



TEXAS
New Home Warranty Program



QUALITY BUILT by Your Builder.
BACKED by the Industry-Leading Warranty.



Structural

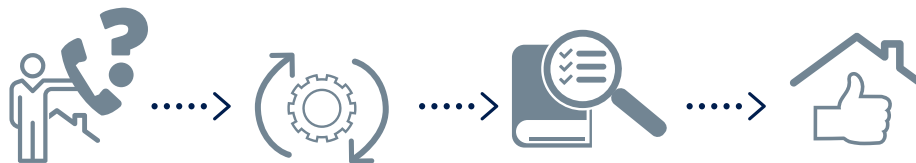
Congratulations on your **new home**

and the warranty provided by your builder.

Who is **2-10 Home Buyers Warranty?**

2-10 Home Buyers Warranty (2-10 HBW) is your warranty administrator. Since 1980, warranties from 2-10 HBW have protected over 5.8 million new and pre-owned homes. Focused on reducing the financial risks of thousands of home builders and millions of homeowners nationwide, 2-10 HBW partners with real estate professionals, service contractors and home builders who consider their coverage the industry's most comprehensive protection available.

HOW DOES YOUR WARRANTY COVERAGE WORK?



Think you have a problem? This booklet will help:

- Easily navigate the coverage
- Provide simple language to understand what's covered
- Explain how to report a claim

The **warranty administrator** is available to provide guidance and assistance for the 2-10 HBW New Home Warranty Program.

Once you receive your **Certificate of Warranty Coverage**, register your new home at 2-10.com/registerhome.

For questions about this booklet, or if you have lost your **Certificate of Warranty Coverage**, contact the **warranty administrator**:

- 855.429.2109 (Phone)
- warrantyadministration@2-10.com (Email)
- 2-10.com/homeowner (Homeowner Portal)

TABLE OF CONTENTS

SECTION I.	Overview of Your Warranty	3
SECTION II.	Your Structural Warranty	4
SECTION III.	Your Responsibilities	5
SECTION IV.	Important Terms and Conditions of Your Warranty	6
SECTION V.	Words with Special Meaning	9
SECTION VI.	Construction Performance Standards	10
SECTION VII.	Your Legal Rights and Remedies	12

THIS BOOKLET AND CERTIFICATE OF WARRANTY COVERAGE

This booklet defines your remedies for any **structural defect** based on the terms and conditions contained within this booklet for the duration of the **warranty term**. The **warranty term** is found on the **Certificate of Warranty Coverage**. This booklet and the **Certificate of Warranty Coverage** are legal documents that define the scope of the express limited warranty provided to you by your **builder/seller** related to your home. Please keep this booklet and the **Certificate of Warranty Coverage** with other legal documents that are important to you.

WORDS WITH SPECIAL MEANING

The words used in this booklet have their normal everyday meaning. Except when, in some cases, a word used in this booklet will have

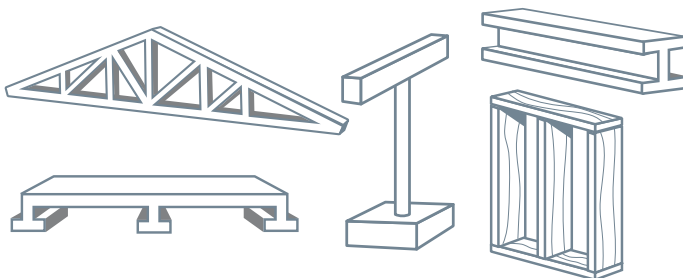
a specific meaning or definition. In those cases, the word will be bolded and the bolded word will always have the same meaning or definition, except that, for readability purposes, “you,” “your,” “home” and “warranty” are each words with special meaning but are not bolded. The words with special meaning are defined in *Section V*.

IMPORTANT PROVISIONS FOR THE USE OF FINAL AND BINDING ARBITRATION TO RESOLVE DISPUTES ABOUT THIS BOOKLET, THE WARRANTY, YOUR HOME, THE 2-10 HBW NEW HOME WARRANTY PROGRAM OR ANY OTHER DISPUTES AMONG YOU, YOUR BUILDER/SELLER, THE WARRANTY ADMINISTRATOR AND/OR THE WARRANTY INSURER ARE CONTAINED IN SECTION IV.E.

IMPORTANT PROVISIONS CONCERNING YOUR LEGAL RIGHTS AND REMEDIES ARE CONTAINED IN SECTION VII.

SECTION I. OVERVIEW OF YOUR WARRANTY*

While your home was carefully constructed and inspected, occasionally unforeseen problems arise, even in the best-built homes. Your structural warranty addresses the **major structural components** of your home. For more information about your structural warranty, please review *Section II*.



SOIL MOVEMENT

Your structural warranty addresses **structural defects** including those caused by certain types of **soil movement**. A **structural defect** is the failure of **major structural components** to meet the **Construction Performance Standards**.

