

**Addendum to Builder Proposal and Agreement for New Jersey
Pertaining to Model Homes and Other Homes Occupied
Prior to Transfer of Title**

WAIVER, RELEASE, AND DISCLOSURE

General

New Jersey law requires, in the case of model homes, that the warranty date be the date on which a temporary certificate of occupancy is issued. In order to satisfy this requirement, the Service will issue warranties to Builders for model homes so that a temporary certificate of occupancy can be obtained for the use of homes as models. Federal law, however, prohibits a member/builder of a Risk Retention Group from obtaining insurance coverage from the Risk Retention Group on homes owned by the member/builder. Essentially, the Builder cannot be the insured and the beneficiary of his own liability for construction defects. Therefore, in order to comply with both the New Jersey State law and the Federal law, Builder must unconditionally waive and release any and all rights to submit a claim of any type to the warranty insurer during the period that any home is used as a model. When a model home is to be sold to a home buyer, the Builder shall obtain, at Builder expense, a final inspection by an approved inspector for the Service to determine that the home is undamaged when transfer of title is made to the home buyer.

Additionally, if a Builder rents a home or agrees to a lease/purchase agreement for a new home or occupies the home in any manner, the Effective Date of Warranty, as defined in the warranty booklet, begins on the date of first occupancy. Therefore, during any such rental / lease / occupancy period, the Builder waives and releases any claim that might arise under the warranty coverage.

Waiver, Release and Disclosure Agreement

Builder hereby unconditionally waives and releases any and all rights of the Builder, its successors, and assigns to any insurance coverage and any and all rights to submit a claim during the period that any home is used as a model, rented, or leased or occupied by the Builder prior to a title transfer to an initial buyer for the purpose of living in the home ("home buyer"). The Builder further agrees to have a Service-approved inspector perform, at the Builder's expense, a complete final inspection within thirty (30) days prior to the transfer of title to the home buyer and certifies that the model or rented home is not damaged, other than normal wear and tear. Builder agrees that Builder shall disclose to any prospective home buyer in writing the status of the warranty and the amount of time remaining for coverage under the warranty.

Builder Signature

Home Buyers Warranty Builder Registration No.

Date