



Homebuilder's Limited Warranty (Use, Maintenance, and Performance Guidelines)

Homebuilder's Limited Warranty

[This Limited Warranty is not a service agreement, nor is it a contract of insurance]

Congratulations on the purchase of your new home!

We thank you for choosing DFH Coventry, LLC d/b/a Coventry Homes as **Your** homebuilder. An important feature of your new **Home** is the Homebuilder's Limited Warranty described in this booklet. It is important that you understand what the limited warranty covers, what it does not cover, and the routine maintenance, inspections and service that your **Home** will require to be done by **You** to remain in excellent condition.

It is important that you protect the investment that you have made in your **Home**. By following the procedures outlined herein, your new **Home** will be well cared for and the experience of living in a Coventry Home will be enhanced.

Limited Warranty Introduction (Terms and Conditions)

Coventry Homes constructs your **Home** with carefully selected materials and the effort of experienced craftsmen and laborers under the supervision of our field personnel. Although, this group works from detailed plans and specifications, a home is one of the last hand-built products left in the world, each one is unique, and over time each **Home** functions differently. Similar to an automobile, your **Home** requires care from the beginning. To maintain a quality home for lifetime frequent attention is essential. This Limited Warranty is to assist you in that effort.

Throughout this Homebuilder's Limited Warranty, referred to hereinafter as the "**Limited Warranty**", the words "**You**" and "**Your**" refer to the **Homeowner**, including any occupiers, spouses, children, and/or relatives of the owners living in the Home and **Homeowners Association**, if applicable. The words "**We**", "**Us**" and "**Our**" refer to the **Builder** (and vice versa). The other words and phrases which appear in boldface, uppercase font, or that are capitalized also have special meaning.

This **Limited Warranty** is subject to terms, conditions, and limitations which affect **Your** rights as the **Homeowner** and **Our** obligations as the **Builder/warrantor** of the **Home**. **You** should read it carefully and in its entirety in order to be informed of its coverage and required processes. **IN PARTICULAR, YOU SHOULD NOTE THAT THIS LIMITED WARRANTY INCLUDES AN AGREEMENT BETWEEN YOU AND US THAT YOU AND WE WILL RESOLVE DISPUTES EXCLUSIVELY THROUGH MEDIATION AND/OR BINDING ARBITRATION AND NOT THROUGH LITIGATION (SEE SECTION XIII FOR DISCUSSION OF THE BINDING ARBITRATION PROCESS). ARBITRATION IS A PROCESS IN WHICH PERSONS WITH A DISPUTE GIVE UP THEIR RIGHT TO FILE A LAWSUIT IN COURT AND, INSTEAD, AGREE TO SUBMIT THEIR DISPUTE TO A NEUTRAL THIRD PERSON(S) (AN "ARBITRATOR(S)") FOR DECISION AFTER PRESENTING THEIR CLAIMS AND DEFENSES IN AN INFORMAL PROCEEDING. THE DECISION OF THE ARBITRATOR(S) IS THEN BINDING ON THE PARTIES. THIS AGREEMENT TO ARBITRATE MAY BE ENFORCED BY EITHER YOU OR US.**

This **Limited Warranty** also explains the procedures **You** must use to notify **Us** of a condition in **Your Home** or the **Common Elements** which **You** believe may constitute a **Construction Defect**. If the condition reported by **You** is a **Construction Defect**, **We** will remedy the condition as provided in this **Limited Warranty**.

The existence of a **Construction Defect** does not constitute a breach of this **Limited Warranty**, but if a **Construction Defect** exists during the applicable **Warranty Period**, **We** will remedy it to conform to the Warranty Performance Standards that are a part of this **Limited Warranty**.

Our liability, whether in contract, tort, statute, negligence or otherwise, is limited to the remedy provided in this **Limited Warranty**. Under no circumstances except those expressly provided herein shall **We** be liable for any special, secondary, **Consequential, Incidental Damages**, mental anguish damages, or personal injury damages, including without limitation any damages based on a claimed diminution in the value of the **Home**. HOMEOWNER AGREES AND UNDERSTANDS THAT OTHER THAN THE WARRANTIES PROVIDED IN THIS EXPRESS LIMITED WARRANTY, ALL OTHER WARRANTIES ARE DISCLAIMED AND HOMEOWNER IS WAIVING ANY AND ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE REPAIR OR MODIFICATION OF EXISTING TANGIBLE GOODS OR PROPERTY, THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE CONSTRUCTION, PERFORMANCE, WORKMANSHIP, REPAIR, MODIFICATION, MERCHANTABILITY, SUITABILITY AND FITNESS. THE IMPLIED WARRANTY OF HABITABILITY IS WAIVED TO THE FULLEST EXTENT ALLOWED UNDER LAW, AS THE HOMEOWNER UNDERSTANDS AND AGREES THAT THE REPAIR OBLIGATIONS HEREUNDER ARE SUFFICIENT TO REPLACE ANY SUCH IMPLIED WARRANTY AND UNDERSTANDS THAT THE IMPROVEMENTS MAY BECOME UNSAFE FOR HABITATION, BUT THAT THE OBLIGATIONS HEREUNDER ARE SUFFICIENT FOR THE REPLACEMENT OF ANY SUCH IMPLIED HABITABILITY WARRANTY; HOWEVER, TO THE EXTENT THAT IT IS FINALLY DETERMINED UNDER THE DISPUTE RESOLUTION PROVISIONS HEREIN THAT THE IMPROVEMENTS ARE NOT HABITABLE DIRECTLY BECAUSE OF A CONSTRUCTION DEFECT, THE WARRANTY OBLIGATIONS HEREIN ARE SUFFICIENT TO CURE ANY SUCH CONSTRUCTION DEFECT TO BRING THE CONSTRUCTION DEFECT INTO COMPLIANCE WITH THE APPLICABLE STANDARD, NOTWITHSTANDING, THE BUILDER IS NOT LIABLE FOR ANY RESULTING DAMAGES, CONSEQUENTIAL DAMAGES, CONDITIONS, INJURIES, DEATH OR OTHERWISE. THE PARTIES AGREE THAT THE LIMITED WARRANTY ADEQUATELY SET FORTH THE MANNER, PERFORMANCE, AND QUALITY OF THE CONSTRUCTION OF THE IMPROVEMENTS. Homeowner acknowledges, understands, and agrees that the terms of this Express Limited Home Warranty are clear, specific, and sufficiently detailed to establish the only standards of construction performance. The Parties agree that this Express Limited Warranty will control any warranty, workmanship, material, or any other defect claims regarding the Home and any improvements. To the extent permitted by law, all express or implied warranties other than this **Limited Warranty**, including any oral or written statement or representation made by **Us** or any other person, are hereby disclaimed by **Us** and are waived by **You**. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED BY APPLICABLE LAW, SUCH WARRANTY IS LIMITED IN DURATION TO THE SHORTEST DURATION ALLOWED BY APPLICABLE LAW. THE WARRANTY PERIOD OF ANY EXPRESS WARRANTY PROVIDED BY THIS LIMITED WARRANTY SHALL BE LIMITED BY AND NOT EXTEND BEYOND ANY APPLICABLE STATUTE OF REPOSE IN EFFECT AT THE TIME ANY WARRANTY CLAIM IS ASSERTED BY YOU, AND THE CORRESPONDING WARRANTY PERIOD SHALL BE SHORTENED NOT TO EXTEND BEYOND THE STATUTE OF REPOSE WITH THE APPLICABLE WARRANTY COVERAGE HAVING EXPIRED. This **Limited Warranty** is provided by **Us** to **You** in lieu of all other such warranties.

If you sell **Your Home** during the warranty period, pass this **Limited Warranty** along to the new owners and advise us of the new owner's name and the date of closing. Unfortunately, the **Limited Warranty** is only guaranteed to the initial buyer, but **We** reserve the right to extend warranty service to a subsequent homeowner should you sell your **Home** in **Our** sole discretion.

If any provision of this **Limited Warranty** is determined to be unenforceable, such a determination will not affect the remaining provisions. If this **Limited Warranty** or any provision herein is determined to be unenforceable as to a **Homeowners Association** or a specific **Homeowner**, such a determination will not affect the enforceability of this **Limited Warranty** or such provision as to any other **Homeowners Association** or any other **Homeowner**. The issue of enforceability, as well as any other disputed issues, will be determined by binding arbitration as provided for in this **Limited Warranty**.

I. Coverage Limit

The amount shown on the final contract of sale as the Contract Sale Price is **Our** limit of liability. It is **Your** purchase price for the **Home** and it is the maximum **We** shall pay or expend to fulfill all **Our** obligations under this **Limited Warranty** throughout its term. Once **Our** limit of liability has been paid or expended, no further requests for warranty performance can be made against this **Limited Warranty** issued for the **Home** or the **Common Elements**.

II. Warranty Coverage

Coverage under this **Limited Warranty** is expressly limited to **Construction Defects** which occur during the applicable **Warranty Periods** and which are reported by **You** in accordance with the notification requirements of Section VII, Warranty Service Requests under this **Limited Warranty**. Warranty coverage changes over the course of the term of this **Limited Warranty** with certain construction components covered for one year, and some for up to a full ten years. **You** should review the Warranty Performance Standards section of this **Limited Warranty** for details.

To preserve a claim under this **Limited Warranty** **You** must notify **Us** in writing of a **Construction Defect** and **Your** written notice must be postmarked or received by **Us** no later than thirty (30) days following the expiration date for the applicable **Warranty Period**. In order to establish a written record of timely notification, **We** recommend that written notice should always be sent via certified mail, return receipt requested.

This **Limited Warranty** applies only to **Our** workmanship and materials actually used in construction of the **Home**. A failure to complete construction of the **Home** or any part of it, is not a **Construction Defect** and is not covered by this **Limited Warranty**.

III. Our Warranty Obligations

Upon **Our** receipt of timely written notice from **You**, **We**, or a third party designated by **Us** or acting on **Our** behalf will, where necessary, inspect, investigate and/or test (including destructive testing) to determine if a **Construction Defect** exists. Upon confirmation of a **Construction Defect**, **We**, or a third party designated by **Us** or acting on **Our** behalf, will (1) repair or replace the **Construction Defect** to conform to the applicable Warranty Performance Standard, (2) pay to **You** the reasonable amount necessary to have a qualified third party contractor remedy the **Construction Defect** to the applicable performance standard under this **Limited Warranty**, or (3) Pay to **You**, in lieu of repair, an amount equal to the diminution in fair market value of the **Home** with the **Construction Defect** compared to the **Home's** market value without the **Construction Defect**. The decision to repair, replace, or to make payment to **You** is at **Our** or **Our** authorized representative's sole and exclusive option. Additionally, **We** reserve the right to use **Our** judgment in determining the most appropriate method of repairing **Construction Defects** under this **Limited Warranty** to achieve the standards to which the **Home** is warranted provided such method is reasonably consistent with common industry practice in the locale where the **Home** is located.

In responding to a reported **Construction Defect**, **We** will apply the Warranty Performance Standards applicable to the **Warranty Period** to determine whether the condition of the **Home** or **Common Elements** meets the required level of performance described in the **One Year Warranty Performance Standards**, the **Ten Year Major Structural Components Warranty Standards**, or the **Ten Year Warranty Of Habitability**.

If a reported **Construction Defect** is not addressed in any of the Warranty Performance Standards described above, **We** will consider the usual and customary residential construction practices for the purpose intended for the applicable **Warranty Period**, or whether the condition is not in substantial compliance with **Code**.

IV. Coverage Limitations

Work done by **Us** to repair a **Construction Defect** will include work necessary to restore components of the **Home** or **Common Elements** that were part of **Our** original construction, and which have to be removed or altered in order to correct the **Construction Defect**. Such restoration shall be to the condition and finish as originally constructed by **Us**, subject to reasonable availability of like materials.

Surfaces, finishes and coverings that are damaged by a **Construction Defect** or that are damaged or removed incident to **Our** repair of a **Construction Defect** and that were a part of the **Home** as originally constructed by **Us** 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, **We** will match the standard and grade as closely as reasonably possible. **We** will attempt to match the finish, but **We** cannot be responsible for discontinued patterns or materials, color variations or shade variations. Please note that any repairs requiring new mortar, grout, tile, texture, sheetrock, paint, caulk, concrete or other interior or exterior finishes may not be an exact match to the existing or original finish and may be noticeable. While **We** will strive to match existing finishes, the colors and textures may not be an exact match due to the aging or dye lots of the original construction components. When the surface finish material must be replaced and the original material has been discontinued, **We** will install replacement material substantially similar in appearance to the original material.

In the case where **We** determine that the **Home** will be uninhabitable during repairs to remedy a **Construction Defect**, **Our** repair shall include the reasonable cost of the **Homeowner's** alternative shelter and necessary storage expenses until **We** determine that the **Home** is again habitable.

