

TILSON



HOME CORPORATION

Family Owned Since 1932

Built On Your Lot • Built On Trust

Express Limited Warranty Coverage Booklet



StrucSure Home Warranty, LLC

3901 Arlington Highlands Blvd, Suite #200 | Arlington, TX 76018 (Texas Office)
6825 East Tennessee Avenue, Suite #410 | Denver, CO 80224 (Corporate Office)
1.877.806.8777 (toll-free) | 303.806.8688 (office) | 1.877.906.0222 (toll-free fax)

www.strucsure.com

TABLE OF CONTENTS

SECTION	PAGE
SECTION 1: OVERVIEW OF THE TILSON HOME CORPORATION EXPRESS LIMITED WARRANTY	1
SECTION 2: LIMIT OF LIABILITY	2
SECTION 3: HOMEOWNER DUTIES & RESPONSIBILITIES	3
SECTION 4: EMERGENCY PROCEDURES.....	3
SECTION 5: EXCLUSIONS.....	4
SECTION 6: WORKMANSHIP/MATERIALS & DELIVERY PORTION OF SYSTEMS COVERAGE	5
SECTION 7: PERFORMANCE STANDARDS FOR HOME COMPONENTS UNDER THE ONE-YEAR WORKMANSHIP/MATERIALS	5
WARRANTY	5
(A) PERFORMANCE STANDARDS FOR FOUNDATIONS AND SLABS	6
(B) PERFORMANCE STANDARDS FOR FRAMING	6
(C) PERFORMANCE STANDARDS FOR DRYWALL	7
(D) PERFORMANCE STANDARDS FOR INSULATION	8
(E) PERFORMANCE STANDARDS FOR EXTERIOR SIDING AND TRIM	8
(F) PERFORMANCE STANDARDS FOR MASONRY INCLUDING BRICK, BLOCK AND STONE	8
(G) PERFORMANCE STANDARDS FOR STUCCO	9
(H) PERFORMANCE STANDARDS FOR ROOFS	9
(I) PERFORMANCE STANDARDS FOR DOORS AND WINDOWS	10
(J) PERFORMANCE STANDARDS FOR INTERIOR FLOORING	11
(K) PERFORMANCE STANDARDS FOR VINYL FLOORING	11
(L) PERFORMANCE STANDARDS FOR HARD SURFACES, INCLUDING CERAMIC TILE, FLAGSTONE, MARBLE, GRANITE, SLATE, QUARRY TILE, FINISHED CONCRETE OR OTHER HARD SURFACES	12
(M) PERFORMANCE STANDARDS FOR PAINTING, STAIN, AND WALL COVERINGS	12
(N) PERFORMANCE STANDARDS FOR PLUMBING	13
(O) PERFORMANCE STANDARDS FOR HEATING, COOLING AND VENTILATION	14
(P) PERFORMANCE STANDARDS FOR ELECTRICAL SYSTEMS AND FIXTURES	14
(Q) PERFORMANCE STANDARDS FOR INTERIOR TRIM	15
(R) PERFORMANCE STANDARDS FOR SHELVING	15
(S) PERFORMANCE STANDARDS FOR CABINET DOORS	15
(T) PERFORMANCE STANDARDS FOR MIRRORS, INTERIOR GLASS AND SHOWER DOORS	15
(U) PERFORMANCE STANDARDS FOR HARDWARE AND IRONWORK	15
(V) PERFORMANCE STANDARDS FOR COUNTERTOPS AND BACKSPLASHES	15
(W) PERFORMANCE STANDARDS FOR FIREPLACES	16
(X) PERFORMANCE STANDARDS FOR IRRIGATION SYSTEMS	16
(Y) PERFORMANCE STANDARDS FOR FENCING	16
(Z) PERFORMANCE STANDARDS FOR YARD GRADING	16
(AA) PERFORMANCE STANDARDS FOR PEST CONTROL	17
SECTION 8: PERFORMANCE STANDARDS FOR ELECTRICAL, PLUMBING, AND MECHANICAL DISTRIBUTION SYSTEMS UNDER THE TWO-YEAR DELIVERY PORTION OF SYSTEMS WARRANTY:	17
(A) PERFORMANCE STANDARDS FOR ELECTRICAL DELIVERY SYSTEMS	17

	(B) PERFORMANCE STANDARDS FOR PLUMBING DELIVERY SYSTEMS	18
	(C) PERFORMANCE STANDARDS FOR HEATING, AIR CONDITIONING AND VENTILATION DELIVERY SYSTEMS	19
SECTION 9:	PERFORMANCE STANDARDS FOR MAJOR STRUCTURAL COMPONENTS UNDER THE 10-YEAR STRUCTURAL DEFECT WARRANTY	19
	(A) PERFORMANCE STANDARDS FOR SLAB FOUNDATIONS	19
	(B) PERFORMANCE STANDARDS FOR MAJOR STRUCTURAL COMPONENTS OF A HOME OTHER THAN SLAB FOUNDATIONS	20
SECTION 10:	10-YEAR WARRANTY OF HABITABILITY	20
SECTION 11:	HOW TO REQUEST WARRANTY PERFORMANCE.....	21
SECTION 12:	CONDITIONS OF WARRANTY PERFORMANCE.....	21
SECTION 13:	MEDIATION AND INSPECTION.....	21
SECTION 14:	ARBITRATION.....	22
SECTION 15:	ENFORCEMENT OF ARBITRATION AWARD	23
SECTION 16:	DEFINITIONS.....	23

SAMPLE

SECTION 1: OVERVIEW OF THE TILSON HOME CORPORATION EXPRESS LIMITED WARRANTY

Congratulations Homebuyer(s)! TILSON HOME CORPORATION (Builder) is providing You with Express Limited Warranty protection as described in this booklet. StrucSure Home Warranty is the warranty Administrator. Under no circumstance or condition is StrucSure Home Warranty responsible for fulfilling TILSON HOME CORPORATION'S obligations under this Express Limited Warranty.

This warranty booklet defines standards for the various components of a Home, the time period covered by this Express Limited Warranty, coverages and Exclusions, Homeowner responsibilities, and how to request warranty service.

For homes financed through FHA/VA or FmHA, You may receive from TILSON HOME CORPORATION a StrucSure Home Warranty Express Limited Warranty in addition to this TILSON HOME CORPORATION Express Limited Warranty. If both warranties are provided to You, any request for warranty performance should first be filed with StrucSure Home Warranty. If unsatisfied after the warranty process is concluded with StrucSure, you may then make a request for warranty performance to your Builder. Please reference the "How to Request Warranty Performance" section in this booklet to understand how to submit a claim. Note that regardless of whether you file a request for warranty performance with StrucSure Home Warranty or your Builder, or both, You may not collect twice for the same defect and any monies paid will reduce the amount of coverage available under both warranties.

Your warranty will be effective upon closing on your new home with the Builder. You must sign the Home Enrollment Application (HEA) presented at closing so that StrucSure Home Warranty can identify you for warranty administration.

Please note that You may have been provided sample warranty booklets during the process of purchasing Your Home; however, Your actual warranty booklet is assigned at closing. After Your warranty goes into effect, You will be able to access information on Your warranty coverage and download Your warranty booklet and Certificate of Warranty Coverage via our Warranty Portal at <http://warranty.strucsure.com>. If You don't have Internet access, You can request Your warranty documents by mail.

Please read this warranty coverage booklet in its entirety so that You may fully understand the terms and conditions. Please contact StrucSure Home Warranty's customer service department at 1.877.806.8777 with questions or for more information.

- (1) This warranty is an Express Limited Warranty provided to You by Your Builder. This warranty coverage booklet embodies the entire extent of the Express Limited Warranty.
- (2) This Express Limited Warranty is not a maintenance agreement, service contract, or an insurance policy.
- (3) In this Express Limited Warranty, reference to a person includes entities and vice versa. Use of the singular includes the plural. Use of one gender includes the other gender. Words that are capitalized are defined in the Definitions section at the back of the booklet.
- (4) Coverage under this Express Limited Warranty is limited to Construction Defects which occur during the warranty term. Under this Express Limited Warranty, the coverage periods for residential construction are as follows:
 - (a) One (1) year for Workmanship/Materials,
 - (b) Two (2) years for Delivery Portion of Systems (plumbing, electrical, heating, and air-conditioning delivery systems),
 - (c) Ten (10) years for major structural components of the Home, and
 - (d) Ten (10) Year Warranty of Habitability.
- (5) Warranted Defects and/or Deficiencies must occur within the Warranty Term or the item(s) are not covered.
- (6) Throughout the Term of this Express Limited Warranty, Your Builder is the Warrantor.
- (7) Neither repairs, payments, nor any other action or inaction of the parties will extend the warranty period.
- (8) This Express Limited Warranty is separate and apart from any contracts between You and Your Builder, including any sales agreements. It cannot be altered, affected or amended in any manner by any other agreement except only through a formal written agreement signed by the Builder, the Administrator, and You.
- (9) Any agreements, understandings, promises, negotiations, representations, or obligations implied by law, custom, practice, or other source that are not documented in this warranty, including representations about this warranty, are not covered by this warranty.
- (10) The Warrantor provides no warranties that extend beyond this document.
- (11) This warranty does not reimburse parties for their attorney's fees or costs except as set forth in this Express Limited Warranty Booklet.
- (12) This warranty does not cover special, incidental, indirect, or Consequential Damages other than:
 - Cost to correct a Construction Defect and the resulting damage to the Home;

- Cost of repair or replacement of furniture or personal property damaged by the Construction Defect. Should replacement be necessary, the Builder's obligation is limited to replacement with items providing the same function and quality and that are readily available at the time the item is being replaced;
- Cost of removal or replacement of those components of the Home that have to be removed or altered in order to repair or replace a Construction Defect;
- The reasonable cost of the homeowner's alternative shelter and storage expenses where the Home is not habitable due to a Construction Defect or where the Home is rendered not habitable by the repair of the Construction Defect.

Diminished fair market value is considered a consequential or incidental damage and is not covered under this Express Limited Warranty unless the Builder elects this remedy in lieu of the repair, replacement, or payment of a Construction Defect.

- (13) This Express Limited Warranty is binding on the Builder and You and Your heirs, executors, Administrators, successors and assigns. An assignment or transfer of benefits, rights, or sums payable under this warranty is prohibited except as expressly allowed in this Express Limited Warranty.
- (14) If any term, condition, or provision of this warranty is found to be void or a violation of law or public policy by a court of competent jurisdiction, it shall be deemed modified to the extent necessary so that it is no longer void or in violation of law or public policy. Any binding decisions that determine a part of the warranty is void, or in violation of law or public policy, will not serve to invalidate the enforceability of any other term, condition or provision of this warranty.
- (15) If performance under this Express Limited Warranty is delayed by an event beyond a parties control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, concealed or unknown conditions such as soil conditions, unavoidable accidents or circumstances, encountering hazardous materials, damage caused by a utility company, acts of God or nature, acts of the common enemy, fire, war, riot civil commotion or sovereign conduct, material shortages or unusual material delivery delays, abnormal adverse weather conditions not reasonably anticipated, labor disputes, acts of terrorism, government action, and/or acts or omissions by You or a person or entity not a party to this Express Limited Warranty. Such delay shall operate to extend the time period for performance, but shall not act to extend the term(s) of warranty coverage(s).
- (16) If an element or component of a Home is not described particularly in this booklet, the element or component shall be constructed in accordance with any written agreement. If there is no agreement, the element or component shall be constructed in accordance with the usual and customary residential construction practices, or practices for similar Improvements in the geographic region shall govern and the element or component shall perform for the purpose for which it is intended for the period of the applicable warranty.
- (17) This warranty shall be interpreted and enforced in accordance with the laws of the state in which the Home is located. Please note that individual state laws may provide additional limitations, Exclusions, and/or coverage.
- (18) This Express Limited Warranty is subject to change as required by various regulating bodies.
- (19) All Manufactured Products shall be installed by the Builder in accordance with the manufacturer's instructions and specifications. The Builder shall use only new Manufactured Products and parts unless otherwise agreed in writing by the parties. If the Builder does not install a Manufactured Product in accordance with the manufacturer's specifications or use newly-manufactured parts as required, the Builder shall take such action as is necessary to bring the variance within the standard. The Builder will assign to the Homeowner, without recourse, the manufacturer's warranty for all Manufactured Products that are covered by a manufacturer's warranty. Any rights that inure to the Homeowner provided under a manufacturer's warranty are the obligation of the manufacturer. The Builder does not assume any of the obligations of the manufacturer resulting from a manufacturer's warranty.
- (20) This Express Limited Warranty is fully transferable along with Your rights and obligations to subsequent owners during the Warranty Term. There is no limit to the number of transfers during the Warranty Term or any cost as a result of such transfer(s). You agree to provide this Express Limited Warranty to any subsequent purchaser of Your Home as part of Your contract of sale.
- (21) All notices required under this Express Limited Warranty must be in writing, sent certified mail, return receipt requested.

