

WARRANTY REQUESTS

JHH proudly partners with Hyphen Solutions to provide your own "Homeowner Portal" when submitting warranty requests. If you have recently closed or are utilizing warranty for the first time, please complete the "Request Access To Warranty Portal" located at the top of the Warranty Requests page at jhoustonhomes.com/warranty-requests. For all others, please login into your homeowner portal at myhome.hyphensolutions.com.

Ticket Response & Home Access:

A JHH Warranty Representative will contact you after placing a warranty ticket. After five business days, all unanswered or unreturned JHH phone calls will result in closing your warranty ticket. You will be asked to place a new warranty ticket when a time is more convenient for your schedule.

A JHH Warranty Representative will need access to your home within five business days after you and a JHH Warranty Representative have spoken with each other to properly inspect and determine if the issue is warrantable for repair. Unavailability will result in the closing of your warranty ticket. You will be asked to place a new warranty ticket when your home is available for proper inspection.

JHH Warranty Phone: 866.215.8450

JHH Warranty Office Hours: Monday - Friday | 8:00am - 5:00pm

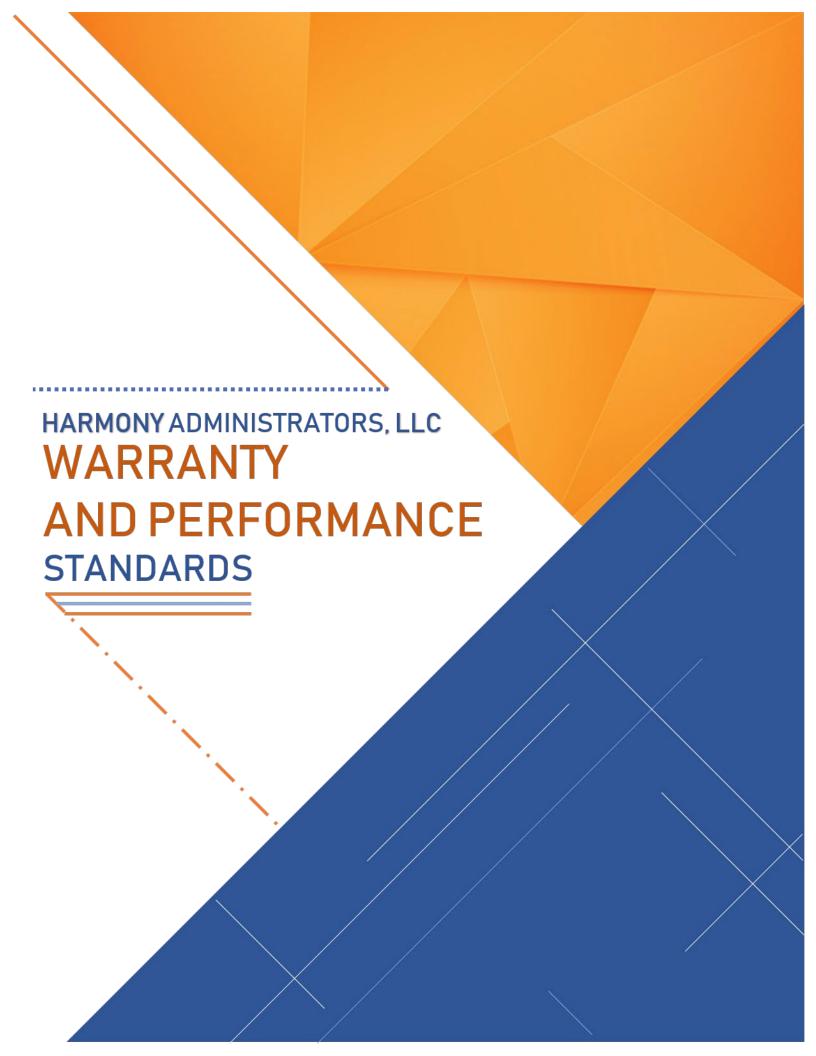
After-Hour Non-Emergency Response: All after-hour non-emergency calls will be returned within one business day. (Example, Thursday night call returned on Friday; Friday night call returned on Monday)

After-Hour Emergency Response: If you are experiencing an "Emergency," please contact us immediately. The most common emergencies are air conditioning or plumbing leaks. To help mitigate damage, JHH is providing the following approved trades to contact immediately. Please let the business know you are a JHH homeowner.

Trades- Emergency calls only

- Plumbing J.S. Plumbing 972.288.9238
- HVAC Goodman & Trane Units: Texas Ace 817.240.6701
- HVAC Armstrong Units: Johnson Supply 214.729.2125 (Homes closed 1/1/2011-6/30/2020)
 - Open Monday-Friday 8-5PM After hours, email
 jatkinson@johnsonsupply.com with name, address, contact number, close date,
 and description of the issue.







Dear Homeowner(s),

Congratulations on the purchase of your new home!

Harmony Administrators, LLC is the third-party warranty administrator for the warranty on your home. Your builder has provided a third-party warranty to you to cover certain aspects of the constructed improvements for various periods as described in this document.

This booklet contains a 'user-friendly' version of the adopted warranties and building performance standards that became effective the day the construction of your home was completed.

This booklet is intended to be used as a guide and does not replace the actual warranty and performance standards. The actual warranty and performance standards can be requested at https://www.jhoustonhomes.com/warranty-requests. There may be various and different standards based upon the type of construction and location; thus, please consult your actual warranty documents to verify the correct document. Additionally, this booklet provides you with information on how to file a claim under the warranty.

This simplified version of the warranties and performance standards are designed to help both parties have a clear understanding of the obligations and expected performance of the home.

Sincerely,

Harmony Administrators

HARMONY ADMINISTRATORS, LLC

OUR MISSION

Our mission is to assist both the builder and the homeowner in the resolution of construction warranty claims in a fair and efficient manner following the guidelines as set forth in the Express Limited Home Warranty.

PRIMARY RESPONSIBILITIES

Our primary responsibility is to properly apply the warranty terms and conditions to claims made by the homeowner during the warranty period as set forth in the Express Limited Home Warranty.

HOW TO FILE A CLAIM

HARMONY ADMINISTRATORS, LLC

PO Box 2293

Red Oak, Texas 75154

(866) 335-8030

https://www.jhoustonhomes.com/warranty-requests

Owners are often able to avoid expensive and stressful construction claims through an impartial process designed to help resolve construction disputes and defects with their builder.

Issues relating to construction postcompletion that have not been resolved or new issues with the construction can often be resolved through the warranty process with Harmony Administrators.

The Harmony process is available to provide professional, impartial review of a construction defect claim that may be covered under the applicable warranty and performance standards.

HOW DOES IT WORK?

- A homeowner or builder may initiate a claim with Harmony Administrators.
- A homeowner, who believes there are problems with performance of an element of the home, must give a written notice of the issues to the builder at least 60 days prior to filing a claim with Harmony Administrators. The homeowner must give the builder the opportunity to inspect the house and make any necessary repairs.
- Any investigations made in regard to the claim are conducted by neutral professionals who have expertise in the industry.
- It is always an option for the builder to give the homeowner proposed solutions to the problem in writing and for the homeowner to accept the offer.
- A homeowner must go through the claim process before pursuing further action related to the claims.

More detailed information about the process is provided in this booklet.

HARMONY ADMINISTRATORS, LLC "SIMPLIFIED" WARRANTIES AND PERFORMANCE STANDARDS

This is the user-friendly booklet.

Please see the actual warranty and performance standards for the governing documents.

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Introduction

The applicable warranty and performance standards are contained in the Express Limited Home Warranty previously issued to you. This booklet is a summary of the warranty and performance standards in an easy-to-read format. It does not cover all the aspects of the warranties and performance standards and is not an official version of the governing document. If a conflict exists between this booklet and the actual Express Limited Home Warranty, the Express Limited Home Warranty will apply.

General Provisions

The performance standards in this booklet are the expected performance for the various elements or components of your home. Independent third-party inspectors appointed by Harmony Administrators will inspect alleged defects and will make recommendations for repair or replacement if those components of the home do not meet the standards during the warranty period.

Warranties

New home construction is covered by the warranties and performance standards. The warranties and performance standards apply to a completed home, not the homeowner. Any remaining warranty period is transferred automatically to the new homeowner when a home is sold. The length of the warranty coverage depends on the type of component. The length of each of the warranties is generally as follows:

- · Warranty of habitability: ten years
- · Major structural components: ten years
- Plumbing, electrical, heating, air-conditioning and ventilation delivery systems:
 two years
- All other components of a home: one year

The warranty of habitability covers a construction defect in a component that is otherwise covered by one of the other warranties but was not discoverable by a reasonable prudent inspection during the original warranty period, and the defect has

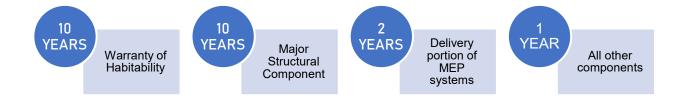
made the home unsafe or unfit for humans to inhabit. For example, an improper window installation that was not discovered during the one-year warranty period on windows has allowed water intrusion into the structure.

After the expiration of the one-year warranty, the water intrusion has resulted in the growth of mold to levels that are unsafe or unsanitary and thus making the house unfit for human habitation. Although the window warranty has expired, the fact that it led to an unsafe or unfit condition within ten years of the completion of the home may make the defect subject to the warranty of habitability; however, the warranty obligation is to prevent the water penetration, not remediate any resulting mold.

Major structural components are warranted for ten years. Major structural components include the load-bearing elements of the home. These elements include the footings, foundations, beams, columns, load-bearing walls, roof framing systems and other components that support the home.

The delivery portion of the plumbing, electrical, heating, air-conditioning and ventilation system is covered by a two-year warranty.

All other components of the home are covered by a one-year warranty.



Effective Date of Warranties

The warranties covering a new home usually begin either when the original homeowner occupies the home or on the day the title to the home is transferred to the initial homeowner from the builder, see your sales contract. The original homeowner and the builder may provide for a different effective date of the warranties by written agreement.

Time Limits for Reporting

For a defect to be covered, it must be reported to the builder within two years of the date it is first discovered, but in no event the earlier of 30 days after the applicable warranty period expires, or ten years after the original warranty took effect.

Exclusive Warranties

The warranties and performance standards supersede all other implied warranties for new home construction. The warranties and performance standards may not be waived, modified or reduced to limit the protection offered. However, a builder or manufacturer may provide longer warranty periods and/or more stringent performance standards.

Manufacturer's Warranties

A home consists of many components that are manufactured and installed in the home without significant modification. These components are known as *manufactured products*. Some common examples of manufactured products include the home's water heater, air conditioner, carpet and light fixtures. Many manufacturers of these products offer warranties that may provide different types of protection in addition to those provided by the builder. All manufactured products will be installed in substantial compliance and used/maintained according to the manufacturer's instructions and specifications. Only new manufactured products and parts may be installed unless the parties agree otherwise in writing.

The manufacturer's warranty for all manufactured products will be transferred without recourse to the original homeowner at the same time the Harmony Administrator's warranties begin. If a manufactured product fails to operate properly, the manufacturer is responsible for repair or replacement. The builder is required to assist the homeowner in coordinating the necessary repairs by the manufacturer. If the manufacturer does not comply with its warranty within a reasonable period of time, the owner may seek a claim directly with the manufacturer but not the builder.

Other Codes and Standards

In addition to complying with these warranties and performance standards, the builder is also required to substantially comply with the International Residential Code (IRC) for all non-electrical work and the National Electrical Code (NEC) for all electrical work. Compliance with the IRC and the NEC also include compliance with any amendments adopted by the local municipality. Other codes and standards that may apply include those of the Federal Housing Administration, the Department of Veterans Affairs, U.S. Department of Housing and Urban Development, the American National Standard Institute (ANSI) and the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE). In the event of a conflict between the various codes and standards, the most restrictive will apply. See your sales contract for details.

Notifying Your Builder

We hope that you are happy with your new home. The construction of a new home consists of the assembly of different materials by various types of tradesmen essentially "from scratch." Given this, it is not entirely unusual for issues to arise that may need your builder's attention during the months following completion of your project. This is exactly why there is a warranty on a new home. We hope that with a clear understanding, by both the builder and homeowner, of the appropriate way to notify and respond to issues such as these, all issues will be resolved to everyone's satisfaction in a timely manner.

Be sure to review your warranty or speak with your builder to determine if there is a preferred method to request warranty work. While each builder may have different ways that they would like to be informed of warranty issues, the following is a general procedure for notifying your builder of warranty issues.

- Always request warranty work in writing to the builder's warranty department.
 Even if your builder, as an accommodation, accepts warranty requests verbally, be sure to follow-up in writing.
- Be sure that your written request provides a reasonably detailed description of each issue in need of repair. You may have to, also, comply with local or state law in making a construction defect or warranty claim to your builder and/or the third-party warranty company.
- Allow your builder an opportunity to inspect the issue(s) and, if necessary, determine the appropriate method(s) of repair.

Your Builder Remodeler's Responsibilities

There may be instances where a builder and a homeowner do not agree whether a particular issue is covered under warranty or what is an appropriate method of repair of a warranty issue. In order to resolve these types of disputes, a claim may be submitted through Harmony Administrators, LLC to assist in determining the claim and best method of repair to any determined defects.

Builders are responsible for all work performed under their direction. Work performed under the direction of the builder includes any work performed by their subcontractors and suppliers, unless the contract provided otherwise. For example, the builder is responsible for the work performed by their plumbing subcontractor and for the performance of the water pipes installed in the home, but not for the manufactured products that are not performing properly. The builder is not responsible for work performed by anyone not under the builder's direction and control. For example, if the homeowner contracted directly with a third party for installation of the water heater the builder would not be responsible for improper installation of the water heater. However,

the builder is responsible for items selected by the homeowner for installation in the home if the owner pays the builder for those items (allowances) as a part of the contract.

How the Harmony Administrators Claim Process Works

The claim process is a neutral administrative process available to resolve post-construction defect disputes between builders and homeowners before pursuing other legal action. If a builder and homeowner cannot resolve an alleged construction defect dispute between themselves, either party can file a claim with Harmony Administrators. At any point before or during the claim process, the homeowner and builder may agree to resolve their differences in any manner they choose. Harmony Administrators encourages such resolutions. If the claim remains unresolved at the end of this process, the third-party warranty company or the applicable carrier may in certain circumstances be obligated to directly resolve the claim as set forth in the Express Limited Home Warranty.

How To File a Claim

To submit a warranty request, please go to https://www.jhoustonhomes.com/warranty-requests, sign onto the Homeowner Portal by requesting access to it, and submit a Warranty Request. The web site provides instructions on ways to submit the claim and any fees that may be associated with the request. Claim packets containing all required documents and forms are also available upon request by contacting Harmony Administrators at (866) 335-8030.

A homeowner provides <u>written</u> notice to their builder of any alleged defect(s) in the construction of the new home. This notice should be provided by certified mail, return receipt requested.

