



We are pleased to advise you that Meritage Homes, a leading U.S. home builder, has expanded its business in the southern U.S. by acquiring certain assets of BK Residential Construction, LLC, dba Legendary Communities. As part of that transaction, Legendary has assigned its sale agreement with you to Meritage and Meritage will be completing the construction of your home and delivering it to you when it is completed.

Meritage is the ninth-largest public homebuilder in the United States, based on homes closed in 2013. Meritage builds and sells single-family homes for first-time, move-up, luxury and active adult buyers across the Western, Southern and Southeastern United States. As of June 30, 2014, the company had 175 actively selling communities in markets including Sacramento, San Francisco's East Bay, the Central Valley and Orange County, California; Houston, Dallas-Ft. Worth, Austin and San Antonio, Texas; Phoenix/Scottsdale, Green Valley and Tucson, Arizona; Denver and Fort Collins, Colorado; Orlando and Tampa, Florida; Raleigh and Charlotte, North Carolina; York County, South Carolina and Nashville, Tennessee. Meritage has designed and built more than 80,000 homes in its 28-year history, and has a reputation for its distinctive style, quality construction, and positive customer experience. We look forward to demonstrating to you why we have earned this stellar reputation. You can learn more about Meritage through our website at www.meritagehomes.com.

The warranty we will provide to you upon the closing of your new home is the same warranty we provide to all of our homebuyers in the state your home is located. You can find a copy of that warranty at www.meritagehomes.com/customer/warranty. The warranty provides easy instructions as to how to make any warranty claims you may have. Our sales associates are available to review our warranty with you prior to your closing.

Meritage takes great pride in its homes and in the satisfaction our customers enjoy and express with their homes, and we look forward to making you another satisfied Meritage customer.



Warranty Information

Questions about the warranty coverage and process? A handy reference can be found [here](#).

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I. Introduction

This introduction provides a general overview of the New Home Warranty & Protection Plan, (the “Warranty”) provided by the Meritage Homes entity from which the applicable Home was purchased (“Meritage”) to you (the “Homeowner”). Initially capitalized terms used and not otherwise defined herein have the meanings given such terms in the New Home Purchase Agreement pursuant to which the Home covered by the Warranty was purchased by the original owner (the “Contract”).

Home

In general, the Warranty is Meritage’s commitment to you, the Homeowner, that materials and workmanship are warranted for one year from the time of closing; mechanical systems such as heating, air-conditioning, electrical and plumbing are warranted for two years from closing; and structural elements of the Home are warranted for ten years from closing. Some appliances, equipment and other components included in the Home are not warranted by Meritage, but are covered by separate warranties provided by the manufacturer or supplier. Manufacturer and supplier warranties are assigned to the Homeowner by Meritage at the time of closing.

The Performance Standards, set forth in Section III, detail the standards that Meritage will apply in servicing your new Home under the Warranty and some of the responsibilities you have as the Homeowner with regard to the care, upkeep and preventative maintenance of your new Home. We ask that you take the time to read the Performance Standards to ensure you have a clear understanding of both our obligations to you and also your obligations regarding the care of your new Home. Please note that you are obligated to perform all maintenance obligations and schedules set forth in your “Homeowner’s Manual”, as well as all other commonly accepted maintenance practices. In the event of any inconsistency between the Warranty and the Performance Standards, the terms and conditions of the Warranty will govern and control.

Warranty Information

A. Your Home, Your Warranty and You

At Meritage, we view your Warranty in terms of what you, our customer, have a right to expect. Most of the materials used in the construction of your Home will last a long time if properly maintained, although none of them will last forever. You can prolong the life of your Home through regular maintenance appropriate for the types of materials used in your Home. It's our goal to provide information that will help you understand the care and maintenance that your Home needs, but the ultimate responsibility for taking proper care of your new Home is yours.

B. What You Can Expect from Your Home and Your Warranty

You, the Homeowner, can expect the following, in terms of the construction of your new Meritage Home:

- 1. FOUNDATION MOVEMENT** – Your Home has been built with a foundation engineered to withstand anticipated movement, based on known soil conditions in the area. Minor foundation movement is common and should be expected, but your foundation should not move to the extent that it causes major structural problems during the Warranty period.
- 2. CONCRETE SURFACES** – The concrete surfaces in your Home should fulfill the functions for which they were intended without excessive settlement, cracking or secondary damage.
- 3. STRUCTURAL INTEGRITY** – Because Homes are constructed by man using a variety of materials, certain tolerances are necessary. Unacceptable tolerances are defined in the detailed Performance Standards set forth in Section III below.
- 4. INTRUSION OF THE ELEMENTS** – Your Home should be free of leaks. Exceptions might occur such as when extreme weather conditions might drive rainwater into vents, windows or under doors. However, under normal circumstances, your Home should protect you from the intrusion of the elements.
- 5. MECHANICAL SYSTEMS** – Mechanical systems, installed in your Home to provide power, water, treated air, ventilation and waste disposal, are warranted for a period of two years. With proper maintenance and care, these systems should provide years of service.
- 6. FINISHED SURFACES** (flooring, counters and cabinets) – Finished surfaces should maintain uniform or characteristic appearances for a reasonable period of time if cared for properly.