Unless such limitation is prohibited by law, actions taken to remedy **Construction Defects** will not extend the **Warranty Period** applicable to the **Construction Defect** or any applicable statutes of limitation or repose.

V. Exclusions

- A. This **Limited Warranty** does not cover and **We** are not responsible for repair, loss or damage to material or workmanship used in constructing a **Home** or **Common Element** where loss or damage is caused by or made worse by any of the following:
1. Work performed or material supplied incident to construction, modification or repair to the **Home** or **Common Elements** performed by anyone other than **Us** or persons providing work or material at **Our** direction;
 2. 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 **Us** or persons providing work or material at **Our** direction;
 3. **Your** failure to comply with **Your** responsibilities as set forth in Section VI. Homeowner Maintenance or as may be stated separately elsewhere in this **Limited Warranty**, including those contained within the applicable **Warranty Performance Standards**;
 4. Alterations to the grade of the soil that are not in compliance with the **Code** or applicable governmental regulations;
 5. Normal wear and tear or normal deterioration to any component of the **Home** or the **Common Elements**;
 6. Fire, smoke or water damage unless such loss or damage is a direct result of a **Construction Defect**;
 7. Change in the underground water table that exerts pressure on, seeps, or leaks under the **Home** or the **Common Elements**, sidewalk, driveway, foundation or other structure or causes subsidence or sinkholes;
 8. Erosion or accretion of soils unless such loss or damage is a direct result of a **Construction Defect**;
 9. Insects, birds, rodents, termites, vermin or other wild or domestic animals unless such loss or damage is a direct result of a **Construction Defect**;
 10. The quality and potability of water unless caused by a **Construction Defect**;
 11. Use of the **Home** primarily for other than residential purposes (including but not limited to any commercial purposes);
 12. Any loss or damage which arises due to use for which the **Home** or the **Common Elements** or the component of the **Home** or **Common Elements** were not designed or intended;
 13. Use that exceeds the normal design loads prescribed by the **Code** or the engineer of record;
 14. **Your** delay in reporting a known **Construction Defect** or failing to take reasonable action to prevent further damage to the **Home** or the **Common Elements**;
 15. Abuse or misuse of a **Home** or **Common Element** component or **Manufactured Product**; or
 16. The presence or actual or threatened discharge of radon gas, formaldehyde or other **POLLUTANTS** or contaminants, or the presence or effect of mold, mildew, toxic material, or volatile

- organic compound or matter, unless such condition is a direct result of a **Construction Defect**;
17. Washing out of sod or seeding before it has taken root;
 18. After the first year, the concrete floor of a basement and the concrete floor of an attached or unattached garage that is built separate from a foundation wall or other structural element of the **Home**;
 19. Damage to real property which is not specifically included in the Contract Sale Price and which is not part of the **Home** covered by the **Limited Warranty**;
 20. Failure by **You** or anyone other than **Us** to comply with the **Limited Warranty** requirements of the manufacturers of appliances, equipment, fixtures or other building components;
 21. Any change of the grading of the ground by **You** or anyone other than **Us**;
 22. Any change, alteration, or addition made to the **Home** by **You** or anyone after the **Limited Warranty** commencement date, except any change, alteration, or addition performed by **Us**;
 23. Dampness, condensation, or expansion and contraction of materials or other damage due to the failure of **You** to maintain adequate ventilation or drainage or exterior maintenance of caulking or other water tight components;
 24. Loss or damage resulting from war, terrorism, vandalism, accident, riot and civil commotion, falling objects, aircraft, vehicles, acts of God, **Extreme Weather Conditions** (including lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven water, tornadoes, hurricane, tropical storm, any "named storm", fire and changes in the level of the underground water table);
 25. Any mold or mildew damage not caused by an actual construction defect;
 26. Any condition which does not result in actual physical damage or deficiency to the **Home**. This includes, but not limited to, locations of constructed items and options not specifically agreed upon in writing (i.e. locations of light fixtures, switches and outlets, walls, fences, etc.);
 27. Any cost of shelter, transportation, food, moving, storage, or other incidental expense related to relocation during repair or replacement (unless specifically agreed upon by **Us** in **Our** discretion in advance of incurring such expense);
 28. Defective design or materials supplied or purchased by **You** or installed under **Your** direction, or defects caused by anything not built into, or installed in the **Home** pursuant to the contract between **Us** and **You**;
 29. Utility service lines installed by developer, municipality or service company and settling, back filling or slumping thereof;
 30. Offsite improvements, which include the following: the street, road, driveway, sidewalk, drainage utilities, or any other improvement or structure that is not located on or under the lot on which the **Home** is constructed, or any other improvement or structure that is located on or under the lot but that does not immediately and directly support the fitness and merchantability or habitability of the **Home** itself;
 31. Floor squeaking and popping sounds associated with the floor, sub-floor, or stairs; and
 32. Cosmetic or aesthetic flaws of any nature or origin in any location on any surface, including but not limited to chips, scratches, nicks, mars, or cracks on windows, glass (including light fixtures), mirrors, bathtubs and toilets, walls, pavers and bricks, driveways, garage floors, patios, shower enclosures, cabinets, sinks, countertops, appliances, woodwork, grout and flooring.

B. This **Limited Warranty** does not cover and **We** are not responsible for:

1. Any damage to personal property that does not result from a **Construction Defect**;
2. Any **CONSEQUENTIAL, INCIDENTAL DAMAGES**, personal injury damages, death, mental anguish damages, damage to personal property, or secondary damages, including but not limited to electrical and water utility bills;
3. Fences, landscaping, as well as off-site improvements, all driveways and walkways, and any other improvement that is not a part of the Home; and/or
4. Planted landscape materials including, but not limited to vegetation of any nature, including but not limited to sod, seeding, shrubs, existing and new trees, and plantings.

VI. Use and Maintenance Guidelines

We are proud of the homes we build and the neighborhoods in which **We** build them. **We** strive to create lasting value. This is best achieved when you know and perform appropriate maintenance tasks. Periodic maintenance is necessary because of normal wear and tear, the inherent characteristics of the materials used in your **Home**, and normal service required by the mechanical systems. Natural fluctuations in temperature and humidity also affect your **Home**, resulting in maintenance items.

Prompt Attention

Many times minor maintenance attention provided immediately saves you a more serious, time-consuming, and sometimes costly repair later. Neglecting routine maintenance can impact applicable **Limited Warranty** coverage on all or parts of **Your Home**.

By caring for **Your Home** attentively, **You** ensure uninterrupted warranty coverage, as well as, **Your** enjoyment of **Your Home** for years. The attention provided by each homeowner also contributes significantly to the overall value of your **Home** and of the community.

We make every effort to keep the information in this **Limited Warranty** current. However, if any detail in **herein** conflicts with the manufacturer's recommendations, **You** should follow their recommendations.

Some manufacturer's warranties may extend beyond the first year and it is in **Your** best interests to know about such coverage. Remember to mail in any registration cards you receive with manufacturer materials. Being in the manufacturer's system assures that in the event of a recall the company can contact **You** and arrange to provide the needed correction.

Maintenance of the **Home** and the **Common Elements**, including the lot on which the **Home** or **Common Elements** are located, is essential to the proper functioning of the **Home** or **Common Elements**. Maintenance is **Your** responsibility. **Your** ongoing maintenance responsibilities include, but are not limited to, periodic repainting and resealing of finished surfaces as necessary, caulking for the life of the **Home** or **Common Elements**, regular inspection and maintenance of mechanical systems, regular replacement of HVAC filters, preserving proper grading around the **Home** or **Common Elements**, and clearing and cleaning drainage systems to allow for the proper drainage of water away from the **Home** or **Common Elements**.

You must 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.

You should prevent landscaping materials or plants from contacting the exterior surface of the **Home** or **Common Elements** and from interfering with the proper drainage of water away from the foundation. **You** should not alter the drainage pattern or grade of the land within ten feet of the foundation so that it negatively affects the drainage of water away from the **Home** or **Common Elements** or violates the applicable **Code**.

You should take action to prevent excessive moisture accumulation by:

- A. properly using ventilation equipment;
- B. preventing excessive temperature fluctuation within the **Home**; and
- C. taking reasonable steps to avoid excessive dampness, humidity or condensation in the **Home** or the **Common Elements** that may lead to damage.

You shall properly maintain each component of the **Home** or **Common Elements** including proper cleaning, care and upkeep of the **Home** or **Common Elements**. **You** shall use **Home** or **Common Elements** components only for the purposes for which they are intended and shall not damage, misuse or abuse such components. Upon observation of a condition which, if uncorrected, is likely to cause damage to the **Home** or the **Common Elements**,

You should notify **Us** immediately and take reasonable action necessary to prevent further immediate damage.

We shall not be liable for any damage that is a direct result of **Your** failure to perform reasonable maintenance or **Your** failure to comply with any homeowner responsibility item stated in the **Warranty Performance Standards** in Section XI.

We may make a "Homeowner Use and Maintenance Information Manual" or other similar material available to **You**. Whether from this document or others that are readily available to **You**, **You** must understand and perform the maintenance that the **Home** and **Common Elements** require. As stated in other sections of this **Limited Warranty**, **We** are not responsible for **Home** or **Common Elements** maintenance issues or for damage that results from **Your** failure to maintain the **Home** or the **Common Elements**.

VII. Warranty Service Requests

Providing warranty service for a new home is more complicated than for other products. When you purchased Your Home, you actually purchased hundreds of items and the work of 50 to 80 independent trade contractors. With so many details and people involved, a planned system is essential. Our system includes numerous types of service. If you are ever in doubt as to which applies to your situation, contact your warranty office for assistance.

If **You** become aware of a condition that **You** believe is a **Construction Defect** under this **Limited Warranty**, **You** have the following responsibilities:

A. Immediate Written Notice

Notify **Us** promptly after **You** become aware of or suspect a **Construction Defect** in **Your Home**. Instructions for contacting **Us** regarding a warranty service request are included herein and in **Our** New Home Orientation. Please note that **We** shall not be obligated to respond to any claim under this **Limited Warranty** which has not been communicated to **Us** in accordance with the notice instructions herein or which has first been communicated to **Us** later than thirty (30) days following the applicable **Warranty Period** expiration date. Here again it is important that **You** be aware that different **Warranty Periods** apply to different construction components of **Your Home**. Please consult the Warranty Performance Standards for the applicable **Warranty Periods** and expiration dates.

If the written notice is postmarked more than thirty (30) days after the expiration of the applicable **Warranty Period**, **We** shall have no obligation to remedy the **Construction Defect** after the expired **WARRANTY PERIOD**. In order to establish a record of timely notification, **We** recommend that written notice should always be sent by certified mail, return receipt requested.

The easiest way to submit a request is through appropriate warranty e-mail contact listed on the contacts page.

- Put It In Writing!
 - Written report of items provides you with the maximum protection by documenting each issue for your warranty file. This also allows us to operate efficiently, thereby providing faster service to all homeowners.
 - Help Us to Serve You
- We can provide service faster and more accurately if **We** have all the necessary information. With any interim warranty request, please include:

- (a) Your name, address (or lot and community), and the phone numbers where you can be reached during business hours; and
- (b) A complete description of the problem, for example, "guest bath—cold water line leaks under sink," rather than "plumbing problem."

B. Cooperation

You agree to provide **Us** with any evidence in **Your** possession to support **Your Construction Defect** claim along

with any inspectors' and experts' reports, photographs and videotapes, if any, in support of **Your** claim. **You** further agree to allow **Us** and any parties acting on **Our** behalf reasonable access to the **Home** or **Common Elements** during working hours (Monday through Friday between 8:30 a.m. and 5:00 p.m.), for the purposes of inspecting, testing (including, when necessary, destructive testing), monitoring, repairing or otherwise remedying a **Construction Defect** under this **Limited Warranty**. If **You** fail to cooperate or provide such reasonable access to the **Home** or **Common Elements**, **We** shall be excused from any obligation to perform under this **Limited Warranty**.

C. Do Not Engage Third Parties to Make Repairs

If **You** engage third parties to make repairs without both prior notice to **Us** and **Our** prior written consent, **We** shall not be obligated to reimburse **You**. However, **You** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without **Our** prior written approval, provided the repairs are solely for the protection of the **Home** or **Common Elements** from further damage or to prevent an unsafe living condition, and provided **You** notify **Us** immediately of any such action. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **You** must provide **Us** with an accurate written record (including receipts) of the repair costs for work performed.