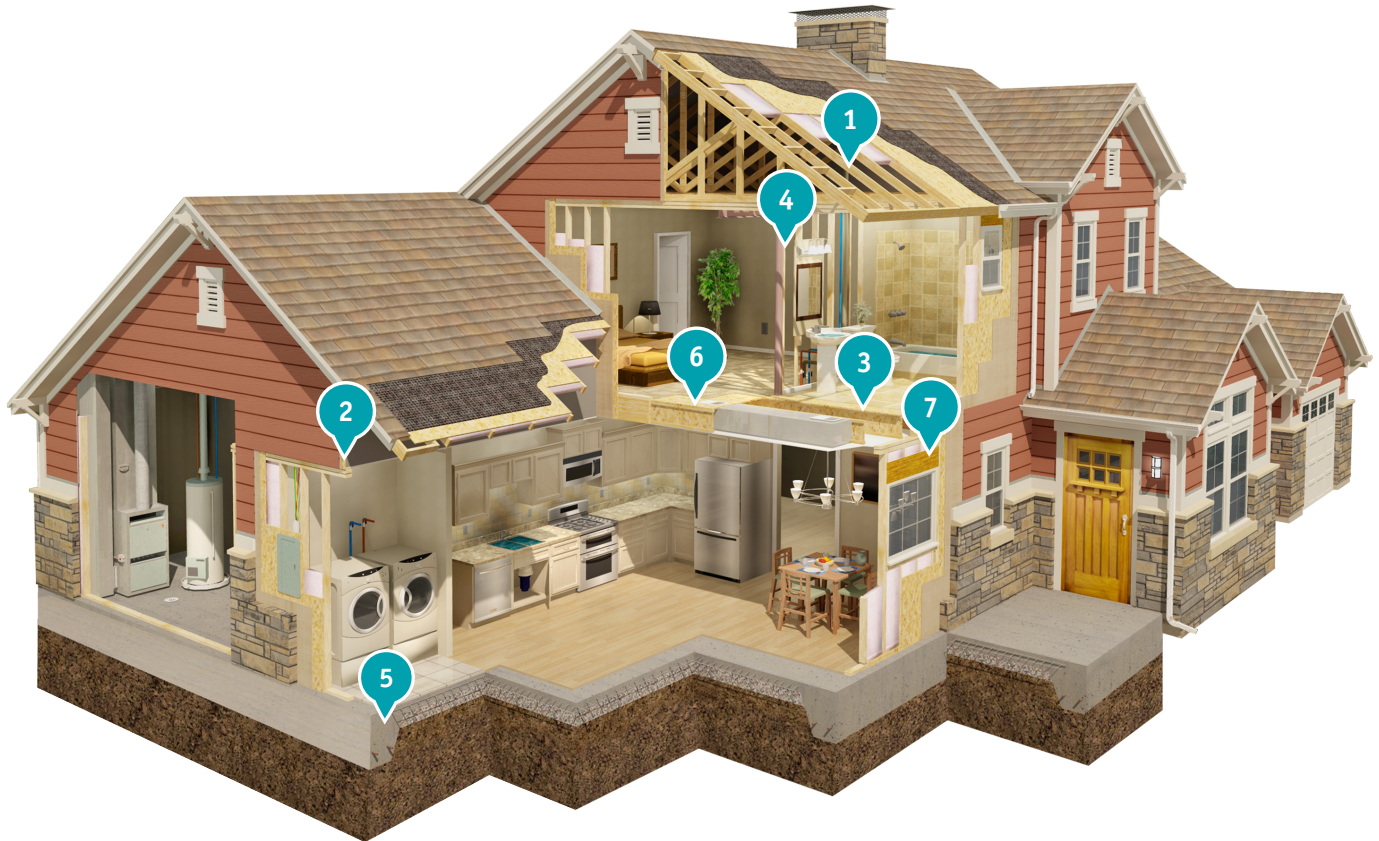
Items covered:

Roof framing systems, headers, load-bearing walls and partitions, beams, columns, footings and foundation systems, floor framing systems, girders, lintels and masonry arches

SECTION II. YOUR STRUCTURAL WARRANTY



Your structural warranty provides protection during the **warranty term** against **structural defects** to the **major structural components** of your home. The **major structural components** that are covered under this warranty are limited to the items illustrated below. Damage to the **non-major structural components** of your home is not a **structural defect**. A non-exclusive list of **non-major structural components** that are not covered under this warranty is listed in this *Section II*.



Your structural warranty is for catastrophic failure of the **major structural components**. Your structural warranty addresses **structural defects** caused by **soil movement** to the extent not otherwise excluded in this booklet. Failure of **major structural components** to meet the **Construction Performance Standards** is defined in *Section VI*.

SPECIFIC EXCLUSIONS THAT APPLY TO YOUR STRUCTURAL WARRANTY

In addition to the exclusions found in *Section IV.D*, your structural warranty does not cover loss or damage to:

1. Boundary walls, retaining walls or bulkheads, except to the extent such structures are necessary for the structural stability of the home.
2. Driveways, decks or porches, detached carports, outbuildings, fences, exterior recreational facilities, such as tennis courts or swimming pools or any other appurtenant structure or attachment to your home.

MAJOR STRUCTURAL COMPONENTS

- | | |
|--------------------------------------|-----------------------------------|
| 1. Roof framing systems | 6. Floor framing systems |
| 2. Load-bearing walls and partitions | 7. Headers |
| 3. Beams | 8. Girders (Not pictured) |
| 4. Columns | 9. Lintels (Not pictured) |
| 5. Footings and foundation systems | 10. Masonry arches (Not pictured) |

EXAMPLES OF NON-MAJOR STRUCTURAL COMPONENTS

- Roof shingles, roof tiles, sheathing and underlayment
- Non-load-bearing walls, drywall and plaster
- Flooring and underlayment material
- Any type of exterior siding, stucco, brick and stone veneer, including but not limited to veneer attached to arches supported by internal framework
- Plumbing, electrical and mechanical systems
- Basement, garage and other interior floating ground-supported concrete slabs



REPORTING A STRUCTURAL DEFECT CLAIM

All **structural defects** must be reported to the **warranty administrator** as soon as possible, but no later than 30 days after the expiration of the **warranty term** for your structural warranty. To report a **structural defect**, email warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109. In addition, you must submit a \$250 investigation fee (payable to the **warranty insurer**) to the **warranty administrator**. After you provide the **warranty administrator** with notice of your claim and the investigation fee, the **warranty administrator** will submit the claim to the **warranty insurer**. The investigation fee will be refunded to you if the **warranty insurer** determines you have a covered **structural defect**.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE STRUCTURAL WARRANTY IF STRUCTURAL DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

SECTION III. YOUR RESPONSIBILITIES

As a condition precedent to the obligations of your **builder/seller** and/or the **warranty insurer** to address a **structural defect**, you must perform all obligations required of you in this booklet, including but not limited to your obligations under this *Section III*. Your **builder/seller** and the **warranty insurer** are not responsible for any claims, losses or damages that arise from or relate to your failure to fulfill your obligations under this booklet.