SECTION 2: LIMIT OF LIABILITY

- (22) Subject to the provisions of this warranty, the Builder's total aggregate limit of financial liability for all claims under this warranty is equal to the contract price of the Home listed on the Home Enrollment Application (HEA). This means that every time Your Builder pays for a repair, or pays a claim, those aggregate payments are deducted from the contract price of the Home listed on the HEA (the warranty limit). Once that total equals the contract price of the Home on the Home Enrollment Application (HEA), there is no further warranty coverage.
- (23) If at any time during the Warranty Term, the limit of liability has been reached, regardless of whether costs were incurred singularly or aggregately, the entire warranty is automatically and permanently terminated. Any rights You may have under this warranty are then automatically terminated.
- (24) The Builder may, where appropriate, make payment for any claim for \$10,000 or more jointly to You and Your Mortgagee as Your interests may appear. The Mortgagee is bound by the claim resolution reached with You.

SECTION 3: HOMEOWNER DUTIES & RESPONSIBILITIES

You have duties and responsibilities under the law and under this warranty. This warranty is expressly conditioned on Your full performance of duties (express or implied) relating to residential construction and the warranty. These duties include, but are not limited to:

- (1) You have a duty to work toward the mutual goal of achieving a successful project, to not cause any unreasonable delay in the start of the project, to not delay, hinder, or interfere with the performance of other parties, to not act arbitrarily with respect to requests for extensions of time, to perform all of the contractual obligations in good faith, and to not take any action that would prevent the Builder from pursuing Your rights and remedies against other parties responsible for Your loss.
- (2) You have a duty to make reasonable efforts to minimize or avoid losses.
 - (a) Upon observation of a circumstance that You cannot control and may cause damage to the Home or a Home component and/or may make the house uninhabitable, You shall take immediate and reasonable action to prevent it.
 - (b) You agree that only those repairs necessary to make the house habitable or mitigate further damage shall be performed. You agree that any and all repairs performed beyond such measures will not be covered by the warranty. Any unauthorized repairs made by You or someone under Your direction, other than those permitted in this paragraph, will not be reimbursed or compensated.
- (3) You are responsible for the proper maintenance of Your new Home. Regular preventative maintenance is necessary to prolong the life of the Home. Your obligation is to care for Your Home in such a way as to prevent or minimize damage to it. You should be aware that all new Homes go through a period of settlement and movement. During this period, Your Home may experience some minor material shrinkage, cracking, and other events which are normal and customary.
- (4) Maintenance of the Home and the lot on which the Home is located is essential to the proper functioning of the Home, and You are responsible for that maintenance. You are responsible for maintenance items described in this section and those maintenance items identified separately in this warranty booklet. Additionally, You are responsible for ongoing maintenance responsibilities that affect the performance of the Home but that may not be expressly stated in this booklet. Such ongoing maintenance responsibilities include, but are not limited to:
 - (a) Periodic repainting and resealing of finished surfaces as necessary,
 - (b) Caulking for the life of the Home,
 - (c) Regular maintenance of mechanical systems,
 - (d) Regular replacement of HVAC filters
 - (e) Cleaning and proper preservation of grading around the Home and drainage systems to allow for the proper drainage of water away from the Home, and
 - (f) Other standard and customary maintenance repairs.
- (5) You shall properly maintain each component of the Home including proper cleaning, care, and upkeep of the Home. You shall use Home components for the purposes for which they are intended and shall not damage, misuse, or abuse Home components.
- (6) You shall use and perform periodic maintenance on all Manufactured Products according to the manufacturer's instructions and specifications. The misuse, abuse, neglect or other failure to follow manufacturer's specifications with regard to Manufactured Products may void the manufacturer's warranty.
- (7) You shall take measures to prevent landscaping materials or plants from contacting the exterior surface of the Home and from interfering with the proper drainage of water away from the foundation. You should not improperly alter the proper drainage pattern or grade of the soil within ten (10) feet of the foundation so that it negatively impacts the Home's performance or fails to comply with the Residential Code.
- (8) You shall take action to prevent Excessive moisture accumulation by properly using ventilation equipment, preventing Excessive temperature fluctuation, and taking any other action reasonably necessary to avoid Excessive moisture, dampness, humidity, or condensation in the Home that may lead to damage due to Excessive moisture or dryness.

SECTION 4: EMERGENCY PROCEDURES

An emergency is a condition that if not immediately repaired may cause damage to the Home or a Home component, may cause danger to the Home's occupants, and/or may make the house uninhabitable.

If You have a warranty coverage emergency, You must contact Your Builder at 888.214.8921 in order to receive authorization for any emergency repairs. If You are unable to contact Your Builder for emergency authorization, You must make minimal repairs until authorization for more extensive repairs has been approved by Your Builder. You must take action in order that further damage can be mitigated, and You must report the emergency to the Builder on the next business day.

SECTION 5: EXCLUSIONS

This warranty does NOT provide coverage for damage resulting from or made worse by any of the items listed in this section unless caused by a construction defect. This warranty also does not cover any of the following item(s), cause(s), or condition(s), regardless of whether any of them acted alone, in sequence, or in concurrence with any other item(s), cause(s), or condition(s) to create the loss or damage unless caused by a construction defect.

- (1) Any request for warranty performance submitted after unreasonable delay or after the expiration of the applicable Warranty Term.
- (2) Any changes, modifications, additions, or Improvements made to the Home after the Effective Date of Warranty.
- (3) Homeowner delay in reporting a known construction Defect or Deficiency or failing to take reasonable action necessary to prevent further damage to the Home. Failure of the Homeowner to minimize or prevent loss or damage in a timely manner.
- (4) Any warranted Defects or Deficiencies You repair prior to receiving written authorization from the Builder unless it is an emergency. Please reference the Emergency Procedures section in this warranty booklet for more information.
- (5) Any loss, damage, Deficiency, cost, or expense which is caused, in whole or in part, by any peril or occurrence that is covered by Homeowner's insurance, from another warranty or insurance policy, or for which compensation is provided by state legislation and/or public funds.
- (6) Failure of the Homeowner to comply with the Homeowner's responsibilities and perform routine maintenance on the Home as set forth under the Homeowner Responsibilities section in this warranty booklet.
- (7) Any dampness or condensation due to Your failure to maintain guttering, caulking, flashing, or adequate ventilation.
- (8) Use for which the Home or the component of the Home was not designed.
- (9) Use that exceeds the normal design loads prescribed by the Code or the engineer of record.
- (10) Normal wear and tear or deterioration to any component of the Home. This includes, but is not limited to, the deterioration of concrete surfaces caused by salt, chemicals, implements, or any other any factors.
- (11) The negligence, improper maintenance, misuse, abuse, failure to follow manufacturer's recommendations, failure to take reasonable action to mitigate damage, failure to take reasonable action to maintain the residence, or other action or inaction of anyone other than the Builder or persons providing work or material at the direction of the Builder.
- (12) The negligence, abuse, misuse, improper operation or maintenance of the Home, a Home component, its systems, or a Manufactured Product.
- (13) Any modification or addition to the Home or the property under or around the Home made by You after the Effective Date of Warranty. Modification or repair to the Home performed by anyone other than Your Builder or persons providing work or materials at the direction of the Builder after the Effective Date of Warranty.
- (14) Changes to the grading or drainage surrounding the Home made by anyone other than Your Builder or persons providing work at the direction of the Builder. This includes, but is not limited to, soil erosion or runoff caused by Your failure to maintain the Builder-established grades, changes in the grading caused by erosion, or changes in the level of the underground water table, drainage structures, devices or swales, stabilized soil, sodded, seeded or landscaped areas.
- (15) Alterations to the grade of the soil that are not in compliance with the Code or applicable governmental regulations.
- (16) Sound transmission and sound proofing unless these components were part of the Home's construction.
- (17) Glass breakage unless the condition is the result of construction activities.
- (18) Unless Builder installed, wiring (to and between) communication devices from the source of power, whether connected to the Home or not. Such devices shall include, but may not be limited to, television cable, telephone systems, intercom systems, computer(s), and security systems. Sources of power shall include, but may not be limited to, service entrance conductors, switches, outlets, receptacles and junction boxes.
- (19) Acts of God or nature, war, nuclear hazards, contamination accidents, explosion, riot, civil commotion, terrorism, vandalism, malicious mischief, theft, burglary, power failure or shortage, electrical surge, Excessive or inadequate voltage, artificially-generated electrical currents, electrical wiring that is not to Code, blasting, steam or water escape, condensation, mud or mud slides, sinkholes, Extreme Weather Conditions, drought, windstorm, hail, lightning, ice, snow, blizzard, hurricane, tornado, tsunami, flood, earthquake, land shock waves or tremors occurring before, during, or after volcanic eruption or by any other external cause (whether sudden or gradual), mine subsidence, faults, fissures, crevices, falling trees or other objects, or accidents involving aircraft, vehicles, or boats.
- (20) Damage resulting directly or indirectly from Excessive or inadequate water pressure, flood, surface water, waves, tidal water, overflow of a body of water (whether wind driven or not), wetlands, springs, or aquifers. Water which backs up from sewers or drains, water below the surface of the ground (including water which exerts pressure on, seeps, or leaks under or through a Home, building, sidewalk, driveway, foundation, swimming pool, or other structure). Change in the underground water table that exerts pressure on, seeps, or leaks under the Home, sidewalk, driveway, foundation or other structure or causes subsidence or sinkholes.

- (21) Any loss or damage caused by buried debris, underground springs, mineshafts, uncontrolled fill, or other anomalies.
- (22) Erosion or accretion of soils unless such loss or damage is a direct result of a construction Defect.
- (23) The quality and potability of water unless caused by a construction Defect.
- (24) Defects, Deficiencies, or destruction caused by micro-organisms, plants, fungus, decay, wet rot, dry rot, soft rot, or any other kind of rotting, mold, mildew, termites, insects, vermin, rodents, birds, wild or domestic animals, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid, or gaseous pollutant, contaminant, toxin, irritant, or carcinogenic substance, whether organic or inorganic, or an electromagnetic field or emission This Exclusion includes any claim of health risks or inhabitability as a result of Volatile Organic Compounds (VOC'S) or any of the foregoing items.
- (25) Damage to real property which is not a part of Your Home, bodily damage, personal injury, or Consequential Damages and expenses. Consequential damages is defined as all damages or costs for which a remedy is not expressly provided for in this warranty which includes, but is not limited to:
 - (a) Costs of transportation, food, or other incidental expenses including those related to relocation during any work performed under this warranty;
 - (b) Kenneling of animals, veterinary expenses, pet daycare;
 - (c) Loss of use, loss of wages, inconvenience, annoyance;
 - (d) Diminution in value of the Home (unless the Administrator elects this remedy in lieu of repair, replacement, or payment for a warranted Defect and/or Deficiency);
 - (e) Any and all consequential loss or damage to personal property and damage to property which You do not own;
 - (f) Physical or mental pain and suffering and emotional distress;
 - (g) Medical or hospital expenses;
 - (h) Lost profits or wages.
- (26) Loss, damage, or injury to land, person, animals, personal property, Improvements, and structures other than items in the Home as identified in this Express Limited Warranty.
- (27) Manufactured Products which are covered by a manufacturer's warranty including, but not limited to, appliances, fixtures, and items of equipment (including attachments and appurtenances). This warranty does not cover systems Deficiencies that are caused by a failure of any Manufactured Product or failure to comply with manufacturer's warranty requirements. This includes air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, doorbell systems, dishwashers, dryers, electronic air cleaners, exhaust fans, fire alarms, freezers, furnaces, garage door openers, garbage disposals, gas and electric meters, heat exchangers, heat pumps, humidifiers, intercoms, interior sprinkler systems, microwave ovens, oil tanks, outside lights or motion lights not attached to the Home, ranges and range hoods, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool bathtubs, whole house fans, and similar items/appliances.
- (28) Any Exclusions set forth under any Performance Standards and/or Construction Quality Standards in this warranty booklet.
- (29) Fire, smoke, or water damage unless such loss or damage is a direct result of a construction Defect.
- (30) Diminished value of the Home.
- (31) Collusion with any other party with the intention to defraud the Builder.
- (32) Acts of omission by You, Your agents, employees, licensees, or invitees.