D. Acknowledgement of Work Performed or Release for Payments Made in Lieu of Repair

When **We** or parties acting on **Our** behalf complete repairs of any **Construction Defect** covered by this **Limited Warranty**, **You** will be asked to sign an acknowledgement of all work completed. If **We** make a monetary payment to **You** in lieu of repairs, **You** must sign a full release of **Our** obligation for the **Construction Defects** covered by the monetary payment.

E. If You Disagree With Us

If **You** believe **We** have not met **Our** obligations to **You** under this **Limited Warranty** **You** should provide written notice to **Us** requesting informal mediation. **We** may review and mediate **Your** complaint by soliciting information from **You**, and other individuals or entities that **We** believe may possess relevant information. If **We** are unable to successfully mediate a resolution of **Your** complaint, **You** or **We** may elect to initiate binding arbitration in accordance with the process described below. Mediation is not a required prerequisite to initiating the arbitration process.

Any claim or cause of action related to this Limited Warranty must be filed on or before the second anniversary plus one day of the date of discovery of the alleged construction defect; the statute of limitations for any such claim or cause of action is the second anniversary plus one day of the date of the discovery of the alleged construction defect; this provision does not extend the time period of any warranty.

F. Emergency Service

While emergency warranty situations are rare, when they occur, prompt response is essential. Begin by checking items **You** can check. An action by **You** may solve the problem immediately or mitigate the situation until a technician arrives. If **Your** efforts do not cure the problem, the information **You** gather will be useful to the service person **You** contact. During business hours, call **Our** warranty office. After hours, or on weekends or holidays, use the contact information provided on the emergency list **You** received during your New Home Orientation. The emergency contact phone number can also be found on **Your** electrical panel.

We suggest that you add that emergency contacts list to the front of this **Limited Warranty** for quick reference.

Our trade contractors or local utility companies provide emergency responses to the following conditions:

- Total loss of heat during winter months (October to May)
- Total loss of electricity
- Total loss of water
- Plumbing leak that requires the entire water supply to be shut off

- Gas leak (If you suspect a gas leak, leave the home immediately and call the gas company from another location to request emergency service.)

Note that if a service (gas, electricity, water) is out in an entire area, attention from the local utility company is needed. Trade contractors are unable to help with such outages. If you have contacted one of the mechanical trades directly outside our normal business hours, please inform our warranty office on the next business day so that we can document the situation and follow up as appropriate.

G. Roof Leak

While **We** agree with homeowners that a roof leak is indeed an emergency, the reality is that repairs cannot safely or effectively be performed while the roof is wet. During business hours, contact our warranty office with the information, take all possible steps to mitigate damage, and **We** will follow up when conditions improve enough to make repairs possible.

H. Other Emergencies

In addition to emergency situations covered by our **Limited Warranty**, be prepared for other kinds of emergencies. Post phone numbers for the fire department, police, paramedics, and poison control near phones in Your Home. Have companies in mind in the event you need a locksmith, water extraction, glass breakage repair, or sewer router service. If you are new to the area, neighbors may be able to recommend good service providers. Introduce your children to neighbors who might be available to help in an emergency if you are not home.

I. One Time Repairs

If needed, **We** may provide several — one-time repairs in accordance with this **Limited Warranty**. Please refer to individual headings indicated below for specific details (or tolerances) on measurements that suggest repairs might be appropriate. In most cases, you will benefit by waiting until the one-year anniversary period to submit a **Warranty** request for items that include this service:

- Brick and Cultured Stone: masonry cracks
- Caulking: separations or cracks
- Ceramic Tile: grout cracks (if warrantable in size)
- Concrete Flatwork cracks in floors (if warrantable in size)
- Countertops: separation from wall or backsplash
- Drywall: separation and nail pops
- Framing: door adjustments;
- Wood Trim: exterior trim cracks

J. Inspection and Repair Hours

Many homeowners ask whether evening and weekend appointment times are available. We understand the desire for appointments outside normal business hours. In investigating how such appointments could be arranged, **We** discovered many factors that make extended service hours impractical.

- i. A significant portion of repairs require daylight for proper execution. This applies to drywall, paint, and exterior work of almost any type.
- ii. We also found that most of the 50 to 80 independent trade contractors who helped us build Your Home— many of whom operate as small companies—were unable to work all week and also be available for extended hours. Therefore, the few repairs that could be performed in off-hours failed to eliminate the need for repair appointments during normal hours.
- iii. Administrative staff and supervisors would need to be available to answer questions. Having some personnel work extended hours meant being short staffed during normal business hours. Until **We** discover satisfactory solutions to these challenges, **We** appreciate your understanding and cooperation with the warranty hours listed on your community contact sheets. If these hours change, **We** will notify you by mail or email.

k. Access to Your Home

Whether for inspection or repair appointments, **We** refrain from accepting keys and entering Your Home in your absence—as do our trade contractors. While **We** recognize that this means that resolving warranty items may take longer, **We** believe **Your** peace of mind and security should be **Our** first concern.

We conduct warranty visits when an adult is available to accompany **Our** representative and point out the items **You** have listed. Our in-house service technicians and those of our trades or suppliers will perform repairs only when an adult is available to admit them to **Your Home**. An adult is a person 18 or older who has **Your** authorization to admit service personnel and sign completed work orders.

l. Renters

If you rent Your Home, a written authorization will permit us to work directly with your renter or property management company representative. You will receive copies of all correspondence and work orders. Without such authorization, we can only accept requests for warranty service directly from you.

VIII. Warranty Contact Information

Austin - Warranty.aus@coventryhomes.com

Dallas Fort Worth - warranty.dfw@coventryhomes.com

Houston - warranty.hou@coventryhomes.com

San Antonio - warranty.sa@coventryhomes.com

IX. General Conditions

A. Separation of This Limited Warranty From The Contract Of Sale

This **Limited Warranty** is separate and independent of the purchase contract between **You** and **Us** for the construction and/or sale of the **Home** or transfer of the **Common Elements** unless it is expressly incorporated by reference and thereby made a part of such contract. In the event that this **Limited Warranty** is made a part of such contract, nothing in such contract or any other agreements between **You** and **Us** relating to the construction and/or sale of the **Home** or transfer of the **Common Elements** shall restrict or expand the **Limited Warranty** in any way.

B. Transfer to Subsequent Homeowners

This **Limited Warranty** is provided exclusively to **You** as the original purchaser of the **Home** as the Owner named herein. It is not transferable or assignable to any person or entity, including mortgage holders, lien holders, and subsequent purchasers of the **Home**.

C. Transfer of Manufacturer's Warranties

We provide no warranty for items within the **Home** that were not manufactured by **Us**, including, but not limited to, air conditioners, water heaters, ranges, dishwashers and other appliances, equipment, and "consumer products." Upon closing on **Your** purchase of the **Home**, **We** assign to **You** the manufacturers' warranties for all **Manufactured Products**, service contractors, termite treatment and/or repair guarantees applicable to the **Home**, if any, that are covered by a manufacturer's warranty. **We** do not assume any of the obligations of a manufacturer resulting from a manufacturer's warranty, but **We** shall coordinate with the manufacturer, suppliers or agents to achieve compliance with the performance standard. If the manufacturer does not comply with the manufacturer's warranty within a reasonable period of time, **We** will make the affected condition comply with the applicable performance standard and seek redress from the manufacturer.

We shall install all **Manufactured Products** in accordance with the manufacturer's instructions and specifications. **We** shall use only new **Manufactured Products** and parts unless otherwise agreed in writing. If **We** do not install a **Manufactured Product** in accordance with the manufacturer's specifications or use newly manufactured parts as required, **We** shall take such action as is necessary to bring the variance within the standard. Should an appliance or item of equipment malfunction **You** must follow the procedures set forth in that manufacturer's warranty to correct the problem.

YOU ACKNOWLEDGE THAT WE HAVE MADE AVAILABLE TO YOU COPIES OF ALL WRITTEN WARRANTIES ON CONSUMER PRODUCTS THAT MAY BE INSTALLED IN THE HOME, AS THE TERM "CONSUMER PRODUCTS" IS DEFINED IN TITLE 15 U.S.C. SECTION 2301 AND PART 702 OF THE FEDERAL TRADE COMMISSION RULES AND REGULATIONS UNDER THE MAGNUSON MOSS WARRANTY ACT, PRIOR TO THE EXECUTION OF THE CONTRACT. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE HAD SUFFICIENT OPPORTUNITY TO REVIEW SUCH WARRANTIES TO THE EXTENT THAT YOU DEEM NECESSARY TO BECOME INFORMED AS TO THE CONTENTS OF SUCH WRITTEN WARRANTIES. WE WILL PASS ALONG TO YOU THE WRITTEN WARRANTIES PROVIDED BY THE MANUFACTURERS OF "CONSUMER PRODUCTS." WE MAKE NO WARRANTIES, INCLUDING ANY WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO APPLIANCES OR OTHER CONSUMER PRODUCTS EITHER ATTACHED TO OR INSTALLED IN THE HOME, AND WE ARE NOT RESPONSIBLE FOR ANY PROMISE OR WARRANTY MADE BY THE MANUFACTURERS OF SUCH PRODUCTS.

D. Recovery Rights

If **We** or a third party designated by **Us** or acting on **Our** behalf repairs, replaces or pays **You** as to a **Construction Defect**, or other related damage to the **Home** or the **Common Elements** covered by this **Limited Warranty**, **We** are entitled, to the extent of the cost incurred in such remedy, to take over **Your** related rights of recovery from other persons and entities, including but not limited to, other warranties and insurance. **You** have an obligation not to make it more difficult for **Us** to enforce these rights. **You** agree to sign any papers, deliver them to **Us**, and do anything else that is necessary to help **Us** exercise **Our** rights.

E. General Provisions

1. If any provision of this **Limited Warranty** is determined to be unenforceable, such provision shall be deemed severed and will not affect the remaining provisions of this **Limited Warranty**. If this **Limited Warranty** or any provision herein is determined to be unenforceable as to a **Homeowners Association** or a specific **Homeowner**, such a determination will not affect the enforceability of this **Limited Warranty** or such provision as to any other **Homeowners Association** or any other **Homeowner**. The issue of enforceability, as well as all other issues, will be determined by Binding Arbitration as provided for in this **Limited Warranty**.
2. This **Limited Warranty** and the binding arbitration process are binding on **You** and **Us**. It is also binding on **Our** and Your spouse, children, occupants, heirs, executors, administrators, successors, subsequent owners and assigns, subject to paragraph B of the **General Conditions**.
3. As may be appropriate, the use of the plural in this **Limited Warranty** includes the singular, and the use of one gender includes all genders.

X. Definitions

ADVERSE EFFECT means a tangible condition that substantially impairs the functionality of the **Habitable Areas** of the **Home**.

BUILDER means the individual, partnership, corporation or other entity which participates in the Warranty Program and provides **You** with this **Limited Warranty**. Throughout this document the **Builder** is also referred to as "**Dream Finders Homes**", "**Coventry Homes**", "**We**", "**Us**" and/or "**Our**".

CODE means the International Residential Code and the National Electrical Code, including any amendments thereto adopted by the local jurisdiction where the **Home** is located or otherwise made applicable to the **Home** by the Local Government Code, the Federal Housing Administration, the Department of Veterans Affairs, U.S. Department of Housing and Urban Development, the American National Standards Institute, and the American Society of Heating, Refrigerating and Air-conditioning Engineers. In the event of a conflict between the **Warranty Performance Standards** in Section XI. of this **Limited Warranty** and the various codes, manufacturer's instructions and specifications, the standard required by the United States Department of Housing and Urban Development for Federal Housing Administration or Veterans Administration programs, the more restrictive requirement will apply if reasonable under the circumstances.

COMMON ELEMENTS means the property as specified in the recorded Covenants, Conditions and Restrictions as common area and any other property as to which the **Homeowners Association** has standing under the law to make a claim under the **Limited Warranty**. This may include, but is not limited to, streets, slopes, the structure or components of enclosure or other parts of the **Home**, corridors, lobbies, vertical transportation elements, rooms, balconies, clubhouses or other spaces that are for the common use of the residents of the development in which the **Home** is located. **Systems** serving two or more **Homes**, and the outbuildings that contain parts of such **Systems** are also included in this definition.

CONSEQUENTIAL OR INCIDENTAL DAMAGES means any loss or injury other than:

- A. **Our** cost to correct a **Construction Defect** including the correction of those surfaces, finishes and coverings damaged by the **Construction Defect**;
- B. **Our** costs 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**;
- C. The reasonable cost of the **Homeowner's** alternative shelter and storage expenses where **We** determine that the **Home** is not habitable due to a **Construction Defect** or where **We** determine that the **Home** will not be habitable during repair of the **Construction Defect**. Alternative shelter and storage costs must be pre-approved by **Us** and **We** shall not be liable for any such costs which have not been authorized by **Us** prior to **You** incurring those costs.

