
RIVERWAY HOMES WARRANTY PROGRAM

THIS LIMITED WARRANTY DOES NOT COVER CONSEQUENTIAL OR INCIDENTAL DAMAGES.

LIABILITY UNDER THIS LIMITED WARRANTY IS LIMITED TO THE ORIGINAL SALES PRICE OF THE HOME.

BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE AGREEMENT OF SALE OR THE WARRANTED HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS EXPRESSLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY,

Some states do not allow the exclusion or limitation of incidental or consequential damages by a builder so all of the exclusions and limitations may not apply to You.

RIVERWAY BUILDERS, LLC

DBA: RIVERWAY HOMES

1027 Yale St.

HOUSTON, TEXAS 77008

RIVERWAY HOMES WARRANTY PROGRAM

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RIVERWAY HOMES WARRANTY PROGRAM

INTRODUCTION

During the ten-year term of Riverway Builders Warranty Program, Riverway Builders ("Builder") is the warrantor. Builder has purchased warranty coverage from StrucSure Home Warranty ("SHW"). SHW will act if Builder fails to perform its obligations as described in this Agreement.

Section A defines the term used in this Agreement

Section B describes the protection which Riverway Builders gives you.

Section C sets forth performance standards that will govern the program.

Section D describes the exclusions from the program.

THIS AGREEMENT INCLUDES PROCEDURES FOR SETTLEMENT OF DISPUTES, INCLUDING MEDIATION AND BINDING ARBITRATION IN ACCORDANCE WITH THE PROCEDURES OF THE FEDERAL ARBITRATION ACT. YOU SHOULD READ THIS AGREEMENT IN ITS ENTIRETY IN ORDER TO UNDERSTAND THE PROTECTION IT AFFORDS, THE PERFORMANCE STANDARDS THAT WILL GOVERN ITS INTERPRETATION AND OPERATION, THE EXCLUSIONS APPLICABLE TO IT, AND YOUR RESPONSIBILITIES

Every home needs maintenance to prolong its life. It is Your responsibility, not Your Builder's, to maintain the Home. Regular maintenance includes such items as preserving soil drainage conditions, caulking, cleaning, resealing or repainting of finished surfaces as necessary, routine maintenance of mechanical systems, etc. You should read the Homeowner's Manual for details regarding the care and maintenance of Your Home.

Any damage or defect caused by, resulting from, contributed to, or aggravated or made worse by, in whole or part, Your neglect, Your failure to promptly report defects, abnormal use, or improper maintenance and operation of the home will not be covered by this agreement.

SECTION A. DEFINITIONS

For the purpose of this Agreement, the following terms have the meanings set for

1. Builder: The builder of the Home, which is Riverway Builders, LLC dba Riverway Homes.
2. Claims Administrator: Riverway Builders, LLC dba Riverway Homes.
3. Effective Date: The first to occur of the date of (i) transfer of title to the first Homeowner or (ii) first occupancy by the first Homeowner.
4. Electrical Systems: All wiring, electrical boxes, switches, outlets, and connections, up to the public utility connection.
5. Fixtures, Appliances and Items of Equipment: Water heaters, pumps, stoves, refrigerators, compactors, garbage disposal, stoves and ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets and valves, lights and fixtures, circuit breakers, thermostats, furnaces, oil tanks, humidifiers, oil purifiers, ventilating fans, air conditioning material, in-house sprinkler systems, and similar items, including attachments and appurtenances.
6. Heating, Ventilating and Air-Conditioning (HVAC) Systems: All ductwork, refrigerant lines, steam and water pipes, registers, convectors, dampers; and radiation elements.
7. Home: (i) A single-family dwelling, (ii) one unit in a two-or-more unit structure in which each unit may be conveyed separately, or (iii) the common elements which comprise the building in which it shares in common with other units in the building.
8. Homeowner: The Homeowner includes the first purchaser of the Home and any and all successors in title during the term of this Agreement, lessees having a leasehold interest of at least fifty (50) years in the Home, and a mortgagee in possession of the Home.
9. Insurer: StrucSure Home Warranty
10. Load-Bearing Components of the Home are:
 - (i) roof framing members (rafters and trusses);
 - (ii) floor framing members (Joists and trusses);
 - (iii) bearing walls;
 - (iv) columns;
 - (v) lintels (other than lintels supporting veneers);
 - (vi) girders;
 - (vii) load-bearing beams; and
 - (viii) foundation systems and footings.

Examples of Non-Load-Bearing Components, damage to which do not constitute a Major Structural Defect are:

- (i) non-load-bearing partitions and walls;
- (ii) dry wall;
- (iii) floor covering; sub-floor material; or wall covering material;
- (iv) brick, stucco, stone, or veneer;
- (v) any type of exterior siding;
- (vi) roof shingles, sheathing and tar paper;
- (vii) heating, ventilating, air-conditioning, plumbing, electrical, and mechanical systems; Appliances, fixtures, or items of equipment;
- (viii) doors, windows, trim, cabinets, hardware, insulation, paint, and stains; and
- (ix) concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home.

11. Major Structural Defects (MSD): A Major Structural Defect occurs when there is actual physical damage to one or more of the Load-Bearing Components that causes the failure of the load-bearing capacity of the Load-Bearing Component such that the Home becomes unsafe, unsanitary or otherwise uninhabitable.
12. Plumbing Systems: All pipes (supply and waste) and their fittings; gas supply lines and vent pipes located within the Home and their extensions to the public utility.
13. Property: The land owned by the Homeowner on which the Home is located.
14. Warrantor: Riverway Builders, LLC.
15. We, Us: Terms referring to the Builder or SHW, if the Builder fails to act.
16. You, Your: Terms referring to the Homeowner.

SECTION B. THE LIMITED WARRANTY PROGRAM

We, as Your Builder, are the warrantor during the term of this Agreement. SHW, the insurer, will perform Our obligations if We fail to do so.

1. PROTECTION PROVIDED

Your Riverway Builders LLC Warranty Program provides you with the following protection:

- a. Beginning of Coverage: Your limited warranty coverage begins on the Effective Date.
- b. Coverage During Year One: We warrant that for a period of one year Your Home will be free from defects in materials and workmanship. We determine whether a defect exists by referring to the performance standards in Section C of this Agreement. Manufactured items of fixtures, appliances and equipment that are covered by a manufacturer's warranty are not covered by this warranty. We assign manufacturer's warranties to You at closing. We will, however, administer any claim that you have for a defective manufactured item during the first year.
- c. Coverage During Years One and Two: We warrant that for a period of two years, specified portions of the heating, ventilating and air conditioning (HVAC) system, and the electrical and plumbing systems will be free from defects. Again, We determine whether a defect exists by referring to the performance standards set forth in Section C of this Agreement. Manufactured items of fixtures, appliances and items of equipment covered by a manufacturer's warranty that are part of these systems are not covered by this warranty.
- d. Coverage During Years One Through Ten: We warrant for a period of ten years that Your Home is protected against loss resulting from Major Structural Defects (as defined in Section A of this Agreement).
- e. YOUR WARRANTY COVERAGE MAY NOT BE CANCELLED AFTER THE EFFECTIVE DATE BY EITHER THE BUILDER OR THE INSURER.

2. OUR RESPONSIBILITY AND YOUR RIGHTS

If a defect occurs in Your Home evidenced by nonconformity with the performance standards during the first year of this Agreement, provided you notify Us of the defect before the end of the one year period, or if a covered defect in portions of Your Home's HVAC, electrical or plumbing systems occurs evidenced by nonconformity with the performance standards during the first two years of this Agreement, We will repair, replace or pay You the reasonable cost of repairing or replacing the defective item.