In the event that the homeowner is not satisfied with the builder's response to this written notice, the homeowner can file a claim with Harmony Administrators. Sixty (60) days must pass between the time the written notice is provided to the builder and the time a homeowner files a claim to resolve those issues. This provides the builder with an opportunity to inspect and respond to the alleged construction defect(s).

Once Harmony Administrators receive a claim, a neutral third-party inspector will be assigned to evaluate the issue(s) for compliance with the applicable building and performance standards. If the third-party inspector determines that a particular issue is out of compliance, the inspector will make a recommendation for the repair of the issue. If the homeowner or builder does not agree with the findings and recommendations of the third-party inspector, either can submit an appeal to Harmony Administrators.

At the conclusion of the claim, if there is a covered defect found, the builder can make an offer to repair based on the findings and recommendations of the third-party inspector or the appeal, if the issue was appealed. This offer can be accepted or rejected by the homeowner, after which the builder has another opportunity to respond.

After completing the required claim process, if the parties are still unable to reach an agreement to resolve their dispute, the parties retain their rights to pursue other remedies as set forth in the sales contract and the Express Limited Home Warranty.

STEP 1

Make <u>WRITTEN</u> claim to Builder.

STEP 2

 After 60 days have passed, the homeowner may file a claim if unsatisfied with builder response.

STEP 3

• Neutral, third party expert will evaluate the issue and determine compliance and repair plan, if warranted.

STEP 4

• If a construction defect is found, builder may offer for repair/settlement.

STEP 5

• If unable to reach agreement, other remedies may be available under the Express Limited Home Warranty.

Homeowner Responsibilities

The homeowner is responsible for proper maintenance, care and use of all components as recommended by the builder, manufacturer or installer. Improper use, care or maintenance may void portions of the warranty and/or the manufacturer's warranty.

Repair and Finish

Third-party inspectors make recommendations for the repair of construction defects. However, the builder and homeowner may agree to an alternative remedy. For example, the parties may agree to a different method of repair than that recommended by the inspector. Repairs may include any necessary additional work required to return the home to its original condition as applicable. The quality of the repairs and the finished surface areas must be equal to the quality of the original structure or component. However, post-repair finishes do not have to exactly match or be "perfect." The builder is not responsible for locating discontinued items or patterns; the match should be reasonable; entire replacement of continuous elements or components is not required.

Exceptions and Exclusions

Although a builder is responsible for all work performed under its direction, certain situations and/or actions release them from this responsibility. The following are some examples of when the builder is **not** responsible for repair, loss or damage:

- Work performed, or materials supplied by someone other than your builder.
- The negligence, improper use or failure to follow the manufacturer's recommendations.
- Failure to take reasonable efforts to stop damage from getting worse after a
 defect is discovered. For example, if water leaks, the homeowner should shut off
 the water supply and dry the area to prevent further damage.
- Not giving or delay in notice to the builder.
- Failure to take reasonable action to maintain the home.
- Failure to comply with homeowner's responsibilities.
- Changes to the soil that are not a direct result of construction activities.
- Normal wear and tear
- Damage caused or made worse by extreme weather, vandalism, civil disputes, motorized vehicles, aircraft, fire, water, animals or insects.
- When the home is being used primarily for nonresidential purposes.
- When using a component in a way that it was not intended to be used.
- Any damage that does not include physical evidence of damage (i.e. damage from radon gas, formaldehyde, pollutants, contaminants, mold, mildew, toxic material, etc.).
- This is only a partial list of common issues, see your contract and the Express
 Limited Home Warranty for additional obligations of the homeowner.

One-Year Warranty for Workmanship and Materials

The building and performance standards for the components of a home subject to a warranty of one year for workmanship and materials are discussed below. These components include exterior concrete (walkway, driveway), framing, drywall, insulation, exterior siding and trim, masonry, stucco, roofing, doors and windows and interior flooring. (Figure 1 is an illustration showing typical home construction and components that make up a residential structure.)

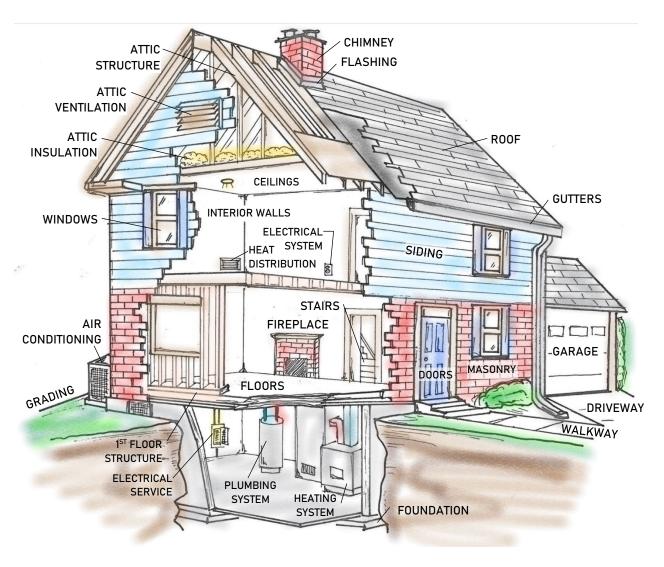


Figure 1 Typical Home Construction

Yard Grading

Yards are graded to provide proper drainage of water away from the home. The homeowner is responsible for maintaining the drainage patterns and the grading of the lot to prevent erosion, blockage, over-saturation or other changes to the set grade.

Proper grading of soil diverts water flow away from the home (refer to Figure 2). Ponding of water within ten feet of the home for more than approximately 48 hours after a normal rain or more than two inches deep in a crawl space may signal a drainage problem.

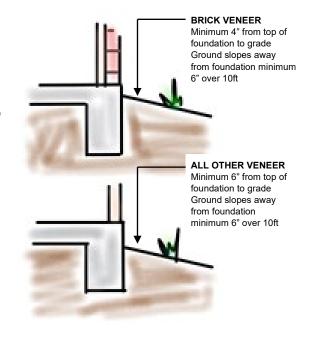


Figure 2 Proper Grading Adjacent to the Foundation

Foundations and Slabs

Foundations and slab areas include raised floor foundations, crawl spaces, basements,

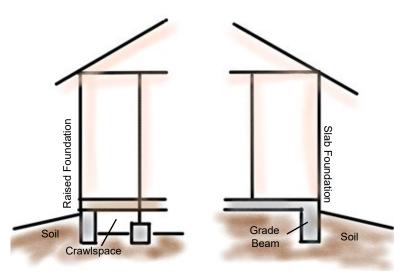


Figure 3 Typical Home Foundation Types

concrete slab foundations and exterior concrete areas if part of a monolithic slab. If the home has a crawlspace under the foundation, it is considered a raised foundation. Figure 3 depicts an example of a raised foundation with a crawl space and a concrete slab-on-grade foundation system. If the home has a concrete slab, it is normal for small surface cracks to

appear in the concrete. These small cracks will not affect the soundness of the slab.

It is acceptable to have an uneven floor in the home if the slab is designed and constructed to aid in draining water, such as the laundry room, garage or basement.

The homeowner has several responsibilities for maintaining a healthy foundation of the home. The homeowner shall not make changes to the existing grade or slope of the yard that would negatively affect water drainage away from the foundation. The crawl space shall not be used for storage.

Slab Foundations

A concrete slab foundation consists of the portion of the slab under the living area as well as an attached garage. However, detached garages, driveways, sidewalks and patios that are not a part of a monolithic foundation are considered exterior concrete.

Raised Foundations

If the home does not have a concrete slab foundation, it most likely will have a pier and beam foundation. A pier and beam foundation consists of piers that are vertical supports that support horizontal beams upon which the home is built.

Other Structural Components

Other structural components consist of beams, headers, girders, lintels, columns, load-bearing walls, partitions, roof framing systems, ceiling framing, floor systems and masonry arches (refer to Figure 4 for typical structural components). These elements support the weight and provide a skeleton upon which the home's surfaces are attached.

Structural components shall not become defective to the extent that the defect compromises the structural strength or the performance of the structural system. Such defects could include cracks, bows, deterioration or separations between two components.

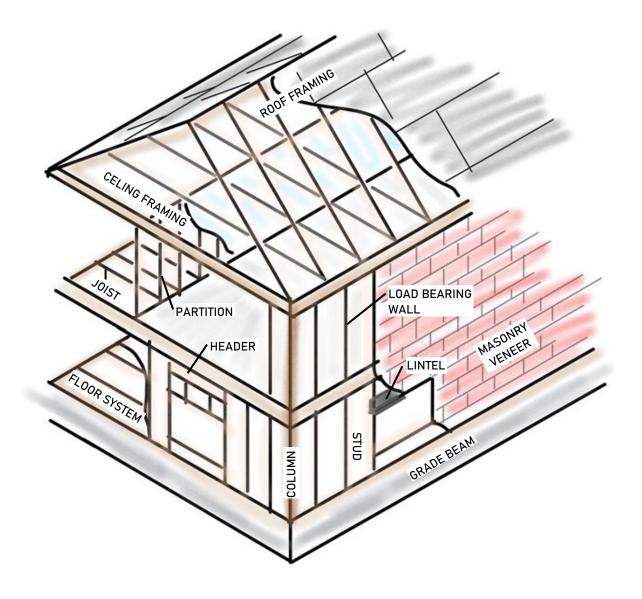


Figure 4 Typical Structural Components

Exterior Concrete (Flatwork)

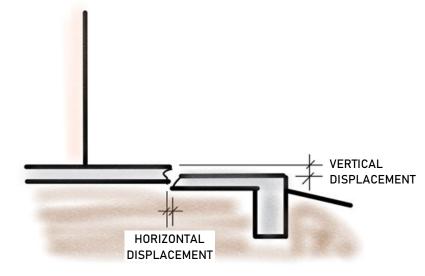
Exterior concrete areas, sometimes referred to as flatwork, include patios, driveways, walkways and detached garages. Some exterior concrete areas, such as walkways or sidewalks, may have control or expansion joints. These joints allow for expansion (such expansion is expected) and are necessary to limit future cracking. These joints are designed to crack but will not necessarily prevent all cracking.

It is normal for cracks to appear in the concrete. Exterior concrete surfaces, corners and edges must be relatively smooth and free from damage, with no objects that protrude

through the surface. Cracks in exterior concrete may not equal or exceed certain tolerances in width or vertical displacement (see Figure 5). If the home has a concrete slab, it is normal for cracks to appear in the concrete. These cracks will not typically

affect the soundness of the slab

Exterior concrete surfaces are not to be so smooth as to cause the surface to become slippery when wet. Stairs or stoops are to be relatively level and not separate from the home by one inch or more.



Handrails must be securely attached to the stairs and

Figure 5 Horizontal and Vertical Displacement of Concrete Flatwork

must remain that way for the warranty period, absent excessive use or overloading.

Driveways are designed to drain water away from the home. However, a slope towards the garage may be necessary when a home sits lower than the road or the site conditions or design call for it. The driveway should be constructed so as to prevent water from running into the garage under normal weather conditions.

Recommendation

The homeowner should not over-water the soil around any concrete areas or allow the soil to become overly dry. Over-watering or lack of water will cause soil to expand and shrink thereby causing damage to the concrete and structural components. Keep heavy equipment off driveways, patios and sidewalks because they are not designed for heavy loads. For example, moving vans or oversized vehicles can cause damage to exterior concrete areas.

Framing

COMMON' RAFTER

Framing includes beams, studs, posts, columns, joists, rafters, headers, sheathing and other components. Some walls provide structural support for the home while other walls do not. If remodeling is planned for the home, consult a professional concerning the removal or alteration of any wall. Figure 6, Figure 7, and Figure 8 help to show some of the different components of framing.

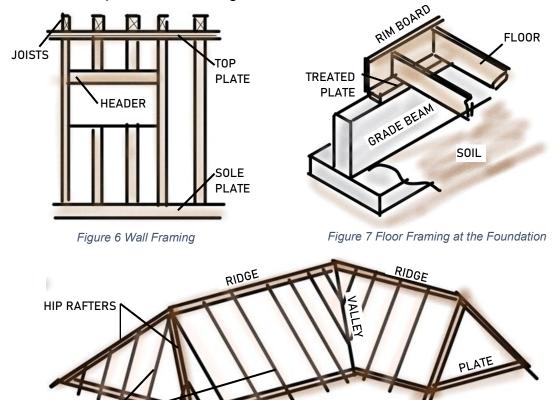


Figure 8 Roof Framing

OVERHANG

Wall, Ceiling, and Beam Tolerances

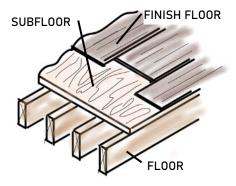
SLOPE CHANGES IN WALLS, CEILING, AND BEAMS	TOLERANCE
Wall crown (bow or depressions)	< 1/4" over a length of 32"
Changes in any 8' vertical measurement	< 1/2"
Decorative Ceiling crown (bow or depressions)	< 1/2" over a length of 32"
Decorative beam and post cracks	< 1/2" in width

Sub-flooring and Stairs

Underneath the top layer of flooring is a layer referred to as the sub-floor that acts as a support of the flooring (refer to Figure 9). The sub-flooring shall be relatively smooth and not bow or have humps, ridges, or depressions or slope that equals or exceeds 3/8 of an inch in any 32-inch direction.

If there are stairs in the home, steepness and dimensions must be in accordance with the Code. Stairs may not make excessive squeaking or popping sounds under normal residential use.

Figure 9 Typical Floor Section



Drywall

Drywall provides a finished surface that covers the framing, insulation and ductwork inside the home. The performance standards for drywall include its components, such as the surface, joints, nails and screws. A drywall joint is where two pieces of drywall are joined by tape and/or metal stripping and finished with drywall compound.



Figure 10 Drywall Crack

A drywall surface shall not have imperfections such as blisters, cracks, seam lines, excess joint compound, nail or screw heads protruding or noticeable trowel marks (unless by design). A drywall crack must not exceed 1/8 of an inch anywhere along the length of the crack. Figure 10 is an example of drywall cracking that exceeds acceptable tolerances.

Drywall Tolerances

DRYWALL	TOLERANCE
Bow or depressions	< 1/4" over a length of 32"
Changes in any 8' vertical measurement	< 1/2"
Ceiling bow or depressions	< 1/2" over a length of 32"
Squared Corners	Within 3/8" over 32"
Cracks	< 1/8" wide
Crowning	< 1/4" within a 12" measurement

Insulation

Insulation within the walls and ceilings helps maintain the interior temperature. There are several types of insulation (see Figure 11 and Figure 12). Batt insulation comes in a roll and is typically installed within walls. Blown insulation is loose and is typically used in attics. Some homes may contain foam insulation that is sprayed into the walls and ceilings. The R-Value of insulation is the measurement of the effectiveness of the insulation. Generally, the higher the R Value, the more effective the insulation. A properly insulated home will be more comfortable and energy efficient.