Diminished fair market value is considered "**Consequential or Incidental Damage**" and is excluded under this

Limited Warranty unless **We** elect this remedy in lieu of the repair, replacement or other payment as to a **Construction Defect**.

CONSTRUCTION DEFECT(S) means that an element or component of the **Home** and/or the **Common Elements** fails to meet the applicable **Warranty Performance Standards** that results in actual physical damage to the **Home** as set forth herein (and subject to the provisions and procedures of the Residential Construction Liability Act, Chapter 27 of the Texas Property Code), except as modified by this **Limited Warranty** by:

- level of performance described in the **One Year Warranty Performance Standards** which are a part of this **Limited Warranty**;
- level of performance described in the **One Year Delivery Systems Warranty Performance Standards** which are a part of this **Limited Warranty**;
- level of performance described in the **Ten Year Major Structural Components Warranty Performance Standards** which are a part of this **Limited Warranty**; or
- **Ten Year Warranty Of Habitability** which is a part of this **Limited Warranty**.

If a **Construction Defect** is alleged in any material or workmanship not specifically covered by the **Warranty Performance Standards** mentioned above, the sufficiency of such workmanship and material will be judged by:

- whether they are consistent with standards and practices of the home building industry so as to pass without objection in the applicable trade in the local jurisdiction where the **Home** is located; or
- whether they are in substantial compliance with the International Residential Code (IRC) for all non-electrical work and the National Electrical Code (NEC) for all electrical work. The edition of the IRC and the NEC in effect at the time of commencement of construction on the **Home** shall apply along with any amendments thereto that had been adopted by the county or municipality having jurisdiction where the **Home** is located at the time of commencement of construction.

EMERGENCY CONDITION means an event or situation that creates the imminent threat of damage to the **Home** or **Common Elements**, or results in an unsafe living condition due to a **Construction Defect** that **You** (or as applicable, the **Homeowners Association**) become aware of at a point in time other than **Our** normal business hours and **You** were unable to obtain **Our** or **Our** authorized representative's prior written approval to initiate repairs to stabilize the condition or prevent further damage.

EXTREME WEATHER CONDITION(S) means weather conditions in excess of or outside of the scope of the design criteria stated or assumed for the circumstance or locale in the **Code**. It shall also mean any destructive weather event, including flooding (including surface water run-off, flash floods, storm surge and sea swell), extreme temperature, hurricanes, tornadoes, lightening, severe thunderstorms/windstorms producing damaging winds greater than 58 mph or sustained high winds of 40 mph or greater lasting for one hour or longer, snowstorms, blizzards, hail, and ice storms.

HABITABLE AREA(S) means a living space, which is the enclosed area in a **Home** that is suitable for year-round residential use.

HOME means a single-family residence either attached or detached covered by this **Limited Warranty** or a condominium or cooperative unit in a multi-unit residential structure/building covered by this **Limited Warranty**.

HOME BUILDER'S LIMITED WARRANTY means this express warranty document provided to **You** by **Us**.

HOMEOWNER means the first person(s) to whom a **Home** (or a unit in a multi-unit residential structure/building) is sold, or for whom such **Home** is constructed, for occupancy by such person or such person's family, spouse, children, occupants. **Homeowner** specifically excludes any of such person's(s') successors in title to the **Home**, including any successor that acquires title to a foreclosed **Home** "as is" without any expressed or implied warranties, or where the law of the state where the **Home** is located provides that the purchaser of a foreclosed property acquires that property "as is" without any expressed or implied warranties. **Homeowner** shall also mean any **Homeowners Association** making a **Common Elements** claim in a representative capacity.

HOMEOWNERS ASSOCIATION means a profit or nonprofit corporation, unincorporated association, organization, partnership, assessment district, limited liability company, limited liability partnership or other entity of any kind that owns manages maintains, repairs, administers, or is otherwise responsible for and has standing to make a claim

as to any part of the **Common Elements**.

MANUFACTURED PRODUCT(S) means a component of the **Home** or **Common Elements** that was manufactured away from the site of the **Home** or **Common Elements** and that was installed in the **Home** or the **Common Elements** without significant modifications to the product as manufactured and includes those items defined as a consumer product in the Magnuson-Moss Warranty Act (15 U.S.C. §. 2301, *et seq.*). Manufactured products commonly installed in residential construction include, but are not limited to, dishwashers, cook tops, ovens, refrigerators, trash compactors, microwave ovens, kitchen vent fans, central air conditioning coils and compressors, furnace heat exchangers, water heaters, carpet, windows, doors, light fixtures, fireplace inserts, pipes and electrical wires. For purposes of this **Limited Warranty**, a manufactured product includes any component of a **Home** or the **Common Elements** for which the manufacturer provides a warranty, provided that the manufacturer permits transfer of the warranty to the **Homeowner**.

ONE YEAR WORKMANSHIP AND MATERIALS PERFORMANCE STANDARDS means that workmanship and materials in residential construction are warranted to perform to the stated **Warranty Performance Standards** for one year from the earlier of the date of occupancy or transfer of title from the **Builder** to the initial **Homeowner**. The **Warranty Performance Standards** are contained in Section XI. of this document.

POLLUTANTS means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, odors, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

SYSTEMS means the following:

- (a) Plumbing delivery system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
- (b) Electrical delivery system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.
- (c) Heating and air-conditioning delivery system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

TEN YEAR MAJOR STRUCTURAL COMPONENTS WARRANTY PERFORMANCE STANDARDS means that the Major Structural Components in residential construction are warranted to perform to the stated **Warranty Performance Standards** for ten years from the earlier of the date of occupancy or transfer of title from the **Builder** to the initial **Homeowner**. Major Structural Components are the load-bearing portions of the following elements of a home: (A) Footings and Foundations; (B) Beams; (C) Headers; (D) Girders; (E) Lintels; (F) Columns, other than a column that is designed to be cosmetic; (G) Load-Bearing portions of walls and partitions; (H) Roof framing systems, including ceiling framing; (I) Floor systems; and (J) Masonry Arches. The **Warranty Performance Standards** are contained in Section XI. of this document.

TEN YEAR WARRANTY OF HABITABILITY means **Our** obligation to construct a **Home** that is: (A) in compliance with all stated **Warranty 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 existed in the **Home** on the date the **Home** was completed or title was conveyed to **You** and the **Construction Defect** has rendered the **Home** uninhabitable, 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**.

ONE YEAR DELIVERY SYSTEMS WARRANTY PERFORMANCE STANDARDS means that the plumbing, electrical, heating and air-conditioning delivery systems in residential construction are warranted to perform to the stated **Warranty Performance Standards** for one year from the earlier of the date of occupancy or transfer of title from the **Builder** to the initial **Homeowner**. The **Warranty Performance Standards** are contained in Section XI. of this document.

WARRANTY PERIOD(S) shall commence on the earlier of the date of occupancy or the date the title to the **Home** is transferred to the first **Homeowner**. Coverage under this **Limited Warranty** changes over the course of the term. The **One Year Workmanship and Materials Performance Standards** are applicable for one year from the

earlier of the date of occupancy or the date the title to the **Home** is transferred to the first **Homeowner**. The **One Year Delivery Systems Performance Standards** are applicable for one year from the earlier of the date of occupancy or the date the title to the **Home** is transferred to the first **Homeowner**. The **Ten Year Major Structural Components Performance Standards** and the **Ten Year Warranty Of Habitability** are applicable for ten years from the earlier of the date of occupancy or the date the title to the **Home** is transferred to the first **Homeowner**. Notwithstanding anything to the contrary set forth in this **Limited Warranty**, the **Warranty Period** for the **Common Elements** of an individual structure/building commences on the date the title for the first **Home** in the structure/building is transferred to the first **Homeowner** or as concerns clubhouses or outbuildings or other **Common Elements** not part of the **Home** the date the title to these structures or improvements is transferred to the **Homeowners Association**, and the applicable coverage expires on either the first or tenth anniversary date as applicable. In no event shall the applicable **Warranty Period** extend beyond the applicable Statute of Repose currently then in effect at the time **You** or the **Homeowners Association** notify **Us** of an alleged **Construction Defect** to the **Home** or **Common Elements**.

WE, US, OUR means the **BUILDER**.

YOU, YOUR means the **Homeowner** and the **Homeowners Association**.

Certain words and terms when used in **Warranty Performance Standards** described in Section XI. below shall have the following meanings, unless the context clearly indicates otherwise.

- (1) **Builder Responsibility** -- A statement of the corrective action required by the **Builder** to repair the construction defect and any other damage resulting from making the required repair. Parties may agree to an alternative remedy.
- (2) **Electrical Standard** -- a standard not expressly stated in the International Residential Code but contained in the version of the National Electrical Code (NEC) in effect at the time of commencement of construction of the **Home**, including any amendments to the NEC adopted by or otherwise made applicable to a municipality or the extraterritorial jurisdiction or an unincorporated area not in the extraterritorial jurisdiction of a municipality, all in accordance with applicable provisions of the Local Government Code.
- (3) **Excessive or excessively** -- a quantity, amount or degree that exceeds that which is normal, usual or reasonable under the circumstance.
- (4) **Exclusion** -- items, conditions or situations not warranted or not covered by a performance standard.
- (5) **The International Residential Code (IRC)** -- substantial compliance with the non-electrical standards contained in the version of *the IRC for One- and Two-Family Dwellings* published by the International Code Council (ICC) and applicable in a municipality or the extraterritorial jurisdiction or an unincorporated area not in the extraterritorial jurisdiction of a municipality, all in accordance with applicable provisions of the Local Government Code.
- (6) **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 a stated homeowner responsibility creates an exclusion to the warranty for the performance standard.
- (7) **Original Construction Elevations** -- actual elevations of the foundation taken prior to substantial completion of the residential construction project. Such actual elevations shall include elevations of porches and garages if those structures are part of a monolithic foundation. To establish original construction elevations, elevations shall be taken at a rate of approximately one elevation per 100 square feet showing a reference point, subject to obstructions. Each elevation shall describe the floor. If no such actual elevations are taken then the foundation for the habitable areas of the **Home** are presumed to be level +/- 0.75 inch (three-quarters of an inch) over the length of the foundation.
- (8) **Warranty Performance Standard(s)** -- the standard(s) to which a **Home** or an element or component of a **Home** constructed as a part of new home construction must perform.
- (9) **Span** -- the distance between two supports for structural elements supported at both ends. For calculating overall deflection and/or tilt of foundations, L shall be defined as the edge-to-edge distance across the entire length of the foundation cross-section for which deflection or tilt is to be calculated. For calculating overall deflection and/or tilt of foundations, the minimum L shall be not less than 25 feet. Localized and/or

shortened spans may not be used for calculations. For cantilevered framing elements, L shall be determined as twice the distance from the last support to the unsupported end of the element.

(10) **Substantial Completion** -- the later of:

- (A) the stage of construction when a new home, addition, improvement, or alteration to an existing home is sufficiently complete that the home, addition, improvement or alteration can be occupied or used for its intended purpose; or
- (B) if required, the issuance of a final certificate of inspection or occupancy by the applicable governmental authority.

XI. Warranty Performance Standards

ONE YEAR WARRANTY PERFORMANCE STANDARDS

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 perimeter crawl space wall shall not allow water to accumulate within ten feet of the foundation for more than 24 hours after a rain except in a sump that drains other areas.

(i) If the crawl space is not graded or does not drain in accordance with the performance standard stated in paragraph (a) of this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(ii) 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) If water enters the basement or crawl space wall or seeps through the basement floor, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in paragraph (b) of this subsection.

(ii) 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. If a concrete floor slab in a living space fails to meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within that standard.

(b) Concrete slabs shall not have protruding objects, such as a nail, rebar or wire mesh. If a concrete slab has a protruding object, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(c) A separation in an expansion joint in a concrete slab shall not equal or exceed 1/4 of an inch vertically or one inch horizontally from an adjoining section. If an expansion joint in a concrete slab fails to meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If a concrete corner or edge is damaged excessively, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(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) If an exterior concrete slab is cracked, separated or displaced beyond the standard of performance stated in paragraph (b) of this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(ii) 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) If the finish on exterior concrete is excessively smooth so that the surface becomes slippery, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in paragraph (c) of this subsection.
- (ii) A concrete surface that has been designed to be smooth is exempted from this performance standard.
- (d) Exterior concrete shall not contain a protruding object, such as a nail, rebar or wire mesh. If an exterior concrete surface has a protruding object, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (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 inch horizontally, including joint material. If an expansion joint fails to perform in accordance with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (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. If a control joint fails to perform in accordance with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (g) Concrete stair steepness and dimensions, such as tread width, riser height, landing size and stairway width shall comply with the Code. If the steepness and dimensions of concrete stairs do not comply with the Code, the **Builder** shall take such action as is necessary to bring the variance within the standard for Code compliance.
- (h) Handrails shall remain securely attached to concrete stairs. If handrails are not firmly attached to the concrete stairs, the **Builder** shall take such steps necessary as to attach the rails securely.
- (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 inch, including joint material. If the stairs or stoops settle or heave or separate from the home in an amount equal to or exceeding the standard above **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (j) A driveway will not have a negative slope unless due to site conditions, the lot is below the road. If a driveway has a negative slope due to site conditions, it shall have swales or drains properly installed to prevent water from entering into the garage. If a driveway has a negative slope that allows water to enter the garage in normal weather conditions, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (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. If a concrete floor slab in a detached garage, carport or porte-cochere does not meet the standards stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (l) Plaster adhesive over concrete slab underpinning shall not flake off more than one square foot in one spot within 36 square inches or more than 3 feet over the entire surface of the **Home**.

