature provided by the manufacturer for complete information.

Service Processing Procedures

You can help us to serve you better by including complete information on your service request form.

- / Name, address and phone numbers where you can be reached during business hours.
- / Community name, street address and lot number for your home.
- / A complete description of the problem with reference to the appropriate section of the material and workmanship standards which follow in this section. For example *guest bath-cold water line leaks under sink (Section 8, Item 3c)*, **NOT** *plumbing problem in bathroom*.

Upon receipt of any Warranty Service Request, the warranty manager will contact you for an inspection appointment.

- © Appointments are available **Monday** through **Friday** from **7:00 a.m. to 5:00 p.m.**
- © The items listed in your written request will be inspected to determine appropriate action. Homeowner **must** be present during this inspection.
- © During this inspection appointment you will be asked to indicate your preference in gaining access to your home for requested service. The Company would prefer that you make every effort to be at home when any service work is performed; however, we understand that your outside obligations may, at times, prevent your presence. In such instances we will arrange, with your permission, to perform the work in your absence.
- © We strive to complete service items within sixty days of the inspection; however, weather conditions, labor problems or material shortages may cause delays. In the event of emergency situations the repair or replacement will be made as soon as possible.
- © We do **not** warrant **any** repairs or replacements **done by others** and will **not** pay for any such repairs or replacements.
- © We do **not** warrant **any** damages caused by failure of the homeowner to properly maintain the home or property or any damage caused by failure of the homeowner to report a warrantable item (i.e., if a sink leak is not reported, we will not warrant water damage caused to the flooring, cabinets, etc.).

Material and Workmanship Standards

Introduction

- * The following warranty guidelines are intended to specify the performance standards of homes by the Company and set forth the basis to determine the validity of all homeowners' service requests relative to defective materials and workmanship during the applicable warranty period under the builder's new home limited warranty.
- * Only the most common areas of concern to the homeowner have been enumerated in these guidelines. The mechanical, plumbing and electrical standards shall be those contained in the Building Code, Mechanical-Plumbing Code and Electrical Code of the government entity having jurisdiction of and regulating the subject construction. Inspection by government jurisdiction will provide evidence of compliance.
- * To the extent that performance standards for construction have not been enumerated in these guidelines, defects and deficiencies in materials and workmanship will be those recognized under generally accepted standards of the building industry in this state which assure quality of materials and workmanship. These general standards shall be used to determine the validity of any buyer's complaint for defects or deficiencies for which a specific standard has not been enumerated herein.
- * All service and work mentioned refer to the materials and workmanship portion of the new home limited warranty. The selection of a method to repair an item or the decision to replace it will be made by the Company.
- * All work done under the warranty will be in response to a **written** request on the Warranty Service Request form from the homeowner. Although we make every effort to complete these requests within twenty-one days, homeowners can expect authorized service work to be completed within sixty days (or longer if weather conditions, labor problems or material shortages cause delays). We make every effort to complete the requests within twenty-one days. Company personnel are not permitted to perform warranty work in homes at Homeowner's request without first obtaining authorization from the Company.
- * Subcontractors will perform Homeowner's work requests **only** upon instruction from the Company. Any work (with the exception of **emergency situations**) performed by a subcontractor **without** the knowledge and approval of the Company **will** be at **Homeowner's expense**.
- * Emergency situations, as defined by the Company, include **total** loss of **heat**, **total** loss of **electricity**, plumbing leak that requires the **entire** water supply to be shut **off**, **total** loss of **water** or any situation that **endangers** the occupants or the home. During business hours call the Company office at 539-0032. After hours, on weekends or on holidays call the appropriate emergency service directly. These phone numbers are provided on page 26 of this manual.
- * The Homeowner is provided with the manufacturer's literature on consumer products installed in the home. The lack of any such material should be reported to the Company immediately after closing so that such material may be obtained and provided to the Homeowner.
- * Routine maintenance of the home is the Homeowner's responsibility. This includes apprising themselves of recommended procedures for using and maintaining all components of the house. Section 7 of this manual entitled *Homeowner's Responsibilities* is provided as a convenience to the Homeowner and is **not** intended to constitute a comprehensive discussion of all maintenance and care

that is required to properly care for your home. Negligence of normal maintenance items **will void** the warranty on the item involved. Damage to the home, which is a result of Homeowner negligence, abuse, misuse or in-action must be repaired by the **Homeowner at their** expense.