Homes must have insulation installed in the ceilings, walls and certain types of floors in accordance with the building plans, specifications and the Code. Batt insulation with gaps that equal or exceed 1/4 of an inch between the batt insulation and the framing member loses insulating value. Blocking attic vents with insulation restricts the free flow of air in the attic. Homeowners should not take any action that would cause the insulation to become flattened or compressed.

Exterior Siding and Trim

Exterior siding can be made of wood, vinyl or cement. Exterior trim is installed at

INSULATION
SHEATHING

WOOD SIDING OR
VINYL SIDING

MOISTURE
BARRIER

Figure 11 Typical Siding Section

Figure 11 shows a typical layout of exterior siding.

Exterior siding and trim shall perform in accordance with the following:

corners, eaves and around windows and doors.

- Siding and knots within the siding shall not become loose or fall off.
- Siding and trim shall be properly spaced and aligned.
- Siding shall not bow or cup or have gaps equal to or exceeding 1/4 of an inch in width.
- Joints and gaps between two pieces of siding or between siding and adjacent materials shall be caulked.

- Siding, trim and eave blocks shall be installed with proper corrosion-resistant nails or screws.
- Fasteners (nails or screws) shall not protrude from the finished surfaces or leave stains.
- Siding shall not have cracks or splits equal to or exceeding 1/8 of an inch in width
- Trim and eave blocks shall not have warp equal to or exceeding 1/2 of an inch in any eight-foot measurement.
- Trim and eave blocks shall not cup in an amount equal to or exceeding 1/4 of an inch in any six-foot measurement.
- Trim and eave blocks shall not have cracks or splits equal to or exceeding 1/8 of an inch in width.
- Siding shall not cup more than 1/4 of an inch in any 6-foot measurement.
- Siding shall not bow more than 3/8 of an inch in a 32-inch measurement.

Some types of exterior siding and trim will need to be repainted or restained periodically. The homeowner is responsible for proper maintenance of the exterior siding and trim, as well as repainting or restaining as necessary.

Damage to the siding and trim may be caused by, but not limited to, the following activities: pressure washing, acid cleaning, drilling holes, attaching fixtures or ornamental décor, patio covers, plant holders, awnings or hose racks and other similar devices.

Masonry

Masonry includes brick, block, stone and mortar. Figure 12 illustrates an example of

defects in masonry walls.

Masonry walls shall perform in accordance with the following:

- Masonry walls shall not bow in an amount equal to or exceeding one inch from bottom to top.
- Masonry shall not have cracks equal to or exceeding 3/8 of an inch in width.



Figure 12 Stairstep Crack in Brick Veneer

- Masonry shall not contain loose pieces or deteriorate. Masonry shall not have dirt, stains or debris left from construction activities.
- Joints and gaps between masonry and adjacent material shall not equal or exceed 3/8 of an inch in width and shall be caulked to help prevent moisture and air penetration.



Figure 13 Weep Holes in Brick Veneer

 Mortar shall not cover any designed opening, such as a vent, plumbing cleanout, weep hole, etc.

Weep holes are small holes in the mortar along the lowest row of masonry and above windows and doors that allow moisture to escape from the space inside the wall (Figure 13). It is important that the homeowner prevent the weep holes from becoming obstructed. Damage to masonry walls

may be caused by the following types of activities: pressure washing, acid cleaning, drilling holes, attaching fixtures or ornamental décor, patio covers, plant holders, awnings or hose racks and other similar devices.

Stucco

This section includes stucco, stucco joints and openings, lath, screed and Exterior Installation Finish Systems® (EIFS). Lath is the wire mesh used underneath the stucco to adhere the stucco to the supporting surface and shall not be visible. Weep screed is a metal trim placed at the bottom of the stucco surface where the stucco meets the foundation. The function of weep screed is to act as a drip edge for water to run off. Weep screed shall be at least four

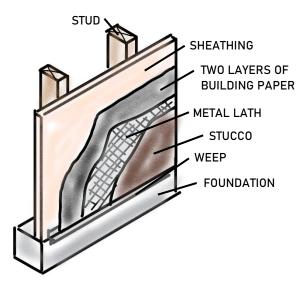


Figure 14 Typical Stucco Construction

inches above the soil or landscaped surface and at least two inches above any finished surface. EIFS screed shall be at least six inches above any surface. Figure 14 depicts stucco wall components.

Stucco systems shall perform in accordance with the following:

- Stucco shall not be excessively bowed, uneven or wavy. It shall not be broken or loose.
- Stucco surfaces may have very small cracks that are normal and acceptable.
- Stucco surfaces shall not deteriorate excessively and shall not have dirt, stains or debris left from construction activities.
- Stucco shall not obstruct vents, weep holes or plumbing cleanouts.

Stucco Tolerances

STUCCO	TOLERANCE
Cracks	< 1/8" wide
Gaps between stucco panels	< 1/8" wide
Gaps with another surface material	< 1/4" wide
Surface Imperfections	Should not be visible more than 6' away

Additional cracking and other damage to stucco may be caused by the following types of activities: pressure washing, acid cleaning, drilling holes, attaching fixtures or ornamental décor, patio covers, plant holders, awnings, hose racks and other similar devices. Improper use, care or maintenance may void portions of the statutory warranty and the manufacturer's warranty.

Roofs

Roofing includes flashing, vents, louvers or other installed attic openings, gutters and/or downspouts, shingles, tiles, metal, any other roofing material, skylights, pipes, vents, fireplace chimneys and the exterior moisture barrier. Roofs contain valleys, ridges, peaks and crickets.

A cricket is a built-up water diversion system that is placed on the high side of a chimney 30" or wider, so that water flow is directed around it (see Figure 15).

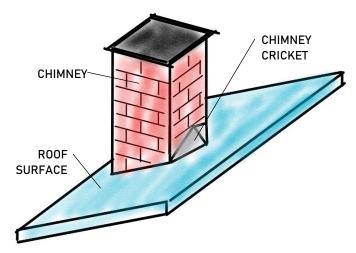


Figure 15 Cricket

Roofs, vents, louvers and other installed openings shall not leak.
Gutters and downspouts shall not leak or retain standing water equal to or exceeding 1/2 of an inch after a rainfall. Shingles, tiles, metal or other roofing materials shall not become loose or fall off under normal weather

conditions. Tile roofing shall not crack. A pipe, vent, chimney or other object designed to penetrate the roof shall not be located in a valley. The builder is not responsible for leaks caused by extreme weather.

Doors and Windows

Doors and windows include exterior and interior doors and windows and their components. These components include weep holes, glass, screen, latches, paint, stain, tracks, rollers, chains, paneling and garage door openers/sensors. Weep holes are small holes in the lower parts of the windows and doors that are part of the moisture drainage system.

Doors

General: All doors are to be painted or stained and free of scratches and dents.

Locks and latches must work smoothly and secure the door snugly. Screens must be free from holes and securely installed in their framework.

Exterior: These doors are designed to provide security, weatherproofing and air infiltration seals to the exterior of your house. Weather-stripping is provided around the jamb of the door to seal the opening from air infiltration. Improper installation will allow visible light between the door and the frame.

Sliding Glass: Sliding glass doors are installed on tracks and shall operate smoothly. These door tracks require cleaning and lubricating periodically to keep them functioning properly. Glass panels within the doors must be free of cracks, condensation between sealed insulated panels or other damage.

Interior doors: All interior doors must have a gap at the bottom to allow for the flow of air throughout the home. A gap should be at least a 1/2 of an inch but should not exceed one and a half inches except on closet doors when the gap may not exceed two inches at the bottom. Laminated doors shall not separate.

Windows

Closed windows stop infiltration of air, dust and moisture. Glass in windows shall be fitted properly and not be damaged or broken as a result of construction activities. Windows with condensation between sealed insulated glass panels are considered broken and must be replaced. Windows installed properly will operate easily and smoothly without excessive pressure or force. Screens installed in windows shall not be torn or damaged as a result of construction activities. Gaps between the screen frame

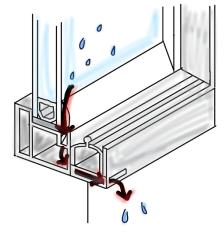


Figure 16 Window Weep Holes

and the window frame may not equal or exceed 1/4 of an inch.

Weep holes allow condensation or minor moisture intrusions to drain outside (refer to Figure 16). Keep weep holes free from dirt build-up and debris. Tinted window film or coating may damage some sealed insulated glass units. Improper use, care or maintenance may void portions of the statutory warranty and the manufacturer's warranty.

Garage Doors

Wood or metal garage doors shall be free of scratches and dents. These doors are designed with a spring system to operate smoothly. If the spring is loose or broken, have a professional replace or adjust the high-tension spring. Garage doors with openers have sensors to protect the homeowner. Do not block or remove sensors or other safety devices.

Carpet

Carpet must be installed tight, flat and securely fastened. Carpet shall not be damaged, stained or spotted during initial installation.

Finished Concrete Flooring

A finished concrete floor, not intentionally designed for drainage, shall meet the tolerances listed below. Floors designed for drainage, such as a laundry room, garage or basement, will be purposely sloped to allow water to flow into a drain or in a particular direction.

Finished Concrete Flooring Tolerances

CONCRETE FLOORING	TOLERANCE
Humps, depressions, or unevenness	< 3/8" over a length of 32"
Separation joints and cracks	< 1/8" wide and <1/16" vertical displacement

Wood Flooring

Wood floors have natural variances that are characteristic of the material. Wood flooring can be installed in many different ways. Wood floors that are designed to be installed with nails, glue, adhesives or fasteners must remain securely attached to the foundation or sub-floor.

Wood Flooring Tolerances

WOOD FLOORING	TOLERANCE
Humps, depressions, or unevenness	< 3/8" over a length of 32"
Gaps or separations	< 1/8" wide
Cupping of floorboard strips	< 1/16" over a 3" wide measurement

Vinyl Flooring

Vinyl floors shall not be discolored, stained, spotted, scratched, gouged, cut or torn when installed. There shall be no detectable debris, sub-floor seams, nails or screws under the vinyl flooring.

Vinyl Flooring Tolerances

VINYL FLOORING	TOLERANCE
Out of Square	< 1/4" over 6' measurement
Alignment of patterned pieces	< 1/8"
Gaps in Seams	<1/16" in width
Gaps between vinyl and similar materials	<1/8"
Ridges or depressions	< 1/2" over 6' measurement

Hard Surfaces - Grout, Concrete Countertops, Ceramic Tile, Flagstone, Marble, Granite, Slate, Quarry Tile and Finished Concrete

Hard surfaces include grout, concrete countertops, ceramic tile, flagstone, marble, granite, slate, quarry tile and finished concrete. Flagstone, marble, granite, slate and other quarry tile are considered natural products.

Grout is the material placed in the gap between two adjoining hard surfaces. This area is referred to as a grout line. Grout lines shall not excessively crack, deteriorate, change shade or discolor.

Hard Surface Tolerances

HARD SURFACES	TOLERANCE
Variation between adjacent material surfaces	< 1/16"
Levelness of hard surfaces and countertops	< 1/4" over a 6' measurement
Pits, depressions or unevenness on concrete countertops	< 1/8" over a 32" measurement
Separations or cracks in concrete countertops	< 1/16" width and < 1/64" vertical displacement

Hard surfaces must not be broken, cracked, stained, chipped or have great color variations. Hard surfaces made of natural products have size variations that may cause irregular layouts or grout lines. Moreover, natural products may have color variations and small surface imperfections. An imperfection in a non-floor hard surface must not be noticeable when viewed from a distance of two feet.

Painting, Staining and Wall Coverings

Surfaces receiving paint or stain shall not have excessive color, shade, or sheen variations and will cover all intended surfaces. Paint over-spray must be cleaned by the builder from all other surfaces. Interior surfaces that are painted, varnished or finished are not to be scratched, dented, nicked, or gouged as a result of the builder's activities. The manufacturer's specifications detail the extent to which a homeowner can wash or scrub a painted surface. Be aware that direct sunlight may deteriorate paint, varnish, polyurethane and lacquer finishes.

Wallpaper shall not peel, bubble, have lumps, ridges, scratches, gouges, cuts, tears, discoloration, stains, spots or have visible seams or gaps that are noticeable when viewed from a distance of six feet. Patterns or designs in the wall coverings that repeat must match and be square.

Plumbing Fixtures and Accessories

Plumbing fixtures include faucets, tubs, toilets, sinks, drains and gas connections to appliances. Plumbing fixtures shall not have chips, cracks, scratches or dents, or corrode, tarnish, blemish or stain. The home's water supply may contain harsh minerals that can cause damage to fixtures and their parts. Imperfections caused by minerals in water are not covered by this standard. Plumbing fixtures shall be properly secured, not drip or leak, or run continuously. Properly installed shower pans and tubs shall not squeak.

Chemicals and certain cleaning agents can damage or corrode plumbing fixtures.

Corrosive chemicals and cleaners include abrasive pads and cleaners, harsh chemicals, alcohol and organic solvents and may void portions of the warranty.

Pipes and Vents

Water pipes shall not make excessive hammering or banging sounds. Changes in water temperature may cause a ticking sound that is normal as a result of changing temperature in the pipes.

Sewer gas odors escape the plumbing system through vent stacks or air admittance valves that are designed to allow gas to escape. Do not block or cover plumbing vents. Plumbing traps are part of every drain that prevents sewer odors from entering the home. These devices are shaped so that they retain water to seal the line. Traps in drains that are not regularly used, such as a floor drain in a laundry

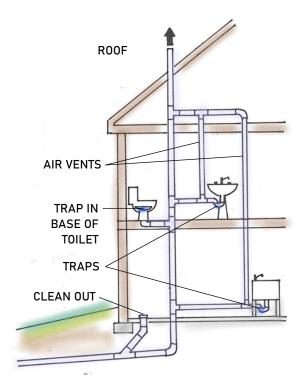


Figure 17 Typical Plumbing Schematic

room, may dry out allowing odor to enter the home. The homeowner can keep plumbing

traps filled with water by occasionally using each fixture. Refer to Figure 17 for a typical plumbing schematic for a residence.

Heating and Cooling

A drip pan and drain line may be installed under the indoor portion of the air conditioner. The condensation drain line drains water that accumulates on your air conditioner condenser coils. Blockage of the drain line will cause overflow of the pan. The exterior compressor unit is installed on a stable pad. Insulation must be properly installed around the refrigerant line of the air conditioner unit and should not be removed by the

FURNACE SUPPLY AIR DUCT

REFRIGERATION LINES

AIR

CONDITIONER

Figure 18 Residential Heating and Cooling Schematic

Take care when performing landscaping work around the home to ensure that there is no interference or damage to the lines connecting to the heating and cooling system.

Ductwork

homeowner.

Ducts distribute heated or cooled air throughout the home (refer to Figure 18). The flow of air through

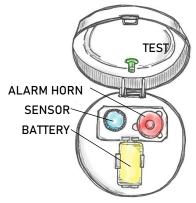
the ductwork may cause slight noises. Vents are to be open and free of obstructions in order to move air throughout the home. Ductwork in the attic is not designed to support heavy loads. Do not place or store objects on the ductwork.