The warranty against Major Structural Defects is limited to actions that are necessary to restore load-bearing capability to the Load-Bearing Components of the Home and to repair those elements of the Home damaged by the Major Structural Defect which make the Home unsafe, unsanitary or otherwise uninhabitable.

In each instance, Our warranty coverage under this program is subject to the following:

- a. The decision of whether to repair or replace a defective item, or, at our option, to pay you the reasonable cost of repair or replacement, is solely Ours.
- b. TO THE FULLEST EXTENT PERMITTED BY LAW, OUR TOTAL LIABILITY FOR ALL CLAIMS MADE DURING THE TERM OF THIS LIMITED WARRANTY AGREEMENT SHALL NOT EXCEED THE ORIGINAL SALE PRICE OF THE HOME.
- c. No actions taken to cure defects will extend the periods of coverage specified in this agreement or be an admission of liability for any claim not covered by this warranty.
- d. Before We repair or replace a defective item, We may require you to acknowledge in writing Your agreement to the proposed repair or replacement and deliver to Us an agreement to release Us with respect to the defect and any conditions arising from the defect once the repair or replacement is completed by Us. The repair of a covered Home will be to a condition approximating the condition just prior to the manifestation of the defect. Repaired areas or replaced items will be finished and/or touched up to match the surrounding area as closely as reasonably possible. Finish material, such as paint, wallpaper, flooring, ceramic tile, grout, stone, brick, marble, countertops, cabinets or other hard surfaces, such as concrete, asphalt, or cementitious finishes will be matched to the original specification as closely as reasonably possible. We are not responsible for discontinued patterns, or color or texture variations upon repair or replacement. The repairs or replacement item will continue to be covered by this warranty for the remainder of the warranty period.
- e. If you agree to accept payment for the reasonable cost of repairs or replacement of a defective item instead of replacing or repairing the item, then prior to such payment, you must sign and deliver to Us a full and unconditional release, in recordable form, of all legal obligations with respect to the defect, any condition arising from the defect and any repair or replacement of the defective item. Any Payment will be made jointly to You and Your mortgagee. However, We may ask that Your mortgagee join in the release. A mortgagee and any subsequent Homeowner shall be completely bound by any release executed by You.

- f. If We repair or replace a defective item, or pay You the reasonable cost of the repair or replacement of any defective item covered by this Agreement, We will be subrogated to all of your rights of recovery therefor against any person or entity. You agree to execute and deliver any papers and to take any actions necessary to secure such rights, including, but not limited to, assignment of the proceeds of any other insurance or warranties to Us. You shall do nothing to prejudice such rights of subrogation.
- g. If a claim under this Agreement involves a common element affecting multiple units, and all affected units are not warranted by this Riverway Home Warranty Program, SHW's liability will be limited to only those units insured by SHW. SHW's limit of liability will be prorated based upon tire number of units insured by SHW.

3. SHW'S RESPONSIBILITY

In the ten-year term, if We do not fulfill its obligations under this Agreement, SHW will be responsible for Your Builder's obligations.

4. HOW TO MAKE A WARRANTY CLAIM; DISPUTE SETTLEMENT

- **PLEASE REFER TO "HOW TO MAKE A WARRANTY CLAIM" ATTACHED AS ADDENDUM E6 FOR A SUMMARY OF THIS SECTION.**

a. NOTICE TO BUILDER OF WARRANTED ITEM

If you have a problem that you believe is covered by this Agreement; you should contact Riverway Builders. The Builder office address is at the beginning of this warranty. Even if You report a problem orally, You must also give written notice. When submitting written notice to the Builder, clearly describe the problem. Use the form entitled "Warranty Request Form" in the back of this booklet. You must notify Your Builder in writing prior to the expiration of the applicable warranty period.

b. INITIAL INSPECTION PERIOD

We will investigate, inspect and report to You within 30 days of receipt of a request for warranty service. If We agree that the item is covered by the warranty, We will advise You whether We will repair, replace or pay the reasonable cost of repairing or replacing the defective item. We will have 60 days to complete repairs or replacement or to pay You. The time may be extended to allow for seasonal inability to complete work.

c. MEDIATION

After We complete repairs or replacement, if You believe that Our repair work is unsatisfactory, You will have 30 days to file a written request for mediation with Your Builder. Use the form entitled "Request for Mediation" in the back of this booklet. In no event may You request mediation later than 120 days after Your initial written notice was given to Us or prior to the expiration of the applicable warranty period, whichever is later.

You may also request mediation if You have a problem that you believe is covered by this Agreement and Our office advises You that it does not believe We have any obligation to You.

Your written request should be given to Riverway Builders as Claims Administrator at 1027 Yale, Houston, TX 77008. The notice should describe each defect in reasonable detail and should be forwarded by Certified Mail, Return Receipt Requested. Written notice may include any item which is unresolved between You and Our office.

During the first 30 days following the Claims Administrator's receipt of a proper request for mediation, the Claims Administrator will review and mediate the claim by communicating with You and any other individuals or entities whom the Claims Administrator believes possess relevant information. The Claims Administrator may engage an independent claims adjuster to assist in the mediation process as the Claims Administrator deems necessary.

The Claims Administrator may refer the claim to an independent mediation/arbitration association such as the American Arbitration Association (AAA) or the National Academy of Conciliators (NAC) to mediate the claim. The parties will share the cost of the independent mediator. If the Claims Administrator believes that You and Your Builder are at an impasse, then the Claims Administrator will notify You that Your claim is an "unresolved dispute." If no resolution is achieved within thirty (30) days following the Claims Administrator's receipt of a proper request for mediation, or such longer period of time as the parties may agree, then the Claims Administrator will notify the parties that the claim is an "unresolved dispute."

The Claims Administrator, at any time following the receipt of proper notice of Your claim, may schedule an inspection of the defect. You must provide the Claims Administrator reasonable access for any such inspection as discussed in sub-paragraph (i.) below.

d. COOPERATION

You and the Builder have an obligation to cooperate with the Claim Administrator's inspection and investigation of Your claim. From time to time, the Claims Administrator may request information from You or the Builder regarding Your claim. If You fail to respond to a request for information within 30 days of the request, Your claim file will be closed. If Your Builder fails to respond to a request for information within 30 days of the request, Your claim will be deemed an "unresolved dispute."

e. **BINDING ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT**

Any "unresolved dispute" that You may have with Us shall be submitted to binding arbitration governed by the procedures of the Federal Arbitration Act, 9 U.S.C, 1 et. seq. Copies of this Act are available from the Claims Administrator. You commence the arbitration process by giving the Claims Administrator written notice of Your demand for Arbitration of an unresolved dispute on the form entitled "Request for Arbitration" in the back of this booklet. The dispute will be submitted to AAA.