Construction Standards

1. Heating

- A. Heating systems will be installed in accordance with local building codes and the engineering designs of the particular model home. Adequacy of the system is determined by its ability to establish a temperature of 70° (measured in the center of the room 5' above the floor). In extremely cold temperatures (0°F or colder) the system should maintain a temperature differential of 70° from the outside air. Thermostats are calibrated to within 5°±.
- B. Expansion or contraction of metal ductwork will typically result in some ticking or popping sounds. It is **not** possible to eliminate these sounds.
- C. Although the heating system is not a *sealed system*, the ductwork should remain attached and securely fastened. The Company will need to make repairs as necessary if the ductwork should become unattached.
- D. Heat register covers are removable and adjustable. Homeowners are responsible for adjusting the dampers in these covers to regulate the heat flow within the home. Please note that the further away a room is from the furnace, the more open the vents need to be.
- E. The exact placement of heat ducts may vary slightly from those positions shown in similar plans.
- F. Furnace filters should be changed **monthly** to insure maximum efficiency and clean service.
- G. Proper combustion air is necessary to supply fresh air for the furnace and water heater. The supply of fresh air is vital to the safe and efficient operation of both items and should **not be limited** in any way.

2. Air Conditioning

- A. When air conditioning is included in the home, the system should be capable of maintaining a temperature of 78°, or a differential of 20° from the outside temperature (measured in the center of the room 5' above the floor). Lower temperature settings are often possible but are **not** promised by the manufacturer or the Company.
- B. Lack of air conditioning service is **not** an emergency. Problems will be handled by the heating and air conditioning contractor in the order received.
- C. The outside temperature must be 70° or higher for coolant gas to be added to the system.
- D. It is important to maintain the external air conditioning compressor in a level position. If it **settles during the first year, the Company will correct it. After the first year the Homeowner is responsible for maintaining the compressor's level position.**

3. Plumbing

- A. Any fixture damage noted on the orientation list will be repaired. Chips, scratches, etc. reported subsequent to the orientation will **not** be repaired. Homeowners are responsible for following manufacturer's directions for caring for fiberglass productions.

- B. **Outside** faucets are *freeze proof*. In order for this feature to be effective, **hoses MUST be removed after each use!** Water remaining in an attached hose can freeze and expand back into the pipe causing a break in the line. The Company will repair any problems with these faucets noted on the orientation list. Any needed repair of broken lines to exterior faucets after orientation will be the **Homeowner's** responsibility.
- C. No fixtures, supply lines or drain lines should leak water under normal usage. Sometimes small drips may **develop** that require simple tightening. If you cannot perform this adequately to stop the drip, we will have the plumber look at the problem.

4. Electrical

- A. The Company will replace electrical outlets, switches or fixtures that do not function as intended. We will repair to specification any electrical wiring that fails to carry its design load.
- B. Electrical boxes on exterior walls may produce cold air flow through the outlet. This is normal; no action will be taken by the Company.
- C. Light fixtures are installed with 60-watt bulbs or specified decorator bulbs. Homeowners are responsible for replacing any burnt out bulbs other than those noted during orientation.
- D. Fixtures that are noted as damaged on the orientation list will be repaired or replaced. There is **no** warranty on fixtures **supplied by Homeowner**.
- E. GFI Breakers. The Ground Fault Interrupter is required by building codes as a safety feature. The electrical outlets in all bathrooms, the garage and on the exterior are connected to this breaker that is a sensitive system that trips easily to prevent electrical shock in these locations. The test/reset buttons (on one of the outlets on the system) control the entire system. **Note:** do **not** plug a food freezer into the GFI outlet in the garage.
- F. Power surges are a result of local conditions beyond the control of the Company. These can result in burnt out bulbs.