A. ACCESS TO YOUR HOME

The **builder/seller**, **warranty insurer** and their respective agents will require access to your home in order to carry out their respective responsibilities under this booklet. You agree, upon receipt of advanced reasonable notice, to allow reasonable access to or within your home during normal business hours, to inspect, repair or conduct tests on your home as may be required to evaluate or repair a **structural defect**. If emergency repairs are necessary and you cannot be reached within a **reasonable time** period, you waive such notice. If you do not provide access to your home during normal business hours, you hereby waive any obligations of the **builder/seller** and **warranty insurer** to make repairs, replace or pay for any **structural defect** under this warranty.

Additionally, the **builder/seller**, **warranty insurer** and their respective agents shall have the right, in advance of any arbitration concerning your home, to re-inspect your home if the request for arbitration is made more than 60 days after the last claim decision concerning the claim that is the subject of the arbitration.

B. SUCCESSIVE OWNERS OF YOUR HOME

Your obligations and benefits provided in this booklet stay with your home and may be transferred to each subsequent owner of your home for the remainder of the applicable **warranty term**, if any. This means all of your rights and obligations under this booklet, up to

the remaining amount of the **warranty limit**, if any, will transfer to a purchaser of your home, or any person who otherwise obtains title to your home, including any mortgagee in possession.

When you transfer your home, you agree to give copies of this booklet and the **Certificate of Warranty Coverage** to the acquirer of your home before the transfer of your home is completed, such that the new owner has a reasonable opportunity to understand the rights and obligations under this booklet. Each successive owner of the home is bound by all of the terms and conditions of this booklet, including but not limited to, the binding arbitration required by this warranty.

If you are a successive owner of the home, you will benefit from the express limited warranty set forth in this booklet, but in return, you are bound by all of the terms, conditions and exclusions in this booklet, including but not limited to, the procedures that must be followed to make a claim and the obligation to participate in arbitration set out in this warranty. To register the warranty in your name, please complete and mail the *Successive Homeowner Registration and Arbitration Acceptance Form* found in the back of this booklet to the **warranty administrator**.

C. EMERGENCY REPAIRS

For the purposes of this booklet, an emergency exists when there is a substantial risk of serious physical damage to the home or a substantial risk of bodily injury to its occupants if a **structural defect** is not immediately repaired. If you have an emergency involving a **structural defect**, you must make reasonable efforts to contact your **builder/seller** or **warranty administrator** immediately for authorization to make emergency repairs. If you are unable to contact these parties, you must only take the reasonable and necessary steps to mitigate the emergency until authorization for

more extensive repairs has been approved by your **builder/seller** or **warranty administrator**. Reasonable and necessary action may include temporary shoring, bracing or covering with protective material. After taking reasonable and necessary steps to mitigate the risk, report the emergency to your **builder/seller** or **warranty administrator** on the next business day.

D. SUBROGATION RIGHTS AND RELEASE OF LEGAL OBLIGATION FOLLOWING REPAIR

After the repair, replacement or payment for the repair of any **structural defect**, you must provide a full and unconditional written release of the **builder/seller**, **warranty administrator**, **warranty insurer** and related parties, in recordable form, of all legal

obligations with respect to the **structural defect** and conditions arising from such **structural defect**. Your **builder/seller** or **warranty insurer** shall have all subrogation rights to the extent of the costs related to any repair, replacement or payment under this booklet, to any rights you may have against any other person, with respect to the **structural defect**, except there shall be no subrogation to or assignment of any rights that you may have against the **warranty insurer** and/or **warranty administrator**. You agree to perform any acts and execute any applicable documents that may be necessary for the **builder/seller**, **warranty administrator**, **warranty insurer** and/or related parties to secure and effectively enforce these rights of subrogation. You agree to refrain from taking any action that may prejudice these rights.

SECTION IV. IMPORTANT TERMS AND CONDITIONS THAT APPLY TO YOUR WARRANTY

A. THE LIMITS OF YOUR WARRANTY

Your **warranty limit** is the combined total aggregate financial obligation and liability of the **warranty insurer** for all claims, warranties and liability arising out of or otherwise relating to this booklet, including but not limited to liability related to **structural defects**. All costs incurred by the **warranty insurer** to repair or replace any **structural defect** will be deducted from your **warranty limit**.

Coverage under this express limited warranty shall be excess of any other valid and collectible insurance available to you or your **builder/seller**, whether primary, pro-rata or excess.

B. THE RIGHT TO REPAIR, REPLACE OR PAY FOR STRUCTURAL DEFECTS

The **warranty insurer** shall have the right to repair, replace or pay you the reasonable cost of repair of any **major structural component**. The design, method and manner of such repair, and the option to repair, replace or pay, shall be within the sole and absolute discretion of **warranty insurer** in respect of a **major structural component**. No repair shall extend any **warranty term**, including without limitation, the **warranty term** applicable to the **structural defect** that was the subject of the repair.

