

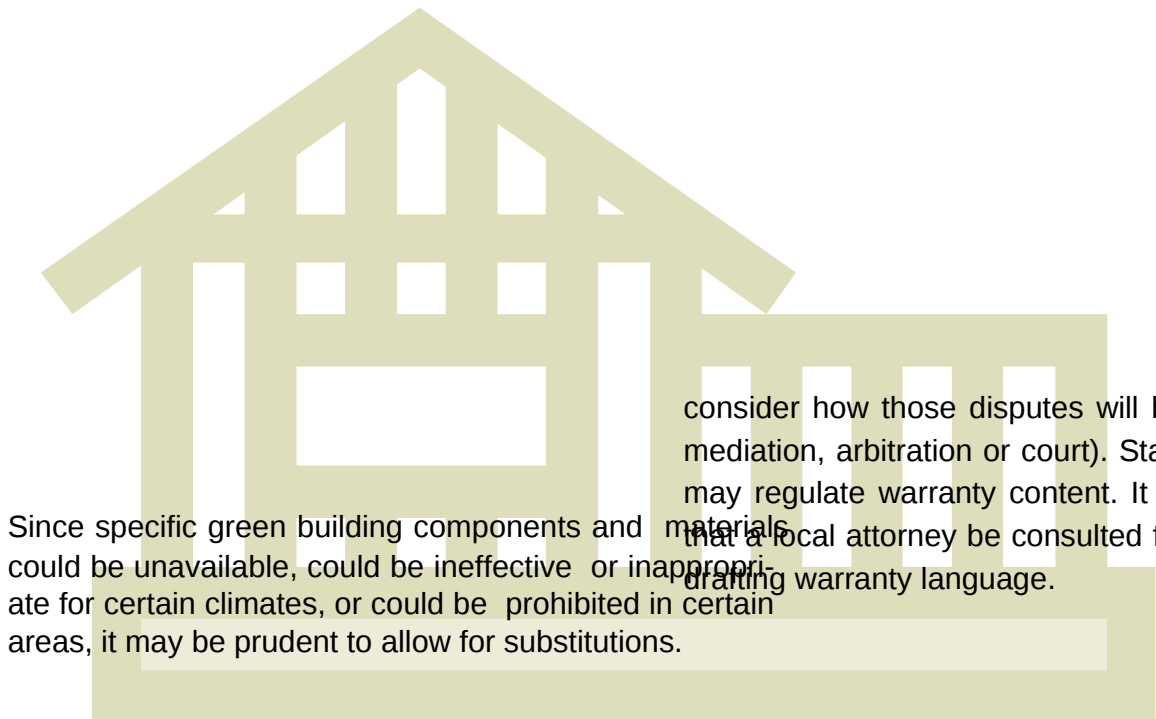
Contracts

Warranties

- i

There are no set definitions for green building terminology. You can prevent misunderstandings with your customer, and the possibility of a lawsuit.
- j

All green product manufacturers' warranties should be passed on to the customer, and it would be a good idea to have a lawyer review the warranty language.



Since specific green building components and materials could be unavailable, could be ineffective or inappropriate for certain climates, or could be prohibited in certain areas, it may be prudent to allow for substitutions.

consider how those disputes will be resolved (e.g., mediation, arbitration or court). State and local laws may regulate warranty content. It is recommended that a local attorney be consulted for the purpose of drafting warranty language.

Resources

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emphasizes the interaction of all of the-parts of a home its systems and equipment, its occupants and the structure itself. In some instances green building will incorporate the use of new and innovative construction technologies and materials. In other instances green building will use existing materials in new applications. In any event it is

- From NAHB (www.nahb.org)
- i Builder Liability Materials
- i “The Risks and Rewards of Green Building”
- i “Builder Guide to Handling Mold Claims and Litigation”
- From BuilderBooks (www.builderbooks.com)

- i Warranties for Builders and Remodelers, 2nd Edition
- i Contracts and Liability for Builders and Remodelers, 5th Edition

- From FTC (www.ftc.gov/bcp/menus/business/energy.shtm)
- i Green Guides
- i Complying with Environmental Marketing Guides

www.nahbgreen.org for additional technical and educational services.

This pamphlet was developed by the Building Product Issues Committee of the National Association of Home Builders.

This pamphlet is not intended to be exhaustive but all green building project could become a major h merely a guide to some issues and practices that builders should consider when contemplating green building. Satisfaction you and your customer, ending in litigation.

items set forth in this pamphlet is no assurance that the builder will not incur legal liability in any particular green project.

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other expert assistance yg(ti)-4(o)470(sh)-5(o)4(u)4(l)-4(d)4(o)470(se)6(e)-7(k)4()-58(th)-7(e)4()-58(se)6(r)-5(v)4(i)-4(c)-5(e)4(s)-8()-58(o)4(f)-70(a)4()-58(c)-5(o)4(m)

Marketing

- i Inflated or unsubstantiated statements sales reps and employees, in your adv materials, or on your web site, such supportable claims of utility bill reduction benefits, could lead to unmet results, claims of fraud. Customers who develop expectations based on these represent E U L Q J D F W L R Q X Q G H U tices act for delivering less than the qua ised. Suits under these acts typically a damages and recovery of attorneys' f plain that no specific level of comfort or s been promised or will necessarily be ac yond measurable claims. Before making D V N \ R X U V H O I ´ , V W K L Y \$ Q G L I V R K R Z D Q G E \ i Claims of general or unsubstantiated en benefits are prohibited under federal lav subject you to an enforcement action by Trade Commission. Consult the FTC "Guides" (Guides for the Use of Environ keting Claims), updated October 2012. provide safe harbor advice on marketing



Green building is generating a lot of excitement and NAHB shares in this enthusiasm. This should be tempered with caution, however. To building claims and liability green builders should good business practices. While the process of environmental considerations into the home bu H V V L V Q R W Q H Z W R G D \ · V quickly, and as with any emerging field the p exists that mistakes will be made and the une occur. Take proactive steps to reduce the risk you and your customer, ending in litigation.