5. Insulation

Insulation will be installed to meet or exceed Federal Housing Authority minimum property standards for local climate. You will be provided a Certificate of Insulation from the insulation contractor at closing.

6. Drywall

- A. Some slight cracking, nail pops and/or drywall seams may become visible in walls and ceilings. These occurrences are normally caused by the shrinkage of the wood to which the drywall is attached. As part of our service to you, the Company will provide any necessary cosmetic repair, adjustment or touch-up **one time** during the warranty period at no additional charge to you. We suggest that if such cosmetic maintenance is necessary that you wait until sufficient time has passed to be sure most of the shrinkage that may occur is over. This usually means waiting 6-9 months after completion and after the winter heating season is over.
- B. **One time** during the warranty period the Company will make needed drywall repairs (including painting with original paint or with custom colors provided by the Homeowner). Such touch-up may **not match** surrounding paint exactly and **no guarantee** is made regarding color matches.
- C. Repairs will **not** be made on flaws that are only visible under particular lighting conditions.

- D. If the drywall repair is the result of a plumbing leak or other warranty-based repair, the Company will complete the repair of the area damaged with original paint of Company—provided custom paint colors. Paint touch-ups may **not match** surrounding areas.

7. Subfloor

- A. Some floor squeaks are unavoidable. Although the Company does **not warrant against floor squeaks**, a reasonable effort will be made to correct them.
- B. Floors will be level to within ¼" within any 32" distance.

8. Interior Paint and Stain

- A. The Company will touch-up paint **only** as indicated on the orientation list.
- B. Paint touch-ups are sometimes visible under certain lighting conditions and **no guarantee** is made regarding color match.
- C. Color variations will result when stain is applied to wood due to the characteristics of wood. There will be **no** repair or replacement for such variations.

9. Exterior Paint and Stain

- A. Fading of exterior paint or stain can be expected due to the effects of sun and weather.
- B. Wood trim will develop some minor cracks and raised grain as it ages and dries, much of which will occur during the first year. Raised grain can result in peeling paint; this is **not** due to a defect in materials and/or workmanship. Paint maintenance of wood trim, doors and shutters is a Homeowner's responsibility.
- C. Wood trim painted white or light colors will more readily show grain and cracks thereby requiring additional maintenance.
- D. Color names, numbers and paint brands are noted on the color selection sheets.

10. Windows and Screens

- A. Broken windows and damaged screens noted on the orientation list will be replaced or repaired.
- B. Windows should operate with reasonable ease; locks should perform as designed.
- C. Condensation on interior surfaces of the window and frame is the result of high humidity within the home and low outside temperatures. The humidity level within the home is controlled by the Homeowner and requires no corrective action by the Company. (Homeowners using humidifiers should closely observe manufacturer's directions, especially during extremely cold periods.)
- D. Some air and dust will infiltrate around windows, especially prior to installation of landscaping and in the general area.

11. Wood Trim

Minor imperfections may be visible on wood trim. The Company will correct only those **serious** defects (i.e. chips, gouges, etc.) noted on the orientation list. Separation of wood trim from the adjacent material is a **normal** result of shrinkage which can require caulking as a repair; this is a **Homeowner** maintenance responsibility. The Company will adjust or repair these cosmetic imperfections **one time** during the warranty period.

12. Doors

- A.** Due to normal settling and shrinkage of the home, doors may require adjustment for proper fit. The company will make such adjustments at the specified times within the warranty period.
- B.** Chips or other damage in the finish on doors noted on the orientation list will be repaired.
- C.** Doors that warp in excess of ¼" will be repaired.
- D.** Exterior doors should not leak under normal conditions. Under severe weather (i.e., heavy winds with rain, heavy driving rain, ice or snow buildup, etc.) water can be forced around the seal; this is not covered under warranty. The Homeowner should promptly clean up any water forced around the seal in such manner to avoid any water damage to that area of the house.

13. Hardware

- A.** Doorknobs and locks should operate correctly. Some minor adjustments may be needed due to normal shrinkage of the framing; these will be made by the Company if the door will not latch or stay locked.
- B.** Dents, chips, scratches, etc. in door hardware, towel bars, shower doors, medicine cabinets or mirrors which are noted on the orientation list will be repaired.