Repairs of a **major structural component** are intended to restore the home to approximately the condition just prior to the **structural defect**, but not necessarily to a like-new condition. The repair of a **structural defect** is limited to:

1. The repair of damage to **major structural components** of the home to the extent necessary to restore their load-bearing ability.
2. The repair of non-load-bearing portions, items or systems of the home to the extent such items were damaged by the **structural defect** (such as the repair of inoperable windows and doors and the restoration of functionality of damaged electrical, plumbing, heating, cooling and ventilating systems).
3. The repair and cosmetic correction of only those surfaces, finishes and coverings that are original with the home and were (a) damaged by the **structural defect**, or (b) displaced

or damaged in connection with repairs related to the **major structural component**.

C. MULTI-FAMILY BUILDINGS

If your home is located in a **multi-family building**, then these additional provisions apply:

1. The **common elements** of your **multi-family building** will be free from **structural defects** in **major structural components** during the **common elements warranty term** for **structural defects**. Each **warranty term** applicable to the **common elements** begins on the **common element effective date of warranty**. As such, the **warranty term** applicable to **structural defects** concerning **common elements** may expire before the **warranty term** applicable to **structural defects** concerning your home.
2. Claims for **structural defects** concerning **common elements** must be filed by the entity governing the **multi-family building** containing your home. To file a claim, send an email to warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109. Under the structural warranty, the maximum claim investigation fee is \$250 per unit in the building or \$5,000 per building, whichever is less. If the **structural defect** claim is accepted by the **warranty insurer**, the claim investigation fee will be refunded.
3. You agree, upon reasonable notice from the **builder/seller**, **warranty insurer** or their respective representatives, to allow reasonable access to or within your home during normal business hours so repairs can be made to any adjacent space, residence or **common element**. If emergency repairs are necessary and you cannot be reached within a **reasonable time period**, you waive such notice.
4. The aggregate **warranty limit** for all **common elements** in a **multi-family building** is equal to the aggregate remaining **warranty limit** for all dwellings in the **multi-family building** that have a valid **Certificate of Warranty Coverage** with an unexpired **warranty term**. In the event that one or more dwellings in the **multi-family building** do not have a **Certificate of Warranty Coverage** or do not have a **Certificate of Warranty Coverage** with an unexpired **warranty term**, then the aggregate **warranty limit** for all **common elements** shall be reduced pro-rata, based upon

the ratio of the aggregate original sale price of all dwellings having a **Certificate of Warranty Coverage** with an unexpired **warranty term**, divided by the total original sales price of all dwellings in the **multi-family building**. All costs incurred by the **builder/seller** and/or the **warranty insurer** to repair or replace any **structural defect** concerning a **common element** will be deducted on a pro-rata basis from the remaining **warranty limit** for each dwelling in the **multi-family building** with **Certificate of Warranty Coverage** with an unexpired **warranty term**, based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

5. If your home is in a **multi-family building** served by a **detached structure**, and if all dwellings within each **multi-family building** served by that **detached structure** was issued a **Certificate of Warranty Coverage**, then your **builder/seller** agrees that each such **detached structure** will be free from **structural defects** in **major structural components** during the **warranty term** for **structural defects**. The aggregate **warranty limit** for each **detached structure** is equal to the aggregate remaining **warranty limit** for all dwellings that have a valid **Certificate of Warranty Coverage** with an unexpired **warranty term** in each **multi-family building** served by the **detached structure**, divided by the total number of **detached structures** serving each **multi-family building**. The **effective date of warranty** for a **detached structure** is the earliest of the date the **detached structure** was first put into use or the date that the certificate of occupancy was issued. All costs incurred by the **builder/seller** and/or the **warranty insurer** to repair or replace any **structural defect** concerning a **detached structure** will be deducted on a pro-rata basis from the remaining **warranty limit** for each dwelling with **Certificate of Warranty Coverage** with an unexpired **warranty term** in the **multi-family buildings** served by the **detached structure**, based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

D. EXCLUSIONS

Your **builder/seller** and the **warranty insurer** shall have no liability, obligation or responsibility relating to, arising from or in any way concerning any of the following items, each of which are specifically excluded under this booklet:

1. Any damage, loss or costs incurred by you in connection with any of the following:
 - a. A **structural defect** that first occurs outside of the applicable **warranty term**, including but not limited to “walk-through” or “punch list” items that were identified prior to the **effective date of warranty**.
 - b. Any condition that has not resulted in observable or measurable physical damage to your home.
 - c. The diminished market value of your home resulting from a **structural defect** or the repair of a **structural defect**.
 - d. Shelter, transportation, food, moving, storage or any other costs due to loss of use, inconvenience or annoyance arising from any **structural defect** or the repair of a **structural defect**.
 - e. Land, personal property, additions or alterations to your home not included with the original sale of the home to you by the **builder/seller**, or any real or personal property that you do not own.
2. Any damage, loss or cost that is caused or made worse by any of the following causes (whether acting alone or in sequence or concurrence with any other cause whatsoever):
 - a. Your failure to give any notice required in this booklet.
 - b. Your failure to minimize or mitigate any defect, condition, loss or damage.
 - c. Improper maintenance, abuse or use of your home for non-residential purposes.
 - d. Any failure of your builder/seller to: (i) complete the construction of your home; (ii) construct your home in a manner that is compliant with the plans and specifications for your home; or (iii) comply with all local or national building codes, ordinances or standards applicable to the construction of your home.
 - e. Negligence, defective material or work supplied by anyone other than your builder/seller or its employees, agents or subcontractors.
 - f. Change of the grading of the ground around or near your home when such change does not comply with the accepted grading practices in your area, or the failure to maintain the original grade around your home.
 - g. Any peril or occurrence for which compensation is available to you from any local, state or federal governing body or public fund.
 - h. Earth or soil movement caused by earthquake, volcanic eruption, sinkhole, mineshaft, avalanche, landslide, mudflow or other geological phenomena involving subsurface slope instability.
 - i. Buried debris, underground spring or any other subsurface anomaly in a building site you provided.
 - j. Changes in the level of the underground water table below or near your home due to aquifer depletion on a region-wide basis.
 - k. Continuous, prolonged or repeated contact with water, moisture or other liquids resulting in mold, mildew, fungi,