SECTION 6: WORKMANSHIP/MATERIALS & DELIVERY PORTION OF SYSTEMS COVERAGE

For one (1) year from the Effective Date of Warranty, Your Builder warrants that Your Home will be free from Deficiencies in Workmanship and Materials as defined in the Performance Standards in Section 7. For two (2) years from the Effective Date of Warranty, Your Builder warrants that Your Home will be free from Deficiencies in the Delivery Portion of Systems (electrical, plumbing, and mechanical distribution systems) to the extent stated in the Performance Standards in Section 8.

SECTION 7: PERFORMANCE STANDARDS FOR HOME COMPONENTS UNDER THE ONE-YEAR WORKMANSHIP/MATERIALS WARRANTY

This section describes the Performance Standards for the various Workmanship and Materials elements or components of a Home as described. Unless otherwise stated under the various Performance Standards herein, if any such Performance Standard is not met, the Builder or Insurer (as applicable) shall take such action as is necessary to bring the variance within the standard. The Builder or Insurer (as applicable) will repair or replace those elements or components of a Home that do not meet these standards during the applicable warranty period.

(A) PERFORMANCE STANDARDS FOR FOUNDATIONS AND SLABS

(1) Performance Standards for Raised Floor Foundations or Crawl Spaces:

- (a) A crawl space shall be graded and drained properly to prevent surface run-off from accumulating deeper than two inches in areas 36 inches or larger in diameter. Exterior drainage around the perimeter crawl space wall shall not allow water to accumulate within ten (10) feet of the foundation for more than 24 hours after a rain except in a sump that drains other areas.
 - i. The homeowner shall not modify improperly the existing grade or allow water from an irrigation system to cause water to accumulate excessively under the foundation. The homeowner shall not allow landscape plantings to interfere with proper drainage away from the foundation. The homeowner shall not use the crawl space for storage of any kind.
- (b) Water shall not enter through the basement or crawl space wall or seep through the basement floor.
 - i. The homeowner shall not modify improperly the existing grade or allow water from an irrigation system to cause water to accumulate excessively near the foundation. The homeowner shall not allow landscape plantings to interfere with proper drainage away from the foundation.

(2) Performance Standards For Concrete Slab Foundations, Excluding Finished Concrete Floors:

- (a) Concrete floor slabs in living spaces that are not otherwise designed with a slope for drainage, such as a laundry room, shall not have excessive pits, depressions or unevenness equal to or exceeding 3/8 of an inch in any 32 inches and shall not have separations or cracks that equal or exceed 1/8 of an inch in width or 1/16 of an inch in vertical displacement.
- (b) Concrete slabs shall not have protruding objects, such as a nail, rebar or wire mesh.
- (c) A separation in an expansion joint in a concrete slab shall not equal or exceed 1/4 of an inch vertically or one (1) inch horizontally from an adjoining section.

(3) Performance Standards For Exterior Concrete Including Patios, Stem Walls, Driveways, Stairs Or Walkways:

- (a) Concrete corners or edges shall not be damaged excessively due to construction activities.
- (b) A crack in exterior concrete shall not cause vertical displacement equal to or in excess of 1/4 of an inch or horizontal separation equal to or excess of 1/4 of an inch.
 - i. The homeowner shall not over-water surrounding soil or allow the surrounding soil to become excessively dry. The homeowner shall not allow heavy equipment to be placed on the concrete.
- (c) The finish on exterior concrete shall not be excessively smooth, so that the surface becomes slippery.
 - i. A concrete surface that has been designed to be smooth is excepted from this Performance Standard.
- (d) Exterior concrete shall not contain a protruding object, such as a nail, rebar or wire mesh.
- (e) A separation in an expansion joint in an exterior concrete shall not equal or exceed 1/2 of an inch vertically from an adjoining section or one (1) inch horizontally, including joint material.
- (f) A separation in a control joint shall not equal or exceed 1/4 of an inch vertically or 1/2 of an inch horizontally from an adjoining section.
- (g) Concrete stair steepness and dimensions, such as tread width, riser height, landing size and stairway width shall comply with the Code.
- (h) Handrails shall remain securely attached to concrete stairs.
- (i) Concrete stairs or stoops shall not settle or heave in an amount equal to or exceeding 3/8 of an inch. Concrete stairs or stoops shall not separate from the home in an amount equal to or exceeding one (1) inch, including joint material.
- (j) A driveway will not have a negative slope unless due to site conditions, unless it has swales or drains properly installed to prevent water from entering into the garage. If a driveway is sloped such that it allows water to enter the garage in normal weather conditions, the Builder shall take such action as is necessary to prevent water from entering the garage due to driveway slope.
- (k) Concrete floor slabs in detached garages, carports or porte-cocheres shall not have excessive pits, depressions, deterioration or unevenness. Separations or cracks in these slabs shall not equal or exceed 3/16 of an inch in width, except at expansion joints, or 1/8 of an inch in vertical displacement.
- (l) Plaster over concrete shall not flake off more than one (1) square foot in one spot within 36 square inches or more than three (3) feet over the entire surface of the home.

(B) PERFORMANCE STANDARDS FOR FRAMING

(1) Building and Performance Standard for Walls:

- (a) Walls shall not bow or have depressions that equal or exceed 1/4 of an inch out of line within any 32-inch horizontal measurement as measured from the center of the bow or depression or 1/2 of an inch within any eight-foot vertical measurement.
- (b) Walls shall be level, plumb and square to all adjoining openings or other walls within 3/8 of an inch in any 32-inch measurement.
- (c) A crack in a beam or a post shall not equal or exceed 1/2 of an inch in width at any point along the length of the crack.
- (d) A non-structural post or beam shall not have a warp or twist equal or exceeding one (1) inch in eight (8) feet of length. Warping or twisting shall not damage the beam pocket.
- (e) Exterior sheathing shall not delaminate or swell.
 - i. The homeowner shall not make penetrations in the exterior finish of a wall that allow moisture to come in contact with the exterior sheathing.
- (f) An exterior moisture barrier shall not allow an accumulation of moisture inside the barrier.
 - i. The homeowner shall not make penetrations through the exterior moisture barrier that permit the introduction of moisture inside the barrier.

(2) Performance Standards for Ceilings:

- (a) A ceiling shall not bow or have depressions that equal or exceed 1/2 of an inch out of line within a 32-inch measurement as measured from the center of the bow or depression running parallel with a ceiling joist.

(3) Performance Standards for Sub-Floors:

- (a) Under normal residential use, the floor shall not make excessive squeaking or popping sounds.
- (b) Sub-floors shall not delaminate or swell to the extent that it causes observable physical damage to the floor covering or visually affects the appearance of the floor covering. Exposed structural flooring, where the structural flooring is used as the finished flooring, is excluded from the standard stated in this subsection.
- (c) Sub-flooring shall not have excessive humps, ridges, depressions or slope within any room that equals or exceeds 3/8 of an inch in any 32-inch direction.

(4) Performance Standards for Stairs:

- (a) Stair steepness and dimensions such as tread width, riser height, landing size and stairway width, shall comply with the Code.
- (b) Under normal residential use, stairs shall not make excessive squeaking or popping sounds.

(C) PERFORMANCE STANDARDS FOR DRYWALL

(1) Performance Standards for Drywall:

- (a) A drywall surface shall not have a bow or depression that equals or exceeds 1/4 of an inch out of line within any 32-inch horizontal measurement as measured from the center of the bow or depression or 1/2 of an inch within any eight foot vertical measurement.
- (b) A ceiling made of drywall shall not have bows or depressions that equal or exceed 1/2 of an inch out of line within a 32-inch measurement as measured from the center of the bow or depression running parallel with a ceiling joist or within 1/2 of an inch deviation from the plane of the ceiling within any eight foot measurement.
- (c) A drywall surface shall not have a crack such that any crack equals or exceeds 1/32 of an inch in width at any point along the length of the crack.
- (d) Crowning at a drywall joint shall not equal or exceed 1/4 of an inch within a twelve-inch measurement centered over the drywall joint. Crowning occurs when a drywall joint is higher than the plane of the drywall board on each side.
- (e) A drywall surface shall not have surface imperfections such as blisters, cracked corner beads, seam lines, excess joint compound or trowel marks that are visible from a distance of six (6) feet or more in normal light.
- (f) A drywall surface shall not be out of level (horizontal), plumb (vertical) or square (perpendicular at a 90-degree angle) such that there are variations in those measurements to wall or surface edges at any opening, corner, sill, shelf, etc. shall not equal or exceed 3/8 of an inch in any 32-inch measurement along the wall or surface.
 - i. This standard shall not apply to remodeling projects where existing conditions do not permit the Builder to achieve the Performance Standard. At or about the time of discovery of such a pre-existing condition, a remodeler shall notify the homeowner, in writing, of any existing condition that prevents achievement of the standard.
- (g) Nails or screws shall not be visible in a drywall surface from a distance of six (6) feet under normal lighting conditions.

(D) PERFORMANCE STANDARDS FOR INSULATION

(1) Performance Standards for Insulation:

- (a) Insulation shall be installed in the walls, ceilings and floors of a home in accordance with the building plan and specifications and the Code.
- (b) Blown insulation in the attic shall not displace or settle so that it reduces the R-value below manufacturer's specifications, the building plans and the Code.
- (c) A gap equal to or in excess of 1/4 of an inch between insulation batts or a gap between insulation batts and framing members is not permitted.
- (d) Insulation shall not cover or block a soffit vent to the extent that it blocks the free flow of air.

(E) PERFORMANCE STANDARDS FOR EXTERIOR SIDING AND TRIM

(1) Performance Standards for Exterior Siding:

- (a) Exterior siding shall be equally spaced and properly aligned. Horizontal siding shall not equal or exceed 1/2 of an inch off parallel with the bottom course or 1/4 of an inch off parallel with the adjacent course from corner to corner.
- (b) Siding shall not gap or bow. A siding end joint shall not have a gap that leaks or that equals or exceeds 1/4 of an inch in width. Siding end joint gaps shall be caulked. A bow in siding shall not equal or exceed 3/8 of an inch out of line in a 32-inch measurement.
- (c) Nails shall not protrude from the finished surface of siding but nail heads may be visible on some products where allowed by the manufacturer's specifications.
- (d) Siding shall not have a nail stain.
- (e) Siding and siding knots shall not become loose or fall off.
- (f) Siding shall not delaminate.
- (g) Siding shall not cup in an amount equal to or exceeding 1/4 of an inch in a six-foot run.
- (h) Siding shall not have cracks or splits that equal or exceed 1/8 of an inch in width.

(2) Performance Standards for Exterior Trim:

- (a) A joint between two trim pieces or between a trim piece and the adjoining material shall not have a separation that is equal to or exceeding 1/4 of an inch in width. All trim joints shall be caulked and shall not leak.
- (b) Exterior trim and eave block shall not warp in an amount equal to or exceeding 1/2 of an inch in an eight-foot run.
- (c) Exterior trim and eave block shall not cup in an amount equal to or in excess of 1/4 of an inch in a six-foot run.
- (d) Exterior trim and eave block shall not have cracks or splits equal to or in excess of 1/8 of an inch in average width.
- (e) Trim shall not have nails that completely protrude through the finished surface of the trim but nail heads may be visible on some products.
 - i. Some products specify that the nails be flush with the trim surface. When these products are used, visible nail heads are not considered protruding nails as long as they are painted over.
- (f) Trim shall not have a nail stain.