14. Flooring

A. Carpet

1. Although carpet seams will be visible, no gap or fraying is acceptable.
2. Edges of carpet along moldings and edges of stairs should be held firmly in place.
3. Only stains or spots noted on the orientation list will be corrected by cleaning, patching or replacement. The Company will not be responsible for dye lot variations if replacements are made.
4. Certain medications (acne medication) and other chemicals will discolor or bleach carpet. The Company does not accept responsibility for any such defect not noted at the Homeowner orientation.
5. Your carpet is designed to provide good durability under normal household usage. Household pets can damage the carpet, however, and the Company will not honor claims due to misuse or abuse, particularly from household pets.

B. Hardwood

The Company will correct serious defects noted on the Homeowner orientation list. Homeowner is responsible for routine maintenance of hardwood floors.

C. Vinyl

1. Vinyl floor coverings should adhere; lifting or bubbling will be repaired. The Company will repair nail pops that may appear on the surface vinyl during the one-year warranty period.
2. The Company will not be responsible for discontinued patterns or colors or dye-lot variations in any situation requiring replacement.
3. Seams will occur and are sealed at the time of installation; there should be no gaps or curling at seams; however, homeowners are instructed to keep caulk at the seams of vinyl, particularly around the bathtub. Failure of homeowner to keep caulk at this (or other seams)

may result in the vinyl peeling up. This type of gap or curling at the seam is not covered under warranty because it is a homeowner maintenance item.

4. The Company will not be responsible for damage to vinyl, subfloor or other parts of the house due to failure to properly maintain caulking at edges of vinyl flooring.

D. Ceramic Tile (Floors, Counters, Tub & Shower)

1. Cracked, badly chipped or loose tile noted on the orientation list will be repaired or replaced as needed. The Company is not responsible for variations in color or discontinued patterns. New grout may vary in color from the original.
2. Cracks appearing in grouting of ceramic tile at joints or junctions with other materials are commonly due to normal shrinkage conditions. The Company will repair grouting, if necessary, one time during the first year. The Company is not responsible for color variations in grout or discontinued colored grout. Any grouting or caulking that is needed after that time is considered Homeowner maintenance.
3. Sealing grout is a Homeowner's responsibility.

15. Cabinets

- A. Cabinets should operate properly under normal use.
- B. Doors, drawer fronts and handles should be level and even.
- C. Warped doors or drawer fronts will be correct if warpage is in excess of 1/8" within any 24" distance.
- D. Gaps between cabinets and ceiling or between cabinets and walls, with the exception of locations behind appliances, will be corrected if they are in excess of 1/4".
- E. Readily noticeable variations in wood grain and color are expected in all style selections. Replacements will not be made due to such variations.
- F. Only those chips, scratches and other flaws in surfaces that are noted on the pre-closing orientation list will be repaired.

16. Countertops

- A. Separation of countertops at walls and where the backsplash meets the counter are the result of normal shrinkage of materials. Separation at the wall or at the counter will be repaired one time by caulking. Any further caulking required will be the Homeowner's responsibility. Remember to keep moisture from reaching the wood under the laminates to prevent warping, swelling or separation.
- B. Any major surface imperfections (chips, cracks, scratches, burns) reported on the orientation list will be repaired. Repairs of any damages **not** on the orientation list will be the Homeowner's responsibility.
- C. Laminated countertops will typically have one or more discernable seams; however, there should be no unfilled gap at the seams.
- D. Swelling of laminated countertops at the seam is caused by excess heat (i.e., a coffee pot or iced-tea maker sitting directly on the countertop) or from water getting onto the countertop (such as having a dish drainer placed on the countertop) and is **not** covered under warranty.