Electrical Fixtures

Electrical fixtures include trim plates, electrical boxes, ceiling fans, exhaust fans, etc. Electrical systems and fixtures should be installed according to the manufacturer's recommendations and shall perform in accordance with the following:

- Fixtures and trim plates must not be tarnished or have chips, cracks, dents, scratches, blemishes or stains as a result of the builder's activities.
- Fixtures, trim plates and electrical boxes shall be plumb and level. There shall
 not be excessive air infiltration around electrical system components or fixtures.
- Exhaust fans may make some noise; however, the noise level shall not exceed the manufacturer's specified level.

Smoke Detector and CO₂ Detector



Smoke detectors and CO₂ detectors must operate according to the local fire code and the manufacturer's recommendations. All safety equipment should be checked at least once a month and the batteries replaced every six months to ensure they remain in proper working order. Press the test button on all smoke detectors once a month to ensure that they work properly (refer to Figure 19).

Figure 19 Parts of a Smoke Detector

Interior Trim

Hammer marks, scratches, chips, dents, cracks, nails and nail holes on interior trim shall not be noticeable from a distance of six feet. Joint separations occur when two pieces of trim meet at a corner or are joined over a long distance. Separations of trim joints shall be caulked or puttied if the gap is equal to or in excess of 1/8 of an inch.

Closet Shelving

Shelving and rods shall be supported by stud-mounted brackets that are securely mounted and spaced no more than four feet apart. End supports for the shelving and rods shall be securely fastened to the wall.

Mirrors, Interior Glass and Shower Doors

From a distance of two feet, there shall be no noticeable damage or imperfections in mirrors, interior glass and shower doors. Mirrors, interior glass and shower doors as

well as other fixtures, such as towel bars and door handles, shall be securely attached to a supporting surface. Shower doors must not leak and must open or close smoothly without requiring excessive force.

Hardware and Ironwork

Hardware and ironwork are used for decorative and practical purposes. Unless it is an intended specialty feature, hardware finishes shall not be corroded, rusted, tarnished, blemished, stained, scratched, chipped, cracked or dented. Hardware must function properly without catching or binding and should not require excessive force to operate. Hardware and ironwork shall be securely attached to a supporting surface.

Chemicals and certain cleaning agents can damage or corrode hardware and ironwork. Do not use chemicals and cleaners that could cause damage to these items. Corrosive chemicals and cleaners include abrasive pads, harsh chemicals, alcohol and organic solvents. Outdoor elements, such as salt air and humidity, can cause hardware and ironwork to deteriorate.

Fireplaces

Fireplaces may include refractory panels, synthetic logs, gas logs, fireplace doors, masonry hearths and facing, chimneys, fireplace fans, dampers and fireboxes (refer to Figure 20). Performance standards for properly installed functioning fireplaces and accessories are as follows:

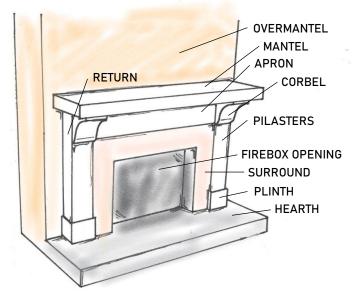


Figure 20 Anatomy of a Fireplace

 Refractory panels inside the firebox opening shall not have cracks or gaps.

- Fireplace doors shall operate smoothly and align with one another.
- Mortared joints shall not have cracks that equal or exceed a 3/8 of an inch in width that result from a construction defect; cracks the result of use are not warranted.
- Under normal weather conditions, water shall not infiltrate the chimney.
- The chimney shall draw properly.
- · A gas fireplace shall not have a gas leak.
- If the fireplace contains gas logs, the logs shall be positioned in accordance with the manufacturer's specifications.

Irrigation Systems

Irrigation systems shall not leak, break or clog and shall water all intended areas. Long-term overspray on driveways and exterior walls may cause premature deterioration.

Fencing

A fence shall not lean in excess of two inches from plumb, fall over or contain broken or detached boards. Masonry fences shall not have cracks or cracks in the mortar equal to or in excess of 3/8 of an inch in width. Adequate weep holes shall be placed in the lowest course of a masonry wall/fence to allow seepage to pass through the wall. Weep holes are small holes in the mortar along the lower row of masonry that are part of the wall drainage system. Do not obstruct these weep holes.

Pest Control

Properly functioning eave returns, truss blocks, attic vents and roof vents openings, weep holes and other openings shall not allow rodents, birds, or other similar pests into the home or attic space as a result of construction defect. There is no warranty for any pest control.

Two-Year Warranty for Plumbing, Electrical, Heating, Ventilation and Air Conditioning Delivery Systems

The performance standards for the components of a home subject to a warranty of two years are discussed below. These components include electrical delivery systems, plumbing delivery systems, and heating, ventilation and air conditioning systems.

Electrical Delivery Systems

The electrical delivery system consists of wiring, panels, breakers, fuses, switches and receptacle outlets. Electrical systems are designed to carry a specified maximum load. Installing or placing too many electrical fixtures or appliances on an electrical circuit will overload the circuit and create a safety hazard. Electrical systems shall be used only for the purposes for which they were designed. All electrical wiring and electrical components shall be installed and function according to the National Electrical Code (NEC).

Electrical Wiring

The performance standards apply only to electrical wiring and components located on the home's side of the meter. The local utility company is responsible for any defects that may occur at or beyond the meter. All wiring installed in the home shall be in compliance with the NEC.

Electrical Panel, Breakers and Fuses

Sufficient electrical panels and breakers shall be installed to provide adequate electrical service during normal use. Electrical panels and breakers shall be clearly marked to indicate the area serviced by that breaker (see Figure 21). Circuit breakers shall not trip repeatedly during normal use. The builder/remodeler is not responsible for electrical

service interruptions, tripped circuit breakers or blown fuses caused by external conditions such as power surges and circuit overloads.

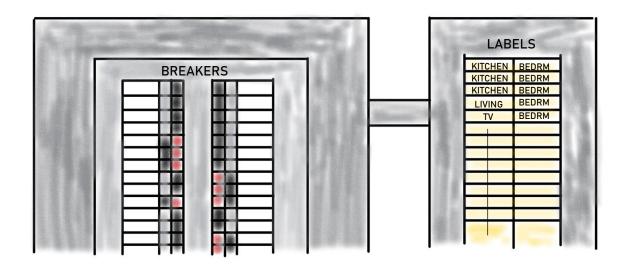


Figure 21 Typical Residential Electrical Panel and Circuit Breakers

Misusing or overloading circuits may cause a safety hazard and should be avoided. For example, plugging too many electrical devices into an outlet may cause a circuit to become overloaded. Any modifications to the existing electrical system should be performed by a licensed electrician.

Electric Outlets with Ground Fault Interrupters

Certain electrical outlets must have Ground Fault Interrupters (GFI). GFIs are designed to provide extra safety and are usually installed in bathrooms, kitchens, outdoors and other areas in close proximity to water. GFIs are designed to trip easily in the event of an electrical short. They have a button that can be pushed to test and to reset the GFI (see Figure 22). Replacing a GFI plug with a regular plug will cause a safety hazard. GFIs shall be installed and operated according to the manufacturer's specifications. GFIs are not designed to provide service to large electrical

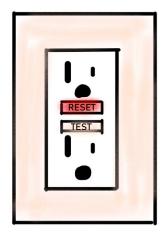


Figure 22 GFI Electrical Outlet

appliances that require an uninterrupted flow of electricity such as refrigerators and freezers. All GFI outlets shall be identified.

Fixtures, Outlets, Doorbells and Switches

Electrical fixtures, including outlets, doorbells and switches, shall be installed and operated according to the manufacturer's specifications under normal circumstances, The electrical components shall not cause lights to dim, flicker or burn out excessively.

Wiring and Outlets for Cable Television, Telephone, Ethernet or Other Services

Wiring and outlets for cable television, telephone, ethernet or other services in your home shall be installed and operated according to the manufacturer's and service provider's specifications.

Plumbing Delivery Systems

The plumbing delivery system consists of water and gas pipes, sewer and drain lines and fittings and values. Plumbing systems are to be used only for the purposes for which they were designed. All plumbing components shall be installed according to the International Residential Code (IRC). (Cosmetic defects are limited to a one-year warranty.)

Pipes - Water and Gas Pipes, Sewer and Drain Lines, Fittings and Valves

The performance standards apply only to plumbing delivery system components located on the home's side of the meter. The local water supply company is responsible for any defects that may occur at or beyond the meter. Plumbing components are installed and insulated as stated in the manufacturer's specifications.

Water pressure inside the home shall not exceed 80 pounds per square inch or be less than 40 pounds per square inch. This standard assumes the water supply reaches the home at more than 40 pounds per square inch of pressure. In the event the water

supplies do not provide the home with 40 pounds per square inch of pressure, the builder cannot be held responsible for achieving the minimum standard.

The plumbing delivery system shall not leak. If a water pipe is leaking immediately shut-off the supply. Failure to do so could lead to additional damage or create a safety hazard. It is important to know the location of the water supply cut-off valves in the event of an emergency. If you smell gas, leave immediately and contact the gas company.

It is the homeowner's responsibility to prevent drain and sewage pipes from becoming clogged due to the insertion of inappropriate materials into the system, with the exception of clogs or blockage due to construction debris. Allowing a drain or sewer pipe to become clogged may cause further damage to the home.

During cold weather, it is necessary to take action to prevent exposed pipes and interior and exterior faucets from freezing. Maintain a reasonable temperature in the home during colder months to prevent pipes from freezing, especially at times when the home is vacant.

Individual Wastewater Treatment System

Individual wastewater treatment systems, including septic systems, are designed and installed according to health and safety codes and laws. A wastewater treatment system shall be capable of properly handling normal flow of household waste in accordance with the Texas Commission on Environmental Quality requirements.

Heating, Ventilation and Air Conditioning Delivery Systems (HVAC)

HVAC systems provide a home with a temperature and humidity control. The HVAC system shall be installed and operated according to the manufacturer's specifications. The HVAC system is designed specifically for the home. If any changes are made to the size or configuration of the home, consult a professional to evaluate the home's HVAC

system requirements. The homeowner is responsible for maintenance, including changing filters, as recommended by the manufacturer.

Refrigerant Line

A refrigerant line shall not leak. Condensation may form on a refrigerant line due to temperature variations, but such condensation is not a leak. Refrigerant lines must be insulated.

Heating and Cooling Functions

A heating system shall be capable of heating the inside of the home to 68-degrees Fahrenheit. A cooling system shall be capable of cooling the inside of the home to 78-degrees Fahrenheit. Temperatures may vary by no more than four degrees Fahrenheit between rooms that are served by the same thermostat.

Vents, Grills and Registers

Vents, grills and registers must be installed according to the manufacturer's specifications. They shall be attached securely to the supporting surface. They shall operate easily and smoothly when normal pressure is applied.

Ductwork

Ductwork distributes cool and warm air throughout the home. Ductwork shall be installed, insulated and properly sealed in accordance with the manufacturer's specifications. The air conditioning system shall be free and clear of any debris or obstruction preventing the free-flow of air.

Ten-Year Warranty on Structural Components

Major structural components include the load-bearing portions of your home. These elements include footings and foundations, beams, headers, girders, lintels, columns, load-bearing walls, partitions, roof framing systems, ceiling framing, floor systems and masonry arches. The foundation and major structural components are subject to a warranty period of ten years.

See One-Year Warranty information for Foundations and Slabs on page 11 under the One-Year Warranty section.

Slab and Raised Floor Foundations

The performance standards for slab and raised floor foundations are defined by the "Guidelines for the Evaluation and Repair of Residential Foundations, Version 2" as published by the Texas Section of the American Society of Civil Engineers (ASCE) (2009), as modified by the warranties and performance standards.

Foundation deflection (bending) and tilt may affect the structural integrity and performance of the overall foundation. Overall foundation deflection is defined by the ratio of the maximum vertical deviation from a straight line between two points at the edge of the foundation divided by the distance between those two points (refer to Figure 23).

$$deflection = maximum \ differential \le \frac{L}{360}$$

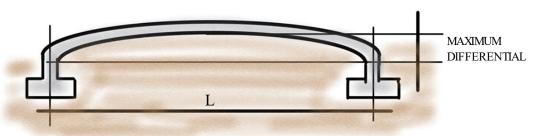


Figure 23 Foundation Deflection

Clay soils commonly found in Texas react to the presence of water by slowly absorbing

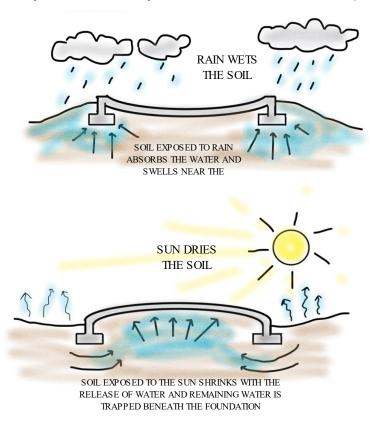


Figure 24 Foundation Modes of Movement caused by Expansive Soils

it, causing the soil to increase in volume and decrease during the subsequent drying out. During periods of heavy rain, rain water saturates the soil at the extremities of the foundation and causes swelling of the soils around the perimeter, creating a dish effect because the exterior of the foundation is pushed higher than the foundation supported near the middle of the foundation. During extended periods of dry weather, the expansive soil supporting the foundation begins to shrink especially near the perimeter of the

foundation where the soil is most exposed to the sun and heat, creating a dome effect.

Foundation tilt is characterized by the overall planar rotation of the foundation as a whole and is limited to 1% tilt (refer to Figure 25).

$$Tilt = \frac{maximum\ differential}{I} \le 1\%$$

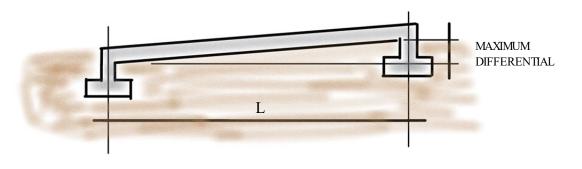


Figure 25 Foundation Tilt

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Contact Harmony Administrators

Harmony Administrators has a toll-free help line available to assist homeowners and builders with questions about Harmony Administrators and the claim process. Harmony Administrators' business hours are Monday through Friday from 8:00AM to 5:00PM Central Time Zone.

You may contact Harmony Administrators by:

Phone (Toll-Free): (866) 335-8030

Fax: (469) 552-5490

Address: PO Box 2293

Red Oak, Texas 75154





EXPRESS LIMITED HOME WARRANTY

(administered by Harmony Administrators, LLC and warranted by Harmony Assurance Group LLC for J Houston Homes LLC)

This document is the Express Limited Home Warranty described in the Contract between the homeowner and the Builder. It describes the time periods for the warranty, the performance standards, how to make a claim and exclusions and limitations.

This Express Limited Home Warranty is fully transferable. This Express Limited Home Warranty is fully transferable to subsequent homeowners without any additional paperwork or assignment. The subsequent homeowner's name must appear on the title filed in the deed records of the county for the subject property.