(F) PERFORMANCE STANDARDS FOR MASONRY INCLUDING BRICK, BLOCK AND STONE

(1) Performance Standards for Masonry Including Brick, Block and Stone:

- (a) A masonry wall shall not bow in an amount equal to or in excess of one (1) inch when measured from the base to the top of the wall.
 - i. The standard set forth in this subsection does not apply to natural stone products.
- (b) A masonry unit or mortar shall not be broken or loose.
- (c) A masonry mortar crack shall not equal or exceed 1/8 of an inch in width.
- (d) A masonry unit or mortar shall not deteriorate.
- (e) Masonry shall not have dirt, stain or debris on the surface due to construction activities.
- (f) A gap between masonry and adjacent material shall not equal or exceed 1/4 of an inch in average width and all such gaps shall be caulked.
- (g) Mortar shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout.

- i. The homeowner shall not put any material into weep holes. Weep holes are an integral part of the wall drainage system and must remain unobstructed.

(G) PERFORMANCE STANDARDS FOR STUCCO

(1) Performance Standards for Stucco:

- (a) Stucco surfaces shall not be excessively bowed, uneven, or wavy.
 - i. This standard shall not apply to decorative finishes.
- (b) Stucco shall not be broken or loose.
- (c) Stucco shall not have cracks that equal or exceed 1/8 of an inch in width at any point along the length of the crack.
 - i. The Builder shall not be responsible for repairing cracks in stucco caused by the homeowner's actions, including the attachment of devices to the stucco surface such as, but not limited to, patio covers, plant holders, awnings and hose racks.
- (d) Stucco shall not deteriorate excessively.
 - i. The homeowner shall not allow water from irrigation systems to contact stucco finishes excessively.
- (e) Stucco shall not have dirt, stain or debris on surface due to construction activities.
- (f) Stucco surfaces shall not have imperfections that are visible from a distance of six (6) feet under normal lighting conditions that disrupt the overall uniformity of the finished pattern.
- (g) The lath shall not be exposed.
- (h) A separation between the stucco joints shall not equal or exceed 1/16 of an inch in width.
- (i) A separation between a stucco surface and adjacent material shall not equal or exceed 1/4 of an inch in width and all separations shall be caulked.
- (j) Stucco shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout.
- (k) Stucco screed shall have a minimum clearance of at least four (4) inches above the soil or landscape surface and at least two (2) inches above any paved surface.
- (l) Exterior Insulation Finish Systems (EIFS) stucco screed shall clear any paved or unpaved surface by six (6) inches.

(H) PERFORMANCE STANDARDS FOR ROOFS

(1) Performance Standards for Roofs:

- (a) Flashing shall prevent water penetration.
 - i. The Builder shall not be responsible for leaks caused by extreme weather.
- (b) The roof shall not leak.
 - i. The Builder shall not be responsible for leaks caused by extreme weather.
 - ii. The homeowner shall perform periodic maintenance to prevent leaks due to build-up of debris, snow or ice. The homeowner shall take such action as is necessary to prevent downspouts and gutters from becoming clogged.
- (c) A vent, louver or other installed attic opening shall not leak.
 - i. The Builder shall not be responsible for leaks caused by extreme weather.
- (d) A gutter or downspout shall not leak or retain standing water. After cessation of rainfall, standing water in an unobstructed gutter shall not equal or exceed 1/2 of an inch in depth.
 - i. The Builder shall not be responsible for leaks caused by extreme weather.
 - ii. The homeowner shall maintain and clean gutters and downspouts to prevent buildup of debris or other obstructions.
- (e) Shingles, tiles, metal or other roofing materials shall not become loose or fall off in wind speeds less than those set forth in the manufacturer's specifications.
- (f) A skylight shall not leak.
- (g) Water shall drain from a built-up roof within two hours after cessation of rainfall. The standard does not require that the roof dry completely within the time period.
- (h) A roof tile shall not be cracked or broken. No shingle shall be broken so that it detracts from the overall appearance of the home.
- (i) A pipe, vent, fireplace or other object designed to penetrate the roof shall not be located within the area of roof valley centerline without proper "cricketing" or other Code-approved water diversion methods.

- (j) The exterior moisture barrier of the roof shall not allow moisture penetration.
 - i. The homeowner shall not make penetrations through exterior moisture barrier of the roof.

(I) PERFORMANCE STANDARDS FOR DOORS AND WINDOWS

(1) Performance Standards for Both Doors and Windows:

- (a) When closed, a door or window shall not allow excessive infiltration of air or dust.
- (b) When closed, a door or window shall not allow excessive accumulation of moisture inside the door or window.
 - i. The homeowner shall keep weep holes on windows and doors free of dirt buildup and debris, thereby allowing water to drain properly.
 - ii. Most door and window assemblies are designed to open, close and weep moisture—allow condensation or minor penetration by the elements to drain outside.
- (c) Glass in doors and windows shall not be broken due to improper installation or construction activities.
- (d) A screen in a door or window shall fit properly and shall not be torn or damaged due to construction activities. A screen shall not have a gap equal to or exceeding 1/4 of an inch between the screen frame and the window frame.
- (e) There shall be no condensation between window and door panes in a sealed insulated glass unit.
 - i. The homeowner shall not apply a tinted window film or coating to window or door panes in sealed insulated glass units.
- (f) A door or window latch or lock shall close securely and shall not be loose or rattle.
- (g) A door or window shall operate easily and smoothly and shall not require excessive pressure when opening or closing.
- (h) A door or window shall be painted or stained according to the manufacturer's specifications.

(2) Performance Standards for Windows:

- (a) A double hung window shall not move more than two (2) inches when put in an open position.

(3) Performance Standards for Doors:

- (a) A sliding door and door screen shall stay on track.
 - i. The homeowner shall clean and lubricate sliding door or door screen hardware as necessary.
- (b) The spacing between an interior door bottom and original floor covering, except closet doors, shall not exceed 1.5 inches and shall be at least 1/2 of an inch. The spacing between an interior closet door bottom and original floor covering shall not exceed two (2) inches and shall be at least 1/2 of an inch.
- (c) A door shall not delaminate.
- (d) A door panel shall not split so that light from the other side is visible.
- (e) A door shall open and close without binding.
- (f) A door shall not warp to the extent that it becomes inoperable. A warp in a door panel shall not equal or exceed 1/4 of an inch from original dimension measured vertically, horizontally or diagonally from corner to corner.
- (g) A storm door shall open and close properly and shall fit properly.
- (h) When a door is placed in an open position, it shall remain in the position it was placed, unless the movement is caused by airflow.
- (i) A metal door shall not be dented or scratched due to construction activities.

(4) Performance Standards for Garage Doors:

- (a) A metal garage door shall not be dented or scratched due to construction activities.
- (b) A garage door opener, if provided, shall operate properly in accordance with manufacturer's specifications.
 - i. The homeowner shall maintain tracks, rollers and chains and shall not block or bump sensors to electric garage door openers.
- (c) A garage door shall not allow excessive water to enter the garage and the gap around the garage door shall not equal or exceed 1/2 of an inch in width.
- (d) A garage door spring shall operate properly and shall not lose appreciable tension, break or be undersized.
- (e) A garage door shall remain in place at any open position, operate smoothly and not be off track.

(J) PERFORMANCE STANDARDS FOR INTERIOR FLOORING

This section includes Performance Standards for Carpet, Vinyl Flooring and Wood Flooring. Performance Standards for ceramic tile, flagstone, marble, granite, slate, quarry tile other hard surface floors, and finished concrete floors, are located in this section.

(1) Performance Standards for Carpet:

- (a) Carpet shall not wrinkle and shall remain tight, lay flat and be securely fastened.
- (b) Carpet seams may be visible but shall be smooth without a gap or overlap.
- (c) Carpet shall not be stained or spotted due to construction activities.

(2) Performance Standards for Finished Concrete Floors:

- (a) A finished slab, located in a living space that is not otherwise designed for drainage, shall not have pits, depressions or unevenness that equals or exceeds 3/8 of an inch in any 32 inches.
 - i. Finished concrete slabs in living spaces that are designed for drainage, such as a laundry room, are excepted from the standards stated in this subsection.
- (b) Finished concrete slabs in living spaces shall not have separations, including joints, and cracks that equal or exceed 1/8 of an inch in width or 1/16 of an inch in vertical displacement.

(3) Performance Standards for Wood Flooring:

- (a) Wood flooring shall not have excessive humps, depressions or unevenness that equals or exceeds 3/8 of an inch in any 32-inch direction within any room.
- (b) Wood flooring shall remain securely attached to the foundation or sub-floor unless the wood flooring is designed to be installed without nails, glue, adhesives or fasteners.
- (c) Wood flooring shall not have open joints and separations that equal or exceed 1/8 of an inch.
 - i. These standards do not apply to non-hardwood species that contain greater moisture and may shrink after installation or structural floors that are designed to serve as the finished floor. If the floor is designed as a structural finish floor, the Builder must provide a written explanation of that floor to the homeowner prior to the execution of the contract or installation of the product, whichever occurs later.
- (d) Strips of floorboards shall not cup in an amount that equals or exceeds 1/16 of an inch in height in a three (3) inch distance when measured perpendicular to the length of the board.
 - i. This standard does not apply to non-hardwood species that typically shrink after installation or structural floors that are designed to serve as the finished floor. If the floor is designed as a structural finish floor, the Builder must provide a written explanation of the characteristics of that floor to the homeowner.
- (e) Unless installed as a specialty feature, wood flooring shall not have excessive shade changes or discoloration due to the construction activities of the Builder.
- (f) Unless installed as a specialty feature, wood flooring shall not be stained, spotted or scratched due to construction activities of the Builder.

(K) PERFORMANCE STANDARDS FOR VINYL FLOORING

(1) Performance Standards for Vinyl Flooring:

- (a) Vinyl flooring shall be installed square to the most visible wall and shall not vary by 1/4 of an inch in any six (6) foot run.
- (b) The seam alignment in vinyl flooring shall not vary such that the pattern is out of alignment in an amount that equals or exceeds 1/8 of an inch.
- (c) Vinyl flooring shall remain securely attached to the foundation or sub-floor.
- (d) A vinyl floor shall not have a depression that equals or exceeds 1/2 of an inch in any six (6) foot run. If a vinyl floor has a depression that exceeds the standard stated in this paragraph and the depression is due to construction activities, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) A vinyl floor shall not have a ridge that equals or exceeds 1/2 of an inch when measured as provided in this subsection. The ridge measurement shall be made by measuring the gap created when a six (6) foot straight edge is placed tightly three (3) inches on each side of the Defect and the gap is measured between the floor and the straight edge at the other end. If a vinyl floor has a ridge that fails to comply with the standard stated in this paragraph and the ridge is due to construction activities, the Builder shall take such action as is necessary to bring the variance within the standard.
- (f) Vinyl floor shall not be discolored, stained or spotted due to the construction activities of the Builder.
- (g) Vinyl flooring shall not be scratched, gouged, cut or torn due to construction activities.

- (h) Debris, sub-floor seams, nails and/or screws shall not be detectable under the vinyl floor from a distance of three (3) feet or more in normal light.
- (i) Sub-flooring shall not cause vinyl flooring to rupture.
- (j) A seam in vinyl flooring shall not have a separation that equals or exceeds 1/16 of an inch in width. Where dissimilar materials abut, there shall not be a gap equal to or greater than 1/8 of an inch.