C. Some Best Practices for Maintaining Your Home

1. DRAINAGE – Your Home and Home site were designed with a particular drainage pattern that directs water away from the foundation. You should not make any changes, alterations or improvements that could interfere with the drainage pattern without consulting a licensed landscape architect or civil engineer. You are responsible for maintaining drainage and swales of the home site. At no time should water be directed to flow toward the foundation, or permitted to pond near the foundation. Flower beds, planters and other landscaping should be properly maintained to ensure that water drains away from the foundation because any water ponding near the foundation can be a source of structural problems. If you modify any grades and swales with additional grading, plantings, concrete or any other obstructions, you will thereafter be solely responsible for any damage and issues caused or contributed to by the modified grading and drainage conditions. Improper drainage of the site occurs when there is standing or ponding water within 10 feet of the foundation beyond a 24-hour period (48 hours in swales) with no additional moisture or rainfall. In some communities, you and your neighbors share on overall drainage plan for the community. Therefore, use caution when altering drainage patterns by adding pools, fencing, landscaping or other additions to your homesite that may cause drainage issues on adjacent lots. In some cases, moist, soggy soil without standing water may be normal in the overall drainage plan. Proper maintenance and management of landscaping and of irrigation systems (sprinklers) play a crucial role in ensuring ponding water and soggy soils are minimized. Failure to adjust water cycles and repair or replace broken sprinkler heads can result in excess water runoff, causing overwatering of vegetation, muddy areas, soggy soils, erosion of soils and swales, rot, damage to existing structures such as fencing, and possible drainage issues that could undermine your Home's foundation or lead to upheaval and cracking of existing concrete driveways and other concrete surfaces. Meritage is not responsible for these issues.

2. CONCRETE SURFACES – Concrete surfaces should be kept free of salts (for ice), other de-icing chemicals and excessive weight (such as moving vans and trucks). Be sure to clear any salts gathered by your vehicle's tires and deposited on your driveways and/or garage slab. Efflorescence is the chalky residue left behind from the drying of concrete and masonry products. This is a normal condition and is not a defect. As concrete cures, water is drawn to the surface where it evaporates and leaves behind leachates (salts and alkaline deposits) on the surface. Cleaning, if desired, is the responsibility of the Homeowner.

3. STRUCTURAL ALTERATIONS – Alterations to the Home's foundations, bearing walls, beams, girders, trusses, rafters, bearing columns, lintels, posts, structural fasteners, sub floors and roof sheathing ("structural elements") must be performed by professionals who understand the load-bearing requirements of the change. Local municipalities require permits for building alterations to ensure the structural integrity of the Home is maintained. Refer to the "Warranty Exclusions" prior to commissioning any alterations to the structural elements of your Home.

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4. MECHANICAL/PLUMBING DEVICES – The mechanical systems of your Home were designed for normal use. Placing unreasonable demands upon them will present problems. For instance, plugging several electrical devices into one circuit may cause it to overload. Loading debris or cooking waste into a drain may cause it to clog. Undue weight placed upon pipes or showerheads may cause them to break. Some devices must be cleaned periodically (e.g., furnace filters and faucet aerators) to ensure they perform as designed. You are responsible for maintaining the temperature in your Home at a minimum of 65°F during cold weather and draining exterior pipes and faucets for protection. Damage caused to pipes due to extreme weather or lack of Homeowner preparedness for such occurrences is not covered under the Warranty.

5. PAINTED AND SEALED SURFACES – Wood requires cleaning and sealing to prevent problems associated with water penetration and continual exposure to the elements. Painted or sealed surfaces must be cleaned and refinished according to the requirements of your geographic area, as may be recommended by the paint and/or sealant manufacturer. If this is not done, the surface will deteriorate, and such deterioration and any resulting damage is not the responsibility of Meritage to repair.

6. WINDOWS – Keep window tracks, channels and operating mechanisms clean, free of debris, and lubricated. For most windows, Homeowners should use a dry silicone spray lubricant on the tracks once each year. Occasionally aggressive rains may force water in at such a rate that it overflows your windows' interior tracks. Wiping any excess water or spills as soon as reasonably possible will avoid damage to your window seal or walls. Windows and skylights will collect condensation on their interior surfaces when high humidity within the Home turns into water on the colder window or skylight surface. The Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. Draperies and blinds should be left open to encourage air circulation and even temperatures during periods of cold weather and high interior humidity.

7. FOLLOW INSTRUCTIONS – Instructions for care and maintenance are included with many components of your Home, including finished flooring, appliances and air-handling equipment. By following those instructions you will extend the life of these components.

8. COMMON AREAS/ELEMENTS – Common areas require the same care and maintenance as your Home. Although a homeowner or condominium association may be responsible for maintenance, all residents should strive to keep these areas clean and usable.

9. CARE AND MAINTENANCE – Although things become worn with time and use, components in your Home should last a reasonable length of time (assuming you give them appropriate care and maintenance). This time will vary depending upon geographical regions, the types of materials involved, the level of maintenance performed, and usage. As time passes, maintenance adjustments and improvements will be required.

Failure to follow the above recommendations may result in damage to your Home or the property of others, for which Meritage will not be held responsible.

II. The Warranty

The following text constitutes the Warranty offered by Meritage, including the protection, exclusions and Performance Standards that determine coverage in each case.

You, the Homeowner, should read the Warranty in its entirety, including any addenda at the end of the Homeowner's Manual.