NAC or any other independent arbitration service that is agreeable to the Claims Administrator, Your Builder and You within twenty (20) days after the Claims Administrator's receipt of Your Request for Arbitration. The person selected from the arbitration service is called the Arbitrator. If You submit a Request for Arbitration, You must pay the Arbitrator's filing fee prior to the matter being referred to the Arbitrator except in any state or municipal jurisdiction that provides that no portion of the fees shall be payable by the Homeowner. The Arbitration will be conducted in accordance with the Arbitrator's rules and regulations relating to home warranties to the extent that they are not in conflict with the Federal Arbitration Act or this Agreement.

f. **UNRESOLVED DISPUTE**

The term "unresolved dispute" means all claims, demands, disputes, controversies, and differences that may arise between You and The Builder, including without limitation, disputes: (1) as to events, representations, or omissions which pre-date this Agreement; (2) arising out of this Agreement or other action performed or to be performed by Your Builder pursuant to this Agreement; (3) as to repairs or warranty claims arising during the term of this Agreement; or (4) as to repairs or replacements made or the reasonableness of costs offered for any defect covered by this Agreement which have not been resolved during the mediation period

g. **EFFECT OF ARBITRATOR'S DECISION**

Either party may, within one year after an arbitration award, apply to the U.S. District Court in which the Home is situated, to confirm the award. Filing a written Request for Arbitration will toll the running of any applicable statute of limitations for the matter to be arbitrated. The Arbitrator will have the authority to award costs, including reasonable attorneys' fees and expert fees, to the substantially prevailing party in such arbitration. THE DECISION OF THE ARBITRATOR SHALL BE FINAL AND BINDING UPON ALL PARTIES EXCEPT AS PROVIDED IN SECTION G OF THE HUD/VA ADDENDUM.

h. **COMPLIANCE**

We will have 60 days after the Arbitrator's decision to comply with the Arbitrator's decision, subject to any seasonal repairs or items that would reasonably take more than 60 days to complete. We will complete such repairs or replacement with diligence but without the necessity of incurring overtime or weekend expenses.

i. RIGHT OF ACCESS

You must provide reasonable weekday access during normal business hours in order for Us to perform Our obligations. If You fail to provide such access to Us, it may relieve Us of Our obligations under this Agreement.

5. TIMING OF ARBITRATION ACTIONS

If You institute arbitration proceedings or litigation against Us or SHW for any obligation arising or claimed to have arisen under this Agreement before giving the proper notices and opportunities to cure warranty defects or before finishing the mediation process, as provided under this Agreement, You agree to indemnify Us and SHW, as appropriate, for all costs and expenses of such arbitration, including reasonable attorneys' fees, regardless of whether You have an otherwise legitimate claim under this Agreement.

6. GENERAL TERMS AND CONDITIONS AFFECTING THIS AGREEMENT

The following terms and conditions of general applicability will govern the interpretation and operation of this Agreement:

- a. Your Builder will assign to You all manufacturers' warranties on products included in the sales price of Your Home.
- b. All notices required under this Agreement must be in writing and sent by certified mail postage prepaid, to:
 1. If to the Homeowner -- the address of the Home
 2. If to The Builder -- to the office of the Builder. The address of the office of the Builder is on the cover letter to this warranty document
 3. If to StrucSure Home Warranty
Attn: Warranty Service Division
6825 East Tennessee Avenue, Suite 410
Denver, CO 80224
Telephone No. 1.877.806.8777
- c. Should any provision of this Agreement be determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
- d This Agreement is binding on the Builder and the Homeowner and their respective heirs, executors, administrators, successors and assigns. Subsequent purchasers of the Home after the original Homeowner should notify the Builder in writing of transfer of title. Failure to notify the Builder will not affect the warranty, however. The protection provided under the Limited Warranty Program automatically transfers to subsequent purchasers for the ten-year term of this Agreement.

- e. This Agreement shall be interpreted and enforced in accordance with the laws of the state in which the Home is located.
- f. This Agreement cannot be modified, altered or amended in any way except by a written instrument signed by all of the parties hereto.
- g. If performance by the Builder of its obligations under this Agreement is delayed by an event not resulting from its own conduct, Builder's performance will be excused until the delaying effects of the event are remedied. Such events include acts of God or the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by the Homeowner or any other person, not a party to this Agreement.
- h. If SHW is required to fulfill any of the Builder's obligations under this Agreement, the rights of the Builder are assigned to SHW.

SECTION C. PERFORMANCE STANDARDS

1. PURPOSE OF THE STANDARDS

This section describes the standards by which We will determine whether Your Home has a problem that is covered by this Agreement and whether Your Builder has an obligation to correct the problem. Your Home is constructed in accordance with specifications that equal or exceed the requirements of applicable building codes in effect at the time of construction. If specific standards and obligations are not set forth in this Section C, then the applicable building code in effect at the time of construction of the Home will be used to determine whether Your Builder has an obligation to correct the problem, If neither the standards, nor the building code addresses the issue, then the manufacturer's recommended installation procedures shall govern. If none of the previous is applicable, the standard shall be the accepted industry practice for workmanship and materials.

2. HOMEOWNER'S RESPONSIBILITY

This warranty coverage is conditioned upon Your proper maintenance of the Home and Your maintenance of the surrounding property to prevent damage. Your Homeowner's Manual gives You detailed instructions on how to maintain Your Home. Wherever You see an *, please refer to details in the Homeowner's Manual.

3. PERFORMANCE STANDARDS RELATING TO SPECIFIC PROBLEMS YEAR ONE ONLY

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOMEOWNER'S OBLIGATIONS</u>
	a. MASONRY AND CONCRETE	COVERAGE YEAR ONE ONLY
1. Cracks in Concrete Foundation Wall	Shrinkage or settlement cracks are common and should be expected within certain tolerances.	We will repair any cracks greater than 1/8 inch in width; We will not correct color variations.
2. Cracks in block or veneer walls	Settlement cracks are not unusual and can be expected within certain tolerances.	We will repair any cracks greater than 1/4 inch in width; We will not correct color variations.
3. Cracks in concrete floor slab	Shrinkage (hairline) cracks are common and should be expected within certain tolerances.	We will repair any cracks greater than 1/4 inch in width or vertical displacement in conditioned space. We will not correct color variations.
4. Vertical or horizontal movement of concrete floor slabs at joints	Concrete floor slabs are engineered to move at expansion joints and control joints.	None.
5. Uneven concrete floors in rooms designed for living	Slopes purposefully created for drainage are not cover.	We will correct any unevenness that exceeds 1/4 inch in a 32-inch measurement.

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS**

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|--|---|---|
| 6. Cracks in concrete floors in rooms designed for living | Cracks should not cause finished floor coverings to rupture. | We will correct the problem so that the repair is not noticeable, except for color matching of flooring materials. |
| 7. Powdering, scaling or pitting of interior concrete (aggregate showing or loose) | Interior concrete surfaces should not disintegrate. Minor scaling is not controllable. Exterior surfaces are not warranted. | We will repair if the deterioration occurs under normal use and conditions. Normal conditions do not include the presence or use of salt or other chemicals.
*See Your Homeowner's Manual for preventive maintenance. |
| 8. Vertical or horizontal separation of stoops away from the house or driveways or sidewalks from adjoining slab or apron due to settling or heaving (exclusive of expansion joints) | Minor separation is normal | We will correct any crack that exceeds 1/4 inch in width or 1/4 inch in vertical displacement. |
| 9. Cracks in exterior concrete (porches, steps, stoops, driveways, patios and sidewalks) | | We will repair separation of adjoining assemblies that exceed 1 inch. |

b. LOT GRADING AND DRAINAGE

COVERAGE YEAR ONE ONLY

- | | | |
|--|--|---|
| 1. Ground settles around foundation, utility trenches, or other filled areas | Ground settlement should not disrupt water drainage away from the house. You can expect some settlement around the foundation at utility trenches and other filled areas. | If We have provided final grading, upon Your request, We will fill settled areas affecting proper drainage in excess of 6 inches, one time only on during the warranty period. You are responsible for the removal and replacement of landscaping. |
| 2. Improper grades and swales that cause standing water and affect the drainage in an area that may affect the foundation. | After normal rainfall, water should not stand in yard for more than 24 hours nor 48 hours in swales. No decision regarding coverage will be made while frost or snow or saturation exists on the ground. | We will establish the proper grades and swales to eliminate excess standing water. * After closing, You must maintain proper grades and swales. |

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS
(Performance Standard)**

**c. FOUNDATION MOISTURE
AND LEAKS**

**COVERAGE ONE YEAR
ONLY**

1. Water leaks into basement

This should not happen.