(L) PERFORMANCE STANDARDS FOR HARD SURFACES, INCLUDING CERAMIC TILE, FLAGSTONE, MARBLE, GRANITE, SLATE, QUARRY TILE, FINISHED CONCRETE OR OTHER HARD SURFACES

(1) Performance Standards for Hard Surfaces Generally:

- (a) A hard surface shall not break or crack due to construction activities.
- (b) A hard surface shall remain secured to the substrate.
- (c) A surface imperfection in floor hard surface shall not be visible from a distance of three (3) feet or more in normal light. A surface imperfection in non-floor hard surface shall not be visible from a distance of two (2) feet or more in normal light. If a hard surface fails to meet the standards stated in this paragraph due to construction activities, the Builder shall take such action as is necessary to bring the variance within the standard.
- (d) Color variations between field hard surfaces and trim hard surfaces should not vary excessively due to construction activities.
 - i. Natural products such as flagstone, marble, granite, slate and other quarry tile will have color variation.
- (e) Hard surface areas shall not leak.
- (f) The surfaces of two adjacent hard surfaces shall not vary in an amount equal to or exceeding 1/16 of an inch displacement at a joint (lippage) in addition to the actual manufacturing variations of the hard surface, such as warpage or dimensional differences in the hard surfaces, including thickness. If a joint between two hard surfaces fails to meet the Performance Standard stated in this paragraph (excluding trim pieces), the Builder shall take such action as is necessary to bring the variance within the standard.
- (g) Hard surface layout or grout line shall not be excessively irregular.
 - i. Natural products such as flagstone, marble, granite, slate, and other quarry tile will have size variations that may create irregular layouts or grout lines.
- (h) Hard surface countertops shall be level to within 1/4 of an inch in any six (6) foot measurement.
- (i) Hard surface floors located in a living space that is not otherwise designed for drainage, shall not have pits, depressions, or unevenness that equals or exceeds 3/8 of an inch in any 32 inches.
 - i. Finished hard surface floors located in living spaces that are designed for drainage, such as a laundry room, are excepted from the standards stated in this subsection.

(2) Performance Standards for Grout:

- (a) Grout shall not deteriorate.
- (b) Cracks in grout shall not exceed 1/16 of an inch in width.
- (c) Grout shall not change shade or discolor excessively due to construction activities.

(3) Performance Standards for Concrete Countertops:

- (a) A concrete countertop shall not have excessive pits, depressions, or unevenness that equal or exceed 1/8 of an inch in any 32-inch measurement.
- (b) A concrete countertop shall not have separations or cracks equal to or exceeding 1/16 of an inch in width or 1/64 of an inch in vertical displacement.
- (c) A finished concrete countertop shall not be stained, spotted or scratched due to construction activities.
- (d) A concrete countertop shall not have a chipped edge that extends beyond 1/16 of an inch from the edge of the countertop due to construction activities.
- (e) A concrete countertop shall not change shade or discolor excessively due to construction activities.

(M) PERFORMANCE STANDARDS FOR PAINTING, STAIN, AND WALL COVERINGS

(1) Performance Standards for Caulking:

- (a) Interior caulking shall not deteriorate or crack excessively.

(2) Performance Standards for Painting and Stain:

- (a) Paint or stain shall not have excessive color, shade or sheen variation.
 - i. This standard shall not apply to stained woodwork.

- (b) Paint shall cover all intended surfaces so that unpainted areas shall not show through paint when viewed from a distance of six (6) feet in normal light.
- (c) Interior paint or stain shall not deteriorate.
- (d) Exterior paint or stain shall not deteriorate excessively.
- (e) Paint over-spray shall not exist on any surface for which it was not intended.
- (f) Interior varnish, polyurethane or lacquer finish shall not deteriorate.
- (g) Exterior varnish, polyurethane or lacquer finishes shall not deteriorate excessively.
 - i. Exterior varnish, polyurethane or lacquer finishes that are subject to direct sunlight are excluded from this standard.
- (h) Interior painted, varnished or finished surface shall not be scratched, dented, nicked or gouged due to construction activities.
- (i) A paint product shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability.

(3) Performance Standards for Wall Coverings:

- (a) A wall covering shall be properly secured to the wall surface and shall not peel or bubble.
- (b) Pattern repeats in wall coverings shall match. Wall coverings shall be installed square to the most visible wall. Pattern repeats shall not vary in an amount equal to or exceeding 1/4 of an inch in any six (6) foot run.
- (c) A wall covering seam shall not separate or gap.
- (d) Lumps or ridges in a wall covering shall not be detectable from a distance of six (6) feet or more in normal light.
- (e) Wall coverings shall not be discolored, stained or spotted due to construction activities.
- (f) Wall coverings shall not be scratched, gouged, cut or torn due to construction activities.
- (g) Wall coverings shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability.

(N) PERFORMANCE STANDARDS FOR PLUMBING

(1) Performance Standards for Plumbing Accessories:

- (a) A fixture surface shall not have a chip, crack, dent or scratch due to construction activities.
- (b) A fixture shall not have tarnish, blemishes or stains unless installed as a specialty feature.
 - i. Fixture finishes that are tarnished, blemished or stained due to high iron, manganese or other mineral content in water are excluded from this standard.
- (c) A fixture or fixture fastener shall not corrode.
 - i. A Builder is not responsible for corrosion caused by factors beyond the manufacturer's or the Builder's control, including the homeowner's use of corrosive chemicals or cleaners or corrosion caused by water content.
- (d) A decorative gas appliance shall be installed in accordance with manufacturer's specifications and when so installed shall function in accordance with manufacturer's representations.
- (e) Fixtures shall be secure and not loose.
 - i. The homeowner shall not exert excessive force on a fixture.
- (f) A fixture stopper shall operate properly and shall retain water in accordance with the manufacturer's specifications.
- (g) The toilet equipment shall not allow water to run continuously.
 - i. If toilet equipment allows water to run continuously, the homeowner shall shut off the water supply or take such action as is necessary to avoid damage to the home.
- (h) A toilet shall be installed and perform in accordance with the manufacturer's specifications.
 - i. In the event of water spillage, the homeowner shall shut off the water supply and take such action as is necessary to avoid damage to the home.
- (i) A tub or shower pan shall not crack.
- (j) A tub or shower pan shall not squeak excessively.
- (k) A water heater shall be installed and secured according to the manufacturer's specifications and the Code.
- (l) A waste disposal unit shall be installed and operate according to the manufacturer's specifications.
- (m) A faucet or fixture shall not drip or leak.

- i. This standard does not include drips or leaks due to debris or minerals from the water source, unless it is due to construction activities.
- (n) A sump pump shall be installed in accordance with the manufacturer's specifications and shall operate properly when so installed.

(2) Performance Standards for Pipes and Vents:

- (a) A sewer gas odor originating from the plumbing system shall not be detectable inside the home under conditions of normal residential use.
 - i. The homeowner shall keep plumbing traps filled with water.
- (b) A vent stack shall be free from blockage and shall allow odor to exit the home.
- (c) A water pipe shall not make excessive noise such as banging or hammering repeatedly.
 - i. A water pipe subject to expansion or contraction of the pipe as warm or cool water flows through the pipe may cause a "ticking" sound temporarily. The standard stated in this subsection does not require a Builder to remove all noise attributable to water flow and pipe expansion.

(O) PERFORMANCE STANDARDS FOR HEATING, COOLING AND VENTILATION

(1) Performance Standards for Heating and Cooling:

- (a) A condensation line shall not be obstructed due to construction activities.
 - i. The homeowner shall periodically check for the free flow of condensate (water) from the line and clear the line when necessary.
- (b) A drip pan and drain line shall be installed under a horizontal air handler as per the Code.
 - i. The homeowner shall periodically check for the free flow of condensate (water) from the line and clear the line when necessary.
- (c) Insulation shall completely encase the refrigerant line according to Code.
 - i. The homeowner shall ensure that insulation on the refrigerant line is not damaged or cut due to home maintenance or landscape work.
- (d) An exterior compressor unit shall be installed in accordance with the manufacturer's instructions and specifications. The bottom of the exterior compressor unit support shall not be below ground level.
 - i. The homeowner shall ensure that settlement of the exterior compressor unit pad does not occur due to home maintenance, landscape work or excessive water from irrigation.

(2) Performance Standards for Venting:

- (a) An appliance shall be vented according to the manufacturer's specifications.
- (b) Back draft dampers shall be installed and function according to the manufacturer's specifications.

(3) Performance Standards for Ductwork:

- (a) Ductwork shall not make excessive noise.
 - i. The flow of air, including its velocity, or the expansion of ductwork from heating and cooling may cause common "ticking" or "crackling" sounds. The Builder shall have no responsibility for correction in such cases.
 - ii. The homeowner shall not place any object on the ductwork.

(P) PERFORMANCE STANDARDS FOR ELECTRICAL SYSTEMS AND FIXTURES

(1) Performance Standards for Electrical Systems and Fixtures:

- (a) Excessive air infiltration shall not occur around electrical system components or fixtures.
- (b) A fixture or trim plate shall not be chipped, cracked, dented or scratched due to construction activities.
- (c) A fixture or trim plate finish shall not be tarnished, blemished or stained due to construction activities.
- (d) A fixture, electrical box or trim plate shall be installed in accordance with the Code and shall be plumb and level.
- (e) Fixtures, such as lights, fans and appliances shall operate properly when installed in accordance with the manufacturer's specifications.
- (f) A smoke detector shall operate according to the manufacturer's specifications and shall be installed in accordance with the Code.
- (g) An exhaust fan shall operate within the manufacturer's specified noise level.
- (h) A carbon monoxide detector shall operate according to the manufacturer's specifications and shall be installed in accordance with the Code.

(Q) PERFORMANCE STANDARDS FOR INTERIOR TRIM

(1) Performance Standards for Trim:

- (a) An interior trim joint separation shall not equal or exceed 1/8 of an inch in width or shall not separate from adjacent surfaces equal to or in excess of 1/8 of an inch and all joints shall be caulked or puttied.
- (b) The interior trim shall not have surface damage, such as scratches, chips, dents, gouges, splits, cracks, warping or cupping that is visible from a distance of six (6) feet or more in normal light due to construction activities.
- (c) A hammer mark on trim shall not be visible from a distance of six (6) feet or more when viewed in normal light.
- (d) A nail or nail hole in interior trim shall not be visible from a distance of six (6) feet or more when viewed in normal light.

(R) PERFORMANCE STANDARDS FOR SHELVING

(1) Performance Standards for Shelving:

- (a) Shelving, rods and end supports shall be installed in accordance with the measurements stated in this subsection. The length of a closet rod shall not be shorter than the actual distance between the end supports in an amount equal to or exceeding 1/4 of an inch. The length of a shelf shall not be shorter than the actual distance between the supporting walls by an amount equal to or exceeding 1/4 of an inch. End supports shall be securely mounted.

(S) PERFORMANCE STANDARDS FOR CABINET DOORS

(1) Performance Standards for Cabinet Doors:

- (a) Cabinet doors shall open and close with reasonable ease. Cabinet doors shall be even and shall not warp more than 1/4 of an inch when measured from the face to the point of the furthest point of the door or drawer front when closed.
 - i. Some warping, cupping, bowing or twisting is normally caused by surface temperature and humidity changes.

(T) PERFORMANCE STANDARDS FOR MIRRORS, INTERIOR GLASS AND SHOWER DOORS

(1) Performance Standards for Mirrors, Interior Glass, and Shower Doors:

- (a) A mirror, interior glass or shower door shall not be loose and shall be securely mounted or attached to the supporting surface. Fixtures such as towel bars or door handles shall be securely mounted.
- (b) A mirror, interior glass or shower door shall not be damaged due to construction activities.
- (c) A shower door shall not leak due to Builder or construction activities.
- (d) Imperfections in a mirror or shower door shall not be visible from a distance of two (2) feet or more when viewed in normal light.
- (e) When opening and closing, a shower door shall operate easily and smoothly without requiring excessive pressure.

(U) PERFORMANCE STANDARDS FOR HARDWARE AND IRONWORK

(1) Performance Standards for Hardware:

- (a) Hardware finishes shall not be tarnished, blemished, corroded or stained due to construction activities, unless the finish is installed as a specialty feature.
 - i. The Builder is not responsible for tarnished, blemished, or stained hardware finishes that have been damaged by factors that are beyond the manufacturer's or the Builder's control such as the homeowner's use of abrasive pads or cleaners, harsh chemicals, alcohol, organic solvents or deterioration caused by exposure to outdoor elements such as salt air or humidity.
- (b) Hardware shall function properly, without catching, binding or requiring excessive force to operate.
- (c) Hardware shall not be scratched, chipped, cracked or dented due to construction activities.
- (d) Hardware shall be installed securely and shall not be loose.
 - i. The homeowner shall not exert excessive force on hardware.