- f. Removal, repair or replacement of landscaping, including but not limited to grass, sod, shrubs, trees or lawn irrigation systems.
- g. Removal, repair or replacement of an improvement, fixture or property not constructed or provided to you by the **builder/seller** that is required to complete the repair of a **structural defect**.
- h. Except for legitimate emergency repairs, any repair of a **structural defect** that was not expressly authorized in writing by the **warranty insurer**.
- i. Bodily injury or personal injury of any kind, including but not limited to physical or mental pain and suffering and emotional distress and any medical or hospital expenses.
- j. Attorney fees, cost of investigations, witness fees, testimony or any other related costs or expenses you incur as a result of a **structural defect** or the repair of a **structural defect**.

rot, decay, corrosion or other gradual deterioration, delamination, adhesive or cohesive failure, weakening or deformation of wood products or any other material.

- l. Discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal pollutant, irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste, including any claim of health risk or inhabitability based on any of the foregoing.
 - m. War, terrorism, riot or civil commotion, vandalism or governmental action such as the destruction, confiscation or seizure of covered property by any governmental or public authority.
 - n. A weather event, such as a hurricane, tornado, windstorm, rainstorm, tidal wave, flood, hail, snow, ice storm or lightning.
 - o. Birds, vermin, rodents, animals, pets, plants or insects, including but not limited to termites.
 - p. Fire, smoke, explosion or blasting.
 - q. Falling trees or other falling or moving objects, including but not limited to aircraft or vehicles.
 - r. Flooding caused by sudden water escape from pipes, vessels or fixtures.
3. Appliances and manufactured items, including but not limited to, heating, ventilation and mechanical equipment or any other item covered by a manufacturer's warranty, and a deficiency in any distribution system caused by the failure of any such appliance or manufactured item. Your **builder/seller** hereby assigns to you any rights of the **builder/seller** under the manufacturer's warranties provided to the **builder/seller** (if any), with respect to any of the appliances and items of equipment included in your home.
 4. Any and all green building requirements, standards, certifications or otherwise are controlled by those written standards applicable to and agreed upon between the **builder/seller** and the initial homeowner(s), 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.

E. DISPUTE RESOLUTION WITH BINDING ARBITRATION AND CLASS ACTION WAIVER

You, the **builder/seller**, the **warranty insurer** and the **warranty administrator** (each an "Arbitration Party" and collectively the "Arbitration Parties") each hereby agree that every claim, complaint, controversy or dispute among two or more Arbitration Parties that arises out of, relates to or otherwise concerns this booklet or the home (a "Dispute") shall exclusively be resolved by binding arbitration and not by a judge or jury. Each arbitration shall be conducted by DeMars & Associates, Ltd. ("DeMars") or Construction Dispute Resolution Services, LLC ("CDRS"). The choice of DeMars or CDRS

shall be made by the Arbitration Party who files the Dispute with DeMars or CDRS. In the event DeMars and CDRS are unavailable or unwilling to conduct the arbitration, then the Arbitration Parties agree that the **warranty administrator** shall select the arbitration service provider. The Arbitration Parties each agree to be bound by any and all rules published by the arbitration service provider conducting the arbitration that apply to the Dispute. If you are involved in the arbitration, then the arbitration hearing shall take place in your home, unless the arbitrator agrees to an alternative location. All administrative fees of the arbitration service conducting the arbitration and the fees of the arbitrator shall be allocated to the Arbitration Parties as provided in the rules the arbitration service, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice. If the rules of the arbitration service conducting the arbitration do not allocate such fees, then the administrative and initial filing fees of the arbitration service shall be paid by the Arbitration Party who files the Dispute, with any additional fees being allocated among the Arbitration Parties at the arbitrator's discretion.

The arbitration provision of this *Section IV.E* covers Disputes based upon contract, tort, consumer rights, fraud and other intentional torts, negligence, constitution, statute, regulation, ordinance, common law and equity. A demand for arbitration shall be made within a **reasonable time** after the Dispute has arisen, but in no event after the date when institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. The Arbitration Parties each agree that the provisions of this *Section IV.E* involves and concerns interstate commerce and that the interpretation of this *Section IV.E* shall be governed by the Federal Arbitration Act (9 U.S.C. § 1, et seq.), to the exclusion of any different or inconsistent federal, state or local law, ordinance or judicial rule. The arbitration provision in this *Section IV.E* is self-executing. Any disputes concerning the interpretation or enforceability of this *Section IV.E*, including without limitation, its revocability or voidability for any cause, the scope of arbitral issues and any defense based upon waiver, estoppel or laches shall be decided solely by the arbitrator.

The prevailing party in any court action brought for the enforcement or interpretation of the arbitration provision of this *Section IV.E* shall be entitled to receive from the losing party a reasonable sum for its attorneys' fees and costs, in addition to any other relief to which it may be entitled.

You hereby agree that you will only bring a Dispute in your individual capacity, and not as a plaintiff or class member in any purported class, multiple plaintiff, collective, representative or similar proceeding (each a "Class Action"). You expressly agree to not maintain any Class Action in any forum. Instead you agree to have each and every Dispute decided individually through arbitration. Claims cannot be consolidated in arbitration unless the Arbitrating Parties agree in writing.

