

your new home

workmanship, systems and structural warranty.



LONG LIVE HAPPY HOMES®



“Long live happy homes[®]” says it all.

It says we are in the business of promises kept...
and promises kept, make our customers happy.

It says we have protected over 5.5 million new and pre-owned homes.

It says we partner with thousands of the nation’s finest home builders,
service contractors and real estate professionals who consider our
protection the industry’s gold standard.

It says we relentlessly focus on reducing the financial risks
for our millions of customers.

It says a lot about promises kept.

The Buyer will receive a Certificate of Warranty within 30 days after the Builder/Seller took all steps required to make the express limited warranty effective. The Certificate of Warranty will identify the coverage selected by Your Builder/Seller and the Warranty Limits.

Once the Certificate of Warranty is received, please keep it with this warranty booklet.

You do not have a warranty without a valid Certificate of Warranty.

Register your warranty at www.2-10.com/homeowner.
Registration is not required for your warranty to be valid.



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BUILDER/SELLER'S EXPRESS LIMITED WARRANTY

SECTION I. YOUR WARRANTY BOOKLET AND CERTIFICATE OF WARRANTY COVERAGE.

This booklet and the **Certificate of Warranty Coverage** are very important legal documents that fully define the provisions of **Your Builder/Seller's** express limited warranty, **Your** rights and **Your Builder/Seller's** rights and obligations. Therefore, it is important to keep this booklet and the **Certificate of Warranty Coverage** with other legal documents that are important to **You**.

Your warranty is not a policy of insurance, a maintenance agreement or a service contract. If **You** have a mortgage on **Your Home**, **Your** lender may insist that **You** have a homeowners' insurance policy. This warranty is not a homeowners' insurance policy and it will not satisfy the lender's requirement.

The provisions of this warranty may not be changed by **Your Builder/Seller** or by any other person. If any provision of this warranty is found to be unenforceable, however, the remaining provisions will remain in full force and effect.

A. TRANSFERRING YOUR BUILDER/SELLER'S EXPRESS LIMITED WARRANTY.

If **You** sell **Your Home** during the term of the express limited warranty, this warranty automatically transfers to the next owner, and any subsequent owners. This means all of **Your** rights and obligations under this warranty, up to the remaining amount of the **Warranty Limit**, will transfer without cost to each purchaser of **Your Home** or any person who otherwise obtains title to **Your Home**, including any mortgagee in possession, for the remaining term of the warranty.

When **You** sell **Your Home**, **You** agree to give this warranty booklet and the **Certificate of Warranty Coverage** to **Your** buyer in order to make it possible for the buyer to understand his or her rights and fulfill his or her obligations under the provisions of this express limited warranty.

If **You** are a successive owner of the **Home**, **You** may benefit from the coverage provided by this express limited warranty, but in return **You** are bound by all of the terms and conditions of this warranty including but not limited to the procedures that must be followed to make a claim and the obligation to participate in arbitration as set out in this warranty. To register the warranty in **Your** name please complete and mail the Successive Owner Transfer and Acceptance Form along with a check for \$20.00 to 2-10 HBW at the address shown on the form.

B. WORDS WITH SPECIAL MEANINGS.

Generally speaking, the words used in this warranty have their normal everyday meaning. In some cases, however, a word will be used as shorthand to describe specifically one of the key provisions contained in this express limited warranty. In those cases, the words will be capitalized, and the capitalized word will always have the same special meaning.

Most defined terms are described in this section; however, other sections of this warranty booklet may contain other defined terms. The words being given a special meaning in this section are as follows:

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

"Builder/Seller" means the **Home Builder/Seller** listed on the **Certificate of Warranty Coverage**, and is the person or company providing **You** with this express limited warranty.

"Certificate of Warranty Coverage" is the document issued by 2-10 HBW confirming that **Your Builder/Seller** took all steps required to make the express limited warranty on **Your Home** effective.

"Code" means the International Residential **Code**, or if the context requires, the National Electric **Code**.

"Common Element" means any portion of a **Multi-Family Building** which is defined as a **Common Element** in either common interest ownership laws or in the declaration establishing such community. Unless excluded in Section VIII, **Common Elements** may include, without limitation, hallways, roofs, exterior finishes, and electrical, plumbing, and mechanical distribution systems.

"Common Element Date of Warranty" means the earlier of the date a certificate of occupancy is issued for the **Multi-Family Building** or the date a unit in the building is first occupied.

"Commercial Space" means any unit within a **Multi-Family Building** that is used primarily for a nonresidential purpose, including, without limitation, club houses and recreational facilities. **Commercial Space** has coverage only if issued its own **Certificate of Warranty Coverage**.

"Defect" means a failure to meet the Construction **Performance Standards** for workmanship and systems set forth in Section X of this warranty booklet.

“Effective Date of Warranty” means the date the express limited warranty goes into effect. That date will be the earliest of: (1) the closing date on which **You** purchased the **Home**, (2) the date title to the **Home** was transferred to **You** if title was transferred before **Your** closing date, or (3) the date anyone first began living in the **Home** if before **Your** closing date.

“Electrical Standard” means the standard for residential construction located in a municipality, a standard contained in the version of the National Electrical **Code** (NEC) applicable to electrical aspects of residential construction in the municipality under Local Government **Code** § 214.214 and that is effective on the date of commencement of construction of the **Home**;

“Excessive or Excessively” means a quantity, amount or degree that exceeds that which is normal, usual or reasonable under the circumstance.

“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**.

“Home” means the dwelling unit and garage (if any) or the **Commercial Space** (if any) located at the address shown on the **Certificate of Warranty Coverage**.

“Major Structural Defect” is defined in Section IIB of this warranty booklet.

“Multi-Family Building” is a building in a common interest community that may consist of dwelling units, shared parking spaces, **Commercial Space(s)** and/or **Common Elements**.

“Original Construction Elevations” means actual elevations of the foundation taken before, on or about the **Effective Date of Warranty** of the **Home**. 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 at least one elevation per 100 square feet showing a reference point and shall be taken at a rate of at least one elevation per 10 linear feet along the perimeter of the foundation, subject to obstructions. Each elevation shall be taken on the surface of the foundation or on the surface of the floor covering on the foundation, if any. For elevations taken on floor coverings, the type of floor covering shall be recorded at each elevation location. 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 entire area of the foundation.

“Performance Standard(s)” mean the performance standard(s) the **Home** or element or component must satisfy.

“Structural Defect” is defined in Section IIB of this warranty booklet.

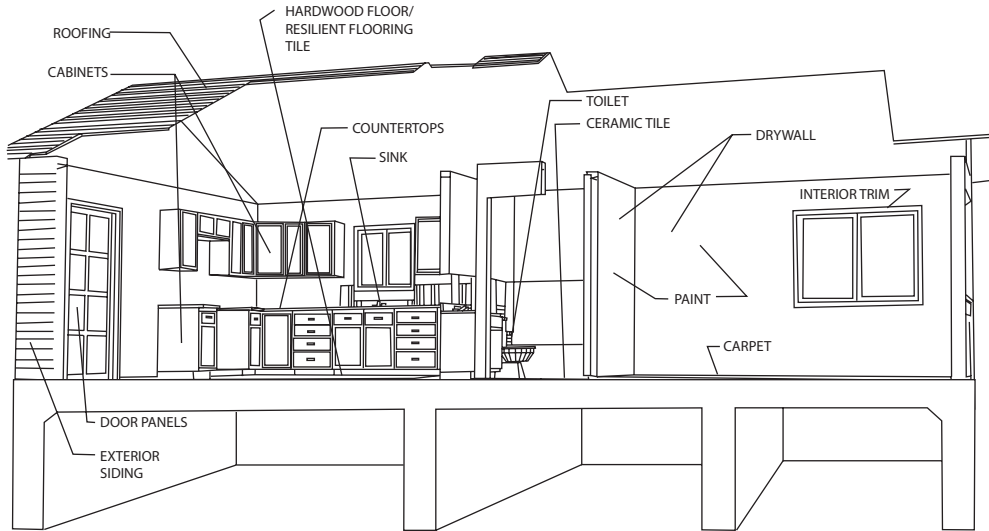
“You”, “Your”, and similar words means the person or persons who are the legal owners of the **Home** covered by this express limited warranty.

“Warranty Insurer” is the **Builder/Seller’s Warranty Insurer** as stated on **Your Certificate of Warranty Coverage**.

“Warranty Limit” is the aggregate financial obligation of the **Builder/Seller** or **Warranty Insurer** for all claims under this warranty and is the sum stated on the **Certificate of Warranty Coverage**.