A. The Warranty

This Warranty addresses only "Covered Defects," defined as defects in material and workmanship that: (i) are outside of the tolerances set forth in the Performance Standards, (ii) are part of either the structure or elements of the Home as supplied by Meritage on the date of Closing, (iii) occur and are reported during the Warranty period as set forth in the Performance Standards, and (iv) are not otherwise excluded as set forth in Section II.C below. The existence of a Covered Defect does not constitute a breach of this Warranty; however, Meritage is obligated to repair or replace the defective item to conform to the Performance Standards. This Warranty is not an insurance policy, nor a maintenance agreement, but it does define what the Homeowner has a right to expect in terms of warranties. The Homeowner has received a copy of any applicable Right to Repair Law as part of the Contract and is encouraged to carefully read it and seek legal advice regarding any questions.

This Warranty is provided to the original purchaser of the Home and to all subsequent owners who take title within the Warranty period, and use the Home as their primary residence.

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B. Warranty Periods

One Year: Meritage warrants that the construction of the Home will conform to the tolerances for materials and workmanship, as defined in the Performance Standards, for a period of one year after the closing date. Covered defects that are cosmetic in nature will be corrected one time only at or near the one-year anniversary of the closing date. The Homeowner's maintenance obligations are not a part of the Warranty.

Two Years: Meritage warrants the functionality of the plumbing, electrical, heating, ventilating, air conditioning and other mechanical systems, as defined in the Performance Standards, for a period of two years after the closing date.

Ten Years: Meritage warrants that the structural elements of the Home will be free from defects for a period of ten years following the closing date, subject to the following limitations. A structural element will not be deemed defective and no action will be required of Meritage unless there is actual physical damage to the structural element, causing the failure of the structural element to perform its load-bearing function to the degree that it materially affects the physical safety of the occupants of the Home. Structural elements include foundations, bearing walls, beams, girders, trusses, rafters, bearing columns, lintels, posts, structural fasteners, sub floors and roof sheathing. Unattached floating slabs are not considered a structural (load-bearing) element, and therefore are excluded from coverage under the structural warranty.

Manufacture Warranties: Upon closing, Meritage transfers all manufacture warranties directly to you. These manufacturer warranties include warranties on all appliances.

If any inconsistencies arise between this Warranty and the Performance Standards, the terms of this Warranty shall govern and control. Notwithstanding anything to the contrary above, the Warranty Period on common elements associated with a condominium building begins on the closing date of the first unit sold in each building. For detailed definition of common elements, refer to your condominium or other relevant documents.

Should a Covered Defect occur in any item covered by this Warranty, Meritage warrants that it will repair or replace it (at Meritage's option) to conform to the Performance Standards. If a structural element is found to be defective, Meritage will repair or replace the structural element (at Meritage's option) to restore the load-bearing function as designed. A Covered Defect repair includes the correction, replacement or refinishing

of only those surfaces and coverings that were damaged by the Covered Defect that were part of the Home when title was first transferred by Meritage. Meritage will repair or replace surfaces and coverings that require removal in order to repair or replace a Covered Defect. The extent of the repair or replacement of these surfaces, finishes and coverings will be to approximately the same condition they were in prior to the Covered Defect, but not necessarily to a "like-new" condition. Meritage cannot guarantee, nor does it warrant, exact color matches due to factors such as fading, aging, or unavailability of original materials.

The appliances, equipment and other manufactured products in your Home are subject to manufacturer's warranties, and therefore Meritage's warranty does not cover such products.

Meritage assigns to the Homeowner any manufacturer's warranties for appliances, equipment and other manufactured products in the Home, including, without limitation, any windows, garage doors, plumbing products and fixtures, fireplaces, electrical fixtures, heating/ventilation/cooling equipment, thermostats, refrigerator, stove, cooktop, microwave, washer, dryer, garbage disposal, solar panels, security systems, thermostats and other equipment furnished by the manufacturer to Meritage. If it is necessary to request warranty service for such manufactured products, the Homeowner must directly contact the manufacturer. This Warranty does not cover manufactured products, except where improper installation by Meritage, its agents or subcontractors has interfered with the product's useful life, as represented in the manufacturer's warranty, or the product's utility if there is no such representation by the manufacturer.

To request service under this Warranty, the Homeowner must make a warranty request in compliance with the procedures established by Meritage. The homeowner must submit a request for warranty service in writing by logging onto the Meritage website at www.meritagehomes.com. A Meritage warranty representative will contact the homeowners and schedule an initial appointment to inspect. Warrantable items generally will be repaired within 30 days, subject to Homeowner cooperation and unforeseen major events. The Homeowner is required to be present for inspection and repairs. In the Homeowner's absence, the Homeowner must assign a representative eighteen years or older to provide access to the Home during normal working hours to facilitate the inspections and repairs. Meritage requires written acknowledgment upon completion of repairs. Warranties will not extend to subsequent years in the event a Covered Defect is not reported or if a repair is not completed during the applicable Warranty period due to the Homeowner's lack of providing notice and/or providing necessary access under the Warranty during business hours of 8am to 5pm Monday-Friday to complete inspection and/or repairs. Under no circumstances will Meritage's total liability under this Warranty exceed the original contract price of the Home.

Meritage reserves the right to use its sole judgment in determining the most appropriate method of repairing Covered Defects. Meritage's offer to resolve an issue for which it bears no responsibility under this Warranty does not create the responsibility to provide the resolution in another situation for which it bears no responsibility. Actions taken to cure Covered Defects or otherwise resolve any issue will not extend the period of coverage specified in the Warranty or any applicable statutes of limitation or repose.