This Express Limited Home Warranty is not insurance. This Express Limited Home Warranty is not insurance, an indemnity contract, a service or maintenance agreement. This Express Limited Home Warranty cannot be changed or modified by any person or party whatsoever.

This Express Limited Home Warranty is attached to the property. This Express Limited Home Warranty runs with the land and is a condition to any sale, transfer or otherwise related thereto. The terms and conditions of this Express Limited Home Warranty are incorporated by reference in and subsequent sale, transfer or otherwise regardless of any reference in the any such written instrument or document. Any and all subsequent homeowner is bound by the terms and conditions of this Express Limited Home Warranty. Any and all homeowners, now or in the future, accept this Express Limited Home Warranty by acceptance of title.

How to make a claim under this Express Limited Home Warranty. Any and all claims made under this Express Limited Home Warranty shall be made pursuant to the provisions of and in strict compliance with the Residential Construction Liability Act, Chapter 27 of the Texas Property Code, including but not limited to initiating a claim under this Express Limited Home Warranty as a construction defect warranty claim by service on both the Warrantor and Harmony Administrators, LLC by certified mail, return receipt requested at the address listed herein. The homeowner's failure to follow Chapter 27 and/or any other contractual or legal requirement will be subject to the terms, conditions and procedures therein. The Warrantor's or any other party's appearance of initiation of the processes herein shall not be a waiver of any kind and/or the requirement of full compliance by homeowner as set forth herein and as required by Chapter 27. No fee is required for one and two year warranty periods to initiate this Express Limited Home Warranty. A \$200.00 fee is required to be paid to the Warrantor before initiation of a claim for a Major Structural Defect. If and only if the initial homeowner used FHA/VA financing and said financing is remains applicable to the subject property, then the fee is collected after the completion of the process herein and a final determination is made.

§ 1. General Provisions/Definitions

(a) Scope and Waiver of all other Warranties. This document describes the standards of performance for the various elements or components of the Improvements as described. The Warrantor will repair or replace those elements or components of the Improvements that do not meet these standards during the applicable warranty period based upon the expected level of performance described in these standards for residential construction to which the standards apply. If an element or component of a Improvements is not described particularly herein, the element or component shall be constructed in accordance with the applicable written agreement or, if there is no agreement, in accordance with the usual and customary industry standards or practices for similar Improvements (defined below) in the geographic region shall govern and the element or component shall perform for the purpose for which it is intended for the period of the applicable warranty. This document is the entirety of your warranty and there is no other warranty associated with the subject Property, the Improvements or otherwise. This instrument does not replace your homeowner's insurance, property insurance or other insurance. Homeowner understands, acknowledges, and agrees that THE ONLY EXPRESS WARRANTY OR WARRANTIES RELATING TO THE PROPERTY, IMPROVEMENTS OR

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OTHERWISE ARE DESCRIBED IN THIS EXPRESS LIMITED HOME WARRANTY ADMINISTERED BY HARMONY ADMINISTRATORS, LLC. HARMONY ADMINISTRATORS, LLC IS THE ADMINISTRATOR ONLY AND HAS NO LIABILITY WHATSOEVER HEREUNDER. HOMEOWNER AGREES AND UNDERSTANDS THAT OTHER THAN THE WARRANTIES PROVIDED IN THIS EXPRESS LIMITED HOME WARRANTY, ALL OTHER WARRANTIES ARE DISCLAIMED AND HOMEOWNER IS WAIVING ANY AND ALL EXPRESS AND IMPLIED WARRANTIES. INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE REPAIR OR MODIFICATION OF EXISTING TANGIBLE GOODS OR PROPERTY. THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE CONSTRUCTION, PERFORMANCE, WORKMANSHIP. REPAIR, MODIFICATION. MERCHANTABILITY. SUITABILITY AND FITNESS. THE IMPLIED WARRANTY OF HABITABILITY IS WAIVED TO THE EXTENT ALLOWED UNDER LAW, AS THE HOMEOWNER UNDERSTANDS AND AGREES THAT THE REPAIR OBLIGATIONS HEREUNDER ARE SUFFICIENT TO REPLACE ANY SUCH IMPLIED WARRANTY AND UNDERSTANDS THAT THE IMPROVEMENTS MAY BECOME UNSAFE FOR HABITATION BUT THAT THE OBLIGATIONS HEREUNDER ARE SUFFICIENT FOR THE REPLACEMENT OF ANY SUCH IMPLIED HABITABILITY WARRANTY. THE PARTIES AGREE THAT THE LIMITED WARRANTY ADEQUATELY SET FORTH THE MANNER, PERFORMANCE, AND QUALITY OF THE CONSTRUCTION OF THE IMPROVEMENTS. Homeowner acknowledges, understands, and agrees that the terms of this Express Limited Home Warranty are clear. specific, and sufficiently detailed to establish the only standards of construction performance. The Parties agree that this Express Limited Home Warranty will control any warranty, workmanship, material, or any other defect claims regarding the Improvements.

- (b) Definitions. The following words and terms when used in this warranty shall have the following meanings, unless the context clearly indicates otherwise.
 - Adverse effect-a tangible condition that substantially impairs the functionality of the habitable areas of the Improvements.
 - ASCE Guidelines-"Guidelines for the Evaluation and Repair of Residential Foundations, Version 2", published by the Texas Section of the American Society of Civil Engineers (2009).
 - Builder-the entity that contracted for construction of the Improvements. The transfer of title may be by a third-party that is not the Builder.
 - Code-the International Residential Code or, if the context requires, the National Electrical Code.
 - Commercial Space-any unit, real property or portion thereof that is used primarily for any nonresidential purpose, including but not limited to meeting rooms, common elements, recreational structures, pools, playground equipment, ponds or any other area or improvement of any kind that is not wholly owned by the homeowner. This Express Limited Home Warranty does not apply to any Commercial Space, is not warranted and there is no Warrantor Responsibility.
 - Common Element-any portion of a multi-unit structure, subdivision, or plat defined or generally described as such in the Contract, covenants, conditions, restrictions or other instrument filed in the applicable deed records of the county were the property is located. This Express Limited Home Warranty does not apply to any Common Element, is not warranted and there is no Warrantor Responsibility.
 - Construction defect-a failure to meet the applicable performance standards as set forth herein of the Improvements and subject to the provisions and procedures of the Residential Construction Liability Act, Chapter 27 of the Texas Property Code, except as modified by this Express Limited Home Warranty.
 - Contract-the written agreement between the Builder and the initial homeowner for the construction and/or sale of the Improvements.

Electrical 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 Improvements.

Excessive or excessively-a quantity, amount or degree that exceeds that which is normal, usual or reasonable under the circumstances.

Exclusion-items, conditions or situations not warranted or not covered by a performance standard.

Extreme Weather Condition(s)-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.

Homeowner-the current owner of the Improvements as indicated on the title recorded in the applicable deed records, whether one or more.

Improvement(s)-those portions of the property sold the subject of the Contract which were constructed by Builder or Builder's downline independent contractors, subject to the Contract's terms and conditions.

International Residential Code (IRC)-substantial compliance with the version of the IRC for One- and Two-Family Dwellings published by the International Code Council (ICC) as follows:

- (A) for residential construction of the non-electrical standards of a One- and Two-Family Dwelling located in a municipality, the version of the IRC applicable to non-electrical aspects of residential construction in the municipality under Local Government Code § 214.212 and which is effective on the date of commencement of construction of the Improvements;
- (B) for residential construction of a One- and Two-Family Dwelling in the unincorporated area of a county, the version of the International Residential Code published as of May 1, 2008, or the version of the IRC that is applicable in the county seat of that county, including any other applicable Codes required by statute.

Major Structural Components-the load-bearing portions, and the integral connection between them, of the following elements of a Improvements: footings and foundations; beams; headers; girders; lintels; columns (other than a column that is designed to be cosmetic); load-bearing portions of walls and partitions; roof framing systems, to include ceiling framing; structural floor systems; and structural masonry arches. Major Structural Components do not include components, component parts and/or Improvements such as, including but not limited to: non-load-bearing walls, wall tiles or wallpaper, drywall, plaster, flooring, subfloors and associated material, stucco of any kind or application, brick, stone, exterior siding, cladding, roof shingles, roof tiles, sheathing even if rated for structural support, tar paper, mechanical systems and its component parts, manufactured equipment, doors, trim, cabinets, hardware, insulation.

Manufactured Product-a component of the Improvements that was manufactured away from the site of the Improvements and that was installed in the Improvements without significant modifications to the product as manufactured. Manufactured products commonly installed in residential construction include but are not limited to dishwashers, cook tops, ovens, refrigerators, trash compactors, microwave ovens, kitchen vent fans, central air conditioning coils and compressors, furnace heat exchangers, water heaters, carpet, windows, doors, light fixtures, fireplace inserts, pipes and electrical wires. For purposes of this warranty, a manufactured product includes any component for which the manufacturer provides a warranty, provided that the manufacturer permits transfer of the warranty to the homeowner.

Original Construction Elevations-actual elevations of the foundation taken before, on or about the Effective Date of Warranty of the residential construction project. 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 Improvements are presumed to be level +/- 0.75 inch (three-quarters of an inch) over the entire area of the foundation.

Performance Standard(s)-the standard(s) to which an Improvement or an element or component of an Improvement constructed under the Contract should comply.

Span (L)-the distance between two supports for structural elements supported at both ends. For cantilever elements, L shall be determined as twice the distance from the last support to the unsupported end of the element. For calculating overall deflection and/or tilt of slab foundations, L shall be defined as the edge to edge distance across the entire length of the slab cross-section for which deflection or tilt is to be calculated. Localized and/or shortened spans may not be used for calculations, are prohibited and specifically excluded.

Substantial Completion-achieved when:

- (A) the stage of construction when the Improvements under the Contract can be occupied or used for the intended purpose; or
- (B) if required, the issuance of a final certificate of inspection or occupancy by the applicable governmental authority; or
- (C) if no final inspection or certificate of occupancy is required, when all electrical, mechanical, and plumbing final inspections, or all other required inspections, if any, have been approved or all approvals for occupancy have been received from any applicable governmental authority; or
- (D) provided, however, that if homeowner moves into, occupies and/or places personal property in the Improvements (or any portion of the property that is the subject of the contract), the Improvements shall be deemed to be for all purposes substantially completed.

Warrantor- Harmony Assurance Group LLC

Warranty Insurer- Harmony Assurance Group LLC

Warranty Limit-the aggregate total financial obligation and liability of the Warranty Insurer for all obligations whatsoever under and related to this Express Limited Home Warranty.

Warrantor Responsibility-a statement of the corrective action as set forth herein required by the Warrantor to repair the construction defect and any other damage resulting from making the required repair. Parties may agree to an alternative remedy.

- (c) Additional Warranty Terms and Conditions
 - (1) Foreclosure. Notwithstanding any other term or condition herein, this Express Limited Home Warranty does not apply to Property and/or Improvements that have been subject to a foreclosure under Texas law, such Property and Improvements are taken "AS IS, with all faults."
 - (2) Commercial Purpose. Notwithstanding any other term or condition herein, this Express Limited Home Warranty does not apply to Property and/or Improvements that have been used at any time for a commercial, for profit, rental (short or long term), leasing or occupancy by any person other than the named owners on the deed recorded in the public records, such Property and Improvements are taken "AS IS, with all faults" and/or this Express Limited Home Warranty is cancelled upon the first or any use in violation of this provision.
 - (3) Green Building Compliance. Any and all green building requirements, standards, certifications or otherwise are controlled by those written standards applicable to and agreed upon between the Builder and the initial owner(s),

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- if any, after which there is no warranty or guarantee related to or concerning any such green building requirements, standards, certifications or otherwise to any subsequent owner of the Property and/or Improvements.
- (4) Residential Construction Liability Act (RCLA) and Contractual Requirements. The contract associated with this Express Limited Home Warranty along with the terms and conditions therein are incorporated into this Express Limited Home Warranty, including but not limited to the dispute resolution provisions. As a condition precedent to the applicability of this Express Limited Home Warranty, the owner must follow each term and condition in the contract associated with this Express Limited Home Warranty, the requirements of the RCLA, all other legal requirements, and any and all other requirements in any instrument related to the Property and/or the Improvements. Any and all claims with the applicable insurance carrier or other responsible party is to be made before a claim under this Express Limited Home Warranty is presented to Warrantor, and there is no Warrantor Responsibility until same is fully completed in all respects unless Warrantor, at Warrantor's sole and exclusive discretion, agrees to participate concurrently.
- (5) Approved Variations. Any variations in any element of construction, the Property and/or the Improvements that are not in compliance with the Performance Standard(s) or applicable Code(s) that are approved by an engineer associated with the project, included in the Construction Documents, provided for in the plans and specifications or approved by the local building official, governing authority, city inspector, third-party inspector, the owner or owner's representative or agent, are not warranted hereunder, are deemed within the Performance Standard(s) and are an Exclusion.
- (6) Other Insurance or Warranty. This document does not replace homeowner's insurance or any other responsible party. As a condition precedent to the applicability of this Express Limited Home Warranty, the owner must make a claim with the owner's homeowner's insurance carrier, any other insurance and any other responsible third-party, as applicable. There is no Warrantor Responsibility for any loss paid, covered claim, repair, damages or the like if same is available through any insurance or other responsible third-party.
- (7) Access. In order to carry out the Warrantor Responsibilities, the Warrantor will require access to the property and Improvements, the Property and Improvements. Warrantor and Warrantor designees shall be allowed full access in Warrantor's normal business operations for testing, inspection and repairs. Refusal or delay of more than ten calendar days upon verbal or written request of the Warrantor will waive and void any Warrantor Responsibility, unless mutually agreed upon in writing by the parties.
- (8) Non-Warrantor Repairs. Any and all repairs performed by any party without full compliance with this Express Limited Home Warranty waives any Warrantor Responsibility and any claim or cause of action against Warrantor related to same.
- (9) Resolving conflicts among construction standards. During the construction of the Improvements, when an inconsistency exists between the Code, manufacturer's instructions and specifications, the standard required by the United States Department of Housing and Urban Development for Federal Housing Administration or Veterans Administration programs, or ANSI/ASHRAE Standard (62.2-2003), the most restrictive requirement shall apply if reasonable under the circumstances.
- (10) Warranty Limit. The Warranty Limit hereunder is deemed the maximum obligation under any circumstance, including multiple claims, against this Express Limited Home Warranty and made in any manner against the Warranty Insurer hereunder is the original, total purchase price in the Contract. Any obligation herein shall be deemed excess of any other insurance available, regardless of collectability and including any and all primary, umbrella or excess policies or coverages.

§ 2. General Provisions

(a) Warrantor Responsibilities for Compliance with Performance Standards and Repair Obligations.