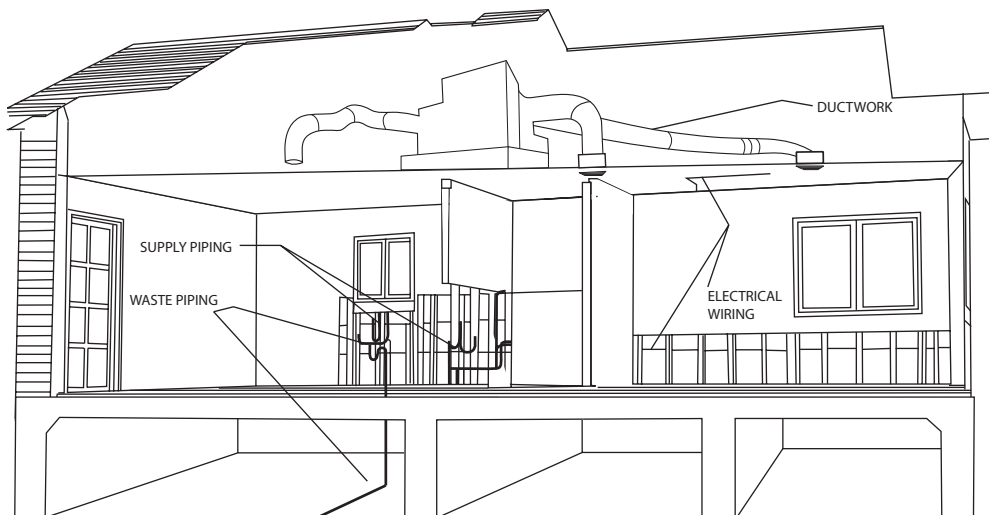
SECTION II. THE WARRANTIES PROVIDED BY YOUR BUILDER/SELLER.

A. ONE YEAR WORKMANSHIP AND TWO YEAR SYSTEMS DEFECT WARRANTY. Your Builder/Seller is providing One Year of Workmanship and Two Years of Systems Defect Warranty for Your Home. This means that for one year Your Home will be free from Defects in materials and workmanship as defined in the Performance Standards in Section X; and for two years Your Home will be free from Defects in the electrical, plumbing, mechanical, heating, cooling and ventilation distribution systems as stated in Section X. The workmanship warranty shall expire one year from the Effective Date of Warranty; and the systems warranty will expire two years from the Effective Date of Warranty.



WORKMANSHIP

Examples of items typically covered under the one year workmanship warranty.



SYSTEMS

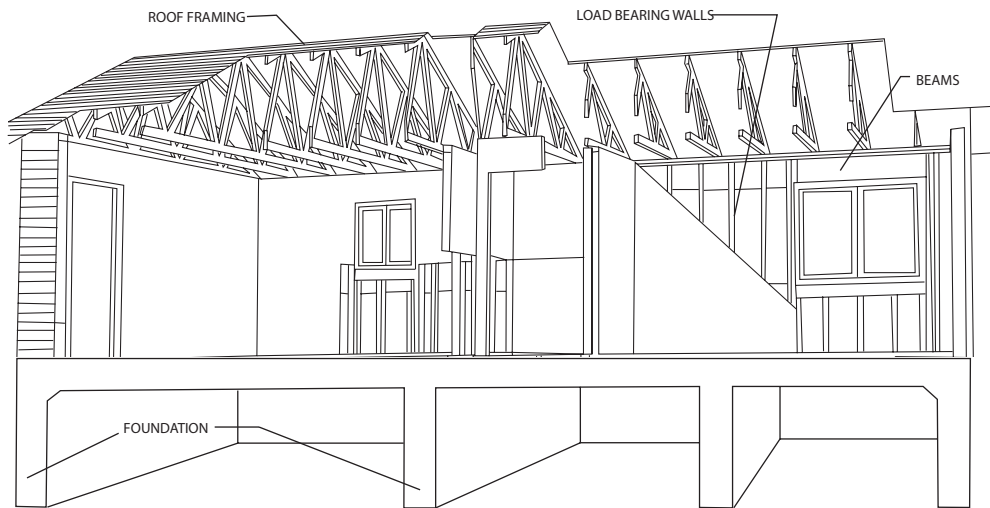
Examples of items typically covered under the two year systems warranty.

B. STRUCTURAL DEFECT WARRANTY. Your Builder/Seller is providing a Major Structural Defect warranty. This means that Your Home will be free from Major Structural Defects from the Effective Date of Warranty for ten years. This obligation is backed by the Warranty Insurer.

Major Structural Defect is defined as the failure of Major Structural Components to meet the Performance Standards defined in Section X, paragraph 28. The Major Structural Components are:

1. Footings and Foundation systems;
2. Beams;
3. Headers;
4. Girders;
5. Lintels;
6. Columns; other than a column that is designed to be cosmetic;

7. Load-bearing walls and partitions;
8. Roof framing systems;
9. Floor systems; and
10. Masonry Arches.



STRUCTURE

Examples of items typically covered under the ten year structural warranty.

The remaining elements of **Your Home** are not Major Structural Components. A non exclusive list of some of the components that are not covered are:

1. Non-load-bearing partitions and walls;
2. Wall tile or paper, etc.;
3. Drywall and plaster;
4. Flooring and subflooring material;
5. Stucco, brick and stone veneer;
6. Any type of exterior siding;
7. Roof shingles, roof tiles, sheathing, and tar paper;
8. Heating, cooling, ventilating, plumbing, electrical and mechanical systems;
9. Appliances, fixtures or items of equipment; and
10. Doors, trim, cabinets, hardware, insulation, paint, stains.

SECTION III. THE OPTION TO REPAIR, REPLACE OR PAY FOR DEFECT AND/OR STRUCTURAL DEFECT.

A. PROVISIONS APPLICABLE TO DEFECT AND/OR MAJOR STRUCTURAL DEFECT.

The **Builder/Seller** shall have the option to repair, replace or pay **You** the reasonable cost of repair of any **Defect**. The **Warranty Insurer** shall have the option to repair, replace or pay **You** the reasonable cost of repairing any **Major Structural Defect**. The design, method and manner of such repair shall be within the sole discretion of the **Warranty Insurer**. At the time of repair, replacement or payment for the repair of any **Defect** or **Major Structural Defect**, **You** must:

1. Assign to the **Builder/Seller** or **Warranty Insurer** any rights **You** may have against any other person with respect to the **Defect** or **Major Structural Defect**. **You** must not do anything to prejudice these rights of subrogation.
2. When repairs are completed, **You** must sign and deliver a full and unconditional release of the **Builder/Seller** or **Warranty Insurer**, in recordable form, of all legal obligations with respect to the warranted items and conditions arising from those items.

If an improvement, fixture or property not constructed by the **Builder/Seller** is damaged or requires removal during the repair, it is **Your** sole responsibility, and not the responsibility of the **Builder/Seller** or **Warranty Insurer**, to pay for the cost of repair or removal of such improvement, fixture or property. No repair shall extend the term of this express limited warranty as to any **Defect** or **Major Structural Defect**, including without limitation, the **Defect** or **Major Structural Defect** that was the subject of the repair.

B. ADDITIONAL PROVISIONS APPLICABLE TO THE REPAIR OF STRUCTURAL DEFECT.

The repair of a **Major Structural Defect** is limited to:

1. The repair of damage to designated load-bearing portions of the **Home** which is necessary to restore their load-bearing function;
2. The repair of those non-load-bearing portions damaged by the **Major Structural Defect** (such as the repair of inoperable windows, doors and the restoration of functionality of damaged electrical, plumbing, heating, cooling and ventilating systems); and
3. The repair and cosmetic correction of only those surfaces, finishes and coverings, with damage directly attributable to the **Major Structural Defect** provided the surfaces, finishes or coverings are original with the **Home**, and they were damaged

by the **Major Structural Defect** or require removal and replacement to repair the **Major Structural Defect**.

Repairs of the **Major Structural Defect** are intended to restore the **Home** to approximately the condition just prior to the **Major Structural Defect**, but not necessarily to a like-new condition.

C. ACCESS TO YOUR HOME FOR INSPECTING AND MAKING REPAIRS.

In order to carry out the warranty responsibilities, the **Builder/Seller** or **Warranty Insurer** will require access to **Your Home**. If **Your Home** is in a **Multi-Family Building**, **You** agree (after reasonable notice) to allow access to, or within **Your Home** during normal business hours so repairs may be made to any adjacent unit or **Common Element**. If emergency repairs are necessary and **You** cannot be reached within a reasonable time period, **You** waive such notice. If **You** do not provide access to **Your Home** during normal business hours to inspect, repair, or conduct tests on **Your Home** as may be required to evaluate or repair a **Defect** or **Major Structural Defect**, **You** are relieving the **Builder/Seller** or **Warranty Insurer** of all responsibility to make repairs, replace or pay for any **Defect** or **Major Structural Defect** under this warranty.

In addition to the right to inspect **Your Home** the **Builder/Seller** or **Warranty Insurer** shall have the right, in advance of any arbitration concerning **Your Home**, to reinspect **Your Home** if the request for arbitration is made more than sixty (60) days after the last claim decision concerning the claim that is the subject of the arbitration.

D. THE LIMITS OF YOUR WARRANTY.

Every time the **Builder/Seller** or **Warranty Insurer** pays a claim under this warranty, the amount of that payment is deducted from the **Warranty Limit**. When the **Warranty Limit** is exhausted, there is no longer warranty coverage for **Your Home**. A claim payment includes the cost to the **Builder/Seller** or **Warranty Insurer** of repairing a **Defect** or **Major Structural Defect** in **Your Home** covered under this warranty. However, a claim payment does not include the cost of investigating the claim.