Warranty Information

C. Warranty Exclusions

This Warranty excludes any loss or damage that is not a Covered Defect. Notwithstanding any standards, tolerances or other terms and provisions contained in the Performance Standards or elsewhere in this Warranty, the following are specifically excluded from coverage:

1. Loss of, or damage to, any real property that is not part of the Home covered by this Warranty and any improvements which are not part of the Home on the day the Home is conveyed by Meritage to the original Homeowner.
2. Any damage to the extent it is caused or made worse by:
 - a. Negligence, improper maintenance, or intentional or improper operation by anyone other than Meritage, its agents or subcontractors, including, but not limited to, damage resulting from rot, corrosion or rust.
 - b. Failure by the Homeowner or anyone other than Meritage, its agents or subcontractors, to comply with the Warranty requirements of manufacturers of appliances, fixtures and equipment.
 - c. Failure by the Homeowner to give timely written notice to Meritage of any defects.
 - d. Changes in the grading of the Home site by anyone other than Meritage, its agents or subcontractors.
 - e. Changes, alterations or additions made to the Home by anyone other than Meritage, its agents or subcontractors hired by Meritage, after the Warranty commencement date.
 - f. Dampness or condensation due to the Homeowner's failure to maintain adequate cooling, heating and/or ventilation.
 - g. Conditions, limits or standards in excess of those warranted by the manufacturers of any manufactured goods included in or on the Home.
3. Loss or damage that the Homeowner has not taken timely action to minimize.
4. Any defect caused by, or resulting from, materials or work supplied by someone other than Meritage, its agents or subcontractors.
5. Normal wear and tear, or normal deterioration.
6. Loss or damage not otherwise excluded under this Warranty, which does not constitute a defect in the construction of the Home by Meritage, its agents or subcontractors.
7. Loss or damage caused by or resulting either directly or indirectly from: accidents, riots and civil commotion, theft, vandalism, fire, explosion, power surges or failures, smoke, water escape, falling objects, aircrafts, vehicles, acts of God, lightning, windstorm, hail, tornado, hurricane, mudslide, earthquake, volcanic eruption, and other natural disasters.

8. Loss or damage caused directly or indirectly by: flood, extreme wind, surface waters, waves or bodies of water, or spray from any of these (whether or not driven by wind), water from sewer or drain back-ups, changes in the water table not reasonably foreseeable at time of construction, or water below ground surface (including water that exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure), wetlands, springs or aquifers.
9. Loss or damage caused by soil movement, including subsidence, expansion or lateral movement (excluding flood and earthquake), which is covered by any other insurance or for which compensation is granted by state or federal legislation.
10. Loss or damage to the Home, persons or property directly or indirectly caused by termites, other insects, birds, vermin, rodents or other wild or domestic animals.
11. Loss or damage resulting from the use of the Home for non-residential purposes.
12. Any condition that does not result in actual damage to the Home, including, but not limited to, uninhabitability or health risk due to the presence or consequence of electromagnetic fields (EMFs), radon gas, mold, formaldehyde or other pollutants and contaminants; or the presence of hazardous or toxic materials.
13. Loss or damage caused by, or resulting from, the presence of moisture, rot, mildew, mold or rust.
14. Loss or damage caused by, or resulting from, misuse, abuse, and/or neglect by the Homeowner, its guests, tenants or others not under the control of Meritage.
15. Bodily injury or damage to personal property.
16. Loss or damage caused by, or resulting from, abnormal loading of structural elements by the Homeowner that exceeds design loads as mandated by codes.
17. Consequential damages including, but not limited to, costs of shelter, food, transportation, moving and storage, any other expenses related to inconvenience or relocation during repairs to the Home, and any diminution of the Home's market value.
18. If Homeowner or Homeowner's agent installs additional materials after the closing, Meritage Homes will not warranty any damage that may occur to the existing fixtures, structures, interior or exterior finishes.
19. Loss of Homeowner wages during inspections and/or repair of Covered Defects.
20. Loss, damage or other occurrences that may apply due to the Homeowner contracting with a Meritage subcontractor after the closing. This Warranty also does not apply to aftermarket additions to the Home, even if those additions are installed by a Meritage subcontractor or vendor.

Warranty Information

D. Requesting Warranty Service

In order to preserve a claim under this Warranty, you must submit written notice of your claim to Meritage via our website at meritagehomes.com, U.S. first class, certified mail. The claim must relate to a Covered Defect or warranted service request occurring within the applicable Warranty Period, and notice must be given no later than ten days after the applicable Warranty Period expires. Meritage will evaluate proper Warranty service requests and will make a determination of whether the service request is covered under the Warranty. If a Covered Defect is determined to exist, Meritage will correct the Covered Defect consistent with the Warranty. If a Covered Defect is determined not to exist, Meritage will have no further obligations with respect to such warranty request.