B. Performance Standards for Framing.

(1) 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. If a wall does not meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (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. If a wall does not meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (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. If a crack in the beam or post fails to meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.
- (d) A non-structural post or beam shall not have a warp or twist equal or exceeding one inch in eight feet of length. Warping or twisting shall not damage beam pocket. If a non-structural post or beam fails to meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to

bring the variance within the standard.

- (e) Exterior sheathing shall not delaminate or swell.
 - (i) If exterior sheathing delaminates or swells, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in paragraph (e) of this subsection.
 - (ii) 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) If an exterior moisture barrier allows an accumulation of moisture inside the barrier, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in paragraph (f) of this subsection.
 - (ii) 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 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. If a ceiling has a bow or depression that is greater than the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(3) **Performance Standards for Sub-floors.**

(a) 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 paragraph. If a sub-floor delaminates or swells to the extent that it affects the flooring covering as stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(b) 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. If the sub-flooring fails to meet the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If stair steepness and dimensions do not comply with the **Code**, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

C. Performance Standards for Drywall.

(1) 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. If a drywall surface fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(2) 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. If a drywall ceiling fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(3) 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. If a drywall surface has a crack that exceeds the standard in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(4) 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. If crowning at a drywall joint exceeds the standards stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard. Crowning occurs when a drywall joint is higher than the plane of the drywall board on each side.

(5) 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 feet or more in normal light. If a drywall surface fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(6) 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.

(a) If a drywall surface fails to meet the standard stated in subsection (6) of this section, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(b) 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 preexisting condition, a remodeler shall notify the homeowner, in writing, of any existing condition that prevents achievement of the standard.

(7) Nails or screws shall not be visible in a drywall surface from a distance of 6 feet under normal lighting conditions. If nails or screws are visible, the **Builder** shall take such action as is necessary to bring the variance within the standard.

D. Performance Standards for Insulation.

(1) Insulation shall be installed in the walls, ceilings and floors of a home in accordance with the building plan and specifications and the Code. If the insulation in walls, ceilings or floors is not in accordance with the building plans and specifications and the Code, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(2) 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. If the blown insulation in the attic reduces, settles or is displaced to the extent that the R-value is below the manufacturer's specifications, the building plans and Code, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(3) 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. If a gap equal to or greater than 1/4 of an inch occurs between insulation batts or a gap occurs between an insulation batt and a framing member, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(4) Insulation shall not cover or block a soffit vent to the extent that it blocks the free flow of air. If the insulation covers or blocks the soffit vent, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

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. If siding is misaligned or unevenly spaced and fails to meet the performance standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If siding has gaps or bows that exceed the standards stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If a nail protrudes from the finished surface of siding, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(d) Siding shall not have a nail stain. If siding has a nail stain, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(e) Siding and siding knots shall not become loose or fall off. If siding or siding knots become loose or fall off, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(f) Siding shall not delaminate. If siding fails to comply with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(g) Siding shall not cup in an amount equal to or exceeding 1/4 of an inch in a six-foot run. If siding fails to comply with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(h) Siding shall not have cracks or splits that equal or exceed 1/8 of an inch in width. If siding fails to

comply with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(2) **Performance Standards for Exterior Trim.**

(a) A joint between two trim pieces shall not have a separation that leaks or is equal to or exceeding 1/4 of an inch in width and all trim joints shall be caulked. If there is a separation at a trim joint that fails to comply with the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If exterior trim or eave block warps in excess of the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(c) Exterior trim and eave block shall not cup in an amount equal to or in excess of a 1/4 of an inch in a six-foot run. If exterior trim or eave block cups in excess of the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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. If exterior trim or eave block has cracks in excess of the standard stated in this paragraph, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(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) If a nail protrudes from the finished surface of the trim, the **Builder** shall take such action as is necessary to bring the variance within the standard within the standard stated in paragraph (5) of this subsection.

(ii) 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. If trim has a nail stain, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

F. Performance Standards for Masonry including Brick, Block and Stone.

(1) **A masonry wall shall not bow in an amount equal to or in excess of one inch when measured from the base to the top of the wall.**

(a) If a masonry wall fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(b) The standard set forth in this subsection does not apply to natural stone products.

(2) **A masonry unit or mortar shall not be broken or loose.** If a masonry unit or mortar fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(3) **A masonry mortar crack shall not equal or exceed 1/8 of an inch in width.** If a crack in masonry mortar fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(4) **A masonry unit or mortar shall not deteriorate.** If a masonry unit or mortar fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(5) **Masonry shall not have dirt, stain or debris on the surface due to construction activities.** If masonry fails to meet the standard stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(6) **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.** If a gap between masonry and adjacent material fails to meet the standards stated in this subsection, the **Builder** shall take such action as is necessary to bring the variance within the standard.

(7) **Mortar shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout.**

(a) If the mortar obstructs a functional opening, the **Builder** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(b) 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) **Stucco surfaces shall not be excessively bowed, uneven, or wavy.**
 - (a) If a stucco surface fails to perform as stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) This standard shall not apply to decorative finishes.
- (2) **Stucco shall not be broken or loose.** If stucco is broken or loose, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.
- (3) **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.**
 - (a) If the stucco fails to perform as stated in subsection (3) of this section, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) 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.
- (4) **Stucco shall not deteriorate excessively.**
 - (a) If the stucco deteriorates excessively, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The homeowner shall not allow water from irrigation systems to contact stucco finishes excessively.
- (5) **Stucco shall not have dirt, stain or debris on surface due to construction activities.** If the stucco fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (6) **Stucco surfaces shall not have imperfections that are visible from a distance of six feet under normal lighting conditions that disrupt the overall uniformity of the finished pattern.** If the stucco fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (7) **The lath shall not be exposed.** If the lath is exposed, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.
- (8) **A separation between the stucco joints shall not equal or exceed 1/16 of an inch in width.** If a separation between the stucco joints occurs in excess of the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (9) **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.** If a separation occurs between a stucco surface and adjacent material occurs in excess of the standard stated in this subsection or if such a separation is not caulked, the Builder shall take such action as is necessary to bring the variance within the standard.
- (10) **Stucco shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout.** If stucco obstructs a functional opening, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.
- (11) **Stucco screed shall have a minimum clearance of at least 4 inches above the soil or landscape surface and at least 2 inches above any paved surface.** If the stucco screed clearance does not meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (12) **Exterior Installation Finish Systems (EIFS) stucco screed shall clear any paved or unpaved surface by 6 inches.** If the EIFS stucco screed clearance does not meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

H. Performance Standards for Roofs.

- (1) **Flashing shall prevent water penetration.**
 - (a) If the flashing fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The Builder shall not be responsible for leaks caused by extreme weather.
- (2) **The roof shall not leak.**
 - (a) If the roof fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The Builder shall not be responsible for leaks caused by extreme weather.
 - (c) 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.
- (3) **A vent, louver or other installed attic opening shall not leak.**
 - (a) If a vent, louver or other installed attic opening fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The Builder shall not be responsible for leaks caused by extreme weather.
- (4) **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.
 - (a) If a gutter or downspout fails to meet the standard in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The Builder shall not be responsible for leaks caused by **EXTREME WEATHER CONDITIONS**.
 - (c) The homeowner shall maintain and clean gutters and downspouts to prevent buildup of debris or other obstructions.
- (5) **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.** If the shingles, tiles, metal or other roofing materials fail to meet the standard in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (6) **A skylight shall not leak.** If a skylight fails to meet the standard in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (7) **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. If the built-up roof fails to meet the standard in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (8) **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. If roof tiles or shingles fail to meet the standard in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (9) **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.** If a pipe, vent, fireplace or other object designed to penetrate the roof is not correctly located as provided in the performance standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (10) **The exterior moisture barrier of the roof shall not allow moisture penetration.**
 - (a) If the exterior moisture barrier fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) 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. If a door or window fails to meet the performance standard stated in this paragraph the Builder shall take such action as is necessary to bring the variance within the standard.

- (b) When closed, a door or window shall not allow excessive accumulation of moisture inside the door or window.
 - (i) If a door or window fails to meet the performance standard stated in paragraph (b) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) The homeowner shall keep weep holes on windows and doors free of dirt buildup and debris, thereby allowing water to drain properly.
 - (iii) 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. If glass in a window or door is broken due to improper installation or construction activities, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (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. If a screen in a door or window fails to meet the performance standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) There shall be no condensation between window and door panes in a sealed insulated glass unit.
 - (i) If a window or door fails to meet the performance standard stated in paragraph (5) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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. If a door, window latch or lock fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (g) A door or window shall operate easily and smoothly and shall not require excessive pressure when opening or closing. If a door or window fails to meet the performance standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (h) A door or window shall be painted or stained according to the manufacturers' specifications. If a window or door fails to meet the performance standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(2) Performance Standards for Windows.

A double hung window shall not move more than two inches when put in an open position. If a window fails to meet the performance standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) Performance Standards for Doors.

- (a) A sliding door and door screen shall stay on track.
 - (i) If a sliding door or door screen fails to perform to the standard stated in paragraph (a) of this subsection, Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 inches and shall be at least 1/2 of an inch. If the spacing between a door bottom and the original floor covering does not meet the performance standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) A door shall not delaminate. If a door becomes delaminated, a Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (d) A door panel shall not split so that light from the other side is visible. If a door panel fails to meet the performance standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) A door shall open and close without binding. If a door fails to perform in accordance with the

standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If a door fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(g) A storm door shall open and close properly and shall fit properly. If a door fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If a door fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(i) A metal door shall not be dented or scratched due to construction activities. If a metal door fails to comply with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(4) Performance Standards for Garage Doors.

(a) A metal garage door shall not be dented or scratched due to construction activities. If a metal garage door fails to comply with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) A garage door opener, if provided, shall operate properly in accordance with manufacturer's specifications.

(i) If a garage door opener fails to perform in accordance with the standard stated in paragraph (b) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(ii) A 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. If a garage door allows excessive water to enter the garage or the gap around the garage door equals or exceeds 1/2 inch, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(d) A garage door spring shall operate properly and shall not lose appreciable tension, break or be undersized. If a garage door spring fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(e) A garage door shall remain in place at any open position, operate smoothly and not be off track. If a garage door fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

J. Performance Standards for Interior Flooring.

(1) Performance Standards for Carpet, Vinyl Flooring and Wood Flooring.

Performance standards for ceramic tile, flagstone, marble, granite, slate, quarry tile other hard surface floors, except finished concrete floors, are located in subpart K. below.

(2) Performance Standards for Carpet.

(a) Carpet shall not wrinkle and shall remain tight, lay flat and be securely fastened. If the carpet fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) Carpet seams may be visible but shall be smooth without a gap or overlap. If the carpet fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) Carpet shall not be stained or spotted due to construction activities. If the carpet fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) Performance Standards for Finished Concrete Floor.

(a) Cracking is an inherent nature of a cement product, and no matter how careful the Builder is, concrete surfaces will exhibit some cracks. 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) If a finished concrete slab in a living space fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(ii) Finished concrete slabs in living spaces that are designed for drainage, such as a laundry room, are excepted from the standards stated in paragraph (a) of 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. If a finished concrete slab in a living space fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) Finished concrete surfaces cannot be cosmetically repaired to match existing surfaces and any repairs or work conducted to meet the standard set forth in this Section will be noticeable and should be expected to not match existing surfaces color, texture or finish.

(4) 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. If wood flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If wood flooring fails to meet the standards of this, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) Wood flooring shall not have open joints and separations that equal or exceed 1/8 of an inch.

(i) If wood flooring fails to meet the standards of paragraph (c) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(ii) 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 the characteristics of that floor to the homeowner prior to the execution of the contract.

(d) Strips of floorboards shall not cup in an amount that equals or exceeds 1/16 of an inch in height in a three-inch distance when measured perpendicular to the length of the board.