The **Warranty Limit** for **Common Elements** in a **Multi-Family Building** is equal to the sum of the unexpired **Warranty Limits** for all **Homes** in the building which are enrolled in the 2-10 HBW Program. In the event that all **Homes** in the **Multi-Family Building** were not enrolled, the **Warranty Limit** for **Common Elements Defects** or **Common Elements Structural Defect** coverage shall be reduced pro-rata based upon the ratio of the original sale price of the non-enrolled **Homes** compared to the total original sales price of all **Homes** in the **Multi-Family Building**. If the claim payment is for a **Common Elements Defect** or **Common Elements Major Structural Defect**, the **Warranty Limit** on each **Home** in the **Multi-Family Building** still covered by an unexpired warranty shall be reduced pro-rata in the proportion which the **Common Elements** claim payment bears to the total original sales price of all such **Homes**.

Any coverage for the **Builder/Seller's** express limited warranty shall be excess of any other valid and collectible insurance available to **You** or the **Builder/Seller**, whether primary, pro-rata or excess, and whether or not collected.

E. EMERGENCY REPAIRS.

An emergency means a substantial risk of serious physical damage to the **Home** or a substantial risk of serious bodily injury to its occupants if a **Defect** or **Major Structural Defect** is not immediately repaired. If **You** have an emergency involving a **Defect**, **You** must contact **Your Builder/Seller** immediately, who is responsible for making emergency repairs or authorizing **You** to make emergency repairs. If **You** have an emergency involving a **Major Structural Defect**, **You** must contact 2-10 HBW at the address given in Section IV, who will contact the **Warranty Insurer** to make emergency repairs or authorizing **you** to make emergency repairs. If **You** are unable to contact the **Builder/Seller** or **Warranty Insurer**, **You** must then (1) make minimal repairs necessary to avoid the emergency until authorization for more extensive repairs has been approved by the **Builder/Seller** or **Warranty Insurer**, (2) take any action reasonably necessary to limit additional damage, and (3) report the emergency to the **Builder/Seller** or **Warranty Insurer** and 2-10 HBW on the next business day.

Except for authorized emergency repairs do not repair or attempt to repair a claimed **Defect** or **Major Structural Defect** before the **Builder/Seller** or **Warranty Insurer** has an opportunity to inspect the **Defect** or **Major Structural Defect**. Any attempt to repair a claimed **Defect** or **Major Structural Defect**, other than an authorized emergency repair, will make it impossible to assess whether the **Defect** or **Major Structural Defect** was covered by this warranty, whether the repair was correct, cost effective, necessary, and effective, or whether the problem could be resolved in another way. Unless an emergency **Defect** or **Major Structural Defect** repair is authorized, the **Builder/Seller** or **Warranty Insurer** will have no responsibility to reimburse any costs due to repair, replacement, and expenses, including engineering and attorney's fees.

SECTION IV. REPORTING A WARRANTY CLAIM.

A. WORKMANSHIP AND SYSTEMS DEFECTS.

If **You** believe **Your Home** has a **Defect** that is covered under **Your Builder/Seller's** Workmanship or Systems Warranty that occurred during the applicable term of the warranty, **You** must take the steps described in Sections C and D below.

B. STRUCTURAL DEFECTS.

If **You** believe **Your Home** has a **Major Structural Defect** that is covered under **Your Builder/Seller's Major Structural Defect Warranty**, **You** must take the steps described in Section D below. Notice of **Major Structural Defect** must be made by the homeowner, except for **Multi-Family Buildings**, notice for each affected building must be made by the homeowners' association or its designated representative, along with a copy of the **Certificate of Warranty Coverage** for each **Home** in the building.

C. NOTICE TO YOUR BUILDER/SELLER.

1. **Workmanship and Systems Defect(s) must be reported to the Builder/Seller as soon as possible but no later than 15 days after the expiration of the applicable term of the warranty.** Send written notification to **Your Builder/Seller** listing completely the specific **Defect(s)** and the date the **Defect(s)** occurred. **The Defect will not be covered under this warranty if the Notice is received more than 15 days after the expiration of the warranty term. These time limits are a material condition of this warranty.** It is recommended (but not required) that **Your** letter be sent by certified mail, return receipt requested so **You** have a record of when **Your** letter was sent and received.

D. NOTICE TO 2-10 HBW.

1. **WORKMANSHIP AND SYSTEMS DEFECTS MUST BE REPORTED TO 2-10 HBW AS SOON AS POSSIBLE BUT NO LATER THAN 15 DAYS AFTER THE EXPIRATION OF THE APPLICABLE TERM OF THE WARRANTY.**

If covered repairs for the Workmanship or Systems **Defects** are not completed by **Your Builder/Seller** within sixty (60) days of the date **You** sent **Your** letter or before the expiration of the warranty term (whichever date comes earlier), **You** must complete the following three steps:

- a. Complete the appropriate Notice of Complaint Form ("Notice"), which is found at the back of this warranty booklet.
- b. Send one copy of the Notice to **Your Builder/Seller**.
- c. Send one copy of the Notice to 2-10 HBW, and include:
 1. A copy of **Your Certificate of Warranty Coverage**; and
 2. A copy of all correspondence with **Your Builder/Seller** regarding the **Defect(s)** in question to:

**2-10 Home Buyers Warranty
Warranty Administration Department
10375 East Harvard Avenue, Suite 100
Denver, CO 80231
Phone: 855.429.2-109**

We recommended (but do not require) that **You** send this notice by certified mail, return receipt requested, so **You** have a record of when the notice was sent and received. Include copies of **Your Certificate of Warranty Coverage** and all correspondence with **Your Builder/Seller** about the **Defect(s)** in question.

WHAT 2-10 HBW WILL DO. Once 2-10 HBW has received **Your** Notice of Complaint, it will again notify **Your Builder/Seller** of **Your Defect(s)**. If **You** and **Your Builder/Seller** still cannot resolve **Your** differences even with 2-10 HBW's conciliation help, then **You** and **Your Builder/Seller** must arbitrate **Your** dispute under the arbitration agreement set forth in this booklet. 2-10 HBW will provide a form for **You** to request arbitration after **You** have completed the procedure described above. If 2-10 HBW determines that **Your Builder/Seller** cannot or will not participate in arbitration, or **Your Builder/Seller** refused to pay or perform an arbitration award in **Your** favor, 2-10 HBW will notify **You** of that fact. **You** must then forward to 2-10 HBW at the address above, a one time \$250 claim deductible (check payable to the **Builder/Seller's Warranty Insurer** stated on **Your Certificate of Warranty Coverage**). Upon receipt, 2-10 HBW will forward the check and **Your** file to the **Builder/Seller's Warranty Insurer**, and the **Warranty Insurer** will adjust the claim.

Homes With FHA/VA Financing Only – If **You** are the original owner and **Your Home** has original FHA/VA financing still in effect, the \$250 deductible is collected after the claim is accepted and the amount of the loss is determined.

2. **STRUCTURAL DEFECT(S) MUST BE REPORTED TO 2-10 HBW AS SOON AS POSSIBLE BUT NO LATER THAN THIRTY (30) DAYS AFTER THE EXPIRATION OF THE APPLICABLE TERM OF THE WARRANTY.**

Send written notification to **Your Warranty Insurer** listing completely the specific **Major Structural Defect(s)** and the date the **Major Structural Defect(s)** occurred. A **Major Structural Defect** will not be covered under this warranty if the Notice is received after the date the warranty coverage expires. These time limits are a material condition of this warranty.

Notice to Warranty Insurer. If **You** believe that **Your Home** has a **Major Structural Defect** that is covered by this warranty:

- a. Complete the appropriate Notice of Claim Form ("Notice"), which is found at the back of this warranty booklet.
- b. Send one copy of the Notice to 2-10 HBW, and include:
 1. A copy of **Your Certificate of Warranty Coverage**; pay a \$250 claim investigation fee payable to the **Warranty Insurer** stated on the **Certificate of Warranty Coverage**; and
 2. A copy of all correspondence with **Your Builder/Seller** regarding the **Structural Defect(s)** in question to:
2-10 Home Buyers Warranty

Warranty Administration Department
10375 East Harvard Avenue, Suite 100
Denver, CO 80231
Phone: 855.429.2-109

We recommended (but do not require) that **You** send this notice by certified mail, return receipt requested, so **You** have a record of when the notice was sent and received.

Homes With FHA/VA Financing Only – If **You** are the original owner and **Your Home** has original FHA/VA financing still in effect, **You** do not have to send the \$250 claim fee investigation fee with **Your** Notice of Claim Form. The \$250 fee will be collected after the claim is accepted and the amount of the loss is determined.

WHAT 2-10 HBW WILL DO. Upon receipt of the items identified in D.2 above, 2-10 HBW will forward the check and **Your** file to the **Warranty Insurer**, and the **Warranty Insurer** will adjust the claim.

SECTION V. THE EFFECT OF THIS WARRANTY ON YOUR LEGAL RIGHTS.

You have accepted this express limited warranty provided in this warranty booklet. All other express or implied warranties, including oral or written statements or representations made by Your Builder/Seller or any implied warranty of habitability, merchantability or fitness, are disclaimed by Your Builder/Seller and waived by You to the extent possible under Texas law. You may have other remedies as provided under Texas law.

SECTION VI. DISPUTE RESOLUTION WITH BINDING ARBITRATION*.