(2) Performance Standards for Interior Ironwork:

- (a) Interior ironwork shall not rust.
 - i. The Builder is not responsible for ironwork finishes that rust due to factors that are beyond the manufacturer's or the Builder's control such as the homeowner's use of abrasive pads or cleaners, harsh chemicals, alcohol, organic solvents or deterioration caused by exposure to humidity.

(V) PERFORMANCE STANDARDS FOR COUNTERTOPS AND BACKSPLASHES

(1) Performance Standards for Countertops and Backsplashes Generally:

- (a) A countertop or backsplash shall be secured to substrate in accordance with manufacturer's specifications.
- (b) For non-laminate countertops and backsplashes, the joints between countertop surfaces, between the countertop surface and the backsplash or side-splash and between adjoining backsplash panels may be visible, but shall not separate.
- (c) Countertops shall be level to within 1/4 of an inch in any six (6) foot measurement.
- (d) A countertop surface or edge shall not be damaged, broken, chipped or cracked due to construction activities.
- (e) A countertop shall not bow or warp in an amount equal to or exceeding 1/16 of an inch per lineal foot.
- (f) Counter and vanity top materials should not delaminate.

(2) Performance Standards for Laminate Countertops and Backsplashes:

- (a) Laminate countertops and backsplashes shall not delaminate and shall remain securely attached to the substrate. Delamination is the separation of the finish surface veneer from the substrate material.
- (b) A seam in a laminate countertop or backsplash may be visible but shall not be separated or displaced.
- (c) A surface imperfection in a laminate countertop or a backsplash shall not be visible from a distance of three (3) feet or more when viewed in normal light due to construction activities.

(W) PERFORMANCE STANDARDS FOR FIREPLACES

(1) Performance Standards for Fireplaces:

- (a) A refractory panel shall not crack or separate.
 - i. The homeowner shall not use synthetic logs or other materials if not approved by the manufacturer.
- (b) A fireplace door shall operate properly. Fireplace doors shall meet evenly and shall not be out of alignment from one another in an amount equal to or exceeding 1/8 of an inch in any direction.
- (c) A fireplace shall not have a gas leak.
- (d) Gas logs shall be positioned in accordance with the manufacturer's specifications.
 - i. The homeowner shall not incorrectly reposition or relocate the logs after the original placement. The homeowner shall not place the logs in a manner that does not allow the flame to flow through the logs according to the manufacturer's specifications.
- (e) A crack in masonry hearth or facing shall not be equal to or exceed 1/4 of an inch in width.
- (f) A fireplace or chimney shall draw properly.
- (g) A firebox shall not have excessive water infiltration under normal weather conditions.
- (h) A fireplace fan shall not exceed the noise level established by the manufacturer's specifications.

(X) PERFORMANCE STANDARDS FOR IRRIGATION SYSTEMS

(1) Performance Standards for Irrigation Systems:

- (a) An irrigation system shall not leak, break or clog due to construction activities or due to soil settlement.
- (b) An irrigation system shall be installed such that sprinkler coverage shall be complete and water shall not spray an unintended area due to construction activities.
- (c) The irrigation system control shall operate in accordance with manufacturer's specifications.
 - i. The Builder shall provide the homeowner with instructions on the operation of the irrigation system at closing.

(Y) PERFORMANCE STANDARDS FOR FENCING

(1) Performance Standards for Fencing:

- (a) A fence shall not fall over and shall not lean in excess of two (2) inches out of plumb due to construction activities.
- (b) A wood fence board shall not be broken due to construction activities. Wood fence board shall not become detached from the fence due to construction activities of the Builder.
- (c) A masonry unit or mortar in a fence shall not be broken or loose. A crack in a masonry unit shall not occur. A crack in the mortar shall not equal or exceed 1/8 of an inch in width.
- (d) A masonry wall shall have adequate weep holes in the lowest course as required by the Code to allow seepage to pass through the wall.

(Z) PERFORMANCE STANDARDS FOR YARD GRADING

(1) Performance Standards for Yard Grading:

- (a) Yards shall have grades and swales that provide for proper drainage away from the home in accordance with the Code or other governmental regulations.
 - i. The homeowner shall maintain the drainage pattern and protect the grading contours from erosion, blockage, over-saturation or any other changes. The possibility of standing water, not immediately adjacent to the foundation but in the yard, after prolonged or an unusually heavy rainfall event should be anticipated by the homeowner.
- (b) Settling or sinking of soil shall not interfere with the drainage patterns of the lot or have a vertical depth of six (6) inches or more.

(AA) PERFORMANCE STANDARDS FOR PEST CONTROL

(2) Performance Standards for Pest Control:

- (a) Eave returns, truss blocks, attic vents and roof vent openings shall not allow rodents, birds, and other similar pests into home or attic space.

SECTION 8: PERFORMANCE STANDARDS FOR ELECTRICAL, PLUMBING, AND MECHANICAL DISTRIBUTION SYSTEMS UNDER THE TWO-YEAR DELIVERY PORTION OF SYSTEMS WARRANTY:

This section describes the Performance Standards for the various Delivery Portion of Systems in a Home as described below. Unless otherwise stated under the various Performance Standards herein, if any such Performance Standard is not met, the Builder or Insurer (as applicable) shall take such action as is necessary to bring the variance within the standard. The Builder or Insurer (as applicable) will repair or replace those elements or components of a Home that do not meet these standards during the applicable warranty period.

(A) PERFORMANCE STANDARDS FOR ELECTRICAL DELIVERY SYSTEMS

(1) Performance Standards for Electrical Wiring:

- (a) Electrical wiring installed inside the home shall be installed in accordance with the Code and any other applicable electrical standards and shall function properly from the point of demarcation, as determined by the respective utility.
 - i. The Builder shall not be responsible for utility improvements from the meter/demarcation point to the utility poles or the transformer.
- (b) Electrical wiring shall be capable of carrying the designated load as set forth in the Code.
 - i. All electrical equipment shall be used for the purposes and/or capacities for which it was designed and in accordance with manufacturer's specifications.

(2) Performance Standards for the Electrical Panel, Breakers, and Fuses:

- (a) The electrical panel and breakers shall have sufficient capacity to provide electrical service to the home during normal residential usage.
 - i. The Builder is not responsible for electrical service interruptions caused by external conditions such as power surges, circuit overloads and electrical shorts.
- (b) The electrical panel and breakers shall have sufficient capacity to provide electrical service to the home during normal residential usage such that a circuit breaker shall not trip and fuses shall not blow repeatedly under normal residential electric usage.
 - i. The Builder is not responsible for circuit breaker trips or blown fuses that have functioned as designed to protect the home from external conditions such as power surges, circuit overloads and shorts.

(3) Performance Standards for Electric Outlets with Ground Fault Interrupters:

- (a) Electrical outlets with ground fault interrupters shall be installed and operate in accordance with the Code and manufacturer's specifications. If ground fault interrupters trip repeatedly under normal residential usage, the Builder shall take such action as is necessary to ensure that the electrical outlets with ground fault interrupters are installed in accordance with the Code and manufacturer's instructions and specifications and that they operate properly during normal residential electrical usage.
 - i. The homeowner shall not plug appliances that require constant electrical flow, such as refrigerators and freezers, into an outlet with a ground fault interrupter.

(4) Performance Standards for Fixtures, Outlets, Doorbells and Switches:

- (a) An outlet, doorbell or switch shall be installed in accordance with the manufacturer's specifications and the Code and shall operate properly when installed in accordance with the manufacturer's specifications and the Code.
- (b) A fixture, electrical box or trim plate shall be installed in accordance with the Code and manufacturer's specifications and shall be properly secured to the supporting surface.

- (c) A light shall not dim, flicker or burn out repeatedly under normal circumstances. A lighting circuit shall meet the Code.

(5) Performance Standards for Wiring or Outlets for Cable Television, Telephone, Ethernet or Other Services:

- (a) Wiring or outlets for cable television, telephone, Ethernet or other services shall be installed in accordance with the Code and any applicable manufacturer's specifications.
 - i. The Builder is not responsible for the failure of wiring or other utility service connectors or conduits that begin before the point at which the service enters the home.
- (b) Wiring or outlets for cable television, telephone, Ethernet or other services inside the home or on the home side of the meter/demarcation point shall function properly when installed in accordance with the Performance Standards in this subsection.
 - i. The Builder is not responsible for the failure of wiring or other utility service connectors or conduits that begin before the point at which the service enters the home.

(B) PERFORMANCE STANDARDS FOR PLUMBING DELIVERY SYSTEMS

(1) Performance Standards for Pipes Including Water and Gas Pipes, Sewer and Drain Lines, Fittings and Valves (but not including pipes included in a Landscape Irrigation System):

- (a) Pipes shall be installed and insulated in accordance with the Code and manufacturer's specifications.
 - i. If a water pipe bursts, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.
 - ii. The homeowner is responsible for insulating and protecting exterior pipes and hose bibs from freezing weather and for maintaining a reasonable temperature in the home during periods of extremely cold weather.
 - iii. The homeowner is responsible for maintaining a reasonable internal temperature in a home regardless of whether the home is occupied or unoccupied and for periodically checking to ensure that a reasonable internal temperature is maintained.
- (b) A water pipe shall not leak.
 - i. The homeowner shall shut off water supply immediately if such is required to prevent further damage to the home.
- (c) A gas pipe shall not leak, including natural gas, propane, or butane gas.
 - i. If a gas pipe is leaking, the homeowner shall shut off the source of the gas if the homeowner can do so safely.
- (d) Water pressure shall not exceed 80 pounds per square inch in any part of the water supply system located inside the home. Minimum static pressure at the building entrance for either public or private water service shall be 40 pounds per square inch in any part of the water supply system.
 - i. This standard assumes the public or community water supply reaches the home side of the meter at 40 pounds per square inch. The Builder is not responsible for water pressure variations originating from the water supply source.
- (e) A sewer, drain, or waste pipe shall not become clogged or stopped up due to construction activities.
 - i. The Builder shall take such action as is necessary to unclog a sewer, drain or waste pipe that is clogged or stopped up due to construction activities.
 - ii. The homeowner shall shut off water supply immediately if such is required to prevent damage to the home.

(2) Performance Standards for Individual Wastewater Treatment Systems.

- (a) A wastewater treatment system should be capable of properly handling normal flow of household effluent in accordance with the Texas Commission on Environmental Quality requirements. The Builder shall take such action as is necessary for the wastewater treatment system to perform within the standard stated in this subsection.
- (b) The Builder is not responsible for:
 - i. A system malfunctions or is damaged due to the addition of a fixture, equipment, appliance or other source of waste or water into the septic system by a person other than the Builder or a person working at the Builder's direction; or
 - ii. Malfunctions or limitations in the operation of the system attributed to a design restriction imposed by state, county or local governing agencies; or
 - iii. Malfunctions caused by freezing, soil saturation, soil conditions, changes in ground water table or any other acts of nature.

(C) PERFORMANCE STANDARDS FOR HEATING, AIR CONDITIONING AND VENTILATION DELIVERY SYSTEMS

Please note that the costs of parts and/or labor may be the responsibility of the Builder depending on the Manufacturer's product agreement.

(1) Performance Standards for Air Conditioning:

- (a) A refrigerant line shall not leak.
 - i. Condensation on a refrigerant line is not a leak.

