

Homeowner's Warranty Orientation

Today – because of quality control and high maintenance buyers – more and more builders have opted NOT to provide home warranties. It no longer is a standard in the home industry – nor is it the law to provide such. Rather a home warranty is now considered an upgraded feature for many builders.

At Patterson Homes, we still believe in and provide a strong home warranty - because even the best built homes need a warranty. There are always adjustments and corrections. No home is perfect, but with a strong warranty your home can be near perfect.

Yet, understanding your Homeowner's Warranty – what it covers, what it does not, and the buyer/seller responsibility is imperative. It's then you will feel the peace of mind that only a new homeowner can feel when their builder offers and then performs on his home buyer warranty. After all, the real difference between a good builder and a bad builder is one takes care of the problem and the other does not. That's what a warranty is all about!

It's important that you choose a builder that provides a strong warranty especially because you've just made or are about to make the biggest investment of your life – a home. A good and strong warranty consists of five things: (1) clear responsibilities, (2) acceptable standards, (3) easy communication of repair items, (4) a tracking system with timely follow-up, and (5) clarity in how long the warranty lasts.

Clear Responsibilities

I often tell buyers that it is more important to know what is NOT included than what is included. The same goes for a warranty. You must have a warranty in writing. Each of our Buyers already have been provided a copy of Patterson Construction's Homeowner's Warranty Addendum in the pre-construction phase – long before the home is ever started. This document clearly defines what is covered and what is not. Every home requires homeowner maintenance which is different from homeowner warranty. For example, light bulbs are not warranted, nor is touch up painting after you have lived in the home, nor is incidental settling in planter areas or a broken glass window. However concrete settling is warranted, and so is repairing and repainting a nail pop in the sheetrock and also a fogging window pane. It's important to know what is and what is not covered.

Our Homeowner's Warranty (Addendum E) further explains important maintenance for buyers such as removing the hose from their hose bib before the first freeze, checking splash block drainage by our downspouts, placing a sealer on concrete to protect against peeling, garage door and track lubrication and much more. Most buyers are happy to maintain their homes if they just know what to look for and what to do.

Acceptable Standards

Every buyer must understand what is acceptable in workmanship and what is not. For example, our warranty guarantees your concrete will not have appreciable settling – not, that it will not crack. In fact, we guarantee your concrete will crack and for this purpose we have placed “controlled cracks/joints” in the exterior concrete. Theoretically, as the concrete moves with moisture and heaves during the freeze/thaw cycles, it should crack on these control joints. However, sometimes it will crack outside of these joints and though it may seem unsightly to a buyer, it is an acceptable standard. To think that you'll never get a crack in your basement floor or exterior concrete is unrealistic.

As well, there must be clear definition of what is an acceptable remedy for a warranty repair. Sooner or later there will always be a buyer that has an unrealistic standard of repair. For example, if a burner goes out on the stove we simply replace the burner, not the entire stove. Or when a tile cracks (and our warranty covers that repair) sometimes the new grout is a little different color than the rest of the floor grout (because of time, moisture, house oils/cleaners, etc). However, this is an acceptable repair. If we have confirmed that it is the same color grout the buyer and seller accept that in time it will blend in with the other grout – and it will. It does not mean we replace the entire tile floor and re-grout!

To ensure that our buyers understands an acceptable standard repair, Patterson Homes and our buyer's have agreed to accept National Warranty repair standards as a minimum repair standard – such as those clearly defined by the National Homebuilder's Association, National Construction Standards or other extended warranty programs (i.e. 2-10 Home Buyers Warranty (2-10 HBW), Residential Warranty Corporation (RWC), Home Owners Warranty (HOW) and other such warranty programs that buyers and builders can purchase. They clearly define standards, remedies, and exclusions so there is no question of what is acceptable and what is not. You can see these standards on line by going to www.phutah.com and check our Article Library Phase III Construction Standards. Furthermore, Patterson Homes prides itself in always meeting or exceeding these National Construction Standards.

Easy Communication w/Confirmation

This is another thing that sets Patterson Homes apart from other builders – strong and clear customer follow-up after you are in your home. Once a buyer has moved into their new home all warranty requests are normally made on line at www.phutah.com - contact us -warranty so that the warranty item(s) is placed on our patterson portal warranty.

By the time the home is completed our buyers have already become trained to look for email notifications from our Patterson Portal while tracking the progress of their home. They love it! The Patterson Portal Warranty through the internet is no less impressive. It is quick, easy, and reliable – because every buyers warranty request is confirmed back to them by email usually within 12 to 48 hours as to the party responsible with all pertinent information. This is important, because then the buyer and the party responsible for repair have a recorded confirmation notifying them of dates, respective phone numbers, addresses, names, dates, etc. in taking care of their warranty request.

Obviously if it is an emergency, the buyer simply calls Patterson Construction's main office at (801) 756-7303 where we have staff ready and able to help.

A Tracking System w/Timely Follow-up

Before Patterson Homes ever closes on a home there is a walk-thru with each buyer to familiarize them on important items such as: property corners, shut off valves, electrical GFI's, warranty information, furnace filters, explain features of a green built home and much more. As well, we note any uncompleted items and/or corrections items that need to be completed before closing – unless weather escrowed. These items are confirmed through email to the buyer and to the responsible party for immediate attention via our Patterson Portal Warranty Hit List.