17. Appliances

- A. Kitchen appliances are warranted directly to you by their manufacturers for one year (for most items). Refer to the literature for each appliance for details and limitations. Mail warranty registration cards directly to the manufacturer.
- B. The manufacturer requires that **only** detergent made specifically for automatic dishwashers be used in the dishwasher. Regular dishwashing liquid is **not** to be used in an automatic dishwasher; in addition, regular dishwashing liquid can leave residue on items that are washed off before being loaded in the dishwasher causing extreme sudsing that can lead to leakage from the dishwasher. These leaks are not covered under either our warranty or the manufacturer's warranty.
- C. If a problem arises with an appliance, call the Customer Service Department listed in the manufacturer's warranty. When reporting the warranty items to the manufacturer of the appliance, be prepared to supply the following:
 - ⇒ The date of purchase (closing or move-in date, whichever is earlier).
 - ⇒ The serial number and model number (found on a metal plate on the side or bottom of the appliance).
 - ⇒ A description of the problem.

18. Phone Jacks

Each home is equipped with telephone jacks. Initiating phone service is the Homeowner's responsibility. Moving outlets for decorating purposes or convenience is the Homeowner's expense. The Company will correct an outlet that is positioned so that a phone cannot be installed.

19. Fireplace

- A. Fireplaces are not intended to be the sole heat source in the home. The fireplace should function properly when the Company and/or manufacturer's **directions are followed**. Although extremely high winds can result in a downdraft, this condition should be temporary and occasional. The cause of continuous malfunction will be determined and corrected by the Company.
- B. Discoloration of the firebox or brick is the normal result of use and requires no corrective action.
- C. Damage to glass doors will be corrected if noted on the orientation list. Homeowner should follow manufacturer's instructions for using glass doors.
- D. A slight separation in a newly constructed chimney may occur. Excessive separation from the main structure will be repaired as required; caulking is acceptable in the majority of cases.
- E. Normal shrinkage of mortar may result in hairline cracks in masonry. Such cracks will be repaired if they are in excess of 1/8" in width. Painting or patching, when required, will be done matching the color as closely as possible.
- F. The Homeowner must read the manufacturer's instructions **before** starting the first fire in a new fireplace.

20. Concrete

- A. Flatwork (Basement floor; garage floor; porch; patio; driveway; sidewalk)
 - 1. To accommodate soil conditions, concrete slabs are *floating* (i.e., they are not attached to the foundation walls). The warranty coverage is for one year.

2. Movement of the basement slab results in cracking. The Company will repair (one time during the warranty period) any cracks which reach ¼" in width or vertical displacement; any other slab maintenance is a Homeowner's responsibility.
3. Garage slabs, porches and patios are designed similar to basement slabs to *float* (i.e., they can move without affecting the foundation). Movement of these and the resulting cracks will be minimized by proper installation and **maintenance** of landscaping. The Company will seal cracks that reach ¼" in width or vertical displacement one time during the warranty year.
4. Concrete slabs are not replaced due to cracking.
5. Moderate settling (approximately 1"), heaving and/or cracking of porch or patio slabs can require cosmetic repairs which the Company will provide one time during the warranty period.
6. Excessive settling, heaving and/or cracking should be reported in writing so that an inspection can be made. Settling, heaving or cracking will be deemed excessive if it results in negative drainage (i.e., towards the house) or hazardous vertical displacement. If the Homeowner changes grading, drainage, landscape design or fails to perform needed maintenance which has caused damage to the concrete, corrective measures will be **suggested** but the Homeowner will be responsible for their implementation and cost.
7. Repeated hosing of concrete for cleaning, animal urine, radiator overflow, fertilizer, failure to shovel snow and ice, using ice-melting agents or road salts from vehicles are just some of the causes of spalling. The Company is not responsible for repair of spalling concrete.

B. Foundation Walls

1. Shrinkage or backfill cracks are not unusual in basement or foundation walls. The Company will repair, as needed, cracks which are in excess of 1/8" or any cracks which are permitting water to enter the basement, provided the Homeowner has complied with landscaping requirements.
2. Slight cosmetic imperfections in the foundation walls are normal and will be repaired one time during the warranty period.

21. Crawl Space

A drain will be installed from the crawl space to the outside when necessary. Some dampness may be experienced in the crawl space; however, correctly installed landscaping will prevent excessive amounts of water from entering crawl spaces. Standing water should be reported to the Company for inspection.