(2) Performance Standards for Heating and Cooling Functions:

- (a) A heating system shall produce an inside temperature of at least 68-degrees Fahrenheit as measured two (2) feet from the outside wall of a room at a height of three (3) feet above the floor under local outdoor winter design conditions as specified in the Code..
 - i. Temperatures may vary up to 4-degrees Fahrenheit between rooms but no less than the standard set forth in this subsection. The homeowner's changes made to the size or configuration of the home, the heating system or the ductwork shall negate the Builder's responsibility to take measures to meet this Performance Standard.
- (b) An air-conditioner system shall produce an inside temperature of at most 78-degrees Fahrenheit as measured in the center of a room at height of five (5) feet above the floor, under local outdoor summer design conditions as specified in the Code.
 - i. This standard does not apply to evaporative or other alternative cooling systems or if the homeowner makes changes to the size or configuration of the home, the air-conditioning system or the ductwork. Internal temperatures may vary up to 4-degrees Fahrenheit between rooms but no more than the standard set forth in this subsection.
- (c) A thermostat reading shall not differ by more than 4-degrees Fahrenheit from the actual room temperature taken at a height of five (5) feet above the floor in the center of the room where the thermostat is located. The stated Performance Standard is related to the accuracy of the thermostat and not to the Performance Standard of the room temperature.
- (d) Heating and cooling equipment shall be installed and secured according to the manufacturer's instructions and specifications and shall not move excessively.

(3) Performance Standards for Vents, Grills or Registers:

- (a) A vent, grill or register shall operate easily and smoothly when applying normal operating pressure. If a vent, grill or register does not operate easily and smoothly when applying normal pressure when adjusting, the Builder shall repair the vent, grill or register so that it operates with ease of use when applying normal operating pressure.
- (b) A vent, grill or register shall be installed in accordance with the Code and manufacturer's instructions and specifications and shall be secured to the underlying surface.

(4) Performance Standards for Ductwork:

- (a) Ductwork shall be insulated in unconditioned areas according to Code.
- (b) Ductwork shall be secured according to the manufacturer's instructions and specifications and it shall not move excessively.
- (c) Ductwork shall be sealed and shall not separate or leak in excess of the standards set by the Code.

SECTION 9: PERFORMANCE STANDARDS FOR MAJOR STRUCTURAL COMPONENTS UNDER THE 10-YEAR STRUCTURAL DEFECT WARRANTY

This section describes the Performance Standards for the various major structural components of a Home as described. The Builder will repair or replace those elements or components of a Home that do not meet these standards during the applicable warranty period.

All decisions concerning the repair of a Major Structural Defect, including, but not limited to, development and choice of a repair design (or "plan"), method of repair, execution of repairs, replacement of covered Defective items, as well as all matters pertaining to the repair or replacement of all covered damage, belong to the sole discretion of the Builder.

(A) PERFORMANCE STANDARDS FOR SLAB FOUNDATIONS

- (1) Slab foundations should not move differentially after they are constructed, such that a tilt or deflection in the slab in excess of the standards defined below arises from post-construction movement. The protocol and standards for evaluating slab foundations shall follow the ASCE Guidelines with the following modifications:
 - (a) Overall deflection from original construction shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress, as described in Section 5 of the ASCE Guidelines, that results in actual observable physical damage to the Home. L shall be defined as the edge to

edge distance across any slab cross-section for which overall deflection is calculated. Calculations of overall deflection shall be based upon the change in elevation at each point for which an Original Construction Elevation was taken.

- (b) The slab shall not tilt after construction in excess of one (1) percent across any overall dimension of the Home or cause structural component(s) or masonry veneer to rotate into a structurally unstable position such that the weight vector of the component part falls outside the middle third of its bearing area. Calculations of tilt shall be based upon the change in elevation at each point for which an Original Construction Elevation was taken.
- (2) If measurements and associated symptoms of distress show that a slab foundation does not meet the deflection or tilt standards stated in this subsection, the Builder shall implement the recommendations of a Texas licensed Professional Engineer, which shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines.

(B) PERFORMANCE STANDARDS FOR MAJOR STRUCTURAL COMPONENTS OF A HOME OTHER THAN SLAB FOUNDATIONS

(1) Floor over pier and beam foundations:

- (a) A floor over a pier and beam foundation shall not deflect more than $L/360$ from original construction and have that movement create actual observable physical damage to the components of the Home identifiable in Section 5.3 of the ASCE Guidelines. L shall be defined as the edge to edge distance across any slab cross-section for which overall deflection is calculated. Calculations of overall deflection shall be based upon the change in elevation at each point for which an Original Construction Elevation was taken.
- (b) If a floor over pier and beam foundation deflects more than $L/360$ from its Original Construction Elevation and the movement has created actual observable physical damage to the components of a Home identifiable in Section 5.3 of the ASCE Guidelines, the Builder shall implement the recommendations of a Texas licensed Professional Engineer, which shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines.

(2) Structural components:

- (a) A defined structural component, other than the concrete elements of a slab foundation, shall not crack, bow, become distorted or deteriorate, such that it compromises the structural integrity of a Home or the performance of a structural system of the Home resulting in actual observable physical damage to a component of the Home. If a structural component of a Home, other than the concrete elements of a slab foundation, cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a component of the Home, the Builder shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the Home or the performance of the affected structural system.

(3) Deflected structural components:

- (a) A structural component, other than the foundation, shall not deflect more than the ratios allowed by the Code. If a structural component of the Home, other than the foundation, is deflected more than the ratios allowed by the Code, the Builder shall repair, reinforce or replace such structural component to restore the structural integrity of the Home or the performance of the affected structural system.

(4) Damaged structural components:

- (a) A structural component, other than the foundation, shall not be so damaged that it compromises the structural integrity or performance of the affected structural system. If a structural component, other than the foundation, is so damaged that it compromises the structural integrity or performance of a structural system of the Home, the Builder shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the Home or the performance of the affected structural system.

(5) Separated structural components:

- (a) A structural component, other than the foundation, shall not separate from a supporting member more than $3/4$ of an inch or such that it compromises the structural integrity or performance of the system. If a structural component, other than the foundation, is separated from a supporting member more than $3/4$ of an inch or separated such that it compromises the structural integrity or performance of a structural system of the Home, the Builder shall take such action as necessary to repair, reinforce or replace such structural component to re-establish the connection between the structural component and the supporting member, to restore the structural integrity of the Home and the performance of the affected structural system.

(6) Non-performing structural components:

- (a) A structural component, other than the foundation, shall function as required by the Code.

SECTION 10: 10-YEAR WARRANTY OF HABITABILITY

The Ten Year Warranty of Habitability is the Builder's obligation to construct a home that is: (A) in compliance with all stated performance standards; and, (B) is safe, sanitary and fit for humans to inhabit. An alleged construction defect under the Warranty of Habitability must have a direct adverse effect on the habitable areas of the home. This warranty applies to an alleged construction defect that would otherwise have been covered by the one year workmanship and materials warranty or the two year delivery systems warranty, but arose after the termination of those warranty periods, and the alleged construction defect must not have been discoverable by a reasonable or prudent inspection or examination of the home within the applicable warranty periods.

SECTION 11: HOW TO REQUEST WARRANTY PERFORMANCE

If You believe Your Home has a Defect and/or Deficiency covered under this warranty, You must notify the Builder upon discovery of the Defect and/or Deficiency in writing as provided below. Your written request for warranty performance must be received before the expiration of the applicable warranty. Warranted Defects and Deficiencies must occur within the Warranty Term to be covered.

- 1) If a Warranted Defect and/or Deficiency occurs, You must notify the Builder in writing.
- 2) The Builder will investigate and respond to Your request within thirty (30) days of receipt to determine whether the Defects and/or Deficiencies described are covered under this Express Limited Warranty. You must provide the Builder a reasonable opportunity to inspect Your Home during normal business hours if the Builder requests such an opportunity.
- 3) The Builder will advise You in writing as to whether Your Defect and/or Deficiency is covered by this Express Limited Warranty. If it is, the Builder will repair, replace, or make payment as described in this Express Limited Warranty. If You added Improvements which were not part of the Builder's original construction work, You are responsible for removal and/or repair of these items. Warranty repairs will be made during normal business hours.
- 4) If You believe the builder has not met their warranty obligations to You under this Express Limited Warranty, You must provide the Administrator (StrucSure Home Warranty) with written notice that You would like to request informal mediation.
- 5) Such notice must be received no later than sixty (60) days after the expiration of the applicable warranty period or the request will be rejected. *Note that the first thirty (30) days is time for the Builder to respond to Your initial notification, and the second thirty (30) days is time for You to notify the Administrator (StrucSure Home Warranty, LLC) of the Builder's lack of response.*
- 6) Once Your written notice has been received, the Administrator (StrucSure Home Warranty, LLC) will process Your request for mediation in accordance with the provisions of this warranty.
- 7) You have an obligation to cooperate with the Builder and the Administrator (StrucSure Home Warranty, LLC) concerning Your request for mediation. Your failure to cooperate may jeopardize Your warranty coverage.

SECTION 12: CONDITIONS OF WARRANTY PERFORMANCE

- (33) Actions taken to repair Defects and/or Deficiencies will not extend the periods of coverage provided in the Warranty Term(s).
- (34) If a request for warranty performance qualifies for coverage, the Builder has the right to choose to repair, replace, pay the reasonable cost of the repair or replacement, or pay the diminished fair market value of the Home caused by the covered defect.
- (35) Any events which cause a delay in the performance of the warranty obligations of the Builder and which are beyond the control of the Builder shall excuse the from performing until the effects causing the delay are remedied.
- (36) The right to repair, replace, or pay the diminished fair market value belongs solely to the Builder and the decision to make payment in lieu of implementing the covered repairs is solely that of the Builder. Replacement does not mean an obligation to purchase Your Home in the event of a claim nor under any other circumstance.
- (37) If the Builder repairs, replaces, or makes payment to You, the Builder shall be subrogated to all Your rights of recovery against any person or entity. If requested to do so, You must sign and deliver to the Builder a full and unconditional release, in recordable form, of all legal obligations and rights to recovery (including subrogation rights) with respect to the Warranted Defects and/or Deficiencies, and any condition arising from the warranted items. This must occur prior to payment for the reasonable cost of repair, replacement, or payment, or once the repair, replacement, or payment has been made. You must execute and deliver any and all instruments and documents, and take any and all other actions necessary to secure such rights including, but not limited to, assignment of proceeds of any other insurance or other warranties. You shall do nothing to prejudice these rights of subrogation.
- (38) The Builder is not responsible for exact color, texture or finish matches when replacing or repairing materials, repainting areas, or when items or materials have been discontinued. Surfaces altered incident to any repair will be finished or touched up to match the surrounding area as closely as practical. In connection with the repair of finish or surface material, such as paint, wallpaper, flooring or a hard surface, the Builder will match the standard and grade as closely as reasonably possible. The Builder will attempt to match the finish, but will not be responsible for discontinued patterns or materials, color variations, or shade variations. When the surface finish material must be replaced and the original material has been discontinued, the Builder is responsible for installing replacement material substantially similar in appearance to the original material.

SECTION 13: MEDIATION AND INSPECTION

Within thirty (30) days following the Administrator's receipt of request for mediation, the Administrator will review and mediate Your request by communicating with You, the Builder, and any other individuals or entities who the Administrator believes possess pertinent information.

If, after thirty (30) days, the Administrator has not been able to successfully mediate Your request, or at any earlier time when the Administrator believes that You and Your Builder are at an impasse, then the Administrator will notify You that Your request has become an Unresolved Warranty Issue and that You may proceed to arbitration.

You have an obligation to cooperate with the mediation of Your warranty request. Your warranty file may be closed should You fail to cooperate or respond to requests within thirty (30) days.

SECTION 14: ARBITRATION

The parties to this Express Limited Warranty intend and agree that any and all claims, disputes and controversies by or between the Homeowner, the Builder, the Administrator, or any combination of the foregoing, arising out of or related to this Express Limited Warranty, any alleged Defect and/or Deficiency in or to the subject Home or the real property on which the subject Home is situated, or the sale of the subject Home by the Builder, including, without limitation, any claim of breach of contract, negligent or intentional misrepresentation, or nondisclosure in the inducement, execution, or performance of any contract, including this arbitration agreement, or breach of any alleged duty of good faith and fair dealing, shall be settled by binding arbitration in a manner consistent with this arbitration agreement. Agreeing to arbitration means You are waiving Your right to a trial by a judge and/or a jury.