SECTION V. WORDS WITH SPECIAL MEANING

“**ASCE Guidelines**” means the *Guidelines for the Evaluation and Repair of Residential Foundations, Version 2*, published by the Texas section of the American Society of Civil Engineers.

“**Builder/Seller**” means the home builder or seller listed on the **Certificate of Warranty Coverage**, and is the person or entity providing you with the express limited warranty described in this booklet.

“**Certificate of Warranty Coverage**” is the document issued by the **warranty administrator** confirming that your **builder/seller** took all steps required to enroll your home into the 2-10 HBW New Home Warranty Program and confirms your eligibility to receive the benefits of the express limited warranty described in this booklet during the applicable **warranty term**.

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

“**Common element**” means all parts of a condominium or common interest building other than the interior of your home. **Common elements** may include fitness facilities, hallways, lobbies, stairways and shared electrical, plumbing and mechanical distribution systems.

“**Common element effective date of warranty**” means the earlier of the date a certificate of occupancy is issued for the **multi-family building** or the date a dwelling unit in the building was first occupied.

“**Commercial space**” means any unit within a **multi-family building** that is used primarily for a non-residential purpose.

“**Construction Performance Standards**” mean the performance standard(s) set forth in *Section VI*, which the home, element or component must satisfy.

“**Detached structure**” is a building that is not attached to the **multi-family building**, such as club houses, daycare, fitness centers or parking structures, but is still owned in common by the **multi-family building** association or unit owners and is designated for common use by the owners of the dwellings within the **multi-family building**.

“**Effective date of warranty**” means the date the express limited warranty described in this booklet each goes into effect. The date will be the earliest of either (1) the closing date on which you obtained ownership of the home, or (2) the date anyone first began living in the home if before your closing date.

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

“**Major structural components**” are load-bearing walls and partitions, footings and foundations systems, headers, beams, girders, lintels, masonry arches, columns, roof framing systems and floor framing systems.

“**Multi-family building**” is a building in a common interest community that may consist of dwelling units, shared parking spaces, **commercial space** and **common elements**.

“**Original construction elevations**” means actual elevations of the foundation taken before, on or about the **effective date of warranty** of the home. Such actual elevations shall include elevations of porches and garages if those structures are part of a monolithic foundation. To establish **original construction elevations**, elevations shall be taken at a rate of at least one elevation per 100 square feet showing a reference point and shall be taken at a rate of at least one elevation per 10 linear feet along the perimeter of the foundation, subject to obstructions. Each elevation shall be taken on the surface of the foundation or on the surface of the floor covering on the foundation, if any. For elevations taken on floor coverings, the type of floor covering shall be recorded at each elevation location. If no such actual elevations are taken, then the foundation for the habitable areas of the home are presumed to be level +/- 3/4 inch over the entire area of the foundation.

“**Reasonable time**” is the amount that is fairly necessary to do whatever is required to be done, as soon as circumstances permit. Circumstances include, but are not limited to weather, material availability, nature of deficiency and **builder/seller’s** service policies.

“**Soil movement**” means subsidence or expansion of soil caused by shrinkage, swelling or consolidation.

“**Warranty**” or collectively “**Warranties**” means the express limited structural warranty set forth in this booklet provided to you by the **builder/seller**.

“**Warranty administrator**” means Home Buyers Warranty Corporation. The **warranty administrator** is the creator and administrator of the 2-10 HBW New Home Warranty Program and is available to answer any questions you may have about the express limited warranty provided to you by your **builder/seller** under this booklet.

“**Warranty insurer**” is the third-party insurance provider for your warranty and is responsible for all obligations related to your structural warranty.

“**Warranty limit**” is equal to the final sales price of the home, as identified on the *Application for Home Enrollment* on record with the **warranty administrator** when the final sales price includes land. If the land was provided by you, the **warranty limit** is equal to the final sales price of the home, multiplied by a factor of 1.25, provided the calculation was performed on the *Application for Home Enrollment*. The dollar amount of your **warranty limit** will be stated on your **Certificate of Warranty Coverage**.

“**Warranty term**” means the period of time during which the structural warranty is effective. Each **warranty term** starts on the **effective date of warranty** or **common element effective date of warranty**. The duration of the **warranty term** for the structural warranty is indicated on your **Certificate of Warranty Coverage**.

“**You**,” “**your**” and similar words means the person or persons who are the legal owners of the home covered by the express limited warranty described in this booklet.



SECTION VI. CONSTRUCTION PERFORMANCE STANDARDS

A. STRUCTURAL WARRANTY

The following **Construction Performance Standards** apply to the structural warranty and represent the standards of construction quality your home should meet. Items that fail to meet these **Construction Performance Standards** require corrective action by the warranty insurer.

The **Construction Performance Standards** in this booklet are based on and accepted by the Texas Association of Builders.

1

MAJOR STRUCTURAL COMPONENTS

1.A SLAB FOUNDATIONS.

