



LONG LIVE HAPPY HOMES®

Dear Member:

We at Home Buyers Warranty Corporation (“2-10 HBW”), the leader in the new home warranty industry, are always seeking ways to improve and expand the value we offer to members of our new home warranty program. A key feature of our program is the binding arbitration provision included in the warranty document provided to your homebuyers. Arbitration is a dispute resolution process in which the parties endow a neutral arbitrator with the power to render a binding decision to settle a disagreement. Unlike a judge or jury, arbitrators are chosen for their expertise on the disputed issues. Thus, a construction defect claim is usually decided by a construction professional. Arbitration rules are simple and straightforward, resulting in a resolution within weeks or a few months, rather than the several months to years frequently involved in full litigation. We believe that these characteristics make arbitration a superior method of dispute resolution for typical disputes between homebuyers and builders.

To take full advantage of the program’s binding arbitration provision, we recommend that you seek guidance from your legal counsel on the best approach to integrate this provision with your purchase and sale contract for your homebuyers. For your convenience, we have included a form addendum to a purchase and sale contract that your legal counsel can leverage, among other options, to integrate our program’s binding arbitration provision with your purchase and sale contract.

Your counsel may also recommend incorporating an “all disputes” (not just warranty disputes) arbitration agreement into your purchase and sale contract, permitting you to move any lawsuit, not just warranty claims, into binding arbitration to the extent permitted by applicable law. Your legal counsel can also advise you on the best practices to ensure your purchase and sale contract does not include any inconsistent warranties or dispute resolution provisions, and that any state statutory requirements for waiving implied warranty obligations or other laws applicable to your jurisdiction are followed.

We hope you find this information useful and we look forward to servicing your future needs. You are a valued customer and we appreciate your business. Should you have any questions, please call your sales representative at 800-488-8844.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Kevin Miller', with a long horizontal flourish extending to the right.

Kevin Miller  
Vice President of Operations  
Home Buyers Warranty Corporation



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Warranty Arbitration Addendum to [Title of Your Purchase and Sale Contract]

1. Superseding Agreement. The provisions of this Warranty Arbitration Addendum to [title of your P&S contract] (the "Addendum") are a material consideration for the [your name as used in the P&S contract] to enter into the [ title of your P&S contract] and such provisions supersede, preempt, and override any inconsistent or conflicting provisions in the [title of your P&S contract]. All capitalized terms used or defined in this Addendum shall have the meaning assigned to such terms in the [title of your P&S contract].

2. The 2-10 HBW Warranty. In connection with the purchase and sale of [name of the residence as used in the P&S contract], the [your name as used in the P&S contract] will provide for [name of your buyer(s) as used in the P&S contract] an express limited warranty (the "Warranty") administered by Home Buyers Warranty Corporation ("2-10 HBW"). The Warranty is set forth in the applicable 2-10 HBW Warranty booklet (the "Booklet") published by 2-10 HBW and provided to [name of your buyer(s) as used in the P&S contract]. [name of your buyer(s) as used in the P&S contract] hereby acknowledges receiving a copy of the Booklet and has had an opportunity to read and understand it, including the binding arbitration agreement contained in it, before signing this Addendum.

3. Arbitration Agreement. Any and all claims or disputes between [your name as used in the P&S contract], [name of your buyer(s) as used in the P&S contract], and/or 2-10 HBW arising from or relating to the Warranty, [title of your P&S contract], the [title of the home as used in the P&S contract], the real property on which it is located, and/or any common elements in which [name of your buyer(s) as used in the P&S contract] has an interest, including without limitation, any claim of negligent or intentional misrepresentation, shall exclusively be settled by binding arbitration pursuant to the express arbitration agreement (the "Arbitration Agreement") set forth in the Booklet and hereby incorporated by reference. The [your name as used in the P&S contract] and [name of your buyer(s) as used in the P&S contract], agree that this Addendum and the Arbitration Agreement involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. §§ 1-16), to the exclusion of any different or inconsistent law, ordinance, rule, or regulation.

By signing this Addendum, [your name as used in the P&S contract] and [name of your buyer(s) as used in the P&S contract], agree to and affirm all terms of the Arbitration Agreement and hereby waive, to the fullest extent permitted by applicable law, their right to a jury trial or class action litigation.

IN WITNESS WHEREOF, the [your name as used in the P&S contract] and [name of your buyer(s) as used in the P&S contract] have executed this Addendum as of the last date indicated below.

[Your name as used in the P&S contract]	[Name of your buyer(s) as used in the P&S Contract]
By: _____	Signature: _____
Name: _____	Date: _____
Title: _____	Signature: _____
Date: _____	Date: _____