We will connect actual flow and accumulation of water in the basement so long as it is not caused by improper landscaping maintenance or Homeowner neglect. *Note: Dampness on the basement wall or floor due to condensation of water vapors on cool walls and floor are not our responsibility.* * See Your Homeowner's Manual for details.

2. Ventilation of crawl spaces

We will correct to meet applicable building code at time of construction.

d. CARPENTRY (ROUGH-IN)

1. Walls that bulge, bow or are out-of-plumb

All interior and exterior framed walls have minor differences.

We will correct walls that bulge or bow in excess of ¼ inch within a 32-inch measurement (floor to ceiling or wall to wall) and walls that are out of plumb in excess of ¾ inch within a vertical measurement of eight feet.

2. Floor squeaks

We cannot assure a squeak-proof floor. Floor squeaks are often temporary and caused by lumber shrinkage or temperature changes.

We will correct if squeak results from a construction defect.

3. Uneven wood floors

Floors should be even within certain tolerances.

We will correct if high or low areas exceed ¼ inch within a 32-inch distance, measuring perpendicular to the high or low area or if floor slopes exceed 1/240 of the width or length within a room, measured in the direction of the slope.

ISSUE	COMMENTS	BUILDER'S AND HOMEOWNER'S OBLIGATIONS (Performance Standard)
e. ROOFING		
COVERAGE YEAR ONE ONLY		
1. Roof leaking	The roof should not leak. The area around flashing should not leak. However, leaks may occur if snow and ice are allowed to build up.	We will repair all roof and flashing leaks not caused by snow and ice buildup or other neglect by the Homeowner. We are not responsible for color variations. *Prevention of snow and ice buildup is Your responsibility.
2. Leaks in gutters and downspout leaders	Gutters and leaders should not leak. However, during heavy rains, overflow could occur.	We will repair leaks not caused by Your Neglect. * You are responsible for keeping the gutters and leaders open and free from debris.
3. Leakage of elements through attic louvers and vents, including ridge and soffit vents.	This is not a defect; vents and louvers must be provided for proper ventilation of attics.	Even if vents are properly installed, wind driven snow and rain may enter. We will install vents in accordance with manufacturer's installation requirements and applicable building codes.
f. SIDING		
COVERAGE YEAR ONE ONLY		
1. Exterior Trim	Siding, trim and masonry must be capable of excluding the elements.	We will correct any separation at joints, exterior trim, or between trim and surfaces of siding or masonry that exceeds ¼ inch.
2. Wall leaks	Walls may leak due to shrinkage of caulking.	We will re-caulk once all junctions and separations of affected wall surfaces to prevent further water leakage. *Caulking replacement is a Homeowner's maintenance item.
3. Exterior joint separation of siding, delamination of veneer siding or loose siding	Siding should not be loose or separate or delaminate unless You have failed to maintain properly. *See Your Homeowner's Manual for details.	We will correct if failure is due to installation not in accordance with manufacturer's recommendations and so long as the problem is not due to Your failure to maintain. We cannot assure exact color, style or texture match.

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNERS OBLIGATIONS**
(Performance Standard)

4.Paint or Stain Peels	Exterior paints and stains should not peel or deteriorate during the first year of warranty coverage. However, some fading is normal and is caused by weathering. Vanish and lacquer are not covered by this warranty.	We will correct if paint or stain peels we cannot assure exact color and texture match.
5.Mildew and fungus	Mildew and fungus on siding are caused by climactic conditions or nearby bodies of water, and are not covered by this warranty.	This is a Homeowner's maintenance Item.
6.Cracks in stucco wall finish	Cracks in stucco wall finishes are common and should be expected within certain tolerances.	We will repair once cracks in excess of 1/8 inch in width. We cannot assure exact color and texture match.

g.CHIMNEYS AND FIREPLACES COVERAGE YEAR ONE ONLY

1.Creosote or resin build up or creosote seepage through chimney	Creosote and resin buildup are not warranted.	None. * Chimney flues should be cleaned regularly.
2.Water infiltration into the firebox	Some water infiltration can be expected under certain weather conditions, such as during wind driven rains and snow. This is not covered by this warranty.	

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS.**

**(Performance Standard)
COVERAGE YEAR ONE
ONLY**

g. WINDOWS AND DOORS

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| 1. Doors warp | Some warping, cupping, bowing or twisting, especially of exterior doors, is normal and is caused by surface temperature and humidity changes. | We will repair or replace defective doors whose warp, bow, cup or twist exceeds 1/4 inch. We cannot assure an exact color match. |
| 2. Door panel shrinks | Expansion and contraction is normal and may cause unfinished surfaces to appear. This is not warranted. | None. |
| 3. Door panel splits | Light should not be visible through split. | We will correct a split panel if light is visible through the split. We cannot assure an exact color match. |
| 4. Glass breakage | This is not covered by your warranty. You should inspect your property and bring any glass breakage to Our attention prior to occupancy. | None. |
| 5. Garage door malfunctions | Following proper installation, maintenance is Your responsibility. | The warranty is voided if homeowner installs a garage door opener. We will correct if the malfunction is not due to improper maintenance. |
| 6. Rain or snow enters through garage door | Some entrance of the elements can be expected under certain weather conditions. | We will install the door to meet the manufacturer's specifications. We will correct if the problem is due to improper installation or manufacture. |
| 7. Windows do not operate | Reasonable pressure should open and close windows. | We will correct if windows do not properly operate. |
| 8. Drafts around windows and doors | | We will correct defective weather-stripping and improperly fitted windows and doors. * Adjustments to thresholds and caulking are considered routine maintenance and are your responsibility. |

ISSUE

COMMENTS

BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS
(Performance Standard)

- | | | |
|---|--|--|
| 9. Condensation and frost on windows | Condensation or frost on windows is caused by temperature differences between the interior and the exterior of the home, as well as the personal living habits of the occupants. These conditions are beyond Our control and are not covered by this warranty. | None. |
| 10. Water infiltration around doors and windows | No water should pass beyond the interior face of the unit or flow into the wall area or the room in wind speeds under 54 miles per hour. All caulking materials expand and contract due to temperature variations and dissimilar materials. | We will correct the situation. *Adjustment to weather-stripping is Your responsibility. |
| 11. Screen panels | The screen panels should fit properly. The function of screen panels is to defer insects from entering the Home; they are not safety grids for children. | We will correct improperly fitted screen panels. *Rips and gouges are Homeowner's responsibility. |

INTERIOR WALLS AND TRIM

COVERAGE YEAR ONE ONLY

- | | | |
|---|---|--|
| 1. Trim | Some separations at joints in moldings and between moldings and adjacent surfaces are normal and should be expected within certain tolerances. | We will correct separation of moldings and adjacent surfaces in excess of 1/4 inch; We will correct miter joint separations in excess of 1/8 inch. |
| 2. Wall or ceiling cracks | Hairline cracks and seam or tape cracks are normal and should be expected within certain tolerances. | We will repair cracks exceeding 1/8 inch in width once during the warranty period. It will be the homeowner's responsibility to repaint the affected area. |
| 3. Nail pops | Nail pops are to be expected, and are not covered by this warranty. Nail pops that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable. | We will correct nail pops one time only, it will be the homeowner's responsibility to repaint the affected area. |
| 4. Cracking of ceramic tile; grout joints | | We will replace cracked tiles. We will repair cracking of grout joints once. We cannot assure exact color match |

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS**

(Performance Standard)

5. Wallpaper or covering begins to peel

We will correct Builder-installed wallpaper that peels. We cannot assure exact color match

j.FLOORING AND COVERING

COVERAGE YEAR ONE ONLY

1. Separation between finished floor boards

We will correct separations in excess of 1/8 inch.