E. Dispute Resolution

This Section sets forth the exclusive remedy for the settlement of all disputes or controversies under this Warranty in the event a dispute (as hereinafter defined) between Meritage and the Homeowner cannot be resolved. **By purchasing the Home and receiving this Warranty, the Homeowner specifically agrees that any dispute shall be resolved solely in accordance with the dispute resolution procedures specified in the Contract. "Dispute" (whether contract, Warranty, tort, statutory or otherwise), shall include, but is not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Warranty, the Contract, the Home, the Community or any dealings between the Homeowner and Meritage; and/or (2) arising by virtue of any representations, promises or warranties alleged to have been made by Meritage and/or Meritage's representative. The Homeowner acknowledges and agrees that THE HOMEOWNER HAS READ AND UNDERSTANDS THE DISPUTE RESOLUTION PROCEDURES SPECIFIED IN THE CONTRACT AND THAT MERITAGE RECOMMENDED THAT THE HOMEOWNER CONSULT AN ATTORNEY OF THE HOMEOWNER'S CHOICE PRIOR TO EXECUTING THE CONTRACT IF THE HOMEOWNER DID NOT UNDERSTAND THE LEGAL CONSEQUENCES OF THE DISPUTE RESOLUTION PROCEDURES SPECIFIED IN THE CONTRACT.**

III. Performance Standards

Subject to the requirements in the Warranty and the Exclusions identified in Section II.C., the following Section sets forth the Performance Standards by which your Home and Meritage's obligations under this Warranty shall be judged. The Warranty periods provided in this Section are calculated from the date of the Closing between Meritage and the first owner of the Home.

Section 1. Interior Concrete and Foundation

1.1 UNEVEN CONCRETE FLOORS

The level of interior concrete floors should not vary more than 1/4 inch per four feet. Meritage will repair the floor if these conditions are determined to exist within the first year of the Warranty. Appropriate corrective actions could include filling, grinding or use of a floor-leveling compound. Color and texture may vary from original finish.

1.2 CONCRETE SLAB-ON-GRADE FLOOR CRACKS

Concrete slab-on-grade floors cannot be expected to be crack-free. Most cracking is minor and is the result of large areas of concrete shrinking as the concrete cures. These cracks do not affect the structural integrity of the Home. Since slab-on-grade floors are quite large, shrinkage cracks can be expected to occur randomly. Cracks in slab-on-grade floors measuring 1/4 inch or more in width or which result in vertical displacement will be repaired by Meritage one time within the first year of the Warranty. Repair may include filling, grinding or use of a floor-leveling compound.

1.3 EXPANSION AND CONTROL JOINTS

Expansion joints are intentionally placed in some concrete surfaces to allow sections of concrete to expand and contract with changes in temperature, and control joints are intentionally placed in concrete to control cracking as concrete cures. Expansion and control joints often have inserted plastic barriers or have been grooved/notched during concrete placement and will have a tendency to move or crack in the joint area. Movement at a control joint in excess of 1/4 inch in width or vertical displacement will be repaired. Meritage will, one time within the first year of the Warranty, repair excessive movement by filling, grinding or use of a floor-leveling compound.

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1.4 FOOTING AND FOUNDATION WALL CRACKS

Appropriate measures will be taken, within the first year of the Warranty, to repair or correct cracks in excess of 1/4 inch and/or deterioration in the foundation footings or foundation walls that cause the Home to be unsafe or uninhabitable. Meritage will, within the first two years of the Warranty, patch any voids in walls caused by any cracks in the foundation that exceed 1/8 inch in width or vertical displacement.

1.5 CHALKY DEPOSITS (EFFLORESCENCE)

Efflorescence is the residue left behind from the drying of concrete and masonry products. This is a normal condition and is not a defect. As concrete cures, water is drawn to the surface where it evaporates and leaves behind leachates (salts and alkaline deposits) on the surface. Cleaning, if desired, is the responsibility of the Homeowner.

1.6 WATER IN CRAWL SPACE

Meritage will, within the first two years of the Warranty, remedy any defects on the home site or in the Home which may cause water intrusion in crawl spaces, provided, however, water intrusion, humidity, condensation and moisture resulting from grading changes made after closing are not covered by this Warranty.

1.7 BOWED OR OUT-OF-PLUMB BASEMENT WALLS

Basement walls should not bow or be out of plumb by more than one inch per eight feet when measured from the base of the wall to the top of the wall. Meritage will, within the first year of the Warranty, repair any basement wall that is more than one inch per eight feet out of plumb.

1.8 BASEMENT LEAKS

Meritage will, within the first two years of the Warranty, repair any leaks in the basement. Basement leaks caused by landscaping or downspouts installed by the Homeowner, failure of the Homeowner to maintain proper grades, unusual storms, acts of God or other excluded events as provided in Section II above are not covered by the Warranty.

Section 2. Site Drainage

2.1 SITE DRAINAGE

Grades and swales have been established by Meritage to ensure proper drainage away from the Home. If the Homeowner modifies these areas with additional grading, plantings, concrete or any other obstructions, the Homeowner will thereafter be solely responsible for any damage and issues caused or contributed to by the modified grading and drainage conditions. Improper drainage of the site occurs when there is standing or ponding water within 10 feet of the foundation beyond a 24-hour period (48 hours in swales) with no additional moisture or rainfall. If it is determined, within the first year of the Warranty, that proper grades were not initially established, Meritage will re-grade the applicable portions of the yard or swales. Ultimately, the Homeowner is responsible for maintaining drainage and swales of the Home site. No grading determination can be made during frost or snow conditions. If the Homeowner adds a pool, patio, landscaping, hardscaping or makes any improvements such as landscaping or additions, Meritage will no longer be responsible for drainage. In some cases, moist, soggy soil without standing water may be normal in the overall drainage plan and is not covered by the Warranty. Proper maintenance and management of landscaping and of irrigation systems (sprinklers) play a crucial role in ensuring ponding water and soggy soils are minimized.