As mentioned, all warranty requests are normally made on line. This is important – not only because the buyer and responsible party have recorded confirmation with all pertinent information – but also because we immediately start tracking the number of days it takes to complete the repair item. Patterson Homes feels a reasonable time for warranty work is 1-2 weeks. However, if a buyer EVER has anything over 21 days old, they should contact their Sales Representative or any of our staff so that we can take prompt and necessary corrective action.

As well, Patterson Construction never deletes a warranty item/repair from our records; rather we always archive the information so that if there is ever a question or problem we can pull up all warranty information for any job, buyer, subcontractor, item, etc. As you can see, Patterson Homes prides itself in having one of the strongest Homeowner Warranty and customer follow-up in the industry.

Clarity On How Long a Warranty Lasts

Patterson Homes provides a full 12 month warranty on your new home (per the Patterson Construction Home Warranty Addendum) while offering an additional extended 72 month/6 year warranty for a nominal fee (per the Extended Warranty Addendum). We have found (and most homeowners have found) that almost inevitably if there is a problem, or if we have done something wrong in the workmanship, craftsmanship, manufacturing or supplying of a material or product in a new home, that it will almost always manifest itself in the first 12 months.

For example, if we pour concrete in the wintertime and did not properly cover it, or if it the supplier provided a bad mix of concrete, it will almost always manifest itself in the first year. As well, if a water heater or stove were incorrectly built, a buyer would almost always know within a few weeks. But if it works (or repaired) for the 1st year then most likely it will work for five or ten or perhaps twenty years.

Now if something goes wrong after the warranty period, it doesn't mean you made a poor choice or bought a cheap product, nor does it mean we did shoddy workmanship, nor provided inferior products. Nor does it mean that fate is against you. What it does mean is that things happen and sooner or later each homeowner must take responsibility for living in their home and in taking care of necessary maintenance and repairs. It's part of life and most certainly part of being a homeowner.

I recently had a buyer call me on their nearly 5-year-old home asking us to replace their walk that had settled. Their attitude was insistent that it was our fault because none of their neighbor's concrete had settled. I explained that over the years things can happen from soil types, to sprinkler/water runoff, to winter frost heaving –and that it's not their fault, nor our fault – rather its just life. Still I did agree, as a courtesy for them even though it was clearly long after their warranty period, that I'd cover the cost of the concrete and the labor for re-laying the concrete if they'd cover the cost of tearing it out. They were furious and their tone surprised me and so I asked exactly how long they felt I (and our subcontractors and suppliers) should warranty their home? They replied, "ten years," to which I asked, "why ten years?" They replied, "because, that's how long they planned on living in our home." These buyers simply did not understand a warranty time period.

However, for that buyer who wants the extended peace of mind of having no repairs for an extended time, Patterson Construction provides a Seven Year Warranty (Extended Warranty Addendum) which is unparalleled in the industry. This warranty should not be confused with 2-10 warranties which are extended warranty that can be bought to cover many things the first 2 years and then drops to only structural thereafter and are warranted by a warranty company. Patterson's extended warranty covers much more because it is not a warranty service contract, but a written warranty which Patterson Construction provides not only on the structure but on your expensive high tech systems of: mechanical, heating, cooling, electrical, garage doors openers, central vacuum systems, water heaters, all appliances, and much, much more. There are no claim forms – just one simple phone call to start the service process. What's more unique is that this extended warranty covers not only manufacturing defects in material and workmanship but it also provides coverage for specific

failures resulting from normal wear and tear. As well, it covers food spoilage, emergency living expense, and lost key expense during the extended warranty. No other warranty program even comes close to this kind of coverage!

Furthermore, we have a refund provision. Though we strongly encourage you to use your warranty, should you never use it during the seven-year period then we will refund your warranty fee in full. See Patterson Construction Extended Home Warranty Addendum for exact details of this and other coverages and exclusions.

Basically we provide this Extended Warranty for Three reasons. (# 1) There are always a few buyers who want that added peace of mind and who are willing to pay for it. Usually this fee is added to the sales price which only costs a few dollars each month. Admittedly, most buyers feel comfortable with the standard 1-year warranty and choose not to extend. (# 2) For those choosing not to extend, the buyer signs off – making a clear decision of when their warranty ends. To a certain extent this is, a ‘weaning’ if you will of what many call a “landlord/tenant relationship” where the buyer then takes responsibility as a homeowner for maintenance and repairs after the warranty period. (# 3) Admittedly, as with all extended warranties, it is done for money. When it’s all said and done, most extended warranties are moneymakers.

This is especially true because we have already sought out some of the strongest manufacturers and supplier warranties in the industry already provide strong extended warranties. For example, the furnace and water heaters come with extended 5 and 6-year warranties. The windows are lifetime on the frames and 10 years on the glass. The shingles have a 30-year warranty, and the countertops and tubs surrounds have a 5-10 year warranty– and on and on goes the list of our strong manufacturer/supplier extended warranties at no cost to you.

Either way you choose – a standard or extended warranty – it becomes every buyer to understand that someday the warranty ends and that they assume responsibility for their home and the fact that things wear out, break down, and need repair even after the warranty ends.

There you have it, 5 things that make a good and strong warranty. There are many builders that provide two or three of these important things, but few good builders provide all five. Patterson Homes is among those few. It’s only then will you have the peace of mind you deserve. Be assured Patterson Homes knows how to warranty its homes. After all we’ve been building homes for over 70 years and we have the highest personal standards in the way your home was built and in the follow up after you are in your new home.

We guarantee it!

James Patterson,
President, Patterson Construction Inc.