2. Nails popping through resilient flooring

We will repair nail pops that have broken through floor covering. We will repair or replace covering. We will match colors as closely as possible.

3. Imperfections causing ridges or depressions in resilient flooring

We will correct ridges or indentations exceeding 1/8 inch. We will match colors and patterns as closely as possible, but we are not responsible for discontinued patterns.

4. Floor covering becomes loose or bubbles

We will repair or replace the affected area. We will match colors as closely as possible.

5. Gaps in seams of resilient coverings

We will correct gaps and separations in seams in excess of 1/16 inch. We cannot assure an exact color match. *If You install the flooring and covering, sub-floor preparation is Your responsibility. If sub-floor repairs are to be made where You installed floor covering, the removal and replacement of the floor covering is Your responsibility.

6. Gaps in carpet seams

Gaps at seams should not be apparent. Observable seams in carpet are normal. Carpet should perform in accordance with manufacturer's specifications.

We will correct apparent gaps at seams.

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS**

(Performance Standard)

COVERAGE YEAR ONE ONLY

**k.CABINETS AND COUNTER
TOPS**

1. Counter and vanity tops

Cracks, chips and scratches not reported to Us prior to occupancy will not be covered by this warranty. Counter and vanity top material should not delaminate.

We will repair or replace delaminated counter and vanity tops.

2. Cabinet doors or drawers

Some warping, cupping, bowing or twisting is normal and caused by surface temperature and humidity changes. We will correct warpage in excess of 1/4 inch measured diagonally from corner to corner on the face of cabinet.

3. Cabinet separates from wall or ceiling

Some separation is common and could be experienced within certain tolerances.

We will correct separation in excess of 1/4 inch

I.COOLING AND HEATING

COVERAGE YEAR ONE ONLY

1. Insufficient heating

Hearing system should be capable of maintaining an inside temperature of 70 degrees F. as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in the ASHRAE Handbook: Fundamentals. Federal, state or local energy codes supersede ASHRAE standards where such codes have been locally adopted.

We will correct the heating system to provide the require temperatures.

Issue

COMMENTS

BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS
(Performance Standard)

2. Insufficient cooling

Where applicable, the cooling system should be able to maintain a temperature of 78 degrees (measured 5 feet above the center of the floor) under local outdoor summer ASHREA specifications. In the case of outdoor temperature exceeding 95 degrees Fahrenheit, a 15 degree difference is acceptable. Homeowner is responsible for minor adjustments such as balancing dampers and registers. Federal, state, and local agency codes shall supersede this standard where such codes have been adopted.

We will correct the cooling system to meet applicable codes at the time of construction.

3. Ductwork noisy

When metal ducts heat and cool, some noise will result. Very loud noise known as oil canning is not acceptable

We will correct the oil canning noise only.

m. PLUMBING

COVERAGE YEAR ONE ONLY

1. Pipes burst

* You are responsible for maintaining suitable temperatures in the Home to prevent pipes from freezing. Proper winterization, including draining water supply lines connected to outside faucets, is a Homeowner's maintenance item.

We will correct burst pipes if the problem is caused by defective workmanship, materials or design.

2. Leaks or malfunctions in plumbing fixtures, appliances and trim fittings.

We will correct leaks or malfunction in pipes, faucet valves, appliances and trim fittings caused by defects in materials or workmanship.

3. Noisy pipes

Expansion and contraction caused by water flow could cause some noise.

We will correct loud, hammering noises in pipes

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOMEOWNER'S OBLIGATIONS</u> (Performance Standard)
4. Cracks or chips in porcelain or fiberglass	You should inspect these items before taking occupancy and report them to Us prior to occupancy	We will be responsible for these items only if reported prior to occupancy

n. ELECTRICAL

COVERAGE YEAR ONE ONLY

1. Outlets, switches or fixtures fail		We will correct defective outlets, switches and fixtures.
2. Consistently blown fuses or circuit breakers kicking off	Ground-fault Circuit-interrupters (GFCI's) are designed to kick off as necessary for safety reasons. This is not considered a defect. We do not recommend plugging a refrigerator or freezer into GFCI outlets.	We will correct defects caused by improper workmanship and materials. We are not responsible if caused by the Homeowner overloading the system.

4. PERFORMANCE STANDARDS APPLICABLE TO SPECIFIC PROBLEMS THROUGH YEAR TWO

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOMEOWNER'S OBLIGATIONS</u> (Performance Standard)
a. COOLING AND HEATING		
COVERAGE THROUGH YEAR TWO		
1. Ductwork separates	Ductwork shall remain intact and secure.	We will re-attach and re-secure.
2. Refrigerant lines leak.	Refrigerant lines damaged by homeowner are not covered by this warranty.	We will repair the leaking lines and recharge the unit if due to faulty installation.
b. PLUMBING		
COVERAGE THROUGH YEAR TWO		
1. Water supply system fails.	On-site connections to water main or private water supply are Our responsibility.	We will connect if failure is the result of faulty workmanship or materials.
2. Sewage system fails to operate properly.	We will not be responsible for sewers, fixtures and drains, which are clogged through Homeowner negligence.	We will correct if failure is caused by inadequate design or faulty installation as determined by local code requirements in effect at the time of construction.

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS**
(Performance Standard)

3. Pipe leaks

Condensation on pipes is normal and is not covered by this warranty. Burst pipes due to freezing are Homeowner responsibility.

We will correct leaks within the pipe only. Leaks in faucets, valves, joints and fittings are the Homeowner's responsibility.

ELECTRICAL

**COVERAGE THROUGH
YEAR TWO**

1. Wiring fails carry specified load.

We will correct wiring not conforming to code specifications if caused by a defect in workmanship or materials.

5. STANDARDS APPLICABLE DURING YEARS ONE THROUGH TEN

ISSUE

COMMENTS

**BUILDER'S AND
HOMEOWNER'S
OBLIGATIONS**
(Performance Standard)

**MAJOR STRUCTURAL
DEFECT**

**COVERAGE YEARS ONE
THROUGH TEN**

Major structural Defects as set forth in Section B.1.(d) of this Limited Warranty and defined in Section A.11

We will correct a defective Major Structural Defect by taking such actions are necessary to restore the load-bearing capability of the Load-Bearing Component(s) and will correct any items of the Home damaged by the Major Structural Defect.