22. Roof

- A.** Ice build-up may develop in the eaves during extended periods of cold and snow. Damage that results from this is normally covered by your homeowner's insurance policy and is not a warranty item.
- B.** Extreme caution should always be used when walking on the roof to avoid accidental injury and to avoid damage to the roof.
- C.** The Company will repair roof leaks other than those caused by damage from severe weather (such as hail damage) or other causes. Roof repairs are made **only** when the roof is **dry**. The Company will match the shingle color as closely as possible but cannot be responsible for discontinued patterns or colors.

- D. The roof should be checked after extreme weather which could have caused damage to the roof. It is the Homeowner's responsibility to inspect the roof and replace cracked or otherwise damaged tiles or shingles. You should notify your homeowner's insurance company if storm damage is discovered.

23. Gutters and Downspouts

- A. Gutters **must** be kept clear of debris that might clog them and cause water to run over the downspouts. Homeowners should check gutters periodically to insure proper functioning. Excess snow should be brushed off downspouts with a broom as soon as possible. Severe ice or snow build-up can damage gutters and is **not** a warranted problem; such repairs are the Homeowner's responsibility.
- B. Downspouts are placed to carry water to the ground and into splashblocks thus directing the flow away from the foundation of the home. These splashblocks are for the protection of the foundation; the Homeowner is responsible for maintaining them.

24. Louvers and vents

Attic ventilation is required by the building codes and cannot be omitted. Depending on the force and direction of the wind, rain or snow can occasionally infiltrate through these vents and cause spotting on the ceiling. The Company is not responsible for such weather damage and will not make repairs in these instances.

25. Vinyl Siding

Vinyl siding is a low-maintenance siding with a lifetime manufacturer's warranty. There is a low-gloss Patina finish for a natural quality look. As per manufacturer's suggestion, exterior siding should be cleaned annually or more often as necessary to prevent mold growth or dulling of the surface.

26. Exterior Trim

- A. Damaged exterior trim and/or shutters noted on the orientation list will be corrected.
- B. Homeowners are responsible for applying sealant to decks if sealant is desired. The decision to proceed with such treatment commits the Homeowner to regular maintenance of sealant.
- C. Because of the effects of weather on natural wood, you should expect raised grain to develop in some of the boards used in trimming the home. This is normal and not a defect in the wood or paint. Wood trim painted white or light colors will more readily show grain and cracks thereby requiring additional maintenance.

27. Drainage and Landscaping

- A. The final grade is established to insure adequate drainage away from the home. It is the Homeowner's responsibility to maintain the drainage as established.
- B. **If the drainage pattern is altered either by action taken directly by or instigated by the Homeowner or his agent or as a result of neglect of maintenance, the warranty is void.**
- C. In most cases drainage swales do not follow property boundaries. The Company will not alter drainage patterns to suit individual landscape plans. A lot will typically receive water from and/or pass water onto other lots. For this reason, Homeowner changes in grade often affect those adjacent to or near him. The Company advises Homeowners against making such changes.
- D. The amount of surface water traversing a lot is subject to the intensity and duration of rainfall and will vary according to terrain and location. The Company makes no representations or warranty

concerning the amount of surface water that will traverse the lot during periods of peak rainfall and shall not be responsible or liable for any claims of any kind or character resulting therefrom, except to meet the requirements of the applicable Code Enforcement Department.

- E. Due to weather conditions, especially during winter and early spring, the final grade may not always be established at the time of closing. As soon as conditions permit, grading work will continue.
- F. The Company will inspect problems reported in writing during the one-year warranty period and **advise** Homeowners as to correction actions which the **Homeowner** might take.
- G. Backfilled or excavated areas around the foundation and at utility trenches should not interfere with the drainage away from the house. Some settlement is normal and should be expected. If these areas settle excessively the Company will provide the Homeowner with fill dirt during the one-year warranty. Maintaining positive drainage away from the home is a Homeowner responsibility.
- H. The Company will fill sunken areas under concrete during the warranty period. The Company will not be responsible for consequential damage to grass, shrubs, sprinkler systems or other landscaping details in these areas.
- I. Maintenance of positive drainage away from the foundation, concrete slabs and walks is a Homeowner responsibility. Failure to maintain these areas can result in damage to the foundation and void the structural warranty. Homeowners should expect some settling of backfill soils.
- J. For additional information regarding landscaping see Section 7, Item 14.