To expedite the resolution of any and all claims, disputes and controversies by or between the homeowner, the Builder/Seller, 2-10 HBW, as administrator, the Warranty Insurer or any combination of the foregoing, arising from or related to this Warranty, the Warranty Insurance Policy, the 2-10 HBW Program, or to the Home, shall be settled by binding arbitration. Agreeing to arbitration means You are waiving Your right to a jury trial, class action or consolidation.

Any person in contractual privity with the Builder/Seller whom the homeowner contends is responsible for any construction Defect in the Home shall be entitled to enforce this arbitration agreement. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing the validity of this arbitration agreement. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.

A. SELECTING AN ARBITRATION SERVICE.

The arbitration shall be conducted by DeMars & Associates, Ltd or by Construction Dispute Resolution Services, LLC or by any mutually agreeable arbitration service, pursuant to the service's applicable rules in effect at the time of the arbitration. The choice of the arbitration service shall be that of the Homeowner, or if the Homeowner is not involved, that of the party who initiates the arbitration. The arbitration shall be held in the home. No arbitration proceeding shall involve more than one single-family detached dwelling or more than one Multi-Family Building. The arbitrator shall render an award in accordance with the substantive law in the state in which the Home is located.

B. DISPUTES CONCERNING THE APPLICATION OF THIS ARBITRATION AGREEMENT.

The parties expressly agree that this warranty and this arbitration agreement involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) now in effect and as the same may from time to time be amended, to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.

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

C. COST OF ARBITRATION.

All administrative fees of the arbitration service and fees of the arbitrator shall be allocated to the parties as provided in the rules of the arbitration service, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

***Homes With FHA/VA Financing Only – If You are the original owner and Your Home has original FHA/VA financing still in effect, in lieu of any right to have a claim resolved in a judicial proceeding, You may, at Your election, submit to arbitration all claims, disputes and controversies by or between You, the Builder/Seller, the Warranty Insurer and/or 2-10 HBW, arising from or related to the warranty. In addition, 2-10 HBW and/or the Warranty Insurer will offer pre-arbitration conciliation at no cost to You.**

SECTION VII. YOUR RESPONSIBILITIES UNDER THIS EXPRESS LIMITED WARRANTY.

You are responsible for proper use and maintenance of **Your Home** and lot including keeping **Builder/Seller** set grades around the **Home**, not planting trees and shrubs within ten feet or closer from the **Home's** foundation so drainage is not obstructed and the **Home's** performance is not impacted, pruning landscape to prevent contact with the **Home** and following generally accepted landscape practices for **Your** region. It is impossible to identify every item that requires maintenance, but we have described some items in this section and others in the **Performance Standards** in Section X. Such maintenance items include but are not limited to: proper cleaning, care and upkeep, periodic repainting and resealing of finished surfaces, caulking of windows and doors, regular replacement of mechanical system filter, and cleaning of drains and gutters to allow proper water drainage from **Your Home**. Inside the **Home**, **You** should prevent excessive moisture collection by properly using ventilation equipment, preventing excessive temperature fluctuations, and taking other reasonable actions that are necessary to avoid excessive moisture, dampness, humidity or condensation that may lead to damage. **You** should use all manufactured products according to the manufacturer's instructions and specifications. Misuse, abuse, neglect of components of **Your Home**, including failure to follow manufacturer's specifications with regard to manufactured products may void the **Builder/Seller** and manufacturer's warranty.

You should be aware that all new homes go through a period of settlement and movement. During this period, **Your Home** may experience some minor material shrinkage, cracking and other events which are normal and customary. However, if **You** observe conditions that may cause more or additional damage to the **Home**, or its components, **You** must take reasonable actions necessary to prevent further damage to the **Home**.

SECTION VIII. EXCLUSIONS.

This warranty does not provide coverage for any of the following items which are specifically excluded.

1. Damage to land and other real property that was not part of **Your Home**, or any property that was not included in the purchase price stated on the **Certificate of Warranty Coverage**;
2. Damage to or **Defects** in swimming pools and other exterior recreational facilities; boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of the **Home**); landscaping (including sod, seeding, shrubs, trees, and plantings); decks, outbuildings, or any other appurtenant structure or attachment to the dwelling; or other additions or improvements not a part of **Your Home**;
3. Except for **Defects** specifically covered in the **Performance Standards**, **Defects** to basement slabs;
4. Loss or damage which arises while **Your Home** is being used primarily for non-residential purposes;
5. Changes in the level of underground water table which were not reasonably foreseeable at the time of construction of **Your Home**;
6. Failure of **Your Builder/Seller** to complete construction;
7. Noncompliance with plans and specifications; and except for the **Defects** specifically covered in the **Performance Standards**, violations of local or state ordinances or standards;
8. Any condition which has not resulted in actual physical damage to **Your Home**;
9. Any loss or damage that is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever, including without limitation:
 - a. Negligence, improper maintenance, defective material or work supplied by, or improper operation by, anyone other than **Your Builder/Seller** or its employees, agents or subcontractors, including failure to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
 - b. **Your** failure to give prompt and proper notice to 2-10 HBW and **Your Builder/Seller** of any **Defect** or **Structural Defect**;
 - c. Change of the grading of the ground that does not comply with accepted grading practices, or failure to maintain the original grade;
 - d. Riot or civil commotion, war, vandalism, hurricane, tornado or windstorm, other extreme weather conditions, fire, explosion, blasting, smoke, water escape, tidal wave, flood, hail, snow, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, avalanche, earthquake, or volcanic eruption or geological phenomenon involving subsurface slope instability;
 - e. Abuse or use of **Your Home**, or any part thereof, beyond the reasonable capacity of such part for such use, including use that exceeds the normal design loads prescribed by the **Code** or engineer of record.
 - f. Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold, mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic, and

- electromagnetic field or emission, including any claim of health risk or uninhabitability based on any of the foregoing;
- g. Water infiltration through the foundation or building envelope that is not the result of a **Major Structural Defect**, except as otherwise provided in the **Performance Standards**;
 - h. **Your** failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable;
10. Any loss or damage caused by buried debris, underground springs, sinkholes, mineshafts or other anomalies which were not reasonably foreseeable in a building site **You** provided;
 11. Loss caused, in whole or in part, by any peril or occurrence for which compensation is provided by state legislation or public funds;
 12. Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience, or annoyance;
 13. Diminished market value of **Your Home***;
 14. Any and all consequential loss or damage, including without limitation, any damage to property not covered by this warranty, any damage to personal property, any damage to property which **You** do not own, any bodily injury or personal injury of any kind, including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits;
 15. Any and all exclusions set forth in Section X (**Performance Standards**);
 16. **Defect** or **Major Structural Defect** that first occurs or **You** knew about prior to the **Effective Date of Warranty** such as “walkthrough” or “punchlist” items.

***Homes With FHA/VA Financing Only** – If **You** are the original owner and **Your Home** has original FHA/VA financing still in effect, “Diminished market value of the **Your Home**” is deleted.

SECTION IX. MANUFACTURERS AND OTHER SIMILAR WARRANTIES.

Your warranty does not apply to any manufactured item such as appliances, fixtures, equipment (except as specifically defined in the **Performance Standards**) or any other item which is covered by a manufacturer’s warranty, nor does it cover **Defect** in any systems that are caused by failure of any such manufactured item.

Appliances and items of equipment not covered by this express limited warranty include but are not limited to: air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, chimes, dishwashers, dryers, electric meters, electronic air cleaners, exhaust fans, fire alarms, freezers, furnaces, garage door openers, garbage disposals, gas meters, gas or electric grills, heat exchangers, heat pumps, humidifiers, intercoms, outside lights or motion lights not attached to the **Home**, range hoods, ranges, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool baths, and whole house fans. This warranty does not affect or limit in any way any manufacturer’s warranty.

SECTION X. CONSTRUCTION PERFORMANCE STANDARDS.

The following **Performance Standards** are standards that have been developed and accepted by the Texas Association of Builders and the residential construction industry in general. While it is impossible to develop **Performance Standards** for each possible deficiency, using the Texas Association of Builders Standard, 2-10 HBW has attempted to isolate the most common actual physical damage deficiencies that occur and in so doing, list the scope of responsibility for **Your Builder/Seller**, the **Warranty Insurer** and **You**. Where a specific **Performance Standard** for the One Year Workmanship and Two Year Systems Warranty has not been specified, the guidelines found in Residential Construction Performance Guidelines, as published by the National Association of **Home** Builders (also known as “NAHB”) and in effect at the time of the commencement of construction, will apply. Copies of this publication may be special ordered through most book retailers, or purchased directly from the NAHB Bookstore by calling 1-800-223-2665. The NAHB Bookstore may also be reached online at www.BuilderBooks.com. If an item is not covered in that publication, usual and customary industry standards or practices for the geographic region of Texas will be used.

The **Performance Standards** set the required standards for the construction performed by **Your Builder/Seller**. Failure of the construction to satisfy the One and Two Year **Performance Standards** means that **Your Builder/Seller** must correct the **Defect**. In repairing the **Defect**, adjacent surfaces that are changed will be finished or touched up to match the surrounding area as closely as practical. In connection with the repair of finish or surface material, such as paint, wallpaper, flooring or a hard surface, the **Builder/Seller** will match the standard and grade as closely as reasonably possible. Although the **Builder/Seller** will attempt to match the finish, he will not be responsible for discontinued patterns or materials, color variations or shade variations. When the surface finish material must be replaced and the original material has been discontinued, the **Builder/Seller** is responsible for installing replacement material substantially similar in appearance to the original material.