(i) If the wood flooring fails to meet the standard stated in paragraph (d) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(ii) 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. If the wood floor fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(f) Unless installed as a specialty feature, wood flooring shall not be stained, spotted or scratched due to construction activities of the Builder. If wood flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(5) 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-foot run. If the vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If the vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) Vinyl flooring shall remain securely attached to the foundation or sub-floor. If the vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(d) A vinyl floor shall not have a depression that equals or exceeds 1/2 of an inch in any six-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 paragraph. The ridge measurement shall be made by measuring the gap created when a six-foot straight edge is placed tightly three 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. If the vinyl floor fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(g) Vinyl flooring shall not be scratched, gouged, cut or torn due to construction activities. If the vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(h) Debris, sub-floor seams, nails and/or screws shall not be detectable under the vinyl floor from a distance of three feet or more in normal light. If the vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(i) Sub-flooring shall not cause vinyl flooring to rupture. If vinyl flooring fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If vinyl flooring fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

K. 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. If a hard surface is cracked or broken due to construction activities, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) A hard surface shall remain secured to the substrate. If a hard surface fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) A surface imperfection in floor hard surface shall not be visible from a distance of three feet or more in normal light. A surface imperfection in non-floor hard surface shall not be visible from a distance of two 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) If color variations between field and trim hard surfaces are excessive and are due to construction activities, the Builder shall take such action as is necessary to bring the variance within the standard stated in paragraph (d) of this subsection.

(ii) Natural products such as flagstone, marble, granite, slate and other quarry tile will have color variation.

(e) Hard surface areas shall not leak. If a hard surface area fails to perform in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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, with the exception of transition trim pieces. If a joint between two hard surfaces fails to meet the performance standard stated in this paragraph, 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) If hard surface layouts or grout lines fail to meet the performance standard stated in paragraph (g) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

- (ii) 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-foot measurement. If a hard surface countertop is not level to within the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (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) If a finished hard surface floor located in a living space fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 paragraph (i) of this subsection.

(2) Performance Standards for Grout.

- (a) Grout shall not crack more than 1/16 of an inch in width. If grout fails to meet the performance standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (b) Grout shall not change shade or discolor excessively due to construction activities. If grout fails to perform to the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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. If a concrete countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (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. If a concrete countertop fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) A finished concrete countertop shall not be stained, spotted or scratched due to construction activities. If a concrete countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (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. If a concrete countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) A concrete countertop shall not change shade or discolor excessively due to construction activities. If a concrete countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

L. Performance Standards for Painting, Stain and Wall Coverings.

(1) Performance Standards for Caulking. Interior caulking shall not deteriorate or crack excessively.

If the interior caulking fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(2) Performance Standards for Painting and Stain.

- (a) Paint or stain shall not have excessive color, shade or sheen variation.
 - (i) If the paint or stain fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 feet in normal light. If the painting fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) Interior paint or stain shall not deteriorate. If paint or stain fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

- (d) Exterior paint or stain shall not deteriorate excessively. If paint or stain fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) Paint over-spray shall not exist on any surface for which it was not intended. If the paint is sprayed onto a surface for which it was not intended, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (f) Interior varnish, polyurethane or lacquer finish shall not deteriorate. If an interior finish fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard. If an interior finish fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (g) Exterior varnish, polyurethane or lacquer finishes shall not deteriorate excessively.
 - (i) If an exterior finish fails to meet the standard stated in paragraph (g) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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. If interior painted, varnished or finished surfaces fail to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (i) A paint product shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability. If the paint product fails to meet the standards of this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) Performance Standards for Wall Coverings.

- (a) A wall covering shall be properly secured to the wall surface and shall not peel or bubble. If a wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (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-foot run. If the wall covering fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) A wall covering seam shall not separate or gap. If the wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (d) Lumps or ridges in a wall covering shall not be detectable from a distance of six feet or more in normal light. If the appearance of the wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) Wall coverings shall not be discolored, stained or spotted due to construction activities. If a wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (f) Wall coverings shall not be scratched, gouged, cut or torn due to construction activities. If a wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (g) Wall coverings shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability. If a wall covering fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

M. 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. If a fixture fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (b) A fixture shall not have tarnish, blemishes or stains unless installed as a specialty feature.
 - (i) If a fixture fails to meet the standard stated in paragraph (b) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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) If a fixture or fixture fastener fails to meet the standards of paragraph (c) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (ii) 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. If a decorative gas appliance fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (e) Fixtures shall be secure and not loose.
 - (i) If a fixture fails to meet the standard stated in paragraph (e) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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. If a fixture stopper fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (g) The toilet equipment shall not allow water to run continuously.
 - (i) If the toilet equipment fails to meet the standard stated in paragraph (g) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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) If a toilet fails to meet the standard stated in paragraph (h) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (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.
 - (ii) A tub or shower pan shall not crack. If a tub or shower pan fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (j) A water heater shall be installed and secured according to the manufacturer's specifications and the Code. If a water heater fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (k) A waste disposal unit shall be installed and operate according to the manufacturer's specifications. If a waste disposal unit fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (l) A faucet or fixture shall not drip or leak. This standard does not include drips or leaks due to debris or minerals from the water source, unless it is due to construction activities. If a faucet or fixture fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (m) A sump pump shall be installed in accordance with the manufacturer's specifications and shall operate properly when so installed. If a sump pump fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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) If a sewer gas odor is detected inside the home under conditions of normal residential use, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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. If a vent stack fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) A water pipe shall not make excessive noise such as banging or hammering repeatedly.
 - (i) If a water pipe fails to meet the standard stated in paragraph (c) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 paragraph (c) of this subsection does not require a Builder to remove all noise attributable to water flow and pipe

expansion.

N. 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) If a condensation line fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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) If a drip pan and drain line fails to meet the standard stated in paragraph (b) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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) If the refrigerant line insulation fails to meet the standard stated in paragraph (c) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 on a stable pad that supports the unit and is no more than one inch out of level. The bottom of the exterior compressor unit support shall not be below ground level.
 - (i) If an exterior compressor unit pad or support fails to meet the standards stated in paragraph (d) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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. If an appliance is not vented in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (b) Back draft dampers shall be installed and function according to the manufacturer's specifications. If back draft dampers fail to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) Performance Standards for Ductwork.

- (a) Ductwork shall not make excessive noise.
 - (i) If the ductwork fails to meet the standard stated in of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) The flow of air, including its velocity, or the expansion of ductwork from heating and cooling may cause "ticking" or "crackling" sounds. Such noises are not a **Construction Defect** and do not require correction by the Builder.
 - (iii) The homeowner shall not place any object on the ductwork.

O. Performance Standards for Electrical Systems and Fixtures.

- (1) Excessive air infiltration shall not occur around electrical system components or fixtures. If electrical system components or fixtures fail to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (2) A fixture or trim plate shall not be chipped, cracked, dented or scratched due to construction activities. If a fixture or trim plate fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (3) A fixture or trim plate finish shall not be tarnished, blemished or stained due to construction activities. If a

fixture or trim fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(4) A fixture, electrical box or trim plate shall be installed in accordance with the Code and shall be plumb and level. If a fixture, electrical box or trim plate fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(5) Fixtures, such as lights, fans and appliances shall operate properly when installed in accordance with the manufacturer's specifications. The Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(6) A smoke detector shall operate according to the manufacturer's specifications and shall be installed in accordance with the Code. If a smoke detector fails to meet the standards stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(7) An exhaust fan shall operate within the manufacturer's specified noise level. If an exhaust fan fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

P. Performance Standards for Interior Trim.

(1) Performance Standards for Trim.

(a) An interior trim joint separation shall not equal or exceed 1/8 inch in width or shall not separate from adjacent surfaces equal to or in excess of 1/8 inch and all joints shall be caulked or puttied. If an interior trim joint fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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 feet or more in normal light due to construction activities. If the interior trim fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) A hammer mark on trim shall not be visible from a distance of six feet or more when viewed in normal light. If the interior trim fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(d) A nail or nail hole in interior trim shall not be visible from a distance of six feet or more when viewed in normal light. If the interior trim fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(2) **Performance Standards for Shelving.** 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 and shall be supported by stud-mounted brackets no more than four feet apart. 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 and shall be supported by stud-mounted brackets no more than four feet apart. End supports shall be securely mounted. If the closet rods, shelving or end supports fail to meet the standards stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

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

Q. Performance Standards for Mirrors, Interior Glass and Shower Doors.

(1) 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. If a mirror, interior glass, shower door, fixture or component fails to meet the standards stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(2) A mirror, interior glass or shower door shall not be damaged due to construction activities. If a mirror, interior glass or shower door fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) A shower door shall not leak. If a shower door fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

- (4) Imperfections in a mirror or shower door shall not be visible from a distance of two feet or more when viewed in normal light. If a mirror or shower door fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (5) When opening and closing, a shower door shall operate easily and smoothly without requiring excessive pressure. If a shower door fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

R. 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) If the hardware finish fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (ii) 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. If hardware fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) Hardware shall not be scratched, chipped, cracked or dented due to construction activities. If hardware fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (d) Hardware shall be installed securely and shall not be loose.
- (i) If hardware fails to meet the standards stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (ii) The homeowner shall not exert excessive force on hardware.

(2) Performance Standards for Interior Ironwork.

- (a) Interior ironwork shall not rust.
- (b) If interior ironwork fails to meet the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) 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.

S. 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. If countertop or backsplash materials are not secured to the substrate in accordance with the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (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. If joints between non-laminate surfaces fail to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (c) Countertops shall be level to within 1/4 of an inch in any six-foot measurement. If a countertop surface fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.
- (d) A countertop surface or edge shall not be damaged, broken, chipped or cracked due to construction activities. If a countertop surface or edge fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(e) A countertop shall not bow or warp in an amount equal to or exceeding 1/16 of an inch per lineal foot. If a countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(f) Counter and vanity top material should not delaminate. If a countertop fails to meet the standard stated in this paragraph, the Builder will take such action as is necessary to bring the variance within the standard.

(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. If a countertop fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) A seam in a laminate countertop or backsplash may be visible but shall not be separated or displaced. If a laminate countertop or backsplash fails to meet the standard stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(c) A surface imperfection in a laminate countertop or a backsplash shall not be visible from a distance of three feet or more when viewed in normal light due to construction activities. If a laminate surface fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

T. Performance Standards for Fireplaces.

(1) **A refractory panel shall not crack or separate.**

(a) If the fireplace refractory panel fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) The homeowner shall not use synthetic logs or other materials if not approved by the manufacturer.

(2) **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. If a fireplace door fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(3) **A fireplace shall not have a gas leak.** If a fireplace has a gas leak, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(4) **Gas logs shall be positioned in accordance with the manufacturer's specifications.**

(a) If a gas log fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(b) 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.

(5) **A crack in masonry hearth or facing shall not be equal to or exceed 1/4 of an inch in width.** If the masonry hearth or facing of the fireplace fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(6) **A fireplace or chimney shall draw properly.** If a fireplace or chimney fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(7) **A firebox shall not have excessive water infiltration under normal weather conditions.** If a firebox fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

(8) **A fireplace fan shall not exceed the noise level established by the manufacturer's specifications.** If a fireplace fan fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

U. Performance Standards for Irrigation Systems.

- (1) **An irrigation system shall not leak, break or clog due to construction activities.** If an irrigation system fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (2) **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.** If an irrigation system fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (3) **The irrigation system control shall operate in accordance with manufacturer's specifications.**
 - (a) If an irrigation system fails to operate in accordance with manufacturer's specifications, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.
 - (b) The Builder shall provide the homeowner with instructions on the operation of the irrigation system at closing.
 - (c) **You** are responsible for maintenance and use of the irrigation system, including maintenance and taking precautionary measures (such as winterization) to prevent malfunction and breakage of irrigation system components due to ordinary wear and tear and events such as freezing temperatures.

V. Performance Standards for Fencing.

- (1) **A fence shall not fall over and shall not lean in excess of two inches out of plumb due to construction activities.** If the fencing fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (2) **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. If the fencing fails to meet the standards stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (3) **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. If a masonry unit or mortar in a fence fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
- (4) **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.** If a masonry retaining wall fails to meet the standards of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

W. Performance Standards for Yard Grading.

- (1) Yards shall have grades and swales that provide for proper drainage away from the home in accordance with the Code or other governmental regulations.
 - (a) If the grades or swales fail to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (b) The homeowner shall maintain the drainage pattern and protect the grading contours from erosion, blockage, over-saturation or any other changes. Following a prolonged or unusually heavy rainfall event, ponding or standing water, not immediately adjacent to the foundation but in the yard, should be anticipated by the homeowner and may require up to 24 hours to dissipate. Water that collects in swales may require 48 hours to drain.
- (2) **Settling or sinking of soil shall not interfere with the drainage patterns of the lot or have a vertical depth of six inches or more.** If the soil fails to meet the standard stated in this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.