2.2 GROUND SETTling

Settling of the ground around the Home, utility trenches or other filled areas should not interfere with water drainage. If such interference does occur, within the first year of the Warranty, Meritage will one time only fill settled areas which adversely affect proper drainage and will reinstall displaced plant material and sod originally installed by Meritage. Landscape installed or altered by the Homeowner voids the Warranty on settlement. Erosion of the soils is not considered settling and remains a Homeowner maintenance item.

2.3 SOIL EROSION

Meritage is responsible for protecting slopes and graded hillsides during construction from soil erosion as may be required by the local jurisdiction during construction. Meritage is not responsible for soil erosion after the closing. Proper erosion protection requires the Homeowner to install landscaping, groundcovers and deep-rooted plantings to reduce erosion. For steeply graded hills, the installation of erosion-control matting, such as jute and straw, will help reduce erosion until plantings have been established. Soil erosion is not covered by the Warranty.

Warranty Information

Section 3. Framing

3.1 OUT-OF-PLUMB WOOD OR METAL FRAMED WALLS

Interior walls should not be out of plumb by more than 1/2 inch per eight feet. Under the Warranty, Meritage will repair, during the first two years of the Warranty, any interior wall that is more than 1/2 inch per eight feet out of plumb.

3.2 BOWED COLUMNS OR POSTS

Columns and posts should not bow or be out of plumb in excess of 1/4 inch per four feet. For load-bearing (structural) columns and posts, Meritage will, for a period of ten years after the closing, straighten columns and posts that exceed the 1/4-inch-per-four-foot standard after the closing. Tapered columns and posts should be plumb as measured from the centerline, not to exceed 1/4-inch-per-four-feet, and the tolerance for columns and posts made of rough-sawn lumber is 1/4 inch per four feet. For non-structural columns and posts, Meritage will, during the first two years of the Warranty, repair any conditions in excess of those tolerances.

3.3 TWISTED OR BOWED WOOD BEAMS

Beams, joists and posts will sometimes twist or bow as they dry. Twisting or bowing of wood may be cosmetically unattractive when visible in habitable spaces, but is rarely a structural problem. Bows and twists exceeding 1/4 inch out of plane within an eight-foot section will be repaired during the first two years of the Warranty. When located in garages, basements, attics or crawl spaces, such bowing or cupping will not be repaired unless it causes unevenness to floors, ceilings or roofs in excess of the Warranty's specifications.

3.4 SPLIT WOOD BEAMS

Beams, joists and posts will sometimes split as they dry. Parallel splitting is usually not a structural concern because such inconsistencies in wood are anticipated in the structural calculations of wood products. Diagonal splitting that extends from one side to another and is more than 1/2 inch deep may weaken the beam. Under the Warranty, Meritage will repair any structural component that is determined to exceed this standard within a period of ten years after the closing. Cosmetic components will be repaired one time within the first year of the Warranty. Repairs may include additional wood framing to the existing beam/post secured with nails or bolts.

Section 4. Roof

4.1 ROOF DEFLECTION OR BOWING

All structural elements of the Home are sized according to the type of roofing product and the loads they may support to include wind, ice and snow during normal weather patterns. If deflection occurs within ten years after the closing, and the deflection exceeds one inch per 20 feet, or more than 1/2 inch between two structural members, Meritage will take appropriate corrective action.

4.2 BUCKLED OR CURLED ASPHALT SHINGLES

Asphalt shingle surfaces need not be perfectly flat. Meritage will, one time within the first year of the Warranty, repair asphalt shingles that lift or curl during normal weather conditions.

4.3 SHINGLES BLOWN OFF BY HIGH WINDS

Subject to proper maintenance and under normal/expected weather conditions, shingles should not blow off the roof. In the event that shingles are blown off the roof, Meritage will, one time within the first year of the Warranty, take necessary actions to repair shingles that have been blown off, unless caused by wind velocities exceeding the manufacturer's tolerances. Damage caused by severe weather is not covered by the Warranty. Consult your Homeowners insurance for further guidance.

4.4 WATER TRAPPED UNDER ROOFING MEMBRANE

Meritage will, during the first two years of the Warranty, repair any blister larger than 12 inches by slitting through the roofing membrane and repairing with appropriate materials.

4.5 GUTTER OR DOWNSPOUT LEAKS

Meritage will, during the first year of the Warranty, repair leaks in gutters and downspouts installed by Meritage, provided proper care is taken by the Homeowner to clear debris, snow and ice.

Warranty Information

4.6 WATER STANDING ON A LOW-SLOPED ROOF AREA

Water ponding on a low-sloped roof area should not exceed 1/4 inch in depth more than 24 hours after the rain ceases. Under the Warranty, Meritage, during the first two years of the Warranty, will take appropriate corrective action if this condition is determined to exist. Ponding caused by debris accumulation is not covered by the Warranty.

4.7 ROOF OR FLASHING LEAKS

When properly maintained, the roof and flashing should not leak under normal weather conditions. Meritage will, during the first two years of the Warranty, repair roof or flashing leaks that occur during normal weather. Roof vents and louvers are designed to keep out wind-driven rain and snow under normal conditions. Leaks caused by debris or ice accumulation are considered preventable with routine Homeowner maintenance and are not covered by the Warranty.