SECTION D. EXCLUSIONS

1. The following *are not covered* under this Agreement:
2. Any claim reported after an unreasonable delay or not reported as required by this Agreement.
3. Any loss or defect that arises while the Home is used primarily for nonresidential purposes.
4. Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil which is covered by any other insurance or for which compensation is granted by legislation.
5. Normal wear and tear or normal deterioration.
6. Any deficiencies in or damage in or caused by material or work supplied by anyone other than the Builder or its employees, agents, or subcontractors.
7. Damages or losses not caused by a defect in construction of the Home by the Builder or its employees, agents, or subcontractors, but resulting instead from acts or omissions of the Home Owner, his agents, employees, licensees, invitees; accidents; riots; civil commotion; nuclear hazards; acts of God or nature; fire; explosion; blasting; smoke; water escape; windstorms; hail; lightning; falling trees; aircraft; vehicles; flood; mud slides; sinkholes; faults; crevices; earthquake including land shock waves or tremors before, during or after a volcanic eruption; insects, birds, vermin, rodents, or wild or domestic animals.
8. LOSS OR DAMAGE RESULTING FROM HOMEOWNER'S FAILURE TO PERFORM ROUTINE MAINTENANCE.
9. Loss or damage resulting from or made worse by the Homeowner's failure to minimize or prevent such loss or damage in a timely manner, such as, for example, failure to notify the Builder within a reasonable amount of time.
10. Loss or damage to real property, such as land, which is not part of the Home and which may or may not have been included in the original sales price.
11. Loss or damage resulting from, or made worse by, changes in the grading of the property surrounding the Home by anyone except the Builder or its employees, agents or subcontractors, or changes in the grading or drainage resulting from erosion or subsidence.
12. Loss or damage resulting from, or made worse by, modifications or additions to the Home, or property under or around the Home, made after the Effective Date (other than changes made in order to meet the obligations of this Agreement).
13. Loss or damage resulting from, or made worse by, dampness, condensation or heat build-up caused by the failure of the Homeowner to maintain proper ventilation.

14. Any defect, damage, or loss caused or made worse by failure by anyone other than the Builder or its agents, employees, or subcontractors to comply with the manufacturers' warranty requirements concerning appliances, fixtures or items of equipment.
15. Loss or damage resulting from, or made worse by, neglect, abnormal use, negligent or improper maintenance or operation of the Home and its systems by anyone other than the Builder or its employees, agents, or subcontractors.
16. Loss or damage resulting from, contributed to or aggravated by a condition not resulting in actual physical damage to the Home. This includes uninhabitability or health risk due to the presence or consequences of such things as insects, radon, formaldehyde, mold, other potentially carcinogenic substances, or other pollutants; contaminants; or hazardous or toxic materials.
17. Loss or damage caused directly or indirectly by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains originating off the property, changes in the water table which were not reasonably foreseeable, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure) wetlands, springs or aquifers.
18. Any loss or damage resulting from loading on floors which exceeds design load, such as a waterbed or any other furnishings excessive in weight for which the Home was not designed.
19. Any defect that does not result in actual physical damage or loss to the Home, such as items that are purely cosmetic.
20. Consequential damages, including but not limited to, (a) costs of shelter, transportation, food, moving and storage, or (b) other incidental expenses related to relocation during repairs.
21. Violations of applicable building codes or ordinances that do not result in a defect otherwise covered under this warranty.
22. After the first year of the warranty, loss or damage occurring in concrete floors of basements and attached garages and chimneys that are constructed separate from foundation walls or other structural elements of the Home.
23. Loss or damage to off-site improvements.
24. Failure of the Builder to complete construction of the Home or any part of the Home before the Effective Date or damages arising from such failure.

SECTION E. ADDENDA AND APPENDIX

E.1 HUDNA ADDENDUM (APPLICABLE TO FHA/VA Financed Homes Only)

A. The following language is substituted: SECTION A.3. Effective Date. The Effective Date will be the date on which closing of settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date be later than the date of FHA endorsement of the first Homeowner's Mortgage on the Home.

B. In SECTION A.10(i) (Loading-Bearing) "roof framing members" shall include roof sheathing and "floor framing members" shall include basement slabs in homes constructed in the State of Texas on expansive or collapsible soils; and in SECTION A.10 (vi) examples of Non-Load-Bearing Components shall include roof sheathing.

C. SECTION B.1.b. Coverage During Year One. The following language is added: Notwithstanding anything to the contrary herein contained, during the first year of coverage, the Builder will correct problems with, or restore the reliable function of, appliances and equipment damaged during installation or improperly installed by the Builder.

D. SECTION B.1.d. Coverage During Years One Through Ten. We warrant for a period of ten years that Your Home is protected against loss resulting from Major Structural Defects (as defined in Section A of this Agreement), except that coverage for defects in basement slabs built on expansive or collapsible soils in Texas shall be covered from the first through fourth years only.

E. The following is added to SECTION B.3.e.: Where a covered defect is determined to exist and where either the Builder or SHW elects to pay the reasonable cost of repair or replacement in lieu of effectuating such repair or replacement, the cash offer must be in writing and the Homeowner will be given ten (10) business days to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD-approved fee inspector (inspection costs to be paid by the Builder or SHW, as appropriate) unless:

- (i) The cash offer is made pursuant to a binding bid by an independent third-party contractor, which will accept an award of a contract from the Homeowner pursuant to such bid;
- (ii) Payment is being made in settlement of legal action; or
- (iii) The Homeowner is represented by legal counsel.

When the Builder elects to pay the reasonable cost of repair in lieu of effectuating a repair or replacement, the payment will be made jointly to the Homeowner and the mortgagee. Endorsement of the check by the mortgagee will signify its acceptance of the settlement offer.

F. The following sentence is substituted for the 4th sentence in the 3rd paragraph of SECTION B.5.c: The Builder shall pay the cost of the mediation.

G. THE FOLLOWING LANGUAGE IS SUBSTITUTED FOR THE FIRST SENTENCE OF SECTION B.5.E.: ANY "UNRESOLVED DISPUTE" (DEFINED BELOW) THAT YOU MAY HAVE WITH THE BUILDER YOU MAY SUBMIT TO BINDING ARBITRATION GOVERNED

BY THE PROCEDURES OF THE FEDERAL ARBITRATION ACT, 9 U.S.C. I ET. SEQ. OR YOU MAY FILE SUIT IN A COURT OF PROPER JURISDICTION.

H. Notwithstanding anything otherwise contained in the warranty document, repair of a Major Structural Defect is limited to (1) repair of damage to designated load bearing portions of the Home which is necessary to restore their load-bearing ability; (2) repair of those Non-Load-Bearing Components damaged by the Major Structural Defect (MSD), which make the Home unsafe, unsanitary or otherwise unlivable; and (3) repair and cosmetic construction of only those surfaces, finishes and coverings, original to the Home, damaged by the MSD or which require removal and replacement (a) attendant to repair of the MSD or (b) in order to repair other damage directly attributable to the MSD.

I. SECTION C.3.b.i. The Year One Coverage is as follows: We will fill settled areas affecting proper drainage. You are responsible for the removal and replacement of landscaping.

E.2 HOW TO MAKE A WARRANTY CLAIM

- A. Contact the Builder office if you have a claim that You think is covered by the Warranty.

If you call, also send a written claim. (Use the Warranty Request Form in your Warranty Booklet)

Notice must be made prior to the warranty period expires

- B. The Builder's office has 30 days to investigate the claim.

Builder will notify you in 30 days if Builder will (a) repair, (b) replace, (c) pay the cost of repair/replacement or (d) do nothing because the item is not covered by the warranty.

- C. If Builder agrees to repair, replace or pay, Builder has 60 days after notice to you to do so.

- D. If you think the resolution is unsatisfactory, send a Request for Mediation to Riverway Builders on the form provided in your Warranty Booklet.

- E. Builder will attempt to mediate the claim with the Homeowners; if it is unsuccessful, Builder will refer the claim to an independent arbitration association such as the American Arbitration Association (AAA) or the National Academy of Conciliators (NAC) or another mutually agreeable independent entity (the "Mediator") for mediation.

