

VI. Complaint and Claim Procedure

- A. **Step One.** Upon discovery of some fault or defect in the first or second year which you believe is covered by this Agreement, you must first send a clear and specific **written** notice to your Builder. If you have a complaint as the result of a Major Structural Defect occurring during the third through tenth years of this Agreement, notice must be sent to QBW **(not the Builder)**.
- B. **Step Two.** If, after receiving notice, your Builder does not correct the item(s) within a reasonable time, or if you have a Major Structural Defect complaint occurring during the third through tenth years of this Agreement, you must send written notice of your complaint to QBW by certified mail, return receipt requested. Note that QBW must receive written notice of any complaint no more than thirty (30) days after the expiration of the applicable warranty period. If your complaint is received by QBW after 30 days from the expiration of the warranty on the item, it will **not** be honored. **Notice to your Builder does not constitute notice to QBW. Telephone discussions will not be considered notice and will not protect your rights.** The written notice to QBW of any complaint must include: your warranty number and effective date, your name, address and telephone number, Builder name and address, as well as a description of the defect and the warranty standard which applies specifying the page and section of the warranty, all previous written correspondence to the Builder pertaining to defects, and any substantiating information to demonstrate that the defect exceeds warranty standards.
- C. **Step Three.** QBW will review your complaint to make a determination of warranty coverage and may request additional information, including photographs to assist in its review. If QBW determines it necessary, QBW will cause an inspector, who may be an employee of QBW, to view the defect. After review, QBW will report whether the defect is covered under the Limited Warranty Agreement. Upon receipt of the determination, you have thirty (30) days to accept the determination. Where a claimed defect is filed that cannot be observed or determined under normal conditions, it is the homeowner's responsibility to substantiate that the condition does exist.
- D. **Step Four.** If you disagree with the determination, you have thirty (30) days to notify QBW in writing that you disagree, otherwise it will be deemed that you have accepted QBW's determination. If you provided the required notice that you disagree, disputed items shall be submitted for binding arbitration by QBW to Construction Arbitration Program, administered by DeMars & Associates Limited (CAP-Home), or such other independent arbitration service as may be designated by QBW, for resolution in accordance with the rules and regulations for home warranty disputes of CAP-Home or such other service. You must pay the cost of arbitration. QBW will forward to you a request for arbitration form to return to QBW with the applicable fee so QBW can initiate the arbitration process. Arbitration will take place at the home. Upon delivery of an arbitration award ("Award") to the parties, any party may, within twenty (20) days, request an appeal of the Award. A request for appeal must be sent, together with the appropriate administrative fee, to QBW, with copies of the request simultaneously being sent to all other parties. Upon receipt of the request for appeal and the appropriate administrative fee, QBW will forward the application to CAP-Home, or other service, for administration. CAP-Home, or other such service, will appoint an appellate arbitrator and schedule a hearing at the home. The Appellate Arbitrator may not review any new or different complaints, but may modify or change the Award if he finds that the Award exceeds or does not meet the scope of the Warranty or its coverages or if the Arbitrator exceeded the scope of his authority. CAP-Home, or other such service, will notify all parties of the decision of the Appellate Arbitrator, which will be final. The Builder, QBW and the homeowner agree to be bound by the final award of arbitration or appellate arbitration. Judgment upon the final award rendered in arbitration may be entered in any court having

jurisdiction in those states where such arbitration is binding upon all parties thereto. If the state where the home is located does not permit binding arbitration then arbitration in accordance with this agreement shall be a condition precedent to the commencement of any litigation by the homeowner or builder to compel compliance with the warranty documents or to seek relief for any dispute arising out of this program.

1. **Acceptance.** If you accept the decision, you must sign a copy of that decision which will be provided for this purpose and you must then return the signed copy to QBW within thirty (30) days of its date. The responsible party will then perform as required by the decision, but neither QBW nor the Builder will be responsible for damages caused or made worse by your delay in accepting the decision. If the decision places a time period on performance, the time allowed will be measured from the date QBW receives your acceptance of the decision. Sixty (60) days will be the standard time for compliance, weather conditions permitting.
2. **Rejection.** If you decide to reject the decision, your Builder or QBW is under no obligation to perform.
3. **Right of Access.** You must provide the Builder, or if applicable, QBW, with reasonable weekday access during normal business hours in order to perform its obligations under this Agreement. Failure by you to provide such access to the Builder or QBW may relieve the Builder or QBW of its obligations under this Agreement.