4.8 ROOFING SHINGLES OR TILES NOT ALIGNED

Shingles and tiles are installed to withstand a maximum exposure to the weather as recommended by the manufacturer. Often, tiles and shingles must be adjusted to compensate for differing roof conditions. This is not considered a defect. Tiles within any course should be aligned within two inches. Upon request, Meritage will, one time during the first two years of the Warranty, realign tiles and shingles that are not aligned within two inches. Minor telegraphing of roof sheathing seams and tissues is normal and will vary with weather conditions.

4.9 SHADING OR SHADOW PATTERN

Shading or shadowing on roofing materials is caused by the differences in product color installed in a specific area. Meritage will try to minimize shading deviations during installation, but uniform shading or shadowing is not covered by the Warranty.

4.10 ROOF TILE COLOR VARIATIONS

Color fading, color changes, variations of the color hue or physical deterioration of the color from outside conditions of roof tiles should be expected. Because shade variations are normal and expected from weather, oxidation or air pollutants, color variations in roof tiles are not covered by the Warranty.

4.11 NEW ROOFING PRODUCTS DO NOT MATCH EXISTING

The color and texture of new roofing components used to repair existing roofing components may not match due to weathering or manufacturing variations. For any repair of roofing components, Meritage will try to match the texture and color of existing roofing components as closely as possible, but a perfect color match is not covered by the Warranty.

4.12 INTERIOR WATER DAMAGE FROM ICE-DAMMING

In some conditions, snow build-up on roofs due to freeze/thaw cycles can result in ice damming at the gutters. Sometimes this causes water to back up under shingles and to enter the Home. In cases where ice-damming causes leaks into living areas because of incorrectly installed insulation, within the first two years of the Warranty, Meritage will make appropriate repairs. However, Meritage will not be required to take any such action if the condition is caused by swings of freezing and thawing in the weather.

4.13 LOOSE OR CRACKED TILES OR SHINGLES

Meritage inspects the roof prior to closing of the Home. High winds, hail and other weather-related conditions can lift, shift and/or break roof tiles. Foot traffic can also damage roof tiles or shingles. Therefore loose, cracked or chipped tiles or shingles are not covered by the Warranty.

4.14 MILDEW, ALGAE AND MOSS ON ROOF

The growth of mildew, algae and moss on roof surfaces is caused by the accumulation of dust and debris and considered the responsibility of the Homeowner as part of its routine maintenance. The growth of mildew, algae and moss on roof surfaces is not covered under the Warranty.

4.15 ROOF TILE EFFLORESCENCE

Efflorescence is a temporary surface condition that causes a white chalky substance to form on concrete products. It is not uncommon for efflorescence to form on roof tiles, as it is a common condition for all concrete products. Efflorescence will eventually wash away with rain and, therefore, is not covered under the Warranty.

Warranty Information

Section 5. Stucco, Cement Finish Above-Grade Block and Concrete Walls

5.1 CRACKS IN STUCCO/CEMENTITIOUS FINISH/BLOCK/CONCRETE WALLS

Hairline cracks in exterior trim, block, concrete or stucco walls are normal. Cracks in exterior stucco wall surfaces should not exceed 1/8 inch in width. Meritage will, one time during the first year of the Warranty, repair cracks exceeding 1/8 inch. For unpainted stucco, it is acceptable to use stucco color coat or sealants to fill the cracks. Painted surfaces may be repaired using acrylic latex sealant prior to touch-up painting. Meritage will try to match the original stucco texture and color as closely as possible, but a perfect match is not covered by the Warranty.

5.2 STUCCO/TEXTURE/CEMENTITIOUS FINISH LOSS

Texture may become separated from the base stucco layer. Meritage will repair missing stucco texture greater than 1/8 inch one time within the first year of the Warranty. Texture loss beneath the horizontal weep or drainage screed is normal and is not covered by the Warranty.

5.3 TEXTURE MISMATCH

Texture is applied by hand, which varies with the technique of the installer. Where tall walls exist, it is necessary to install in several passes. Breaks between application phases occur in all Homes and sometimes is more visible due to the method of application. Inherent inconsistency is to be expected as with all hand-applied troweled finishes. Meritage will repair deviations, bumps or voids measuring over 1/4 inch per four feet, which are not part of the intended texture, one time within the first year of the Warranty. During repair, Meritage will try to match the original texture as closely as possible, but a perfect match is not covered by the Warranty.

5.4 STUCCO COLOR MISMATCH

Stucco/cementitious finish is a colored cement product and is affected by the underlying surface, application technique, temperature, humidity and curing. Meritage will try to match stucco/cementitious finish color as closely as possible, but a perfect match is not covered by the Warranty.

5.5 SURFACE STAINING

The surface of exterior walls may become stained from rainwater, water splashing up from the ground or irrigation/sprinklers. Since the surface is a porous material, this condition cannot be eliminated and is not covered by the Warranty.

5.6 STUCCO/CEMENTITIOUS FINISH APPEARS WET

The stucco surface is a porous cement product and designed to become saturated with moisture. It will, therefore, appear wet long after rain has stopped. This is a normal condition and is not covered by the Warranty.

5.7 CRACKS IN MASONRY OR VENEER

Cracks in masonry or veneer greater than 1/8 inch in width will be repaired one time within the first year of the Warranty. Color variations in mortar or brick products are normal and a perfect match is not covered by the Warranty. Cracks less than 1/8 inch in width within mortar joints and in brick products are a normal condition and are not covered by the Warranty.

Section 6. Exterior Siding and Trim

6.1 DELAMINATED SIDING

Meritage will, one time within the first year of the Warranty, repair any hardwood or composite siding that has delaminated (separated into layers).