ONE YEAR DELIVERY SYSTEMS WARRANTY PERFORMANCE STANDARDS

X 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) If electrical wiring inside the home is not functioning properly or is not installed in accordance with the Code and any other applicable electrical standards, the Builder shall take such action as is necessary to bring the wiring to the standard of performance required in paragraph (a) of this subsection.
 - (ii) 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) If the electrical wiring fails to carry design load, the Builder shall take such action as is necessary to bring the variance within the standard set forth in paragraph (b) of this subsection.
 - (ii) All electrical equipment shall be used for the purposes and/or capacities for which it was designed and in accordance with manufacturer's specifications.
 - (iii) The Builder shall not be responsible for increased electrical capacity requirements beyond the designed for load and Code requirements for the home at the time of construction.

(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, based upon the designed load and Code requirements in effect for the home at the time of construction.
 - (i) If the electrical panel or breakers do not have sufficient capacity to provide electrical service to the home during normal residential usage, the Builder shall take such action as is necessary to bring the variance within the standard set forth in paragraph (a) of this subsection.
 - (ii) 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) If a circuit breaker repeatedly trips or fuses repeatedly blow under normal residential electric usage, the Builder shall take such action as is necessary to bring the variance within the standard set forth in paragraph (b) of this subsection.
 - (ii) 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.
 - (iii) The Builder shall not be responsible for increased electrical capacity requirements beyond the designed for load and Code requirements for the home at the time of construction.

(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.
 - (i) 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.
 - (ii) 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. If an outlet, doorbell or switch is not installed in accordance with the manufacturer's specifications and the Code or does not operate properly when so installed, the Builder shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(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. If a fixture, electrical box or trim plate is not installed in accordance with the Code and manufacturer's

specifications or is not properly secured to the supporting surface, Builder shall take such action as is necessary to bring the variance within the standard state in this subsection.

(c) A light shall not dim, flicker or burn out repeatedly under normal circumstances. A lighting circuit shall meet the Code. If a light or a lighting circuit fails to meet the standards stated in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(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) If wiring or outlets for cable television, telephone, ethernet or other services are not installed in accordance with the Code or any applicable manufacturer's specifications, the Builder shall take such action as is necessary to bring the variance within the standard set forth in paragraph (a) of this subsection.

(ii) A 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 standard in paragraph (a) of this subsection.

(i) If wiring or outlets for cable television, telephone, ethernet or other services are not functioning, the Builder shall take such action as is necessary to bring the variance within the standard set forth in paragraph (a) of this subsection.

(ii) A 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.

Y. 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 paragraph (a) of 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. 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) If a water pipe is leaking, the Builder shall take such action as is necessary to bring the variance within the performance standard stated in paragraph (b) of this subsection.

(ii) 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, a Builder shall take such action as is necessary to bring the variance within the standard stated in paragraph (c) of this subsection.

(ii) 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.
 - (ii) If the water pressure is excessively high, the Builder shall take such action as is necessary to bring the variance within the standard stated in paragraph (d) of this subsection.
- (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 wastewater treatment system should be capable of properly handling normal flow of household effluent in accordance with the applicable state environmental quality requirements.

- (a) 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) system malfunctions or damage 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.
 - (iv) malfunctions due to homeowner's improper use, maintenance or neglect.

Z. Performance Standards for Heating, Air Conditioning and Ventilation Delivery Systems.

(1) A refrigerant line shall not leak.

- (a) If a refrigerant line leaks, the Builder shall take such action as is necessary to bring the variance within the standard stated in subsection (1) of this section.
- (b) 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 feet from the outside wall of a room at a height of three feet above the floor under local outdoor winter design conditions as specified in the Code.
 - (i) If a heating system fails to perform to the standard stated in paragraph (a) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) Temperatures may vary up to 4-degrees Fahrenheit between rooms but no less than the standard set forth above in paragraph (1) of 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 feet above the floor, under local outdoor summer design conditions as specified in the Code.
 - (i) If the air-conditioner system fails to perform to the standard stated in paragraph (b) of this subsection, the Builder shall take such action as is necessary to bring the variance within the standard.
 - (ii) 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 above in paragraph (b) of 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 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. If the thermostat reading differs more than 4-degrees Fahrenheit from the actual room temperature taken at a height of five feet above the floor in the center of the room where the thermostat is located, the Builder shall take such action as is necessary to bring the variance within the standard.

(d) Heating and cooling equipment shall be installed and secured according to the manufacturer's instructions and specification and shall not move excessively. If the heating or cooling equipment is not installed and secured in accordance with manufacturer's instructions and specifications or moves excessively, the Builder shall take such action as is necessary to properly install and secure the equipment.

(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. If a vent, grill or register is not installed and secured in accordance with the performance standard in this paragraph, the Builder shall take such action as is necessary to bring the variance within the standard.

(4) **Performance Standards for Ductwork.**

(a) Ductwork shall be insulated in unconditioned areas according to Code. If ductwork is not insulated in unconditioned areas in accordance with the Code, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(b) Ductwork shall be secured according to the manufacturer's instructions and specifications and it shall not move excessively. If the ductwork is not secured according to the manufacturer's instructions and specifications or moves excessively, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(c) Ductwork shall be sealed and shall not separate or leak in excess of the standards set by the Code. If the ductwork is not sealed, is separated or leaks in excess of the standards set by the Code, the Builder shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

TEN YEAR MAJOR STRUCTURAL COMPONENTS WARRANTY PERIOD PERFORMANCE STANDARDS

AA. Performance Standards for Major Structural Components.

- (1) Performance Standards for Slab-on-Ground Foundations.
- a. Slab-on-ground 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 actual post-construction movement. The protocol and standards for evaluating slab-on-ground foundations shall follow the ASCE Guidelines with the following modifications:
- i. 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 resulting from said overall deflection, as described in Section 5 of the ASCE Guidelines, and 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, but the minimum L shall be not less than 25 feet. Calculations of overall deflection shall be based upon the change in elevation at each point for which an original construction elevation was taken. A deflection analysis must be based upon a minimum of three co-planar relative elevation data points – two end points that form a straight reference line along the evaluated section and a third point anywhere along the deformed surface that reflects a deviation of the foundation surface from the reference line. The distance from the deformed surface to the reference line shall be measured perpendicular to the reference line.
 - ii. The slab shall not tilt after construction in excess of one percent across any edge-to-edge 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 overall tilt shall be based upon the change in elevation at the respective edge points for which an original construction elevation was taken.
- b. If measurements and associated symptoms of distress show that a slab-on-ground foundation does not meet the deflection or tilt standards stated in paragraph (1) of this subsection, the **Builder** shall implement the recommendations of a state licensed professional engineer with the state of the **Home's** location, which shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines. Localized measurements of deflection that are claimed to be outside of performance standards, **Code** or tolerances are not warranted and there is no **Builder** responsibility for correction or otherwise. By definition, tilt is a global mechanism of planar rotation across the entire foundation, edge-to-edge; therefore, local tilt does not exist and cannot be analyzed.
- (2) Performance Standards for Raised-Floor Foundations (i.e. Pier-and-Beam, Elevated Concrete Slabs on Forms, etc.).
- a. Raised-floor foundations should not move differentially after they are constructed, such that a tilt or deflection in the floor surface in excess of the standards defined below arises from actual post-construction movement. The protocol and standards for evaluating raised-floor foundations shall follow the ASCE Guidelines with the following modifications:
- i. A raised-floor 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 foundation 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. A deflection analysis must be based upon a minimum of three co-planar relative elevation data points – two end points that form a straight reference line along the evaluated section and a third point anywhere along the deformed surface that reflects a deviation of the floor surface from the reference line. The distance from the deformed surface to the reference line shall be measured perpendicular to the reference line.

- ii. A raised-floor foundation shall not tilt after construction in excess of one percent across any edge-to-edge dimension of the Improvements 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 overall tilt shall be based upon the change in elevation at the respective perimeter points for which an original construction elevation was taken.
- iii. If a raised-floor 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 state licensed Professional Engineer with the state of the **Home's** location, which shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines.

b. If measurements and associated symptoms of distress show that a raised floor foundation does not meet the deflection or tilt standards stated in paragraph (1) of this subsection, the **Builder** shall implement the recommendations of a state licensed Professional Engineer with the state of the **Home's** location, which shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines. Localized measurements of deflection that are claimed to be outside of performance standards, **Code** or tolerances are not warranted and there is no **Builder** responsibility for correction or otherwise. Attempted measurements of tilt in which L is not an edge-to-edge distance across the foundation cross-section are actually measurements of localized slopes, not tilt, which are not warranted, and there is no **Builder** responsibility for correction or otherwise.

(3) Major Structural Components other than Slab-on-Ground Foundations and Raised Floor Foundations.

- a. A defined structural component, other than the concrete elements of a slab-on-ground foundation or a raised floor 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**.
- b. If a structural component of a **Home**, other than the concrete elements of a slab-on-ground foundation or a raised floor 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.
- c. Deflected structural components.
 - i. A structural component, other than the foundation, shall not deflect more than the ratios allowed by the **Code**.
 - ii. 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.
- d. Damaged structural components.
 - i. 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.
 - ii. 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.
- e. Separated structural components.
 - i. 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.

- ii. 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.

XII. Warranty Repairs Information

a. Trade Day Appointments

Depending on the number and nature of items that need attention, **We** may ask **You** to designate a Trade Day Appointment—typically a date a minimum of 7 days from the inspection date—for repairs to be made. This time frame allows **Us** to notify appropriate trades people, order any needed materials or parts, and arrange for the majority of repairs to occur on the same day. Although on occasion work must occur in sequence and more than one appointment may be needed, this system works well in the majority of situations. Please be sure that **You** are available the entire time that the trades are working in **Your Home**. This creates an opportunity to have as many trades as possible attend to **Your Home** to complete their warranty work. If a particular trade is unavailable or if the work needs to be completed in sequence, other arrangements will be made with **You**.

b. Exterior Items

Exterior items can usually be inspected or repaired without an adult present provided access is available. (Example: Gate is unlocked and pets are restrained).

c. Children

Children are naturally curious about tools and work in progress on **Your Home**. However, to protect them from possible injury and to allow repair personnel an uninterrupted opportunity to work **We** ask that youngsters be cared for away from ongoing work. This policy is for the protection of **Your** children and our employees and trades personnel. **We** have instructed all repair personnel to reschedule the appointment if children are in or around the work area.

d. Pets

We recognize that many **Homeowners** count their pets as members of their households. To prevent the possibility of a pet becoming injured or lost, or giving in to its natural curiosity about tools and materials used for repairs **We** ask that **You** restrict all pets to a comfortable location during any warranty visit, whether for inspection or warranty work. This policy is also for the protection of our employees and trades personnel. Again, **We** have instructed all personnel to reschedule the appointment if pets have access to the work area.

e. Personal Belongings

In all work that **We** perform **We** are concerned that your furniture, appliances, and personal items be protected. When warranty work is needed in **Your Home**, **We** will ask that **You** remove vulnerable items or items that might make performing the repair difficult. This includes furniture, appliances, or personal items in or near the work area. **We** will reschedule the repair appointment rather than risk damaging **Your** belongings.

f. Surfaces

We expect all personnel who work in **Your Home** to arrive on time, park on the street, and have appropriate materials to cover the work area, protecting **Your Home** from damage and catching the dust or scraps from the work being performed. Similarly, all personnel should clean up the work area, removing whatever excess materials they brought in. Prior to beginning any work, **We** require that repair personnel check the work area for any existing damage to surfaces. They will document any scratches, chips, or other cosmetic damage with **You** prior to beginning repairs to avoid any later disagreement about how and when such damage occurred.

g. Signatures on Work Orders

Signing a work order acknowledges that a technician worked in **Your Home** on the date shown and with regard to the items listed. **Your** signature on a work order does not negate any of your rights under the warranty nor does it release **Us** from any confirmed warranty obligation. If **You** prefer not to sign the work order, the technician will note that, sign the work order and return it to **Us** for **Our** records. **We** routinely contact **Homeowners** at random by phone or email to ask for feedback about the repair process. If **You** have suggestions on how **We** can improve the service **We** provide **We** want to hear them. If **You** are dissatisfied with any service **We** provide, **You** can note that on the work order or call the warranty office with your feedback. **We** are available to review **Your** concerns and determine whether **Our** requirements have been met. And naturally if **We** exceeded your expectations, the service personnel of **Our** company and the trades with whom **We** work sincerely appreciate **Your** compliments on their efforts.

h. Completion Time

Regular review of outstanding work orders is part of **Our** office routine. Checking with trades and **Homeowners** alike, **We** strive to identify the cause for delays and get all warranty work completed within an appropriate and reasonable amount of time. **We** strive to complete warranty work orders within 15 workdays of the inspection unless you are unavailable for access. If a back-ordered part or similar circumstance causes a delay, **We** will let you know. Likewise, when weather conditions prevent the timely completion of exterior items, **We** track those items and follow up to ensure that they are addressed when conditions are right. This can mean a wait of several months.

i. Missed Appointments

Good communication is one key to successful completion of warranty items. **We** strive to keep **Homeowners** informed and to protect them from inconvenience. One of **Our** challenges in this regard is when unexpected events sometimes result in missed appointments. If an employee or a trade person will be late, he or she should contact **You** as soon as the delay is recognized, offering **You** a choice of a later time the same day or a completely different appointment. If **You** must miss an appointment, **We** appreciate being alerted as soon as **You** realize **Your** schedule has changed. **We** require a 24-hour notice of cancellation on an appointment. **We** can put work orders on "hold" for 10 to 30 days and re-activate them when **Your** schedule offers a better opportunity to arrange access to the **Home**.