Refer to other parts of this Limited Warranty Booklet for specific terms, definitions, exclusions and conditions that apply to the workmanship and systems warranty. Major structural components are warranted to satisfy the **Performance Standards** of paragraph

28 of this Section for ten (10) years. Refer to other parts of this Limited Warranty Booklet for specific terms, exclusions and conditions that apply to the **Major Structural Defect** warranty.

Normal wear and deterioration; failure of **Your Builder/Seller** to perform any washing, cleaning, or cleanup, are not covered under the Limited Warranty.

RESOLVING CONFLICTS AMONG STANDARDS. During the construction of **Your Home**, when an inconsistency exists between the **Code**, manufacturer's instructions and specifications, the United States Department of Housing and Urban Development Minimum Property Standards, or the ANSI/ASHRAE Standard, **Your Builder/Seller** shall apply the most restrictive standard.

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ITEMS COVERED UNDER THE 1 YEAR WORKMANSHIP COVERAGE

1. PERFORMANCE STANDARDS FOR FOUNDATIONS AND SLABS

(a) Performance Standards for Raised Floor Foundations or Crawl Spaces.

(1) A crawl space shall be graded and drained properly to prevent surface runoff 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.

(A) If the crawl space is not graded or does not drain in accordance with the performance standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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.

(2) Water shall not enter through the basement or crawl space wall or seep through the basement floor.

(A) If water enters the basement or crawl space wall or seeps through the basement floor, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (2) of this subsection.

(B) 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.

(b) Performance Standards for Concrete Slab Foundations, excluding Finished Concrete Floors.

(1) 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/Seller** shall take such action as is necessary to bring the variance within that standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Exterior Concrete including Patios, Stem Walls, Driveways, Stairs or Walkways.

(1) Concrete corners or edges shall not be damaged excessively due to construction activities. If a concrete corner or edge is damaged excessively, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(2) 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 in excess of 1/4 of an inch.

(A) If an exterior concrete slab is cracked, separated or displaced beyond the standard of performance stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall not overwater surrounding soil or allow the surrounding soil to become excessively dry. The homeowner shall not allow heavy equipment to be placed on the concrete.

(3) The finish on exterior concrete shall not be excessively smooth, so that the surface becomes slippery.

(A) If the finish on exterior concrete is excessively smooth so that the surface becomes slippery, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (3) of this subsection.

(B) A concrete surface that has been designed to be smooth is excluded from this performance standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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(7) 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/Seller** shall take such action as is necessary to bring the variance within the standard for **Code** compliance.

(8) Handrails shall remain securely attached to concrete stairs. If handrails are not firmly attached to the concrete stairs, the **Builder/Seller** shall take such steps necessary as to attach the rails securely.

(9) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(10) A driveway will not have a negative slope unless due to site conditions. 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(11) Concrete floor slabs in detached garages, carports or portecocheres 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 portecochere does not meet the standards stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(12) Plaster over concrete 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.

2. PERFORMANCE STANDARDS FOR FRAMING

(a) Building and Performance Standard for Walls.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) A nonstructural 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 nonstructural post or beam fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) Exterior sheathing shall not delaminate or swell.

(A) If exterior sheathing delaminates or swells, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (5) of this subsection.

(B) The homeowner shall not make penetrations in the exterior finish of a wall that allow moisture to come in contact with the exterior sheathing.

(6) An exterior moisture barrier shall not allow an accumulation of moisture inside the barrier.

(A) If an exterior moisture barrier allows an accumulation of moisture inside the barrier, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (6) of this subsection.

(B) The homeowner shall not make penetrations through the exterior moisture barrier that permit the introduction of moisture inside the barrier.

(b) Performance Standards for Ceilings.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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(c) Performance Standards for Subfloors.

(1) Under normal residential use, the floor shall not make excessive squeaking or popping sounds. If the floor makes excessive squeaking and popping sounds under normal residential use, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(2) Subfloors 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 subfloor delaminates or swells to the extent that it affects the flooring covering as stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) Subflooring 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 subflooring fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(d) Performance Standards for Stairs.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(2) Under normal residential use, stairs shall not make excessive squeaking or popping sounds. If stairs make excessive squeaking and popping sounds under normal residential use, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

3. 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 eightfoot vertical measurement. If a drywall surface fails to meet the standard stated in this subsection, the **Builder/Seller** 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 eightfoot measurement. If a drywall ceiling fails to meet the standard stated in this subsection, the **Builder/Seller** 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/Seller** 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/Seller** 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/Seller** 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 90degree 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/Seller** 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/Seller** to achieve the performance standard. At or about the time of discovery of such a pre-existing condition, a remodeler shall notify the homeowner, in writing, of any existing condition that prevents achievement of the standard.

(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/Seller** shall take such action as is necessary to bring the variance within the standard.

4. 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/Seller** 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/Seller** shall take such action as is necessary to bring the variance

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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/Seller** 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

5. PERFORMANCE STANDARDS FOR EXTERIOR SIDING AND TRIM

(a) Performance Standards for Exterior Siding.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

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

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

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

(7) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(8) 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/Seller** shall take such action as is necessary to bring the variance within the standard. Rough wood sidings are excepted from this standard.

(b) Performance Standards for Exterior Trim.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) Trim shall not have nails that completely protrude through the finished surface of the trim, but nail heads may be visible on some products.

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

(B) 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.

(6) Trim shall not have a nail stain. If trim has a nail stain, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

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6. PERFORMANCE STANDARDS FOR MASONRY INCLUDING BRICK, BLOCK AND STONE

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

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

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

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

(c) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(d) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(e) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(f) A gap between masonry and adjacent material shall not equal or exceed 1/4 of an inch in average width and all such gaps shall be caulked. If a gap between masonry and adjacent material fails to meet the standards stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

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

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

(2) 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.

7. PERFORMANCE STANDARDS FOR STUCCO

(a) Stucco surfaces shall not be excessively bowed, uneven, or wavy.

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

(2) This standard shall not apply to decorative finishes.

(b) Stucco shall not be broken or loose. If stucco is broken or loose, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(c) Stucco shall not have cracks that equal or exceed 1/8 of an inch in width at any point along the length of the crack.

(1) If the stucco fails to perform as stated in subsection (c) of this section, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) The **Builder/Seller** shall not be responsible for repairing cracks in stucco caused by the homeowner's actions, including the attachment of devices to the stucco surface, such as, but not limited to, patio covers, plant holders, awnings and hose racks.

(d) Stucco shall not deteriorate excessively.

(1) If the stucco deteriorates excessively, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) The homeowner shall not allow water from irrigation systems to contact stucco finishes excessively.

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

(f) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(g) The lath shall not be exposed. If the lath is exposed, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(h) 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

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occurs in excess of the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(i) A separation between a stucco surface and adjacent material shall not equal or exceed 1/4 of an inch in width and all separations shall be caulked. 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(j) Stucco shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout. If stucco obstructs a functional opening, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(k) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(l) Exterior Insulation 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/Seller** shall take such action as is necessary to bring the variance within the standard.

8. PERFORMANCE STANDARDS FOR ROOFS

(a) Flashing shall prevent water penetration.

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

(2) The **Builder/Seller** shall not be responsible for leaks caused by extreme weather.

(b) The roof shall not leak.

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

(2) The **Builder/Seller** shall not be responsible for leaks caused by extreme weather.

(3) The homeowner shall perform periodic maintenance to prevent leaks due to buildup of debris, snow or ice. The homeowner shall take such action as is necessary to prevent downspouts and gutters from becoming clogged.

(c) A vent, louver or other installed attic opening shall not leak.

(1) If a vent, louver or other installed attic opening fails to meet the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) The **Builder/Seller** shall not be responsible for leaks caused by extreme weather.

(d) A gutter or downspout shall not leak or retain standing water. After cessation of rainfall, standing water in an unobstructed gutter shall not equal or exceed 1/2 of an inch in depth.

(1) If a gutter or downspout fails to meet the standard in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) The **Builder/Seller** shall not be responsible for leaks caused by extreme weather.

(3) The homeowner shall maintain and clean gutters and downspouts to prevent buildup of debris or other obstructions.

(e) Shingles, tiles, metal or other roofing materials shall not become loose or fall off in wind speeds less than those set forth in the manufacturer's specifications. If the shingles, tiles, metal or other roofing materials fail to meet the standard in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(f) A skylight shall not leak. If a skylight fails to meet the standard in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(g) Water shall drain from a built-up roof within two hours after cessation of rainfall. The standard does not require that the roof dry completely within the time period. If the built-up roof fails to meet the standard in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(h) A roof tile shall not be cracked or broken. No shingle shall be broken so that it detracts from the overall appearance of the home. If roof tiles or shingles fail to meet the standard in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(i) A pipe, vent, fireplace or other object designed to penetrate the roof shall not be located within the area of roof valley centerline without proper "cricketing" or other Code-approved water diversion methods. 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/Seller** shall take

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such action as is necessary to bring the variance within the standard.

(j) The exterior moisture barrier of the roof shall not allow moisture penetration.

- (1) If the exterior moisture barrier fails to meet the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
- (2) The homeowner shall not make penetrations through exterior moisture barrier of the roof.