- (1) Builder's Work. It is the intent of this Express Limited Home Warranty and the agreement of the parties to the Contract that Builder has transferred to Warrantor any and all obligations the subject of this instrument under law (including but not limited to the Residential Construction Liability Act, Chapter 27 of the Texas Property Code), contract or otherwise to the Warrantor and that no liability shall be had or any cause of action be claimed against Builder by homeowner. The Warrantor is responsible for all work performed under the direction of the Builder for the period of the applicable warranty obligation. The Warrantor is only responsible for construction defects about which the Warrantor receives written notice in strict compliance with this Express Limited Home Warranty on or before the second anniversary of the date of discovery of the alleged construction defect or the date a reasonable person should have discovered the alleged construction defect but in no event later than the earlier of thirty days following the expiration of the applicable warranty period for that element or not later than thirty days after the tenth anniversary of:
 - (A) the date of the initial transfer of title to the initial homeowner; or
 - (B) if the transaction that is the subject of the dispute did not involve a title transfer, the date that the construction was substantially complete unless otherwise expressly stated herein.
- (2) Repair Obligations. Unless otherwise stated under the various performance standards herein, if any such performance standard is not met, the Warrantor shall take such action as is necessary to bring the variance within the standard, subject to the terms and conditions herein. The method and manner of any repair is within the sole discretion of Warrantor. The Warrantor shall have the option in its sole and exclusive discretion to repair, replace or pay for the reasonable cost of repair of any construction defect or exercise any remedy available to it under law or contract, or any combination of any of the preceding. As a condition precedent to any obligation herein, the homeowner must make a written, unconditional assignment to the Warrantor or its designee any and all rights, remedies or otherwise that the homeowner has or may have against any other entity, person or third-party of or relating to the subject property, Improvements or otherwise. If the homeowner or any of homeowner's agents, representatives or affiliates have assigned or otherwise prejudiced any rights related this Express Limited Home Warranty or the subject property or Improvements, the obligations hereunder are waived to any such extent of said assignment or prejudice. The Warrantor retains all rights of subrogation, which shall not be assigned or waived by the homeowner. Upon selection by Warrantor of the one or more options herein by Warrantor, the homeowner shall execute a recordable release of all claims and causes of action related to the construction defects, any condition and/or damages related to the construction defect, and this Express Limited Home Warranty to the extent of the construction defects, save and except that any remaining warranty period or express obligation hereunder shall not be released. No repairs performed by or on behalf of Warrantor shall extend the warranty period or any other obligation hereunder.
- (3) Repair Condition. In connection with a repair of a construction defect, any repairs performed by the Warrantor will include those other components that have to be removed or altered in order to repair the construction defect. Repair shall be made so that the condition is returned to its condition as it existed at the time immediately preceding the construction defect. Any repair will be finished or touched up to match the surrounding area as closely as practical but not necessarily to a like-new condition. Imperfections and variations may exist and should be expected. A repair or action bringing a variance within the standard under this warranty shall not cause the period of the applicable warranty to be extended.
- (4) Finish. Surfaces altered incident to any repair will be finished or touched up to match the surrounding area as closely as practical but not necessarily to a like-new condition. Imperfections and variations may exist and should be expected. In connection with the repair of finish or surface material, such as paint, wallpaper, flooring or a hard surface, the Warrantor will match the standard and grade as closely as reasonably possible. Warrantor will attempt to match the finish, but will not be responsible for discontinued patterns or materials, color variations or shade variations. When the surface finish material must be replaced and the original material has been discontinued, the

Warrantor is responsible for installing replacement material substantially similar in appearance to the original material.

- (5) Manufactured Products. The Builder shall install all manufactured products in accordance with the manufacturer's instructions and specifications.
 - (A) The Builder shall use only new manufactured products and parts unless otherwise agreed in writing by the parties. If the Builder did not install a manufactured product in accordance with the manufacturer's specifications or use newly manufactured parts as required, the Warrantor shall take such action as is necessary to bring the variance within the standard.
 - (B) The homeowner shall notify the Warrantor in writing of a known construction defect not later than the second anniversary of the date of discovery of the construction defect or not later than thirty days following the applicable warranty period. In no event shall there be Warrantor Responsibility for any Manufactured Product that was installed in accordance with the manufacturer's instructions and specifications. In no event shall there be Warrantor Responsibility for any denial of a warranty claim or otherwise by the manufacturer.
- (6) Specialty Feature. Notwithstanding a performance standard stated in this Express Limited Home Warranty, a specialty feature, which is work performed or material supplied incident to certain design elements shown on the construction plans and specifications and agreed to in writing by the Builder and the homeowner, shall be deemed to be compliant with the performance standards stated herein so long as all items are compliant with the Code.
- (b) Exceptions and Exclusions from Warrantor's Responsibilities.
 - (1) The Warrantor is not responsible for repair, loss or damage to a component or that part of any component, real or personal property caused by or made worse by any of the following:
 - (A) Work performed or material supplied incident to construction, modification or repair performed by anyone other than the Builder or persons providing work or material at the direction of the Builder.
 - (B) The negligence, improper maintenance, misuse, abuse, failure to follow manufacturer's recommendations, failure to take reasonable action to mitigate damage, failure to take reasonable action to maintain the residence or other action or inaction of anyone other than the Builder or persons providing work or material at the direction of the Builder.
 - (C) Failure of the homeowner to comply with the homeowner's responsibilities as set forth in subsection (c) of this section or as may be stated separately elsewhere in this warranty.
 - (D) Alterations to, or the failure to maintain, the grade of the soil that are not in compliance with the Code, applicable governmental regulations or in compliance with an applicable drainage plan.
 - (E) Normal wear and tear or normal deterioration to any Improvement, component or system.
 - (F) Extreme weather conditions.
 - (G) Riot, civil commotion, war, terrorism, vandalism, aircraft, vehicle or boat.
 - (H) Fire, smoke or water damage unless such loss or damage is a direct result of a construction defect.
 - (I) Change in the underground water table that exerts pressure on, seeps, or leaks under the Improvements, sidewalk, driveway, foundation or other structure or causes subsidence or sinkholes.
 - (J) Erosion or accretion of soils unless such loss or damage is a direct result of a construction defect.
 - (K) Insects, birds, rodents, vermin or other wild or domestic animals unless such loss or damage is a direct result of a construction defect.
 - (L) The quality and potability of water unless caused by a construction defect.

- (M) While the Improvements are being used primarily for nonresidential purposes.
- (N) Use for which the Improvements or any other component was not designed.
- (O) Use that exceeds the normal design loads prescribed by the Code or the engineer of record.
- (P) Homeowner delay in reporting a known construction defect or failing to take reasonable action necessary to prevent further damage to the Improvements.
- (Q) For remodeling projects, improvements, alterations or additions to an existing residence where the performance standard cannot be achieved due to an existing condition.
- (R) Abuse or misuse of a component or manufactured product by anyone other than the Builder or persons providing work or material at the direction of the Builder.
- (S) Failure and/or violation to meet applicable Code by itself for any element of construction or construction technique for the Property and/or Improvements is not negligence per se, breach of contract or breach of warranty and does not create a cause of action or Warrantor Responsibility. A claim or allegation that there is a failure to meet or violation of Code must be accompanied by both (1) actual physical resulting damage from that failure or violation of Code to the Property or Improvements and (2) an immediate threat to the health and safety for the occupants or invitees. There is no Warrantor Responsibility to repair any failure to meet Code or violation of Code that would result in economic waste.
- (T) Under no circumstance is any landscaping, whether currently existing trees, plants, or grass on the subject property, or any of those installed by Builder, warranted by this Express Limited Home Warranty or any other warranty. Homeowner agrees that no warranty of any kind exists on landscaping in consideration for issuance of this Express Limited Home Warranty.
- (2) No Actual Physical Damage. The Warrantor shall not be responsible for any condition that does not result in actual physical damage to the Improvements, including, but not limited to the presence of radon gas, formaldehyde or other pollutants or contaminants, or the presence or effect of mold, mildew, toxic material, or volatile organic compound, unless such condition is a direct result of a construction defect.
- (c) Homeowner's Responsibilities.
 - (1) Maintenance. Maintenance of the Improvements and the lot on which the Improvements are located are essential to the proper functioning of the Improvements. The homeowner is responsible for maintenance of the Improvements, the lot on which it is located and any contiguous property owned or controlled by the homeowner. The homeowner is responsible for maintenance items described in this paragraph and those maintenance items identified separately in the performance standards set forth in this warranty. Additionally, the homeowner is responsible for ongoing maintenance responsibilities that affect the performance of the Improvements but that may not be expressly stated in this warranty. Such ongoing maintenance responsibilities include, but are not limited to, periodic repainting and resealing of finished surfaces as necessary, caulking for the life of the Improvements, regular maintenance of mechanical systems, regular replacement of HVAC filters, cleaning and proper preservation of grading around the Improvements and drainage systems to allow for the proper drainage of water away from the Improvements.
 - (2) Manufactured Products. The homeowner shall use and perform periodic maintenance on all manufactured products according to the manufacturer's instructions and specifications. The misuse, abuse, neglect or other failure to follow manufacturer's specifications with regard to manufactured products may void the manufacturer's warranty. The Warrantor has no Warrantor Responsibility for Manufactured Products.
 - (3) Landscape Planting. The homeowner shall take measures to prevent landscaping materials or plants from contacting the exterior surface of the Improvements and from interfering with the proper drainage of water away from the foundation. The homeowner should not improperly alter the proper drainage pattern or grade of the soil

within ten feet of the foundation so that it negatively impacts the Improvement's performance or fails to comply with the Code, governmental regulations or an applicable grading and drainage plan.

- (4) Humidity or Dryness. The homeowner should take the following actions to prevent excessive moisture accumulation by:
 - (A) properly using ventilation equipment;
 - (B) preventing excessive temperature fluctuation; and
 - (C) taking any other action reasonably necessary to avoid excessive moisture, dampness, humidity or condensation in the Improvements that may lead to damage due to excessive moisture or dryness.
- (5) Proper Maintenance and Care of Improvements and Components. The homeowner shall properly maintain each component of the Improvements including proper cleaning, care and upkeep of the Improvements. The homeowner shall use Improvements for the purposes for which they are intended and shall not damage, misuse or abuse the Improvements.
- (6) Self-Help. Upon observation of a circumstance that may cause further damage to the Improvements or another component, the homeowner shall take reasonable action necessary to prevent further damage.
- (d) DISPUTE RESOLUTION; MEDIATION-BINDING ARBITRATION. Warrantor and Homeowner shall attempt in good faith to resolve promptly by negotiation any and all claims, controversies, and Disputes (as defined herein) arising under, out of, or relating to this Express Limited Home Warranty. If such negotiation is unsuccessful, any party by written demand on the other party may request that the Dispute be mediated, and all parties agree to participate in good faith in such mediation. Mediation is a condition precedent to any further dispute resolution between the parties, including arbitration or any litigation, proceedings or otherwise; and failure to mediate is a breach. The mediation shall take place in the subject property unless otherwise agreed, and the mediator shall be an attorney licensed to practice law in Texas. If the parties are unable to jointly select a mediator, one shall be appointed pursuant to the American Arbitration Association ("AAA") applicable rules. The parties shall share equally any mediation fees and expenses. If such mediation does not result in a full resolution of the Dispute, the Dispute shall be submitted to binding arbitration by an arbitrator in accordance with the procedures and conditions of the AAA then applicable AAA rules, procedures, and protocols determined by the arbitrator to be most applicable to the nature of the Dispute, as herein defined, including, where applicable. Any such arbitration shall take place in Dallas/Fort Worth Metroplex. The term "Dispute" includes, but is not limited to, claims, disputes and/or causes of action arising in connection with: (i) this Express Limited Home Warranty, (ii) the Contract, including but not limited to the negotiation, formation, subject matter, breach, modification, cancellation, or termination thereof; (iii) development, design, construction, preparation, maintenance, or repair of the Improvements; (iv) any representations, omissions, promises, or warranties, express or implied, alleged to have been made by Builder or Builder's representatives; (v) violations of any statute, including without limitation any claim under the Texas Deceptive Trade Practices Act, Insurance Code and/or similar statutes or regulations; (vi) personal injury or damage; (vii) claims of fraud or misrepresentation; and/or (viii) any other agreement, transaction, occurrence or event giving rise to a disagreement over breach of legal duties, rights, or obligations which involve Warrantor, administrator, Builder, Homeowner and/or their respective affiliates, agents, representatives and/or assigns. The following shall apply to all mediation/arbitration proceedings:
 - 1) A request for warranty performance is not to be construed as a notice of construction defect under the Texas Residential Construction Liability Act and that any notice under said action shall be separately sent as required herein and under law.
 - 2) Each party shall pay its own attorney's fees and expenses of mediation and arbitration including, without limitation, expert fees and costs of production of materials, unless otherwise mandated as expressly non-waivable by law, otherwise same is waived. Fees and expenses of the mediator and arbitrator will be borne by the party initiating the mediation/arbitration, provided that if such party prevails by the arbitrator's award, the other party shall be

responsible for fees and expenses of the mediator and/or arbitrator, unless prescribed by law. If the award recognizes validity to both parties' actions, responsibility for fees and expenses of the mediator and/or arbitrator shall be apportioned by the arbitrator. In as much as this Express Limited Home Warranty and the Contract provides for mandatory mediation/arbitration of disputes, if any party commences litigation in violation of these provisions, such party shall reimburse the other parties to the litigation for their costs and expenses, including but not limited to attorney's fees, incurred in seeking abatement of such litigation and enforcement of arbitration.

- 3) The arbitration shall in all things be confidential and private, the parties hereto agreeing that no court proceedings or lawsuit is necessary for the resolution of a dispute hereunder, and that the breach of this confidentiality and privacy provision is a material term. The arbitration award or decision is final and may be confirmed, entered, and enforced as a judgment in a court having jurisdiction, subject to appeal only in the event of the arbitrator's manifest disregard of the law, no evidence to support the award, or other such grounds for appeal of arbitration awards that exist by statute, common law, or the applicable rules of the administrative agency; however, no arbitration award will be allowed to be confirmed or filled for confirmation in any court of law, regardless of the applicable rules of the arbitration, before the expiration of 90 days after the award is issued and/or signed by the arbitrator and all rules related to the modification, clarification or otherwise in the arbitration proceeding are expired, and breach of this provision is a material term.
- 4) Any Dispute, claim and/or cause of action must be filed for arbitration no later than two years after the date of accrual and the statute of limitations is shortened to this time period unless any such Dispute, claim and/or cause of action already has a shorter limitations period as a matter of law. It being a breach of contract and violation of this Express Limited Home Warranty, the filing of a lawsuit in a court of law does not toll the limitations periods.
- 5) Under no circumstances shall a party be liable for any special, indirect, or consequential damages, including claims of mental anguish.
- 6) This Express Limited Home Warranty is not governed by the Texas Real Estate Commission.
- 7) THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY DISPUTE, CLAIM OR CAUSE OF ACTION.

