

**your new home**  
10 year structural warranty.



LONG LIVE HAPPY HOMES®



# **“Long live happy homes<sup>®</sup>” 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](http://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**.

**"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 IIA 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.

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

“**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** for all claims. The **Warranty Limit** is equal to the final sales price of the **Home** as identified on the Application for Home Enrollment when the final sales price includes the land. If the land was provided by **You**, the **Warranty Limit** is equal to the final sales price of the **Home** multiplied by a factor of 1.25 as calculated on the Application For Home Enrollment.

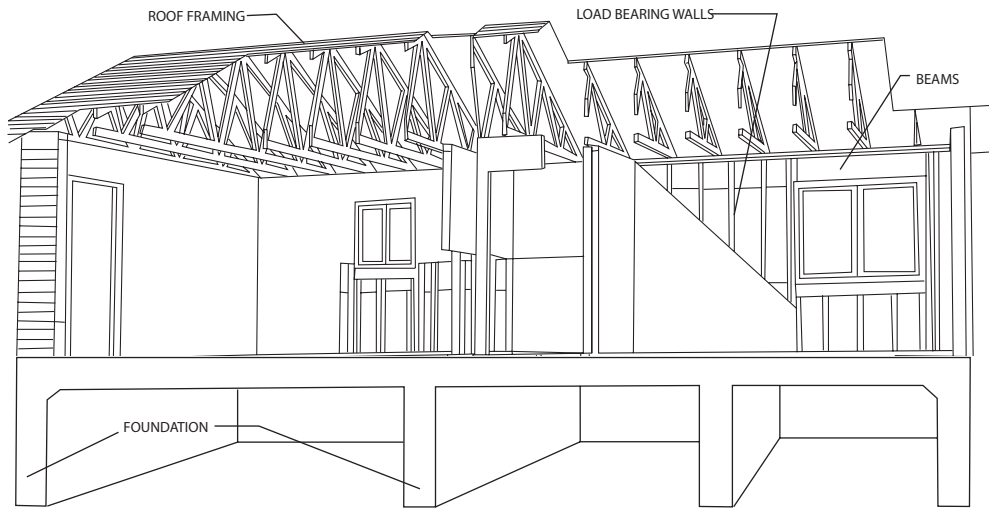
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## **SECTION II. THE WARRANTIES PROVIDED BY YOUR BUILDER/SELLER.**

**A. 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. 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, to include ceiling framing;
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 A MAJOR STRUCTURAL DEFECT.**

#### **A. PROVISIONS APPLICABLE TO A MAJOR STRUCTURAL 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 **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 **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 **Major Structural Defect**, including without limitation, the **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 **Major Structural Defect**, **You** are relieving the **Builder/Seller** or **Warranty Insurer** of all responsibility to make repairs, replace or pay for any **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 **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 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 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 **Major Structural Defect** is not immediately repaired. 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 2-10 HBW, **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 **Major Structural Defect** before the **Builder/Seller** or **Warranty Insurer** has an opportunity to inspect the **Major Structural Defect**. Any attempt to repair a claimed **Major Structural Defect**, other than an authorized emergency repair, will make it impossible to assess whether the **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 **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.

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## SECTION IV. REPORTING A WARRANTY CLAIM.

### A. 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 B 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.

### B. NOTICE TO 2-10 HBW.

**MAJOR 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 **Major Structural Defect(s)** in question to:

**2-10 Home Buyers Warranty**  
**Warranty Administration Department**  
**10375 East Harvard Avenue, Suite 100**  
**Denver, CO 80231**  
**Phone: 855.429.2109**

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.

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

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## **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.

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## **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.

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### 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. 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**.

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### 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 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**, 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 **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, landslide, 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. **Major Structural Defect** that first occurs or **You** knew about prior to the **Effective Date of Warranty** such as “walkthrough” or “punchlist” items.

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## **SECTION IX. MANUFACTURERS AND OTHER SIMILAR WARRANTIES.**

**Your** warranty does not apply to any manufactured item such as appliances, fixtures, equipment 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.

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## **SECTION X. CONSTRUCTION PERFORMANCE STANDARDS.**

The following **Performance Standards** are standards for structural performance 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**.

Major Structural Components are warranted to satisfy the **Performance Standards** 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.

# PERFORMANCE STANDARDS FOR ITEMS COVERED UNDER THE 10-YEAR STRUCTURAL COVERAGE

## 1. 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.

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

(B) If a floor over pier and beam foundation deflects more than  $L/360$  from its **Original Construction 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.

## PERFORMANCE STANDARDS FOR ITEMS COVERED UNDER THE 10-YEAR STRUCTURAL COVERAGE

(6) Non-performing structural components.

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

(B) If a structural component, other than the foundation, 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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## 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>
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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](http://2-10.com)

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