29. Waterproofing

Your new Luttrell Development home is waterproofed with an exterior foundation waterproofing system. This system protects against water leaking into the home through the basement foundation walls as long as there is no change that diverts water toward the foundation walls.

Appliances

Your new appliances have instruction manuals and warranty cards. For your protection, register your warranties with their manufacturers by completing and mailing the warranty cards immediately. Read the manuals and keep them available for reference. For warranty service, contact the appropriate manufacturer directly at the service number provided in the appliance literature. You will need to supply the model and serial number (usually located on a small metal plate or seal attached to the appliance in an inconspicuous place) and the date of purchase (your closing date).

We have supplied this form for your convenience.

Appliance	Manufacturer	Model #	Serial #
Range	_____	_____	_____
Range Hood	_____	_____	_____
Cooktop	_____	_____	_____
Microwave	_____	_____	_____
Dishwasher	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Manufacturer's Telephone Numbers

_____	_____
_____	_____
_____	_____

Closing Information

Several items will be required in order for the closing on your new home to take place at the scheduled time. You can facilitate the closing process by being prepared in advance with the information and documentation that you need to supply. You will need to keep in close contact with both the company agent and your mortgage company representative as the closing draws near to be sure you are prepared. We have listed a few items that you will need to provide at closing; there may be additional items required by your mortgage company so be sure to check with your sales and mortgage representatives.

Homeowner's Insurance Policy

You must provide a homeowner's insurance policy in your name with the mortgage company listed as an additional insured party. The policy should be in an amount at least sufficient to cover the amount of your mortgage. If you are going to have a large equity initially invested in your home, be sure to cover the home for its replacement value instead of the mortgage amount.

Survey

A final survey of your lot showing the house, drive, walks, any easements, building setbacks, lot lines or anything else of significance prepared by a licensed surveyor must be provided at closing. We have an agreement with a licensed surveyor to provide a final survey for each closing at a substantially lower price (due to the volume of work he does for the Company) than the average final survey would cost you. The cost of the final survey will be charged to you on the closing statement allowing the Company to be reimbursed this cost at closing. This is done as a service for you in order to save you money and to avoid the hassle of your having to find a good surveyor and arranging to have the survey completed and delivered at the proper time.

Closing Funds

You will be required to provide funds at closing in an amount to be determined by your mortgage company. The final figure is usually not available until a day or two before closing; you should plan to contact either your mortgage company representative or the title company at that time to get your correct figure. The funds you provide at closing must be either cash or a cashier's check. The cashier's check should be made payable to the title company. Personal checks are not acceptable for payment at closing so be sure you have either cash or a cashier's check for the proper amount at closing or you will not be able to close.

Utilities

You need to make arrangements to have the utilities turned on in your new home in your name as of the day of closing. Our office will automatically call each utility company shortly after closing to be sure the service has been disconnected in our name. Some utility companies may require proof of ownership (a copy of the contract and/or closing statement) before turning on service in your name. You should prepare for this at least a week prior to closing so that there is no interruption of service while you are moving into your new home. The Company will have service for electricity, water, sewer and gas (if available); we will not have telephone or cable television service in our name.

Termite Letter

The Company will provide a document at closing commonly known as a termite letter. This document verifies that the soil under and around your home has been treated during construction to prevent termite infestation. You should contract with a licensed pest control company for annual inspections to insure no problems with termites arise while you own the home.

Closing

The actual closing will take place at the title company's office. The time and date will be scheduled with you approximately two weeks ahead of time. Closing times can be scheduled from 8:30 a.m. through 4:30 p.m. Mondays through Fridays (except holidays) depending upon the availability of the title company. Depending upon the type of mortgage loan you are getting there will be a wide and confusing variety of legal documents for you to sign. You will receive copies of everything you sign. A Company representative will sign a Warranty Deed that will convey title from the Company to you. You will be asked to sign a place on the Deed affirming the sales price for transfer tax purposes. The Deed will then be taken by the title company to the courthouse, recorded and mailed to you.