<p>1.A.1</p>	<p>Slab foundations should not move differentially after they are constructed, such that a tilt or deflection in the slab in excess of the standards defined below arises from post-construction movement. The protocol and standards for evaluating slab foundations shall follow the ASCE Guidelines with the following modifications:</p> <ul style="list-style-type: none"> a. Overall deflection from the original construction elevations shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress, as described in Section 5 of the ASCE Guidelines, that results in actual observable physical damage to the home. L shall be defined as the edge to edge distance across any slab cross-section for which overall deflection is calculated. Calculations of overall deflection shall be based upon the change in elevation at each point for which an original construction elevation was taken. b. The slab shall not tilt after construction in excess of one percent across any overall dimension of the home or cause structural component(s) or masonry veneer to rotate into a structurally unstable position such that the weight vector of the component part falls outside the middle third of its bearing area. Calculations of overall tilt shall be based upon the change in elevation at each point for which an original construction elevation was taken. c. If no original construction elevation was taken, then the foundation for the habitable areas of the home are presumed to be level +/- 3/4 inch over the entire area of the foundation.
<p>1.A.2</p>	<p>If measurements and associated symptoms of distress show that a slab foundation does not meet the deflection or tilt standards stated in paragraph 1 of this subsection, a third-party inspector's recommendation shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines.</p>

1.B COMPONENTS OTHER THAN SLAB FOUNDATIONS.

<p>1.B.1</p>	<p>Floor over pier and beam foundations.</p> <ul style="list-style-type: none"> a. A floor over pier and beam foundation shall not deflect more than L/360 from its original construction elevations and have that movement create actual observable physical damage to the components of the home identifiable in Section 5.3 of the ASCE Guidelines. b. If a floor over pier and beam foundation deflects more than L/360 from its original construction elevations and the movement has created actual observable physical damage to the components of a home identifiable in Section 5.3 of the ASCE Guidelines, a third-party inspector's recommendation shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines.
<p>1.B.2</p>	<p>Structural components.</p> <ul style="list-style-type: none"> a. A defined structural component shall not crack, bow, become distorted or deteriorate, such that it compromises the structural integrity of a home or the performance of a structural system of the home, resulting in actual observable physical damage to a component of the home. b. If a structural component of a home cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a component of the home, the warranty insurer shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system.



ITEMS COVERED UNDER THE STRUCTURAL WARRANTY COVERAGE

COMPONENTS OTHER THAN SLAB FOUNDATIONS CONTINUED

<p>1.B.3</p>	<p>Deflected structural components.</p> <p>a. A structural component shall not deflect more than the ratios allowed by the code.</p> <p>b. If a structural component of the home is deflected more than the ratios allowed by the code, the warranty insurer shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system.</p>
<p>1.B.4</p>	<p>Damaged structural components.</p> <p>a. A structural component shall not be so damaged that it compromises the structural integrity or performance of the affected structural system.</p> <p>b. If a structural component is so damaged that it compromises the structural integrity or performance of a structural system of the home, the warranty insurer shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system.</p>
<p>1.B.5</p>	<p>Separated structural components.</p> <p>a. A structural component shall not separate from a supporting member more than 3/4 of an inch or such that it compromises the structural integrity or performance of the system.</p> <p>b. If a structural component is separated from a supporting member more than 3/4 of an inch or separated such that it compromises the structural integrity or performance of a structural system of the home, the warranty insurer shall take such action as necessary to repair, reinforce or replace such structural component to reestablish the connection between the structural component and the supporting member, to restore the structural integrity of the home and the performance of the affected structural system.</p>
<p>1.B.6</p>	<p>Non-performing structural components.</p> <p>a. A structural component shall function as required by the code.</p> <p>b. If a structural component does not function as required by the code, the warranty insurer shall take such action as is necessary to bring the variance within the standard stated in subparagraph (A) of this paragraph.</p>

SECTION VII. YOUR LEGAL RIGHTS AND REMEDIES

GENERAL LEGAL PROVISIONS: THIS BOOKLET AND THE CERTIFICATE OF WARRANTY COVERAGE FULLY AND EXCLUSIVELY DEFINE THE COVERAGE TERMS, LIMITATIONS, RIGHTS AND OBLIGATIONS WITH RESPECT TO EACH AND EVERY STRUCTURAL DEFECT. THE LANGUAGE IN ALL PARTS OF THIS BOOKLET SHALL BE CONSTRUED SIMPLY, AS A WHOLE AND IN ACCORDANCE WITH ITS FAIR MEANING AND, IN THE EVENT OF AN AMBIGUITY OR DISPUTE, SHALL NOT BE CONSTRUED FOR OR AGAINST YOU, THE BUILDER/SELLER, THE WARRANTY INSURER OR THE WARRANTY ADMINISTRATOR. THE CAPTIONS OF THE ARTICLES, SECTIONS AND SUBSECTIONS ARE INSERTED SOLELY FOR CONVENIENCE AND SHALL NOT BE TREATED OR CONSTRUED AS PART OF THIS BOOKLET. IN THE EVENT ANY PROVISION, OR PART THEREOF, OF THIS BOOKLET IS HELD TO BE INVALID, ILLEGAL OR OTHERWISE UNENFORCEABLE, SUCH HOLDING WILL NOT AFFECT THE VALIDITY OF THE OTHER PROVISIONS. ANY SUCH PROVISION, OR PART THEREOF SHALL BE ENFORCED TO THE EXTENT POSSIBLE CONSISTENT WITH THE STATED INTENTION OF THE PARTIES, OR, IF INCAPABLE OF SUCH ENFORCEMENT, SHALL BE STRICKEN FROM THIS BOOKLET, WHILE THE REMAINING PROVISIONS OF THIS BOOKLET REMAIN IN FULL FORCE AND EFFECT TO THE FULLEST EXTENT PERMITTED BY LAW. YOU ACKNOWLEDGE, AGREE AND CONSENT THAT DURING THE WARRANTY TERM, THE WARRANTY ADMINISTRATOR AND THE WARRANTY INSURER, AND THEIR RESPECTIVE AGENTS, MAY CALL, TEXT, EMAIL AND OTHERWISE CONTACT YOU VIA ANY METHOD OR DEVICE YOU OWN IN ORDER TO PERFORM THEIR RESPECTIVE OBLIGATIONS UNDER THIS BOOKLET, AS WELL AS TO SEND YOU MARKETING MATERIALS.