Our contractor's time is valuable too. Be aware that if **You** miss multiple confirmed appointments, **We** reserve the right to waive the return to **Your Home** for service without a charge/fee associated with the return costs for the contractor. **We** reserve the right to charge the owner a service fee should it be assessed by the contractor performing the repair on a missed appointment that requires a return trip.

XIII. Binding Arbitration Procedure

Following commencement of the **Warranty Period**, and consistent with the parties' agreement to arbitrate contained in the Residential Earnest Money Contract applicable to the **Home**, the parties agree that any claim, controversy or dispute (hereafter collectively referred to as "dispute") between **You** (specifically including any owners, spouses, children, occupants and subsequent owners of the **Home**) and **US**, or parties acting on **Your** or **Our** behalf, and any successor, or assign of either **You** or **Us**, which relates to or arises from this **Limited Warranty**, or the design or construction of the **Home** or the **Common Elements**, or the sale of the **Home** or transfer of title to the **Common Elements**, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. In the event of any inconsistency between the provisions contained in this Section XIII. of the **Limited Warranty** and the terms of the arbitration provision contained in the Residential Earnest Money Contract, the terms of the Contract shall control. Arbitrations shall be limited to disputes relating to **Your Home** only, and disputes, if any, relating to other homes may not be consolidated in any representative or class proceeding.

The arbitrator(s) shall be authorized to provide all recognized legal and equitable remedies for any dispute submitted for arbitration except, as noted above, the arbitrator may not consolidate disputes relating to homes other than **Your's** and may not otherwise preside over any form of a representative or class proceeding.

This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, **You** or **Your** successors in title to the **Home** during the **Warranty Period**, and by **Us** and **Our** contractor, subcontractors, agents, vendors, suppliers, design professionals, materialmen, and any of **Our** direct or indirect subsidiaries or related entities alleged to be responsible for any **Construction Defect**. The parties contemplate the inclusion of such other parties in any arbitration of a dispute and agree that the inclusion of such other parties will not affect the enforceability of this arbitration agreement. In each case, the arbitrator(s) shall have the exclusive authority to resolve:

- A. Any disagreement that a condition in the **Home** or the **Common Elements** is a **Construction Defect** and is therefore covered by this **Limited Warranty**;
- B. Any disagreement as to whether a **Construction Defect** has been corrected in compliance with this **Limited Warranty**;
- C. Any alleged breach of this **Limited Warranty**;
- D. Any alleged violation of consumer protection, unfair trade practice, the Texas Residential Construction Liability Act, or any other statute;
- E. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and any other claims arising in equity or from common law;
- F. Any dispute concerning the issues that should be submitted to binding arbitration;
- G. Any dispute concerning the timeliness of **Our** performance and/or **Your** notifications under this **Limited Warranty**;
- H. Any dispute as to the payment or reimbursement of the arbitration-filing fee;
- I. Any dispute relating to the interpretation, applicability, enforceability or formation of this agreement to arbitrate, including without limitation its revocability or voidability for any cause, and any defense relating to the enforcement of this agreement to arbitrate, including without limitation waiver, estoppel, or laches;
- J. Any other claim arising out of or relating to the sale, design or construction of **Your Home** or the **Common Elements**, including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by this **Limited Warranty**.

Commencement of Arbitration. Within a reasonable time after the controversy has arisen, the party requesting relief shall file a written demand for arbitration and pay any applicable filing fees. The arbitration proceeding shall be conducted in the federal judicial district where the property is located, unless otherwise agreed to by the parties.

In all instances, the parties may agree upon one (1) arbitrator, but in the event the parties cannot agree on the use of one (1) arbitrator, there shall be three (3) neutral arbitrators appointed in accordance with the applicable arbitration rules. In the event the applicable arbitration rules mandate that the dispute shall be submitted to a single arbitrator and the parties cannot agree as to the selection of such arbitrator, then there shall be three (3) neutral arbitrators appointed in accordance with the applicable arbitration rules, with the cost of the two (2) additional arbitrators being split between the parties. Unless the applicable arbitration rules mandate otherwise, all arbitrators shall be attorneys at law, licensed to practice in the state where the **Home** is located, with at least 20 years of practice experience in the single-family residential construction industry of the state. If there is only one (1) arbitrator, his/her conclusions shall be binding and conclusive on the parties. If there are three (3) arbitrators, the decision of any two (2) shall be binding and conclusive. Costs of arbitration shall be allocated between or among the parties as provided by the applicable arbitration rules, or in the absence or inapplicability of such rules, as determined by the arbitrator(s). If any party commences litigation in violation of this contract, or fails or refuses to timely submit to arbitration in accordance with this contract, such party shall reimburse the other party for the costs and expenses, including attorney's fees: (a) incurred in seeking a stay, abatement or dismissal of such litigation; or (b) incurred in judicially compelling arbitration. The foregoing does not preclude a party from seeking emergency relief from a court of competent jurisdiction and the prosecution of a request for emergency relief will not be deemed a waiver of the arbitration provisions contained herein.

Costs to compel arbitration: Notwithstanding anything to the contrary in this Section, to the extent a party files an action in any state or federal court in violation of this Section (or pursues any other dispute resolution proceeding other than as set forth in herein), the non-filing party shall be entitled to immediately recoup from the filing party any and all costs, fees and expenses associated or otherwise related to (i) compelling arbitration pursuant to the terms hereof, or (ii) compelling the filing party's compliance with the terms hereof, regardless of whether arbitration is to commence by court order, consent order, subsequent agreement by the filing party or otherwise. Such costs and expenses include, without limitation, attorneys' fees and costs, paralegal fees and costs, in-house attorneys' fees and costs, filing fees, court fees, expert witness fees, travel costs, court reporter fees, and service of process fees to compel arbitration. It shall not be a defense that the costs and expenses, including attorneys' fees, incurred by the non-filing party were unreasonable as the filing party shall be liable to the non-filing party for all such costs and expenses regardless of whether they were reasonable. Thereafter, the filing party shall, immediately upon demand by the non-filing party, reimburse the non-filing party for such costs and expenses prior to commencing the arbitration action, and the parties further agree that, at the sole option of the non-filing party, either the arbitrator shall order and compel such immediate payment in the event such payment has not been made prior to commencing the arbitration action, or the court order compelling arbitration shall include an award to the non-filing party for fees and costs to compel arbitration pursuant to this paragraph to the extent the filing party has not paid. Without limiting the generality of the foregoing, in the event a buyer records a notice of lis pendens against the **Home**, the lot or any other property owned by **Builder** or its affiliates or subsidiaries despite buyer's unconditional waiver of the right, if any, pursuant to the express terms of the contract to record a notice of lis pendens, buyer shall at buyer's sole cost and expense record a termination and release of such improper lis pendens within two (2) days after written demand by **Builder**. In addition, **You** and **Builder** agree that in connection with any proceeding to compel arbitration pursuant to this Section, any order to arbitrate (whether by court order, consent order, subsequent agreement by the filing party or otherwise) shall also include an order to record a termination of any lis pendens within the two (2) days after written demand by **Builder**. In the event the filing party fails or neglects to file for arbitration pursuant to this Section within thirty (30) days after a court's order to arbitrate (whether by court order, consent order, subsequent agreement by the filing party or otherwise), the non-filing party may, but shall not be obligated, at any time thereafter file a complaint in a court of competent jurisdiction to require the filing party to pay to the non-filing party all of the non-filing party's costs and expenses (including, without limitation, attorneys fees and costs, paralegal fees and costs, in-house attorneys' fees and costs, filing fees, travel costs, court reporter fees, and service of process fees) in connection with the non-filing party compelling arbitration and for filing the limited action in the court of competent jurisdiction to compel payment of such costs and expenses, together with any applicable prejudgment interest, in connection with the non-filing party's failure to arbitrate pursuant to this Section. A non-filing party's election to proceed in a court of competent jurisdiction pursuant to the immediately preceding sentence shall not waive, diminish or otherwise limit such non-filing party's remedies or rights to any subsequent dispute otherwise required to be arbitrated.

The arbitration shall be conducted by The American Arbitration Association ("AAA"), unless the parties mutually agree on an alternative reputable arbitration service or arbitrator(s) prior to commencement of the arbitration process. The rules and procedures of the arbitration service that are in effect at the time the request for arbitration

is submitted will apply. This arbitration agreement shall be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 – 16) in effect as of the commencement of the **Warranty Period**, or as it may thereafter be amended, to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Fees and Expenses or Arbitration. Each party shall bear its own attorney's fees and costs (including expert costs) for the arbitration. The arbitration-filing fee, which is the amount charged by the arbitration service for each arbitration, shall be divided and paid equally as between **You** and **Us** unless otherwise agreed by **You** and **Us**. Based on the outcome of the arbitration, the arbitrator(s) may, at his/her discretion and to the extent permitted by law, direct that either party reimburse the other party some or all of that portion of the arbitration filing fee paid. Buyer and seller each represent that they have adequate financial capacity to avail themselves of the arbitration remedies provided herein and that participation in arbitration will not constitute a financial hardship.

Joinder: The parties agree that **We** may join in any arbitration proceeding conducted hereunder, one or more of seller's subcontractors, specialty contractors, material suppliers, engineers, designers and/or such other persons or entities (collectively whether one or more "third-party") where: (a) the services provided, work performed or materials supplied by such third-party forms the basis, directly or indirectly, in whole or part, of the claims made the subject of the arbitration proceeding; (b) such third-party is substantially involved in a common question of fact or law; or (c) the presence of such third-party is required to accord the parties complete relief in the arbitration. To the extent not prohibited by law, any class action claims may not be asserted or arbitrated in connection with this contract

Arbitration Award: Following the arbitration hearing, a decision will be rendered by the arbitrator(s). The decision is final and binding on **You** and **Us**. The arbitrator(s) may, to the extent permitted by law, grant any remedy or relief that the arbitrator(s) deems just and equitable and within the scope of this **Limited Warranty** or other applicable agreements, including statutory remedies. Notwithstanding, the arbitrator(s) is required to follow the law of the state in which the **Home** is located. The arbitrator(s) does not have authority (i) to render a decision that contains reversible error of state or federal law, or (ii) to apply a cause of action or remedy not provided for under existing state or federal law. Any decision or action by the arbitrator(s) to the contrary shall be subject to judicial review. The arbitrator(s) shall make specific findings of fact and conclusions of law supporting the decision and any award. Either party may, within sixty (60) days after an arbitration award, apply to any court of competent jurisdiction to confirm the award.

A request for warranty performance is not to be construed as a notice of construction defect (under the Texas Residential Construction Liability Act, or any other applicable law) and that any notice under said action shall be separately sent as required herein and under law.

Any dispute, claim and/or cause of action must be filed for arbitration no later than two years and one day after the date of accrual and the statute of limitations is shortened to this time period unless any such Dispute, claim and/or cause of action already has a shorter limitations period as a matter of law. It being a breach of contract and violation of this **Limited Warranty**, the filing of a lawsuit in a court of law does not toll the limitations periods.

Under no circumstances shall a party be liable for any special, indirect, incidental, consequential damages, or personal injury damages, including claims of mental anguish.

THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL IN A COURT OF LAW AND THE RIGHT TO JURY TRIAL OF ANY DISPUTE, CLAIM OR CAUSE OF ACTION.

You understand and agree that **Our** management's approval and acceptance of the contract to sell **You** the **Home** is conditioned in part and in reliance upon **Your** acknowledgment of, and agreement with, the provisions of this Section XIII.

Survival: the provisions of this Section shall survive the closing of the sale of the **Home** to **You**.