The cost of any independent Mediator will be borne equally by the parties.

- F. The Mediator will determine within 30 days whether the dispute is unresolvable. If the dispute is unresolvable, Builder will notify You and either party may then submit a Request for Arbitration (or for FHA insured mortgages: You may submit the issue to the local HUD field office for resolution) on the form entitled "Request for Arbitration" provided in the warranty booklet.

Within 20 days after receiving a Request for Arbitration, Builder will refer the matter to an independent arbitration association such as AAA or NAC for arbitration.

The requesting party will pay the Arbitrator's fee initially, but the arbitrator has the authority to award costs and reasonable attorney and expert fees to the prevailing party.

- G. The Arbitrator's ruling will be final and unappealable (except for FHA insured mortgages, which You may appeal to the local HUD office within 30 days of the arbitrator's decision).

- H. The Builder will have 60 days after the arbitrator's or HUD's decision (as the case may be) to comply with the decision (subject to any seasonal items that would reasonably take more than 60 days to complete).

E.3 ACTIVE SOILS ADDENDUM

Homeowner Maintenance Responsibilities for Homes Constructed on Active Soils

Soils having a high clay content can expand and contract when variations occur in the moisture content of the soils. Where seasonal moisture changes in the sub-surface soils are common, it is the Homeowner(s) responsibility to provide proper ongoing maintenance. Although foundations are specifically designed for soil conditions in each area, conditions may be encountered that were not revealed by sub-surface exploration and testing.

Improper Homeowner maintenance can adversely affect the performance and structural integrity of any foundation constructed on active soils and void the warranty coverage. These post-construction practices are beyond the control of the design engineer and the builder.

To minimize the probability of movement and displacement in the foundation caused by moisture content variations, You must follow post-construction maintenance requirements. Your failure to do so will void the warranty coverage provided by this Warranty.

1. The final grade that has been established by the builder meets the warranty requirements. You are responsible for maintaining such grades. You should maintain the grade around the foundation in such a manner that surface drainage is away from the foundation. You should not permit water to pond or become trapped in localized areas against the foundation as this can cause variations in moisture content that can damage the foundation.
2. Watering should be done in a uniform systematic manner as equally as possible on all sides of the foundation to keep the soil moist, NOT SATURATED. Areas of soil that do not have ground cover may require more moisture as they are more susceptible to evaporation, causing a moisture content imbalance.
3. During extreme hot and dry periods, close observations should be made around the foundation to insure adequate watering is being provided, preventing soil from separating or pulling back from the foundation.
4. Gutters and downspouts shall be maintained to prevent injection of moisture into the soil from roof run-off in localized areas. Keep downspout extensions in place.
5. Trees planted in close proximity to the foundation can damage the structural integrity of the foundation because they can develop a root system which can penetrate beneath the foundation and draw moisture from the soil. Areas around trees will require more water in periods of extreme drought. If You plant a tree closer to the foundation than 1 ½ times the anticipated tree foliage diameter at maturity, warranty coverage can be affected. Precautionary measures such as the installation of a root shield or root injection system should be taken to maintain moisture equilibrium.
6. Placing flower gardens and beds or shrubs next to the foundation and watering these areas heavily will generally result in a net increase of the soil moisture content in that localized area. This may result in soil expansion in that localized area of the foundation.
7. You must maintain balanced soil moisture content around the perimeter of the foundation.

**RIVERWAY BUILDERS, LLC
DBA RIVERWAY HOMES
1027 Yale
Houston, TX 77008**

WARRANTY REQUEST FORM

Please read the Riverway Builders LLC Warranty documents for filling instructions and pertinent information

HOME BUYER'S NAME _____

ADDRESS _____

HOME PHONE _____ BUSINESS PHONE _____

BUILDER'S NAME _____

BUILDER'S ADDRESS _____

PHONE NUMBER _____

EFFECTIVE DATE OF WARRANTY: ____/____/____
MM DD YY

(DATE OF CLOSING OR SETTLEMENT)

NATURE OF DEFECT (BE SPECIFIC; IF AVAILABLE, ENCLOSE PHOTOGRAPHS)

DATE DEFECT FIRST OBSERVED ____/____/____
MM DD YY

This form is to be filled out and sent to the builder.

Home buyer(s) signature Date

**RIVERWAY BUILDERS, LLC
DBA RIVERWAY HOMES
1027 Yale
Houston, TX 77008**

REQUEST FOR MEDIATION

Please read the Riverway Builders LLC Warranty documents for filling instructions and pertinent information

If you believe your Builder's performance of its warranty obligations is unsatisfactory, then this completed form directly to Riverway Builders, LLC, with a copy of the Application for Home Enrollment and copies of all relevant correspondence between the Builder and Homebuyer(s) involving this matter, including any past conciliation or arbitration proceedings. Please provide any correspondence that indicates that this builder has failed to perform its warranty obligations, if applicable.

HOME BUYER'S NAME _____

ADDRESS _____

HOME PHONE _____ **BUSINESS PHONE** _____

BUILDER'S NAME _____

ADDRESS _____

PHONE NUMBER _____

EFFECTIVE DATE OF WARRANTY: ____/____/____
MM DD YY

(DATE OF CLOSING OR SETTLEMENT)

NATURE OF DEFECT (BE SPECIFIC; IF AVAILABLE, ENCLOSE PHOTOGRAPHS)

DATE DEFECT FIRST OBSERVED ____/____/____ **DATE FIRST REPORTED TO BUILDER** ____/____/____
MM DD YY MM DD YY

This form is to be filled out and sent to the builder.

Home buyer(s) signature **Date**

**RIVERWAY BUILDERS, LLC
DBA RIVERWAY HOMES
1027 Yale
Houston, TX 77008**

REQUEST FOR ARBITRATION

Please read the Riverway Builders LLC Warranty documents for filling instructions and pertinent information

If you believe your Builder's performance of its warranty obligations is unsatisfactory, and you have been notified by Builder that your claim is an unresolved dispute and your wish to pursue the claim further, then send this completed form directly to Riverway Builders, LLC, with a copy of the Application for Home Enrollment and copies of all relevant correspondence between the Builder and Homebuyer(s) involving this matter, including any past conciliation or arbitration proceedings. Please provide any correspondence that indicates that this builder has failed to perform its warranty obligations, If applicable.

HOME BUYER'S NAME _____

ADDRESS _____

HOME PHONE _____ **BUSINESS PHONE** _____

BUILDER'S NAME _____

ADDRESS _____

PHONE NUMBER _____

EFFECTIVE DATE OF WARRANTY: ____/____/____
MM DD YY

(DATE OF CLOSING OR SETTLEMENT)

NATURE OF DEFECT (BE SPECIFIC; IF AVAILABLE, ENCLOSE PHOTOGRAPHS)

DATE DEFECT FIRST OBSERVED ____/____/____ **DATE FIRST REPORTED TO BUILDER** ____/____/____

MM DD YY

MM DD YY

This form is to be filled out and sent to the builder.

Home buyer(s) signature **Date**

RIVERWAY HOME OWNER'S MANUAL

GLOSSARY

A

Aerator: A small, removable extension at the tip of a sink faucet, with air ports and screen that mix streaming water with air to reduce splashing and conserve water.

Air Gap: A safety device on kitchen sinks that prevents contaminated sink water from being drained back into the dishwasher.