You must begin the arbitration process by giving the Administrator written notice of Your request for arbitration of an Unresolved Warranty Issue. After the Administrator's receipt of Your notice of request for arbitration, any Unresolved Warranty Issue that You have with the Builder or Administrator shall be submitted to an independent arbitration service mutually agreed upon by You, the Administrator, and the Builder. If You, the Administrator, and the Builder cannot agree on an independent arbitration service, then both parties agree to use American Arbitration Association (AAA) for the arbitration. This binding arbitration is governed by the procedures of the Federal Arbitration Act, 9 U.S.C. 1 et seq., as amended (FAA), and any rules of the independent arbitration service employed by the parties to the arbitration. Should any conflict exist between the FAA and the rules of the independent arbitration service selected, the FAA shall control.

You understand that should You submit a request for arbitration, The arbitration filing fees will be divided and paid equally between You and the Builder unless agreed otherwise. You and the Builder agree that the arbitrator shall have the power to award the cost of any/all arbitration fees to any party or to split those fees among the parties to the arbitration.

Since this Express Limited Warranty requires mandatory binding arbitration of Unresolved Warranty Issues, if any party hereto commences litigation in violation of this Express Limited Warranty, such party shall reimburse the other parties named in the litigation for their costs and expenses, including reasonable attorney fees and expert fees, incurred in responding to and/or requesting dismissal or stay of such litigation. The parties to this Express Limited Warranty intend that no party to any arbitration hereunder may make a claim for punitive damages as part of the arbitration proceeding and that the Arbitrator shall not have the authority to award punitive damages to any party hereto.

This arbitration agreement shall inure to the benefit of, and be enforceable by the Builder's subcontractors, agents, vendors, suppliers, design professionals, insurers, and any other person alleged to be responsible for any Defects and/or Deficiencies in or to the subject Home or the real property on which the subject Home is situated. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this arbitration agreement. The decision of the Arbitrator shall be final and binding and may be entered as a Judgment in any State or Federal court of competent jurisdiction.

This arbitration agreement shall be deemed to be a self-executing arbitration agreement. Any disputes concerning the interpretation or the enforceability of this arbitration agreement, including, without limitation, its revocability or voidability for any cause, the scope of arbitration issues, and any defense based upon waiver, estoppel or laches, shall be decided by the Arbitrator.

The initiation of or participation by any party in any judicial proceeding concerning this arbitration agreement or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration agreement, and, notwithstanding any applicable rule of law to the contrary, shall not be asserted or accepted as a reason for delay, refusal to participate in, or refusal to enforce this arbitration agreement.

The arbitration hearing shall take place at or near the residence covered by the Express Limited Warranty unless both You and the Builder mutually agree to hold the arbitration at a different location.

The Builder or Administrator shall have the right, in advance of the arbitration proceeding, to inspect any Home which is the subject to the arbitration proceeding if the request for arbitration was made more than sixty (60) days following the last claim decision of the Builder or Administrator concerning such Home. No arbitration proceeding shall involve more than one single-family detached dwelling.

The parties expressly agree that this Express Limited Warranty and this arbitration agreement touch and concern interstate commerce and are governed by the provisions of the FAA and the rules of the independent arbitration service selected by the parties to the arbitration to the exclusion of any contrary or inconsistent state of local laws, ordinances, or judicial rules. The parties further agree that either can initiate the arbitration process.

If any provision of this arbitration agreement shall be determined by the Arbitrator or by any court to be unenforceable or waived, the remaining provisions shall be deemed to be severable and enforceable according to their terms. The duty to arbitrate hereunder survives the termination of this Express Limited Warranty.

SECTION 15: ENFORCEMENT OF ARBITRATION AWARD

The Arbitrator will determine the amount of time all awards must be completed within. Deadlines may be extended depending on special circumstances (for example, inclement weather). In such circumstances, the Builder will complete such repairs, replacement, or payment as soon as reasonably possible.

- (1) If the independent Arbitrator makes an award in favor of the Homeowner concerning a dispute under this warranty, then the arbitrating parties will receive notice of the award and the Builder will either: a) complete the repair(s) awarded, or b) complete a full payment for the cost of the repair(s) to the Homeowner.
- (2) If You believe the Builder has failed to comply with the award, please contact the Administrator (StrucSure Home Warranty) to mediate the dispute. If the dispute cannot be resolved, a compliance inspection arbitration is available to help determine whether the Builder has performed duties as per the original arbitration award. If it is determined that the Builder has not properly performed, they will be obligated to comply immediately. The award of the arbitrator may be entered as a judgment in any court of competent jurisdiction and enforced as any other judgment entered in that court.

SECTION 16: DEFINITIONS

Administrator: StrucSure Home Warranty, LLC is the Administrator of the StrucSure Home Warranty Program. StrucSure is not the warrantor or co-warrantor of the Home and is not responsible for fulfilling any Builder obligations under this warranty.

Arbitrator: The person selected to determine and enforce arbitration awards in the event of an Unresolved Warranty Issue. If You and the Administrator cannot agree on an independent arbitration service, then both parties agree to use American Arbitration Association (AAA) for the arbitration.

ASCE Guidelines: "Guidelines for the Evaluation and Repair of Residential Foundations," Version 2, published by the Texas Section of the American Society of Civil Engineers (2009).

Builder: The Builder is Tilson Home Corporation and is the Warrantor in years one (1) for Workmanship/Materials, years one (1) and two (2) for Delivery Portions of Systems, 10 years for major structural defects, and 10 years for habitability.

Certificate of Warranty Coverage: A certificate that the Administrator sends to the Homeowner upon project completion, homeowner acceptance, and receipt of the warranty fees. Warranty coverage is not in effect until the Certificate of warranty Coverage has been issued.

Consequential Damages: Any loss or injury other than:

- Cost to correct a Construction Defect;
- Cost of repair or replacement of furniture, carpet, or personal property damaged by the Construction Defect. Should replacement be necessary, the Builder's obligation is limited to replacement with items providing the same function and quality and that are readily available at the time the item is being replaced;
- Cost of removal or replacement of those components of the Home that have to be removed or altered in order to repair or replace a Construction Defect;
- The reasonable cost of the homeowner's alternative shelter and storage expenses where the Home is not habitable due to a Construction Defect or where the Home is rendered not habitable by the repair of the Construction Defect.

Diminished fair market value is considered a consequential or incidental damage and is not covered under this Express Limited Warranty unless the Builder elects this remedy in lieu of the repair, replacement, or payment of a Construction Defect.

Construction Defect: An element or component of a Home that fails to conform to the performance standards and/or the 10-year Warranty of Habitability as defined in this Express Limited Warranty.

Construction Quality Standard: The standard(s) to which a Home or an element or component of a Home constructed as a part of new Home construction or a material Improvement or interior renovation must perform. Construction Quality Standards are set forth in this warranty booklet.

Date of Homeowner Acceptance: The date indicated on the Home Enrollment Application (HEA) whereby the Homeowner agrees that the Home is complete and there are no outstanding Defects and/or Deficiencies.

Defect/Deficiency: A condition of any item warranted by this Express Limited Warranty which exceeds the allowable tolerances or does not meet the Construction Quality Standards or Performance Standards.

In the event that an alleged defect is not contained in the Construction Quality Standards or Performance Standards Warranty, the usual and customary industry standards for similar improvements in the geographic region shall govern.

Delivery Portion of Systems: The electrical, plumbing, and mechanical distribution systems in Your Home.

Effective Date of Warranty: The date of closing, first title transfer, first date of occupancy, or the date the Certificate of Occupancy was issued. The Effective Date of Warranty will be indicated on the Certificate of Warranty Coverage.

Express Limited Warranty: The Express Limited Warranty described by the terms and provisions contained within this warranty coverage booklet.

Excessive: A quantity, amount, or degree that exceeds that which is normal, usual, or reasonable under the circumstance.

Exclusion: Items, conditions, or situations not warranted or not covered under this warranty.

Extreme Weather Condition(s): Severe or unseasonal weather or weather phenomena that are at the extremes of the historical distribution. Weather conditions in excess of or outside of the scope of the design criteria stated or assumed for the circumstance or locale in the Residential Code.

Home: The single-family dwelling as identified on the Home Enrollment Application (HEA).

Homeowner: The person(s) listed as the homeowner(s) on the original Homeowner Enrollment Application (HEA), and who must hold legal title to the Home; or, any subsequent homeowner who holds legal title to the Home.

Homeowner Responsibility: An action required by the Homeowner for proper maintenance or care of the Home or the element or component of the Home concerned. A Homeowner's failure to substantially comply with stated Homeowner responsibility creates an Exclusion to the warranty for the Construction Quality Standard or Performance Standard.

Improvement(s): Any labor, materials, or other work supplied by the Builder or its independent contractors or suppliers in performance of the contract documents or other written agreements including but not limited to design plans or specifications.

Major Structural Defect (MSD): Please refer to the Major Structural Defect Coverage section in this warranty booklet for the definition of a Major Structural Defect.

Manufactured Product: A component of the Home that was manufactured away from the site of the Home and that was installed in the Home without significant modifications to the product as manufactured. Manufactured Products which are covered by a manufacturer's warranty include, but not limited to, appliances, fixtures, and items of equipment (including attachments and appurtenances). This warranty does not cover systems Deficiencies that are caused by a failure of any Manufactured Product or failure to comply with manufacturer's warranty requirements. This includes air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, doorbell systems, dishwashers, dryers, electronic air cleaners, exhaust fans, fire alarms, freezers, furnaces, garage door openers, garbage disposals, gas and electric meters, heat exchangers, heat pumps, humidifiers, intercoms, interior sprinkler systems, microwave ovens, oil tanks, outside lights or motion lights not attached to the Home, ranges and range hoods, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool bathtubs, whole house fans and similar items/appliances. For purposes of this booklet, a Manufactured Product includes any component of a Home for which the manufacturer provides a warranty, provided that the manufacturer permits transfer of the warranty to the Homeowner.

Original Construction Elevations: Actual elevations of the foundation taken before, on, or about the Effective date of Warranty of the residential construction project.

Performance Standard: The standard(s) to which a Home or an element or component of a Home constructed as a part of new Home construction, a material Improvement, or interior renovation must perform. Performance Standards are set forth in this warranty booklet.

Residential Code: The requirements specified in the text of the Residential Code officially adopted by the state, city, county (or parish) in which Your Home is located.

Span (L): The distance between two supports for structural elements supported at both ends. For cantilever elements, L shall be determined as twice the distance from the last support to the unsupported end of the element. For calculating overall deflection or tilt of slab foundations, L shall be defined as the edge to edge distance across any slab cross-section for which deflection or tilt is to be calculated.

StrucSure Home Warranty (SHW): The Administrator of this Express Limited Warranty. StrucSure is not the warrantor or co-warrantor of the Home and is not responsible for fulfilling any Builder obligations under this warranty.

Ten Year Warranty of Habitability: For ten (10) years from the Effective Date of Warranty, Your Builder warrants that Your Home will be free from defects that have a direct adverse effect on the habitable areas of the Home and that must not have been discoverable by You within the applicable warranty periods.

Unresolved Warranty Issue: A request for performance under the warranty that has not been met by the Builder and/or his subcontractors.

Warranted Defect/Warranted Deficiencies: A condition of a warranted item that, according to the Construction Quality Standards and Performance Standards described in this Express Limited Warranty, requires action by the Builder.

Warrantor: The Builder (Tilson Home Corporation).

Warranty Term: The period during which a Warranted Defect and/or Deficiency must first occur in order to be covered, and is that period which begins on the Effective Date of Warranty as defined above and ends one (1), two (2), or ten (10) years thereafter.

Workmanship/Materials: The standard and quality of a Builder's work or the skills used in construction. Materials are the items used for construction.

You/Your: You/Your means the person(s) listed as the Homeowner(s) on the original Home Enrollment Application (HEA), and who must hold legal title to the Home; or, any subsequent Homeowner(s) who holds legal title to the Home.



STRUCSURE

H O M E W A R R A N T Y

SAMPLE

StrucSure Home Warranty, LLC

3901 Arlington Highlands Blvd, Suite #200 | Arlington, TX 76018 (Texas Office)
6825 East Tennessee Avenue, Suite #410 | Denver, CO 80224 (Corporate Office)
1.877.806.8777 (toll-free) | 303.806.8688 (office) | 303.806.9897 (fax)

www.strucsure.com