9. PERFORMANCE STANDARDS FOR DOORS AND WINDOWS

(a) Performance Standards for Both Doors and Windows.

- (1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (2) When closed, a door or window shall not allow excessive accumulation of moisture inside the door or window.
 - (A) If a door or window fails to meet the performance standard stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
 - (B) The homeowner shall keep weep holes on windows and doors free of dirt buildup and debris, thereby allowing water to drain properly.
 - (C) Most door and window assemblies are designed to open, close and weep moisture allow condensation or minor penetration by the elements to drain outside.
- (3) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.
- (4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (5) There shall be no condensation between window and door panes in a sealed insulated glass unit.
 - (A) If a window or door fails to meet the performance standard stated in paragraph (5) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
 - (B) The homeowner shall not apply a tinted window film or coating to window or door panes in sealed insulated glass units.
- (6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (7) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (8) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(b) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Doors.

- (1) A sliding door and door screen shall stay on track.
 - (A) If a sliding door or door screen fails to perform to the standard stated in paragraph (1) of this subsection, **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
 - (B) The homeowner shall clean and lubricate sliding door or door screen hardware as necessary.
- (2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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(3) A door shall not delaminate. If a door becomes delaminated, a **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(8) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(9) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(d) Performance Standards for Garage Doors.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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

(A) If a garage door opener fails to perform in accordance with the standard stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) A homeowner shall maintain tracks, rollers and chains and shall not block or bump sensors to electric garage door openers.

(3) 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 of an inch, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

10. PERFORMANCE STANDARDS FOR INTERIOR FLOORING

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

(b) Performance Standards for Carpet.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Finished Concrete Floor.

(1) 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.

(A) If a finished concrete slab in a living space fails to meet the standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) Finished concrete slabs in living spaces that are designed for drainage, such as a laundry room, are excepted from the standards stated in paragraph (1) of this subsection.

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(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(d) Performance Standards for Wood Flooring.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) Wood flooring shall remain securely attached to the foundation or subfloor 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 paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

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

(A) If wood flooring fails to meet the standards of paragraph (3) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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/Seller** must provide a written explanation of the characteristics of that floor to the homeowner prior to the execution of the contract or installation of the product, whichever occurs later.

(4) 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.

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

(B) This standard does not apply to nonhardwood 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/Seller** must provide a written explanation of the characteristics of that floor to the homeowner.

(5) Unless installed as a specialty feature, wood flooring shall not have excessive shade changes or discoloration due to the construction activities of the **Builder/Seller**. If the wood floor fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

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

(e) Performance Standards for Vinyl Flooring.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) Vinyl flooring shall remain securely attached to the foundation or subfloor. If the vinyl flooring fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(6) Vinyl floor shall not be discolored, stained or spotted due to the construction activities of the **Builder/Seller**. If the vinyl floor fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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(8) Debris, subfloor 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(9) Subflooring shall not cause vinyl flooring to rupture. If vinyl flooring fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(10) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

11. PERFORMANCE STANDARDS FOR HARD SURFACES, INCLUDING CERAMIC TILE, FLAGSTONE, MARBLE, GRANITE, SLATE, QUARRY TILE, FINISHED CONCRETE OR OTHER HARD SURFACES

(a) Performance Standards for Hard Surfaces Generally.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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 nonfloor 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) Color variations between field hard surfaces and trim hard surfaces should not vary excessively due to construction activities.

(A) If color variations between field and trim hard surfaces are excessive and are due to construction activities, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (4) of this subsection.

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

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) Hard surface **layout** or grout line shall not be excessively irregular.

(A) If hard surface **layouts** or grout lines fail to meet the performance standard stated in paragraph (7) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) Natural products such as flagstone, marble, granite, slate, and other quarry tile will have size variations that may create irregular **layouts** or grout lines.

(8) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(9) 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.

(A) If a finished hard surface floor located in a living space fails to meet the standard stated in paragraph (9) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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 (9) of this subsection.

(b) Performance Standards for Grout.

(1) Grout shall not crack or deteriorate. If grout fails to meet the **Performance Standard** stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Concrete Countertops.

(1) A concrete countertop shall not have excessive pits, depressions, or unevenness that equal or exceed 1/8 of an inch in any 32 inch

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

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

12. PERFORMANCE STANDARDS FOR PAINTING, STAIN AND WALL COVERINGS

(a) Performance Standards for Caulking.

(1) Interior caulking shall not deteriorate or crack excessively. If the interior caulking fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(b) Performance Standards for Painting and Stain.

(1) Paint or stain shall not have excessive color, shade or sheen variation.

(A) If the paint or stain fails to meet the standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) This standard shall not apply to stained woodwork.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) Interior paint or stain shall not deteriorate. If paint or stain fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) Exterior paint or stain shall not deteriorate excessively. If paint or stain fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) Paint overspray 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(6) Interior varnish, polyurethane or lacquer finish shall not deteriorate. If an interior finish fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) Exterior varnish, polyurethane or lacquer finishes shall not deteriorate excessively.

(A) If an exterior finish fails to meet the standard stated in paragraph (7) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) Exterior varnish, polyurethane or lacquer finishes that are subject to direct sunlight are excluded from this standard.

(8) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(9) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Wall Coverings.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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 sixfoot run. If the wall covering fails to meet the standards stated in

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this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) A wall covering seam shall not separate or gap. If the wall covering fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

13. PERFORMANCE STANDARDS FOR PLUMBING

(a) Performance Standards for Plumbing Accessories.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) A fixture shall not have tarnish, blemishes or stains unless installed as a specialty feature.

(A) If a fixture fails to meet the standard stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) Fixture finishes that are tarnished, blemished or stained due to high iron, manganese or other mineral content in water are excluded from this standard.

(3) A fixture or fixture fastener shall not corrode.

(A) If a fixture or fixture fastener fails to meet the standards of paragraph (3) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) A **Builder/Seller** is not responsible for corrosion caused by factors beyond the manufacturer's or the **Builder/Seller's** control, including the homeowner's use of corrosive chemicals or cleaners or corrosion caused by water content.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(5) Fixtures shall be secure and not loose.

(A) If a fixture fails to meet the standard stated in paragraph (5) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall not exert excessive force on a fixture.

(6) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(7) The toilet equipment shall not allow water to run continuously.

(A) If the toilet equipment fails to meet the standard stated in paragraph (7) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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.

(8) A toilet shall be installed and perform in accordance with the manufacturer's specifications.

(A) If a toilet fails to meet the standard stated in paragraph (8) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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.

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(9) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(10) A tub or shower pan shall not squeak excessively. If a tub or shower pan fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(11) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(12) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(13) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(14) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(b) Performance Standards for Pipes and Vents.

(1) A sewer gas odor originating from the plumbing system shall not be detectable inside the home under conditions of normal residential use.

(A) If a sewer gas odor is detected inside the home under conditions of normal residential use, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall keep plumbing traps filled with water.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) A water pipe shall not make excessive noise such as banging or hammering repeatedly.

(A) If a water pipe fails to meet the standard stated in paragraph (3) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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 (3) of this subsection does not require a **Builder/Seller** to remove all noise attributable to water flow and pipe expansion.

14. PERFORMANCE STANDARDS FOR HEATING, COOLING AND VENTILATION

(a) Performance Standards for Heating and Cooling.

(1) A condensation line shall not be obstructed due to construction activities.

(A) If a condensation line fails to meet the standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall periodically check for the free flow of condensate (water) from the line and clear the line when necessary.

(2) A drip pan and drain line shall be installed under a horizontal air handler as per the **Code**.

(A) If a drip pan and drain line fails to meet the standard stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall periodically check for the free flow of condensate (water) from the line and clear the line when necessary.

(3) Insulation shall completely encase the refrigerant line according to **Code**.

(A) If the refrigerant line insulation fails to meet the standard stated in paragraph (3) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) The homeowner shall ensure that insulation on the refrigerant line is not damaged or cut due to home maintenance or landscape work.

(4) 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.

(A) If an exterior compressor unit pad or support fails to meet the standards stated in paragraph (4) of this subsection, the **Builder/**

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Seller shall take such action as is necessary to bring the variance within the standard.

(B) 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.

(b) Performance Standards for Venting.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Ductwork. Ductwork shall not make excessive noise.

(1) If the ductwork fails to meet the standard stated in of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) The flow of air, including its velocity, or the expansion of ductwork from heating and cooling may cause "ticking" or "crackling" sounds.

(3) The homeowner shall not place any object on the ductwork.

15. PERFORMANCE STANDARDS FOR ELECTRICAL SYSTEMS AND FIXTURES

(a) 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/Seller** 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/Seller** 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/Seller** 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/Seller** 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. If the fixtures fail to meet the standards stated in this paragraph, the **Builder/Seller** 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/Seller** 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/Seller** shall take such action as is necessary to bring the variance within the standard.

16. PERFORMANCE STANDARDS FOR INTERIOR TRIM

(a) Performance Standards for Trim.

(1) An interior trim joint separation shall not equal or exceed 1/8 of an inch in width or shall not separate from adjacent surfaces equal to or in excess of 1/8 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

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(b) Performance Standards for Shelving.