During the closing you will be asked by the title company representative if you wish to purchase a title insurance policy in your name to protect any equity you may have in the property. This is an option; you will have up to 30 days to decide if you want to purchase such a policy at the reduced cost available at closing. You will be charged at closing for a title insurance policy for the benefit of the mortgage company; that policy does not insure your equity in the property.

After all of the documents have been signed and the checks swapped, you will receive additional papers from the Company including our new home limited warranty signed by a representative of the Company. You will also receive the keys to your new home at this time.

It is very common to be nervous during the entire home-buying experience; don't be afraid to ask questions. We hope this information will answer your questions and help set your mind at each as much as possible so you can enjoy your new home to the fullest.

Protecting your Ownership through Title Insurance

You probably have several forms of insurance already. You undoubtedly are familiar with insurance coverage on cars, your life and your medical needs. But title insurance?

What does it mean to insure your title to real estate? What are the risks that make title insurance necessary?

Will you get a clear title?

It is of the greatest importance that you do. But this means that you must be informed about any claims against your property so that you can make certain they are cleared up before you buy. It also means that you must be protected against any undiscovered claims that may arise in the future to threaten your title and the possession of your property. A title insurance policy provides this twofold protection.

How do you learn what claims there are against the property?

By a search of public records. This is the first step taken in order to insure your title.

Some other questions a title search answers include

- | Are all taxes and special assessments paid?
- | Does anyone have special rights to the property that would limit your ownership?
- | Has the death of a former owner or the filing of a will affected title to the property?
- | If there's an abstract of the history of the title, is that abstract complete and does it reveal all defects in the title?
- | Are there any undisclosed heirs?

The title company has the public records searched for such defects in the title to the real estate you wish to buy and reports them so that these matters can be corrected and/or cleared up. It is the first benefit you receive when title insurance is ordered.

What if there is a defect in the title that doesn't show up in the public records?

This can happen. We call them *hidden risks*—the undiscovered claims which may arise long after you have purchased this property. Protection against loss from claims on real estate that cannot be discovered by examination of the public records is the second part of the twofold benefit which title insurance provides.

The title to the property for which you have paid and to which you have received a deed could be seriously threatened or completely lost by such circumstances as forgery, confusion due to similar names, an error in records—just to name a few hazards.

How does a title insurance policy protect against all these dangers?

If a claim is made against your title as insured, the title insurance protects you by

- | Defending your title in court, if necessary, completely at the title company's expense
- | Bearing the cost of settling the claim to the full value of the policy if the claim proves valid in order to perfect your title and keep you in possession of your property.

Title insurance assures that every possible cloud on the title to the land you are buying—which can be discovered from the public records—has been called to your attention so that such defects can be corrected before your buy. The title company insures that if any undisclosed claim covered by your policy arises out of the past to threaten your ownership of real estate, it will be disposed of, or you will be reimbursed, exactly as your title insurance policy provides.

If the mortgage lender has a title policy, you can still get one!

Your mortgage lender will have a title insurance policy to protect the lender's investment in your property. However, this policy insures only the lender against title defects that might affect the security of the mortgage loan—not your investment. The lender's title insurance policy is only in the amount of the mortgage and it decreases as the mortgage is paid off.

Your owner's title insurance protects your ownership—for as long as you and your heirs own the property. Your policy should be for the full amount you paid for the property—not just the mortgage amount. By

requesting an owner's policy at the same time your lender orders the mortgage policy, premiums will be substantially lower for your coverage.

You pay only one premium.

Unlike most forms of insurance, you pay for a title policy just once. It costs far less than most people think; this relatively modest charge insures you for as long as you or your heirs own the property. The insurance is available only through a title insurance company; Luttrell Development does not offer an opinion as to whether you should purchase it or not. You should consult competent legal counsel for such opinion.