IF YOUR BUILDER/SELLER HAS PROVIDED AN ADDITIONAL WRITTEN OR VERBAL WARRANTY OR GUARANTEE TO YOU, THEN THE BUILDER/SELLER'S OBLIGATIONS UNDER THAT ADDITIONAL WARRANTY OR GUARANTEE, IF ANY, ARE NOT COVERED UNDER THIS BOOKLET AND ARE NOT THE RESPONSIBILITY WHATSOEVER OF THE WARRANTY ADMINISTRATOR OR WARRANTY INSURER.

DISCLAIMER OF ALL OTHER WARRANTIES: EXCEPT FOR THE EXPRESS STRUCTURAL WARRANTY SET FORTH IN THIS BOOKLET, ALL OTHER WARRANTIES, CONDITIONS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO YOUR HOME OR THIS BOOKLET, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, CUSTOM, ORAL OR WRITTEN STATEMENTS BY THE BUILDER/SELLER, WARRANTY INSURER OR WARRANTY ADMINISTRATOR OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, SATISFACTION OR FITNESS FOR PARTICULAR PURPOSE) ARE HEREBY EXCLUDED AND DISCLAIMED TO THE FULLEST

EXTENT PERMITTED BY LAW. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED BY APPLICABLE LAW, SUCH WARRANTY IS LIMITED IN DURATION TO SHORTEST DURATION ALLOWED BY APPLICABLE LAW. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY. THESE WARRANTIES GIVE YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY AMONG APPLICABLE LAW.

EXCLUSION OF CERTAIN TYPES OF DAMAGES: IN NO EVENT SHALL THE BUILDER/SELLER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), THE WARRANTY INSURER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES) OR THE WARRANTY ADMINISTRATOR (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), AND EACH OF THEIR RESPECTIVE OWNERS, MEMBERS, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS AND ASSIGNS BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND SUFFERED BY YOU OR ANY THIRD PARTY, FOR EXAMPLE, LOST PROFITS, BUSINESS INTERRUPTIONS OR OTHER ECONOMIC LOSS RELATED IN ANY WAY TO THIS BOOKLET OR ANY USE OF OR FAILURE TO BE ABLE TO USE YOUR HOME.

LIMITATION OF LIABILITY: THE TOTAL AGGREGATE LIABILITY OF THE BUILDER/SELLER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), WARRANTY INSURER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES) AND WARRANTY ADMINISTRATOR (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), AND EACH OF THEIR RESPECTIVE OWNERS, MEMBERS, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS AND ASSIGNS FOR ANY COSTS, DAMAGES, FINES, LIABILITIES, LOSSES, PENALTIES AND OTHER EXPENSES INCURRED BY YOU ARISING OUT OF OR RELATED TO THIS BOOKLET OR YOUR HOME WILL NOT EXCEED THE WARRANTY LIMIT. THE EXISTENCE OF ONE OR MORE CLAIMS OF ANY KIND(S) IN ANY FORUM(S) WILL NOT ENLARGE THE FOREGOING LIMITS. THE WAIVERS, EXCLUSIONS AND LIMITATIONS OF DAMAGES SET FORTH IN THIS BOOKLET SHALL (I) APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE AND (II) BE INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY WARRANTY OR EXCLUSIVE OR LIMITED REMEDY STATED HEREIN, AND SHALL APPLY EVEN IF THE BUILDER/SELLER, WARRANTY INSURER OR WARRANTY ADMINISTRATOR HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.



RETURN TO: WARRANTY ADMINISTRATOR
13900 E Harvard Ave | Aurora, CO 80014

SUCCESSIVE HOMEOWNER REGISTRATION AND ARBITRATION ACCEPTANCE FORM

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

I/We understand that Home Buyers Warranty Corporation (“2-10 HBW”) is not the warrantor of the **builder/seller’s** express limited warranty, but rather provides services to administer the warranty.

I/We agree to the binding arbitration process described on page 8 of the warranty booklet for resolving warranty disputes between us, the **builder/seller**, the **warranty insurer** and/or the **warranty administrator**.

Signature(s) of successive Home Buyer:

Signature

Print

Signature

Print

Phone

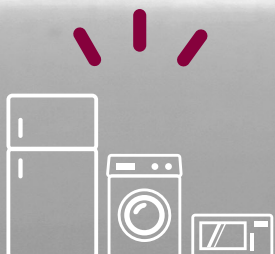
Email

Date

In order to process this request, please mail this form and a check in the amount of \$20 payable to 2-10 HBW to:

**Warranty Administrator
Warranty Administration Department
13900 E Harvard Ave
Aurora, CO 80014**

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ENHANCE your home ownership experience

Additional protection available for your systems and appliances.

The warranty coverage offered in this booklet provides protection for structural **defects**.

An optional Home Warranty Service Agreement* could help you reduce the overall cost of owning a home. This optional coverage provides protection against unexpected system and appliance breakdowns, such as your air conditioner or water heater. With this optional coverage, have confidence that your comfort and financial security are covered within your home for many years.

For more information, please visit

[2-10.com/protect](https://www.2-10.com/protect)

*Home Warranty Service Agreements may not be available in all states or locations.



TEXAS
New Home Warranty Program



For the Best Experience:

- Register your warranty via Homeowner Portal
- Update your contact information
- View your digital warranty book

2-10.com/homeowner

Have Questions?

Contact the warranty administrator

2-10 HOME BUYERS WARRANTY

Warranty Administration Office

13900 E Harvard Ave

Aurora, CO 80014

855.429.2109