- (1) 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.
- (2) The length of a shelf shall not be shorter than the actual distance between the supporting walls by an amount equal to or exceeding 1/4 of an inch. End supports shall be securely mounted.
- (3) If the closet rods, shelving or end supports fail to meet the standards stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standard for Cabinet Doors.

- (1) 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 furthestmost point of the door or drawer front when closed. Some warping, cupping, bowing or twisting is normally caused by surface temperature and humidity changes.

17. PERFORMANCE STANDARDS FOR MIRRORS, INTERIOR GLASS AND SHOWER DOORS

(a) Performance 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/Seller** 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/Seller** 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/Seller** 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/Seller** 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/Seller** shall take such action as is necessary to bring the variance within the standard.

18. PERFORMANCE STANDARDS FOR HARDWARE AND IRONWORK

(a) Performance Standards for Hardware.

- (1) Hardware finishes shall not be tarnished, blemished, corroded or stained due to construction activities, unless the finish is installed as a specialty feature.
 - (A) If the hardware finish fails to meet the standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
 - (B) The **Builder/Seller** 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/Seller'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.
- (2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (4) Hardware shall be installed securely and shall not be loose.
 - (A) If hardware fails to meet the standards stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
 - (B) The homeowner shall not exert excessive force on hardware.

(b) Performance Standards for Interior Ironwork.

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- (1) Interior ironwork shall not rust.
- (2) If interior ironwork fails to meet the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
- (3) The **Builder/Seller** is not responsible for ironwork finishes that rust due to factors that are beyond the manufacturer's or the **Builder/Seller'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.

19. PERFORMANCE STANDARDS FOR COUNTERTOPS AND BACKSPLASHES

(a) Performance Standards for Countertops and Backsplashes Generally.

- (1) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (2) For non-laminate countertops and backsplashes, the joints between countertop surfaces, between the countertop surface and the backsplash or sidesplash and between adjoining backsplash panels may be visible, but shall not separate. If joints between nonlaminate surfaces fail to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
- (3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (4) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (5) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (6) Countertop material shall not delaminate. If a countertop fails to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(b) Performance Standards for Laminate Countertops and Backsplashes.

- (1) 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 and backsplash fail to meet the standard stated in this paragraph, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
- (2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.
- (3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

20. PERFORMANCE STANDARDS FOR FIREPLACES

(a) Performance Standard for Refractory Panel.

- (1) A refractory panel shall not crack or separate.
- (2) If the fireplace refractory panel fails to meet the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.
- (3) The homeowner shall not use synthetic logs or other materials if not approved by the manufacturer.

(b) Performance Standards for Fireplace Door.

- (1) A fireplace door shall operate properly.
- (2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Gas Fireplace.

- (1) A fireplace shall not have a gas leak.

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(2) If a fireplace has a gas leak, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(d) Performance Standards for Gas Logs.

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

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

(3) The homeowner shall not incorrectly reposition or relocate the logs after the original placement. The homeowner shall not place the logs in a manner that does not allow the flame to flow through the logs according to the manufacturer's specifications.

(e) Performance Standards for Masonry Hearth.

(1) A crack in masonry hearth or facing shall not be equal to or exceed 1/4 of an inch in width.

(2) If the masonry hearth or facing of the fireplace fails to meet the standard stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(f) Performance Standards for Chimney Draw.

(1) A fireplace or chimney shall draw properly.

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

(g) Performance Standards for Firebox.

(1) A firebox shall not have excessive water infiltration under normal weather conditions.

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

(h) Performance Standards for Fireplace Noise.

(1) A fireplace fan shall not exceed the noise level established by the manufacturer's specifications.

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

21. PERFORMANCE STANDARDS FOR IRRIGATION SYSTEMS

(a) Performance Standards for Leaks, Breaks or Clogs.

(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/Seller** shall take such action as is necessary to bring the variance within the standard.

(b) Performance Standards for Sprinkler Coverage.

(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/Seller** shall take such action as is necessary to bring the variance within the standard.

(c) Performance Standards for Irrigation Systems Operations.

(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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(B) The **Builder/Seller** shall provide the homeowner with instructions on the operation of the irrigation system at closing.

22. PERFORMANCE STANDARDS FOR FENCING

(a) Performance Standards for Wood and Masonry Fences.

(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/Seller** 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/Seller**. If the fencing fails to meet the standards stated in this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

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(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/Seller** 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 see to pass through the wall. If a masonry retaining wall fails to meet the standards of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

23. PERFORMANCE STANDARDS FOR YARD GRADING

(a) 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/Seller** 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, oversaturation or any other changes. The possibility of standing water, not immediately adjacent to the foundation but in the yard, after prolonged or an unusually heavy rainfall event should be anticipated by the homeowner.

(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/Seller** shall take such action as is necessary to bring the variance within the standard.

24. PERFORMANCE STANDARDS FOR PEST CONTROL

(a) Performance Standards for Pest Control.

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

(2) If an eave return, truss block, attic vent or roof vent opening allows rodents, birds, and other similar pests into home or attic space, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in this section.

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25. PERFORMANCE STANDARDS FOR ELECTRICAL DELIVERY SYSTEMS

(a) Performance Standards for Electrical Wiring.

(1) 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.

(A) 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/Seller** shall take such action as is necessary to bring the wiring to the standard of performance required in paragraph (1) of this subsection.

(B) The **Builder/Seller** shall not be responsible for utility improvements from the meter/demarcation point to the utility poles or the transformer.

(2) Electrical wiring shall be capable of carrying the designated load as set forth in the **Code**.

(A) If the electrical wiring fails to carry design load, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard set forth in paragraph (2) of this subsection.

(B) All electrical equipment shall be used for the purposes and/or capacities for which it was designed and in accordance with manufacturer's specifications.

(b) Performance Standards for the Electrical Panel, Breakers and Fuses.

(1) The electrical panel and breakers shall have sufficient capacity to provide electrical service to the home during normal residential usage.

(A) If the electrical panel or breakers do not have sufficient capacity to provide electrical service to the home during normal residential usage, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard set forth in paragraph (1) of this subsection.

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(B) The **Builder/Seller** is not responsible for electrical service interruptions caused by external conditions such as power surges, circuit overloads and electrical shorts.

(2) 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.

(A) If a circuit breaker repeatedly trips or fuses repeatedly blow under normal residential electric usage, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard set forth in paragraph (2) of this subsection.

(B) The **Builder/Seller** 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.

(c) Performance Standards for Electric Outlets with Ground Fault Interrupters.

(1) Electrical outlets with ground fault interrupters shall be installed and operate in accordance with the **Code** and manufacturer's specifications. If ground fault interrupters trip repeatedly under normal residential usage, the **Builder/Seller** 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.

(2) The homeowner shall not plug appliances that require constant electrical flow, such as refrigerators and freezers, into an outlet with a ground fault interrupter.

(d) Performance Standards for Fixtures, Outlets, Doorbells and Switches.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this subsection.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(e) Performance Standards for Wiring or Outlets for Cable Television, Telephone, Ethernet or Other Services.

(1) 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.

(A) 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/Seller** shall take such action as is necessary to bring the variance within the standard set forth in paragraph (1) of this subsection.

(B) A **Builder/Seller** 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.

(2) 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 (1) of this subsection.

(A) If wiring or outlets for cable television, telephone, Ethernet or other services are not functioning, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard set forth in paragraph (2) of this subsection.

(B) A **Builder/Seller** 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.

26. PERFORMANCE STANDARDS FOR PLUMBING DELIVERY SYSTEMS

(a) 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.

(1) Pipes shall be installed and insulated in accordance with the **Code** and manufacturer's specifications.

(A) If a water pipe bursts, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (1) of this subsection.

(B) 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

ITEMS COVERED UNDER THE 2 YEAR SYSTEMS COVERAGE

periodically checking to ensure that a reasonable internal temperature is maintained.

(2) A water pipe shall not leak.

(A) If a water pipe is leaking, the **Builder/Seller** shall take such action as is necessary to bring the variance within the performance standard stated in paragraph (2) of this subsection.

(B) The homeowner shall shut off water supply immediately if such is required to prevent further damage to the home.

(3) A gas pipe shall not leak, including natural gas, propane or butane gas.

(A) If a gas pipe is leaking, a **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (3) of this subsection.

(B) If a gas pipe is leaking, the homeowner shall shut off the source of the gas if the homeowner can do so safely.

(4) 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.

(A) This standard assumes the public or community water supply reaches the home side of the meter at 40 pounds per square inch. The **Builder/Seller** is not responsible for water pressure variations originating from the water supply source.

(B) If the water pressure is excessively high, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in paragraph (4) of this subsection.

(5) A sewer, drain, or waste pipe shall not become clogged or stopped up due to construction activities.

(A) The **Builder/Seller** 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.

(B) The homeowner shall shut off water supply immediately if such is required to prevent further damage to the home.

(b) Performance Standards for Individual Wastewater Treatment Systems.

(1) A wastewater treatment system should be capable of properly handling normal flow of household effluent in accordance with the Texas Commission on Environmental Quality requirements.

(2) The **Builder/Seller** shall take such action as is necessary for the wastewater treatment system to perform within the standard stated in this subsection.