Air Hammer: A banging noise in plumbing pipes caused by air infiltration. Alkali: A soluble mineral salt or mixture of salts capable of neutralizing acids. Areaway Drain: A drain system for the basement door that is below grade.

Asphalt: A bituminous substance used to pave driveways and parking areas.

Asphalt Sealer: Typically a petroleum-based substance used to seal and protect asphalt surfaces from water penetration.

B

Ball Cock: A device in flush toilets consisting of a valve connected by a lever with floating ball. The valve shuts when the ball is raised and opens when the ball is lowered.

Baseboard: A decorative and protective wood molding positioned where the wall meets the floor.

Bleeder Nut: A nut located on the underside of the interior shut-off valve that unscrews to drain water from exterior faucets for winterizing.

Bulkhead: In the kitchen, a section of the ceiling that is lowered to meet and support the cabinets.

C

Circuit Breaker: A switching device located in the main electrical panel that opens and closes electrical circuits. Circuit breakers automatically shut off electricity to the circuit should it become overloaded. Once the electrical load is reduced, the breaker switch can be turned back on to resume normal service.

Collar Beams: A horizontal brace in the roof system that braces opposing rafters. Concrete Dusting: A fine dust that accumulates on finished concrete surfaces.

Condensation: The appearance of moisture that occurs when warm, moist air comes into contact with a colder surface.

Condenser: An exterior unit that is part of the air conditioning system which expels heat into the outside air.

Corner Bead: An angled, metal edging used to protect and form an edge where drywall panels meet at outside edges.

D

Damper: An adjustable valve in the duct work of the heating system that can be opened or closed to control the flow of air-conditioned or heated air throughout the home. Also, a device in a fireplace or gas heater that controls the air draft up the chimney.

Dehumidifier: An electrical appliance that removes humidity from the air. Particularly useful in basement areas during summer.

Delamination: The separation of the top plies or laminate from the base to which they are attached. In vanity and kitchen countertops, the warping or detachment of laminate material from the wood substrate.

Dethatching: The loosening and/or removal of matted grass and leaves from existing lawns, which allows the grass to breathe and therefore promotes healthy growth.

Drywall: Also known as gypsum board or sheetrock, these large sheets are attached to the wall studs and ceiling framing to construct the walls and ceilings of the home

E

Efflorescence: A white, powdery substance that can form on new block, brick, or stucco finishes. It is composed of water-soluble salts that are present in masonry materials and that rise to the surface via water evaporation.

F

Face Frame: The front of kitchen and bathroom cabinets to which the hinged doors attach.

Face Nailing: Nailing through a finished exposed surface so that the flat top of the nail head is still visible after nailing.

Fascia: The exterior horizontal trim around rafters. Also positioned directly behind gutters and over gable trim boards. Can be either aluminum or wood-covered.

Fillers: wood putty used in preparation for painting to fill holes or cracks in wood.

Filler Board: Cabinet-grade wood used to fill gaps that occur between cabinets and wall openings.

Flashing: Flat sheet metal inserted under roof shingles at overhangs and vent pipes and above windows and doors frames to keep rain water from penetrating the house structure.

Flue: A vertical duct, constructed of sheet metal or clay, that channels smoke or gas fumes from a fireplace or gas furnace out of the home.

G

Gabled Louvers: A vent with louvers located at the peak of gable ends.

Graphite Lubricant: finely powdered graphite used as a lubricant.

Ground Fault Circuit Interrupter (GFCI): A specialized electrical device that will interrupt electrical power where a weak electrical loss of ground occurs. Normally installed in areas where water may be present.

Grout: A plaster-like mortar compound used to fill spaces between ceramic tiles.

H, J, K

Header: A wood member that spans open spaces in walls, over doors and windows, and provides support to structural members above it.

Honeycomb: In concrete, an open cell-like surface texture that occurs while pouring the concrete.

Hosebib: The exterior faucet connection for lawn and garden hoses.

Joint Compound: A plaster-like compound used to finish drywall seams and cover fastener heads.

Joists: The horizontal support members used to construct floors and ceilings. Keeper Plate: The metal plate that keeps a door lock latch firmly in place.

L, M, N

Lockset: A door lock or combination of lock and deadbolt.

Masonry Wall Ties: The metal pieces that tie masonry veneer to the frame of the home. Also, when pouring concrete, the metal pieces that hold the concrete foundation wall forms in place until the concrete cures.

Mastic: A water-resistant construction adhesive used predominantly for installation of ceramic and resilient tiles.

Moldings: Decorative wood finishes used around doors and windows. Also used for base, tile, and exterior area moldings, and as chair rails.

Nail Pops: A nail that comes loose from a stud and pushes joint compound up. Caused by normal wood shrinkage and home settlement.

O, P, Q

Parging: A water-resisting, exterior coating used to protect block foundations from water penetration.

Pointing: The filling and finishing of brick mortar and stone cement masonry joints.

Ponding: The collection of water on driveways, walkways, or lawns. Ponding for excessive periods of time is indicative of grading problems.

R

Resilient: Vinyl flooring used in areas such as kitchens, halls, bathrooms, and playrooms.

Ridge Vent: An open vent system located along roof peaks which, in conjunction with soffit vents, creates a natural-air ventilation.

S

Scaling: In concrete, the breaking away of the top surface of the concrete, caused by a freeze- thaw cycle. In painting, the flaking or peeling away of paint.

Silicone: A synthetic lubricating compound with high resistance to temperature change and water. When added to caulking, it extends elasticity properties and increases the life of the caulking.

Sill Plates: A support member laid on the top of the foundation wall that serves as a base for the wall framing.

Soffit: A vent located under the ceiling of a roof overhang.

Spackle: See joint compound.

Spalling: Flaking or chipping of stone or other masonry material. Similar to scaling, but the chips and flakes are larger.

Sparker Unit: Eliminates pilot light in gas stoves and furnaces.

Subflooring: Wood sheet flooring directly over the joists that supports the underlayment or floor covering.

Sump Pump: A motorized pump that expels excessive water accumulation that gathers under the home foundation.

Surface Capping: The addition of another layer of similar material over the top of the existing material. Usually 1/4 inch in depth or thicker.

Swale: The soil contour on a building lot deliberately shaped to channel rain water away from the home.

T

Tack Strips: A wood strip with exposed tack points that is attached to subflooring and holds stretched wall-to-wall carpet in position.

Thermocouple: A safety device for gas-powered equipment that will not allow the unit to be turned on unless the pilot light is burning.

Tie Wall: Large timbers, usually assembled into a wall, often backfilled with soil.

Trusses: Engineered wood structural members used to construct floors and roofs.

Turnaround: An additional section of driveway where cars can be turned around.

U, V

Underlayment: A flooring layer over the base subflooring over which tile or resilient floor covering is laid.

Vacuum Breaker: Also called a back-flow preventer, this device is placed on exterior faucets to allow water to only flow out of the home.

Valve Seat: An interior part of the faucet valve assembly where the valve rests.

Vitreous China: Highly impervious, glass-like china often used to finish sinks, showers, toilets, and tubs.

W

Washers: A round, rigid rubber or plastic disc used as a sealing device in water faucet valves.

Washing Soda: Used for heavy cleaning of surfaces and to help prevent accumulation of materials in drain traps.

Washouts: An area where water has produced soil erosion.

Weather-stripping: A weather-insulating strip of material placed around doors and windows to reduce water entry into the home. Also reduces air infiltration into the home or escape of conditioned air out of the home.

Window Balance: A counter balance device in window housing that assists with the opening and closing of a window, and then keeps the window in position