§ 3. Express Limited Home Warranty

- (a) Warranty periods. The minimum warranty periods for residential construction and residential improvements are:
 - one (1) year for cosmetics, workmanship and materials;
 - two (2) years for plumbing, electrical, heating, and air-conditioning delivery systems; and
 - ten (10) years for major structural components.
- (b) Manufactured Product Warranties. The Builder will assign to the homeowner, without recourse, the manufacturer's warranty for all manufactured products that are covered by a manufacturer's warranty. Any rights that inure to the homeowner provided under a manufacturer's warranty are the obligation of the manufacturer. The Warrantor does not assume any of the obligations of the manufacturer resulting from a manufacturer's warranty, but may coordinate with the manufacturer within Warrantor's discretion to achieve compliance with the performance standard. If the manufacturer does not comply with the manufacturer's warranty, no liability shall be incurred to Warrantor because of such failure.
- (c) Cosmetics, Workmanship and Materials Warranty and Performance Standards. Workmanship and materials in residential construction or residential improvements are warranted to perform to the performance standards that are set forth in this warranty for the minimum period established herein.

(d) Delivery System	ns Warranty and F	Performance Stand	ards. Plumbing,	electrical, heati	ng and air-con	ditioning delivery
systems in resi	dential constructior	n and residential in	nprovements sha	all be warranted	I to perform to	the performance
standards that a	are set forth in this	warranty for the mi	nimum period es	tablished hereir	۱.	

- (e) Structural Components Warranty and Performance Standards. Major structural components in residential construction and residential improvements shall be warranted to perform to the performance standards set forth herein for the minimum period established herein.
- (f) Effective Date of Warranties. Unless otherwise provided by a written agreement between the Builder and the initial homeowner or by a manufacturer, a warranty period as described in this section begins on the earlier of the date of occupancy or the first transfer of title from the Builder or another third-party to the initial homeowner.

ONE YEAR WARRANTY PERIOD

§ 4. 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.
 - (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.
 - (3) A hammer mark on trim shall not be visible from a distance of six feet or more when viewed in normal light.
 - (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.
- (b) Performance Standards for Shelving. Shelving, rods and end supports shall be installed in accordance with the measurements stated in this subsection. The length of a closet rod shall not be shorter than the actual distance between the end supports in an amount equal to or exceeding 1/4 of an inch. 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.
- (c) Performance Standard for Cabinet Doors. Cabinet doors shall open and close with reasonable ease. Cabinet doors shall be even and shall not warp more than 1/4 inch when measured from the face to the point of the furthermost point of the door or drawer front when closed. Some warping, cupping, bowing or twisting is normally caused by surface temperature and humidity changes.
- § 5. Performance Standards for Mirrors, Interior Glass and Shower Doors
 - (a) A mirror, interior glass or shower door shall not be loose and shall be securely mounted or attached to the supporting surface. Fixtures, such as towel bars or door handles, shall be securely mounted.
 - (b) A mirror, interior glass or shower door shall not be damaged due to construction activities.
 - (c) A shower door shall not leak due to Builder fault or construction activities.
 - (d) Imperfections in a mirror or shower door shall not be visible from a distance of two feet or more when viewed in normal light.
 - (e) When opening and closing, a shower door shall operate easily and smoothly without requiring excessive pressure.
- § 6. 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. The Warrantor is not responsible for tarnished, blemished, or stained hardware finishes that have been damaged by factors that are beyond the manufacturer's or the Warrantor'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.

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- (2) Hardware shall function properly, without catching binding or requiring excessive force to operate.
- (3) Hardware shall not be scratched, chipped, cracked or dented due to construction activities.
- (4) Hardware shall be installed securely and shall not be loose. The homeowner shall not exert excessive force on hardware.
- (b) Performance Standards for Interior Ironwork.
 - (1) Interior ironwork shall not rust.
 - (2) The Warrantor is not responsible for ironwork finishes that rust due to factors that are beyond the manufacturer's or the Warrantor'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.

§ 7. 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.
 - (2) For non-laminate countertops and backsplashes, the joints between countertop surfaces, between the countertop surface and the backsplash or side-splash and between adjoining backsplash panels may be visible, but shall not separate.
 - (3) Countertops shall be level to within 1/4 of an inch in any six-foot measurement.
 - (4) A countertop surface or edge shall not be damaged, broken, chipped or cracked due to construction activities.
 - (5) A countertop shall not bow or warp in an amount equal to or exceeding 1/16 of an inch per lineal foot.
 - (6) Counter and vanity top material should not delaminate.
- (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.
 - (2) A seam in a laminate countertop or backsplash may be visible but shall not be separated or displaced.
 - (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.

§ 8. Performance Standards for Fireplaces

- (a) A refractory panel shall not crack or separate. The homeowner shall not use synthetic logs or other materials if not approved by the manufacturer.
- (b) A fireplace door shall operate properly. Fireplace doors shall meet evenly and shall not be out of alignment from one another in an amount equal to or exceeding 1/8 of an inch in any direction.
- (c) A fireplace shall not have a gas leak.
- (d) Gas logs shall be positioned in accordance with the manufacturer's specifications. The homeowner shall not incorrectly reposition or relocate the logs after the original placement. The homeowner shall not place the logs in a manner that does not allow the flame to flow through the logs according to the manufacturer's specifications.

- (e) A crack in masonry hearth or facing shall not be equal to or exceed 3/8 of an inch in width that results from a construction defect; crack the result of use are not warranted.
- (f) A fireplace or chimney shall draw properly.
- (g) A firebox shall not have excessive water infiltration under normal weather conditions.
- (h) A fireplace fan shall not exceed the noise level established by the manufacturer's specifications.

§ 9. Performance Standards for Irrigation Systems

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

§ 10. Performance Standards for Fencing

- (a) A fence shall not fall over and shall not lean in excess of two inches out of plumb due to construction activities.
- (b) A wood fence board shall not be broken due to construction activities. Wood fence board shall not become detached from the fence due to construction activities of the Builder.
- (c) A masonry unit or mortar in a fence shall not be broken or loose. A crack in the mortar shall not equal or exceed 3/8 of an inch in width.
- (d) A masonry wall shall have adequate weep holes in the lowest course as required by the Code to allow seepage to pass through the wall.
- (e) Important note: this section and any Warrantor Responsibility expires thirty days after the Effective Date.

§ 11. Performance Standards for Yard Grading

- (a) Yards shall have grades, swales and/or other measures that provide for proper drainage in accordance with the Code, governmental regulations or otherwise in accordance with an applicable drainage and grading plan, if any, and/or approved variations. The homeowner shall maintain the drainage pattern and protect the grading contours from erosion, blockage, over-saturation or any other changes. The possibility of standing water, not immediately adjacent to the foundation but in the yard, after prolonged or an unusually heavy rainfall event should be anticipated by the homeowner.
- (b) Settling or sinking of soil shall not interfere with the drainage patterns of the lot or have a vertical depth of six inches or more.
- § 12. Performance Standards for Pest Control. Eave returns, truss blocks, attic vents and roof vent openings shall not allow rodents, birds, and other similar pests into the Improvements or attic space as a result of construction defects. There is no warranty for pest control. Pest control is a owner maintenance item.

§ 13. 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.
 - (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.
 - (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.
 - (4) A non-structural post or beam shall not have a warp or twist equal or exceeding one inch in eight-feet of length. Warping or twisting shall not damage beam pocket.
 - (5) Exterior sheathing shall not delaminate or swell. 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. 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. 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.
- (c) Performance Standards for Sub-floors.
 - (1) Under normal residential use, the floor shall not make excessive squeaking or popping sounds.
 - (2) Sub-floors shall not delaminate or swell to the extent that it causes observable physical damage to the floor covering or visually affects the appearance of the floor covering. Exposed structural flooring, where the structural flooring is used as the finished flooring, is excluded from the standard stated in this paragraph.
 - (3) Sub-flooring shall not have excessive humps, ridges, depressions or slope within any room that equals or exceeds 3/8 of an inch in any 32-inch direction.
- (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.
 - (2) Under normal residential use, stairs shall not make excessive squeaking or popping sounds.

§ 14. Performance Standards for Drywall

(a) A drywall surface shall not have a bow or depression that equals or exceeds 1/4 of an inch out of line within any 32-inch horizontal measurement as measured from the center of the bow or depression or 1/2 of an inch within any eightfoot vertical measurement; such measurement to be made utilizing a straight-edge which is held reasonably parallel to the plane of the wall or ceiling surface.

- (b) A ceiling made of drywall shall not have bows or depressions that equal or exceed 1/2 of an inch out of line within a 32-inch measurement as measured from the center of the bow or depression running parallel with a ceiling joist or within 1/2 of an inch deviation from the plane of the ceiling within any eight-foot measurement; such measurement to be made utilizing a straight-edge which is held reasonably parallel to the plane of the wall or ceiling surface.
- (c) Drywall shall not have a crack such that any crack equals or exceeds 1/8 of an inch in width at any point along the length of the crack.
- (d) Crowning at a drywall joint shall not equal or exceed 1/4 of an inch within a twelve-inch measurement centered over the drywall joint. Crowning occurs when a drywall joint is higher than the plane of the drywall board on each side.
- (e) A drywall surface shall not have surface imperfections such as blisters, cracked corner beads, seam lines, excess joint compound or trowel marks that are visible from a distance of six feet or more in normal light. Minor variations in the 'splatter' or 'drag' appearance of texture which are the result of the original installation or subsequent repair work, visible from any distance, are not considered to be warrantable defects under this warranty.
- (f) A drywall surface shall not be out of level (horizontal), plumb (vertical) or square (perpendicular at a 90-degree angle) such that there are variations in those measurements to wall or surface edges at any opening, corner, sill, shelf, etc. shall not equal or exceed 3/8 of an inch in any 32-inch measurement along the wall or surface. This standard shall not apply to remodeling projects where existing conditions do not permit the Builder to achieve the performance standard. At or about the time of discovery of such a preexisting condition, a remodeler shall notify the homeowner, in writing, of any existing condition that prevents achievement of the standard. Accumulations of drywall compound in wall corners, at wallboard joints or outside corners, and at door, window or built-in cabinet openings, may not be the sole determinant that a wall or ceiling section is out of plumb or square.
- (g) Nails or screws shall not be visible in a drywall surface from a distance of 10 feet under normal lighting conditions.

§ 15. Performance Standards for Insulation

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

§ 16. 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.
 - (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.

- (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.
- (4) Siding shall not have a nail stain.
- (5) Siding and siding knots shall not become loose or fall off.
- (6) Siding shall not delaminate.
- (7) Siding shall not cup in an amount equal to or exceeding 1/4 of an inch in a six-foot run.
- (8) Siding shall not have cracks or splits that equal or exceed 1/8 of an inch in width.
- (b) Performance Standards for Exterior Trim.
 - (1) A joint between two trim pieces or between a trim piece and the adjoining material shall not have a separation that is equal to or exceeding 1/4 of an inch in width. All trim joints shall be caulked and shall not leak.
 - (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.
 - (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.
 - (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.
 - (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. 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.

§ 17. 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 as a result of a major construction defect. The standard set forth in this subsection does not apply to natural stone products.
- (b) A masonry unit or mortar shall not be broken or loose.
- (c) A masonry mortar crack shall not equal or exceed 3/8 of an inch in width as a result of a major construction defect.
- (d) A masonry unit or mortar shall not deteriorate.
- (e) Masonry shall not have dirt, stain or debris on the surface due to construction activities.
- (f) A gap between masonry and adjacent material shall not equal or exceed 3/8 of an inch in average width and all such gaps shall be caulked.
- (g) Mortar shall not obstruct a functional opening, such as a vent, weep hole or plumbing cleanout. 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.

§ 18. Performance Standards for Stucco

- (a) Stucco surfaces shall not be excessively bowed, uneven, or wavy. This standard shall not apply to decorative finishes.
- (b) Stucco shall not be broken or loose.

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

§ 19. Performance Standards for Roofs

- (a) Flashing shall prevent water penetration. The Warrantor shall not be responsible for leaks caused by extreme weather.
- (b) The roof shall not leak.
 - (1) The Warrantor shall not be responsible for leaks caused by extreme weather.
 - (2) The homeowner shall perform periodic maintenance to prevent leaks due to build-up of debris, snow or ice. The homeowner shall take such action as is necessary to prevent downspouts and gutters from becoming clogged.
- (c) A vent, louver or other installed attic opening shall not leak. The Warrantor shall not be responsible for leaks caused by extreme, persistent or unusual weather conditions.
- (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) The Warrantor shall not be responsible for leaks caused by extreme, persistent or unusual weather.
 - (2) The homeowner shall maintain and clean gutters and downspouts to prevent buildup of debris or other obstructions.
- (e) Shingles, tiles, metal or other roofing materials shall not become loose or fall off in wind speeds less than those set forth in the manufacturer's specifications.
- (f) A skylight shall not leak.
- (g) Water shall drain from a built-up roof within two hours after cessation of rainfall. The standard does not require that the roof dry completely within the time period.
- (h) A roof tile shall not be cracked or broken. No shingle shall be broken so that it detracts from the overall appearance of the Improvements.

- (i) A pipe, vent, fireplace or other object designed to penetrate the roof shall not be located within the area of roof valley centerline without proper "cricketing" or other Code-approved water diversion methods.
- (j) The exterior moisture barrier of the roof shall not allow moisture penetration. The homeowner shall not make penetrations through exterior moisture barrier of the roof.

§ 20. 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.
 - (2) When closed, a door or window shall not allow excessive accumulation of moisture inside the door or window.
 - (A) The homeowner shall keep weep holes on windows and doors free of dirt buildup and debris, thereby allowing water to drain properly.
 - (B) 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.
 - (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.
 - (5) There shall be no condensation between window and door panes in a sealed insulated glass unit. 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.
 - (7) A door or window shall operate easily and smoothly and shall not require excessive pressure when opening or closing.
 - (8) A door or window shall be painted or stained according to the manufacturers' specifications.
- (b) Performance Standards for Windows. A double hung window shall not move more than two inches when put in an open position.
- (c) Performance Standards for Doors.
 - (1) A sliding door and door screen shall stay on track. 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.
 - (3) A door shall not delaminate.
 - (4) A door panel shall not split so that light from the other side is visible.
 - (5) A door shall open and close without binding.
 - (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.
 - (7) A storm door shall open and close properly and shall fit properly.

- (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.
- (9) A metal door shall not be dented or scratched due to construction activities.
- (d) Performance Standards for Garage Doors.
 - (1) A metal garage door shall not be dented or scratched due to construction activities.
 - (2) A garage door opener, if provided, shall operate properly in accordance with manufacturer's specifications. 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.
 - (4) A garage door spring shall operate properly and shall not lose appreciable tension, break or be undersized.
 - (5) A garage door shall remain in place at any open position, operate smoothly and not be off track.