(3) The **Builder/Seller** is not responsible for:

(A) 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/Seller** or a person working at the **Builder/Seller's** direction; or

(B) malfunctions or limitations in the operation of the system attributed to a design restriction imposed by state, county or local governing agencies; or

(C) malfunctions caused by freezing, soil saturation, soil conditions, changes in ground water table or any other acts of nature.

27. PERFORMANCE STANDARDS FOR HEATING, AIR CONDITIONING AND VENTILATION DELIVERY SYSTEMS

(a) Performance Standards for Refrigerant Line.

(1) If a refrigerant line leaks, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard stated in subsection (a) of this section.

(2) Condensation on a refrigerant line is not a leak.

(b) Performance Standards for Heating and Cooling Functions.

(1) 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**.

(A) If a heating system fails to perform to the standard stated in paragraph (1) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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/Seller's** responsibility to take measures to meet this performance standard.

(2) An airconditioner system shall produce an inside temperature of at most 78 degrees Fahrenheit as measured in the center of a room

ITEMS COVERED UNDER THE 2 YEAR SYSTEMS COVERAGE

at height of five feet above the floor, under local outdoor summer design conditions as specified in the **Code**.

(A) If the airconditioner system fails to perform to the standard stated in paragraph (2) of this subsection, the **Builder/Seller** shall take such action as is necessary to bring the variance within the standard.

(B) 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 airconditioning 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 (2) of this subsection.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(4) 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/Seller** shall take such action as is necessary to properly install and secure the equipment.

(c) Performance Standards for Vents, Grills or Registers.

(1) 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/Seller** shall repair the vent, grill or register so that it operates with ease of use when applying normal operating pressure.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard.

(d) Performance Standards for Ductwork.

(1) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(2) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

(3) 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/Seller** shall take such action as is necessary to bring the variance within the standard stated in this paragraph.

ITEMS COVERED UNDER THE 10 YEAR STRUCTURAL COVERAGE

28. PERFORMANCE STANDARDS FOR MAJOR STRUCTURAL COMPONENTS

(a) Performance Standards for Slab Foundations.

(1) Slab foundations should not move differentially after they are constructed, such that a tilt or deflection in the slab in excess of the standards defined below arises from post-construction movement. The protocol and standards for evaluating slab foundations shall follow the ASCE Guidelines with the following modifications:

(A) Overall deflection from the **Original Construction Elevations** shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress, as described in Section 5 of the ASCE Guidelines, that results in actual observable physical damage to the home. L shall be defined as the edge to edge distance across any slab cross-section for which overall deflection is calculated. Calculations of overall deflection shall be based upon the change in elevation at each point for which an **Original Construction Elevation** was taken

(B) The slab shall not tilt after construction in excess of one percent across any overall dimension of the home or cause structural component(s) or masonry veneer to rotate into a structurally unstable position such that the weight vector of the component part falls outside the middle third of its bearing area. Calculations of overall tilt shall be based upon the change in elevation at each point for which an **Original Construction Elevation** was taken.

(2) If measurements and associated symptoms of distress show that a slab foundation does not meet the deflection or tilt standards stated in paragraph (1) of this subsection, a third party inspector's recommendation shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines.

(b) Performance Standards for Components other than Slab Foundations.

ITEMS COVERED UNDER THE 10-YEAR STRUCTURAL COVERAGE

(1) Floor over pier and beam foundations.

(A) A floor over pier and beam foundation shall not deflect more than $L/360$ from its **Original Construction Elevations** and have that movement create actual observable physical damage to the components of the home identifiable in Section 5.3 of the ASCE Guidelines.

(B) If a floor over pier and beam foundation deflects more than $L/360$ from its **Original Construction Elevations** and the movement has created actual observable physical damage to the components of a home identifiable in Section 5.3 of the ASCE Guidelines, a third party inspector's recommendation shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines.

(2) Structural components.

(A) A defined structural component 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 cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a component of the home, the **Warranty Insurer** shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system.

(3) Deflected structural components.

(A) A structural component shall not deflect more than the ratios allowed by the **Code**.

(B) If a structural component of the home is deflected more than the ratios allowed by the **Code**, the **Warranty Insurer** 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.

(4) Damaged structural components.

(A) A structural component shall not be so damaged that it compromises the structural integrity or performance of the affected structural system.

(B) If a structural component is so damaged that it compromises the structural integrity or performance of a structural system of the home, the **Warranty Insurer** shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system.

(5) Separated structural components.

(A) A structural component 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.

(B) If a structural component 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 **Warranty Insurer** shall take such action as necessary to repair, reinforce or replace such structural component to reestablish the connection between the structural component and the supporting member, to restore the structural integrity of the home and the performance of the affected structural system.

(6) Non-performing structural components.

(A) A structural component shall function as required by the **Code**.

(B) If a structural component does not function as required by the **Code**, the **Warranty Insurer** shall take such action as is necessary to bring the variance within the standard stated in subparagraph (A) of this paragraph.

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MAIL TO:
2-10 Home Buyers Warranty
10375 East Harvard Ave., Suite 100 | Denver, CO 80231 | 855.429.2109

NOTICE OF COMPLAINT FORM FOR WORKMANSHIP & SYSTEMS COVERAGE

Please read the 2-10 Home Buyers Warranty® Booklet, section IV, page 5, for filing instructions and pertinent information. If your previous written attempts to resolve your problems with the Builder/Seller have failed, then this form is to be sent to your Builder/Seller, with a copy to the HBW Warranty Administration Office. This form must be received by your Builder/Seller and HBW no later than fifteen (15) days after the expiration of the applicable warranty term. We recommend certified mail, return receipt.

Name: _____

Address of Complaint: _____

Home Phone: _____ Business Phone: _____

Email Address: _____

Effective Date of Warranty: _____ Certificate of Warranty Coverage #: _____

Nature of Defect (*Be Specific*):

Date Defect First Observed: _____ Date First Reported to Builder/Seller: _____

Attach any copies of relevant correspondence between you and your Builder/Seller involving this matter. Please provide any correspondence that indicates that your Builder/Seller has failed to perform his/her warranty obligations, and a copy of the Certificate of Warranty Coverage.

Homeowner Signature: _____

Homeowner Signature: _____

Date: _____

CHECK ONE (IF APPLICABLE): 1) FHA 2) VA 3) RHS
CASE #: _____
Attach any copies of relevant correspondence between you and your Builder/Seller involving this matter. Please provide any correspondence that indicates that your Builder/Seller has failed to perform his/her warranty obligations, and a copy of the Certificate of Warranty Coverage.

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NOTICE OF CLAIM FORM FOR STRUCTURAL CLAIMS ONLY

Please read the 2-10 Home Buyers Warranty® Booklet for filing instructions and pertinent information.

Name: _____

Address Of Claim: _____
Street City State Zip

Home Phone: _____ Business Phone: _____

Email Address: _____

Effective Date Of Warranty: _____ Certificate of Warranty Coverage #: _____
(Date of Closing or First Occupancy)

Please note that the 2-10 Home Buyers Warranty® Program provides Limited Major Structural Defect Warranty Coverage which is subject to exclusions and conditions. You are encouraged to review the Structural Coverage provisions of your Warranty Booklet.

Please answer the following questions:

- 1. Have you reviewed the Definition of a Major Structural Defect in your Warranty Booklet? Yes No
- 2. Do you believe that you have a failure of a Major Structural Component? Yes No
- 3. Have you reviewed the list of elements which would not qualify as a Major Structural Component under this coverage? Yes No

Nature of Defect (Be specific; If available, enclose photographs; attach separate sheet if necessary)

Date Defect First Observed: _____

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder (Builder/Seller) or claimant (Homeowner) for the purpose of defrauding or attempting to defraud the policyholder (Builder/Seller) or claimant (Homeowner) with regard to a settlement or award payable from insurance proceeds shall be reported to the insurance commissioner or your state.

<p>CHECK ONE (if applicable): 1) <input type="checkbox"/> FHA 2) <input type="checkbox"/> VA 3) <input type="checkbox"/> RHS</p> <p>CASE #: _____</p> <p>If you are the original owner, and your Home has FHA/VA financing, please provide the following:</p> <p>Name of Mortgage Company: _____</p> <p>Address of Mortgage Company: _____</p>
--

Homeowner Signature: Date:

Homeowner Signature: Date:

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**SUCCESSIVE HOMEOWNER
TRANSFER AND ACCEPTANCE**

As the successive homeowner of the home located at _____(Home)
I/We accept any coverage remaining on the 210 HBW Warranty provided by the **Builder/Seller** that first sold the newly constructed Home. I/
We have reviewed and agreed to all the terms in the 210 HBW warranty booklet.

I/We understand that Home Buyers Warranty Corporation (210 HBW) is not the warrantor of the **Builder/Seller's** 210 HBW warranty, but
rather provides services to administer the warranty.

I/We agree to the Binding Arbitration process for resolving warranty disputes between us, the **Builder/Seller** and/or the Warranty Insurer.

Signature(s) of successive Home Buyer(s):

SIGN

PRINT

SIGN

PRINT

PHONE

EMAIL

DATE

In order to process this request, please mail this form and a check in the amount of \$20 payable to 210 HBW to:

210 Home Buyers Warranty Corporation
Warranty Administration Department
10375 East Harvard Avenue, Suite 100
Denver, CO 80231

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For more information, call 855.429.2109
or visit 2-10.com

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