§ 21. Performance Standards for Interior Flooring

- (a) Performance Standards for Carpet, Vinyl Flooring and Wood Flooring. Performance standards for ceramic tile, flagstone, marble, granite, slate, quarry tile, other hard surface floors, and finished concrete floors, are located in this section.
- (b) Performance Standards for Carpet.
 - (1) Carpet shall not wrinkle and shall remain tight, lay flat and be securely fastened.
 - (2) Carpet seams may be visible but shall be smooth without a gap or overlap.
 - (3) Carpet shall not be stained or spotted due to construction activities.
- (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. 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.
 - (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 and 1/16 of an inch in vertical displacement.
- (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.
 - (2) Wood flooring shall remain securely attached to the foundation or sub-floor unless the wood flooring is designed to be installed without nails, glue, adhesives or fasteners.
 - (3) Wood flooring shall not have open joints and separations that equal or exceed 1/8 of an inch. These standards do not apply to non-hardwood species that contain greater moisture and may shrink after installation or structural floors that are designed to serve as the finished floor. If the floor is designed as a structural finish floor, the Builder must provide a written explanation of the characteristics of that floor to the homeowner prior to the execution of the contract 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. This standard does not apply to non-hardwood species that typically shrink after installation or structural floors that are designed to serve as the finished floor. If the floor is designed as a structural finish floor, the Builder must provide a written explanation of the characteristics of that floor to the homeowner.
- (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.
- (6) Unless installed as a specialty feature, wood flooring shall not be stained, spotted or scratched due to construction activities of the Builder.
- (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.
 - (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.
 - (3) Vinyl flooring shall remain securely attached to the foundation or sub-floor.
 - (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 Warrantor 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 Warrantor 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.
 - (7) Vinyl flooring shall not be scratched, gouged, cut or torn due to construction activities.
 - (8) Debris, sub-floor seams, nails and/or screws shall not be detectable under the vinyl floor from a distance of three feet or more in normal light.
 - (9) Sub-flooring shall not cause vinyl flooring to rupture.
 - (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.
- § 22. 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.
 - (2) A hard surface shall remain secured to the substrate.
 - (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 non-floor hard surface shall not be visible from a distance of two feet or more in

- normal light. If a hard surface fails to meet the standards stated in this paragraph due to construction activities, the Warrantor 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. Natural products such as flagstone, marble, granite, slate and other quarry tile will have color variation.
- (5) Hard surface areas shall not leak.
- (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 (lippage) in addition to the actual manufacturing variations of the hard surface, such as warpage or dimensional differences in the hard surfaces, including thickness. If a joint between two hard surfaces fails to meet the performance standard stated in this paragraph (excluding trim pieces), the Warrantor 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. 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.
- (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. 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 (1) of this subsection.
- (b) Performance Standards for Grout.
 - (1) Grout shall not deteriorate.
 - (2) Cracks in grout shall not exceed 1/16 of an inch in width.
 - (3) Grout shall not change shade or discolor excessively due to construction activities.
- (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 measurement.
 - (2) A concrete countertop shall not have separations or cracks equal to or exceeding 1/16 of an inch in width and 1/64 of an inch in vertical displacement.
 - (3) A finished concrete countertop shall not be stained, spotted or scratched due to construction activities.
 - (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.
 - (5) A concrete countertop shall not change shade or discolor excessively due to construction activities.
- § 23. Performance Standards for Painting, Stain and Wall Coverings
 - (a) Performance Standards for Caulking. Interior caulking shall not deteriorate or crack excessively.
 - (b) Performance Standards for Painting and Stain.
 - (1) Paint or stain shall not have excessive color, shade or sheen variation. 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.

- (3) Interior paint or stain shall not deteriorate.
- (4) Exterior paint or stain shall not deteriorate excessively.
- (5) Paint over-spray shall not exist on any surface for which it was not intended.
- (6) Interior varnish, polyurethane or lacquer finish shall not deteriorate.
- (7) Exterior varnish, polyurethane or lacquer finishes shall not deteriorate excessively. 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.
- (9) A paint product shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability.
- (c) Performance Standards for Wall Coverings.
 - (1) A wall covering shall be properly secured to the wall surface and shall not peel or bubble.
 - (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 six-foot run.
 - (3) A wall covering seam shall not separate or gap.
 - (4) Lumps or ridges in a wall covering shall not be detectable from a distance of six feet or more in normal light.
 - (5) Wall coverings shall not be discolored, stained or spotted due to construction activities.
 - (6) Wall coverings shall not be scratched, gouged, cut or torn due to construction activities.
 - (7) Wall coverings shall perform as represented by the manufacturer to meet manufacturer's specifications for washability and/or scrubability.

TWO YEAR WARRANTY PERIOD

§ 24. 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.
 - (2) A fixture shall not have tarnish, blemishes or stains unless installed as a specialty feature. 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 Warrantor is not responsible for corrosion caused by factors beyond the manufacturer's or the Warrantor'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.
 - (5) Fixtures shall be secure and not loose. 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.
 - (7) The toilet equipment shall not allow water to run continuously. 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 resulting damage.
 - (8) A toilet shall be installed and perform in accordance with the manufacturer's specifications. In the event of water spillage, the homeowner shall shut off the water supply and take such action as is necessary to avoid resulting damage.
 - (9) A tub or shower pan shall not crack.
 - (10) A tub or shower pan shall not squeak excessively.
 - (11) A water heater shall be installed and secured according to the manufacturer's specifications and the Code.
 - (12) A waste disposal unit shall be installed and operate according to the manufacturer's specifications.
 - (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.
 - (14) A sump pump shall be installed in accordance with the manufacturer's specifications and shall operate properly when so installed.
- (b) Performance Standards for Pipes and Vents.
 - (1) A sewer gas odor originating from the plumbing system shall not be detectable inside the Improvements under conditions of normal residential use. 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 Improvements.
 - (3) A water pipe shall not make excessive noise such as banging or hammering repeatedly. A water pipe subject to expansion or contraction of the pipe as warm or cool water flows through the pipe may cause a "ticking" sound temporarily. The standard stated in this subsection does not require a Warrantor to remove all noise attributable to water flow and pipe expansion.
- § 25. Performance Standards for Plumbing Delivery Systems

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- (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 Warrantor 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 Improvements during periods of extremely cold weather. The homeowner is responsible for maintaining a reasonable internal temperature in the Improvements regardless of whether the Improvements are occupied or unoccupied and for periodically checking to ensure that a reasonable internal temperature is maintained.
 - (2) A water pipe shall not leak. The homeowner shall shut off water supply immediately if such is required to prevent resulting damage.
 - (3) A gas pipe shall not leak, including natural gas, propane or butane gas. 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 Improvements. 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. This standard assumes the public or community water supply reaches the Improvements side of the meter at 40 pounds per square inch. The Warrantor is not responsible for water pressure variations originating from the water supply source.
 - (5) A sewer, drain, or waste pipe shall not become clogged or stopped up due to construction activities.
 - (A) The Warrantor 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 resulting damage.
- (b) Performance Standards for Individual Wastewater Treatment Systems. A wastewater treatment system should be capable of properly handling normal flow of household effluent in accordance with the Texas Commission on Environmental Quality requirements.
 - (1) The Warrantor shall take such action as is necessary for the wastewater treatment system to perform within the standard stated in this subsection.
 - (2) The Warrantor 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 or a person working at the Builder'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.
- § 26. 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. 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. 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. The homeowner shall ensure that insulation on the refrigerant line is not damaged or cut due to maintenance or landscape work.
- (4) An exterior compressor unit shall be installed in accordance with the manufacturer's instructions and specifications. The bottom of the exterior compressor unit support shall not be below ground level. The homeowner shall ensure that settlement of the exterior compressor unit pad does not occur due to 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.
 - (2) Back draft dampers shall be installed and function according to the manufacturer's specifications.
- (c) Performance Standards for Ductwork. Ductwork shall not make excessive noise.
 - (1) The flow of air, including its velocity, or the expansion of ductwork from heating and cooling may cause common "ticking" or "crackling" sounds. The Warrantor shall have no responsibility for correction in such cases.
 - (2) The homeowner shall not place any object on the ductwork.
- § 27. Performance Standards for Heating, Air Conditioning and Ventilation Delivery Systems
 - (a) A refrigerant line shall not leak. 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. 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. If the homeowner modifies or changes the size or configuration of the system, the Improvements, the square footage associated property or dwelling, the ductwork or otherwise, same shall negate the Warrantor's responsibility to take measures to meet this performance standard.
 - (2) An air-conditioner system shall produce an inside temperature of at most 78-degrees Fahrenheit as measured in the center of a room at height of five feet above the floor, under local outdoor summer design conditions as specified in the Code. 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 Improvements, the air-conditioning system or the ductwork. Internal temperatures may vary up to 4-degrees Fahrenheit between rooms but no more than the standard set forth above in paragraph (2) of this subsection. If the homeowner modifies or changes the size or configuration of the system, the Improvements, the square footage associated property or dwelling, the ductwork or otherwise, same shall negate the Warrantor's responsibility to take measures to meet this performance standard.
 - (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.

- (4) Heating and cooling equipment shall be installed and secured according to the manufacturer's instructions and specification and shall not move excessively.
- (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 Warrantor 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.
- (d) Performance Standards for Ductwork.
 - (1) Ductwork shall be insulated in unconditioned areas according to Code.
 - (2) Ductwork shall be secured according to the manufacturer's instructions and specifications and it shall not move excessively.
 - (3) Ductwork shall be sealed and shall not separate or leak in excess of the standards set by the Code.

§ 28. Performance Standards for Electrical Systems and Fixtures

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

§ 29. Performance Standards for Electrical Delivery Systems

- (a) Performance Standards for Electrical Wiring.
 - (1) Electrical wiring installed inside the Improvements 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. The Warrantor 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. 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 Improvements during normal residential usage. The Warrantor 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 Improvements during normal residential usage such that a circuit breaker shall not trip and fuses shall not blow repeatedly under normal residential electric usage. The Warrantor is not responsible for circuit breaker trips or blown fuses that have functioned as designed to protect the Improvements 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 Warrantor 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.
 - (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.
 - (3) A light shall not dim, flicker or burn out repeatedly under normal circumstances. A lighting circuit shall meet the Code.
- (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 Warrantor 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 Improvements.
 - (2) Wiring or outlets for cable television, telephone, ethernet or other services inside the Improvements or on the Improvements side of the meter/demarcation point shall function properly when installed in accordance with the performance standard in paragraph (1) of this subsection. A Warrantor 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 Improvements.

TEN YEAR WARRANTY PERIOD

§ 30. 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 run-off from accumulating deeper than two inches in areas 36 inches or larger in diameter. Exterior drainage around perimeter crawl space wall shall not allow water to accumulate within ten feet of the foundation for more than 48 hours after a rain except in a sump that drains other areas. 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. 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 and 1/16 of an inch in vertical displacement.
 - (2) Concrete slabs shall not have protruding objects, such as a nail, rebar or wire mesh.
 - (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.
- (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.
 - (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 excess of 1/4 of an inch. The homeowner shall not over-water surrounding soil or allow the surrounding soil to become excessively dry. The homeowner shall not allow heavy equipment to be placed on the concrete.
 - (3) The finish on exterior concrete shall not be excessively smooth, so that the surface becomes slippery. A concrete surface that has been designed to be smooth is excepted from this performance standard.
 - (4) Exterior concrete shall not contain a protruding object, such as a nail, rebar or wire mesh.
 - (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.
 - (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.
 - (7) Concrete stair steepness and dimensions, such as tread width, riser height, landing size and stairway width shall comply with the Code.
 - (8) Handrails shall remain securely attached to concrete stairs.

- (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 Improvements in an amount equal to or exceeding one inch, including joint material.
- (10) A driveway will not have a negative slope unless due to site conditions, unless it has swales or drains properly installed to prevent water from entering into the garage. If a driveway is sloped such that it allows water to enter the garage in normal weather conditions, the Warrantor shall take such action as is necessary to prevent water from entering the garage due to driveway slope.
- (11) Concrete floor slabs in detached garages, carports or porte-cocheres shall not have excessive pits, depressions, deterioration or unevenness. Separations or cracks in these slabs shall not equal or exceed 3/16 of an inch in width, except at expansion joints, or 1/8 of an inch in vertical displacement.
- (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 Improvements.

§ 31. 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 actual post-construction movement. The protocol and standards for evaluating slab foundations shall follow the ASCE Guidelines with the following modifications:
 - (A) Overall deflection from original construction shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress resulting from said overall deflection, as described in Section 5 of the ASCE Guidelines, and that results in actual observable physical damage to the Improvements. 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 Improvements or cause structural component(s) or masonry veneer to rotate into a structurally unstable position such that the weight vector of the component part falls outside the middle third of its bearing area. Calculations of overall tilt shall be based upon the change in elevation at 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, the Warrantor shall implement the recommendations of a Texas licensed professional engineer, which shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines. Localized measurements of defection and tilt that are claimed to be outside of performance standards, Code or tolerances are not warranted and there is no Warrantor Responsibility for correction or otherwise.
- (b) Performance Standards for Major Structural 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 original construction and have that movement create actual observable physical damage to the components of the Improvements identifiable in Section 5.3 of the ASCE Guidelines. L shall be defined as the edge to edge distance across any slab crosssection for which overall deflection is calculated. Calculations of overall deflection shall be based upon the change in elevation at each point for which an Original Construction Elevation was taken.

(B) If a floor over pier and beam foundation deflects more than L/360 from its original construction elevation and the movement has created actual observable physical damage to the components of a Improvements identifiable in Section 5.3 of the ASCE Guidelines, the Warrantor shall implement the recommendations of a Texas licensed Professional Engineer, which shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines.

(2) Structural components.

- (A) A defined structural component, other than the concrete elements of a slab foundation, shall not crack, bow, become distorted or deteriorate, such that it compromises the structural integrity of a Improvements or the performance of a structural system of the Improvements resulting in actual observable physical damage to a component of the Improvements.
- (B) If a structural component of a Improvements, other than the concrete elements of a slab foundation, cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a component of the Improvements, the Warrantor shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the Improvements or the performance of the affected structural system.
- (3) Deflected structural components.
 - (A) A structural component, other than the foundation, shall not deflect more than the ratios allowed by the Code.
 - (B) If a structural component of the Improvements, other than the foundation, is deflected more than the ratios allowed by the Code, the Warrantor shall repair, reinforce or replace such structural component to restore the structural integrity of the Improvements or the performance of the affected structural system.
- (4) Damaged structural components.
 - (A) A structural component, other than the foundation, shall not be so damaged that it compromises the structural integrity or performance of the affected structural system.
 - (B) If a structural component, other than the foundation, is so damaged that it compromises the structural integrity or performance of a structural system of the Improvements, the Warrantor shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the Improvements or the performance of the affected structural system.
- (5) Separated structural components.
 - (A) A structural component, other than the foundation, shall not separate from a supporting member more than 3/4 of an inch or such that it compromises the structural integrity or performance of the system.
 - (B) If a structural component, other than the foundation, is separated from a supporting member more than 3/4 of an inch or separated such that it compromises the structural integrity or performance of a structural system of the Improvements, the Warrantor shall take such action as necessary to repair, reinforce or replace such structural component to re-establish the connection between the structural component and the supporting member, to restore the structural integrity of the Improvements and the performance of the affected structural system.
- (6) Non-performing structural components. A structural component, other than the foundation, shall function as required by the Code and if not addressed in the Code then shall perform to be safe.