6.2 BOWED OR BUCKLED SIDING

Meritage will, one time within the first year of the Warranty, repair any bowed wood, lap siding or cementitious composite lap siding exceeding In excess of 1/2" in 32".

6.3 SEPARATED SIDING JOINTS

Meritage will, one time within the first year of the Warranty, repair joint separations in siding exceeding 3/16 inch by filling them with sealant.

Warranty Information

6.4 GAPS BETWEEN SIDING AND TRIM

Gaps between siding and moldings at trim pieces, miter joints or openings should not exceed 1/4 inch. Meritage will, one time within the first year of the Warranty, correct this condition by caulking/repairing the trim or siding.

6.5 SIDING COLOR OR TEXTURE MISMATCH

Meritage will try to match the texture and color of the existing siding as closely as possible for any repair or replacement of siding, but a perfect match is not guaranteed by the Warranty, and deviations of texture and color should be expected.

6.6 SIDING FINISH FADED

Any colored siding will fade when exposed to the sun. This is a normal condition. Meritage will, one time within the first year of the Warranty, repair a particular piece of siding that becomes excessively faded in contrast to similarly exposed siding.

6.7 SIDING/TRIMWOOD ROT

Some warping, cupping or splitting of wood can be expected. In cases where excess warping, cupping or splitting of wooden products exists, Meritage will, within the manufacturer's warranty specifications and the Warranty periods, repair or replace as necessary.

6.8 LOOSE SIDING MATERIAL ON EXTERIOR WALLS

Meritage will, one time within the first year of the Warranty, correct siding materials that become loose or detached.

6.9 "BLEEDING" THROUGH SIDING PAINT

Cedar or redwood siding or shingles occasionally "bleed" through the original paint. Meritage will, one time within the first year of the Warranty, repair "bleeding" through the paint by cleaning and repainting the affected area. The Warranty will not apply if stains or clear wood protectants are used, since they do not cover up the natural extractives of wood.

6.10 SIDING STAINED BY NAILS

Meritage will, one time within the first year of the Warranty, touch up or remove siding stains that extend more than 1/2 inch from the nail and are readily visible from a distance of 20 feet. The Warranty does not cover semi-transparent stain or “natural weathering” used on the siding.

6.11 LOOSE EXTERIOR TRIM

Meritage will, one time within the first year of the Warranty, repair trim that has separated from the Home by more than 1/4 inch. In cases where trim separation exceeds 1/4 inch, Meritage will reinstall trim, add fasteners or caulk separations.

6.12 EXTERIOR TRIM CUPPED

Meritage will, one time within the first year of the Warranty, repair cups in trim board exceeding 1/4 inch per six inches.

6.13 EXTERIOR TRIM TWISTED

Meritage will, one time within the first year of the Warranty, repair bows and twists in trim board exceeding 3/4 inch per eight feet by adjusting or replacing the trim board.

Section 7. Exterior Paint and Finishes

7.1 CLEAR FINISH DETERIORATION

Clear finishes on exterior surfaces, such as wood entry doors, diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6–18 months, depending on outside exposure. Meritage will correct excess deterioration of clear finishes on exterior surfaces one time within the first year of the Warranty. Any subsequent deterioration is considered part of routine Homeowner maintenance and is not covered by the Warranty.

7.2 PAINT OR STAIN FADING

All exterior paints and stains exhibit fading when exposed to weather, and such fading is a normal condition. Semi-transparent stains diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6–12 months, depending on outside exposure. Meritage will correct excessive fading of exterior paints or stains one time within the first year of the Warranty.

Warranty Information

7.3 EXTERIOR PAINT, STAIN OR CAULKING PEELING/DETERIORATION

Exterior paints, stains and caulking should not peel or deteriorate for a period of one year. If exterior paint, stain or caulking has peeled or deteriorated, Meritage will refinish or repair affected areas one time within the first year of the Warranty.

7.4 REPAINTING AFTER REPAIR WORK

Repainting, staining or refinishing may be required because of repair work. Repairs required under the Warranty will be finished to match the immediate surrounding areas as closely as practical. Due to fading and normal weathering, a perfect match cannot be achieved, and a perfect match is not covered by the Warranty. Where repairs affect more than 50% of a wall, Meritage will repaint the entire affected wall or product surface with the original paint only. Custom color touch-ups are not covered under the Warranty.

Section 8. Wood Decks

8.1 WOOD DECK OUT OF LEVEL

Meritage will, during the first year of the Warranty, repair wood decking that is out of level more than 1/4 inch per four feet.

8.2 WOOD IMPERFECTIONS FOR EXTERIOR RAILINGS, DECKS OR STAIRS

Wood for exterior railings, decks or stairs will include imperfections such as knots and checks. Meritage will, one time within the first year of the Warranty, repair or replace wood for exterior railings, decks and stairs that fail to meet intended use because of a structural defect. Knots, cupping and minor checking are normal, and removal of such imperfections is not covered by the Warranty. Any wood replaced most likely will not match existing decking.

Section 9. Electrical

9.1 TRIPPED CIRCUIT BREAKERS

Fuses should not be blown and circuit breakers should not be tripped under normal use. Meritage will, during the first two years of the Warranty, correct circuit breakers that trip excessively under normal use.

9.2 ELECTRICAL OUTLETS, SWITCHES OR FIXTURES MALFUNCTION

Meritage will, during the first two years of the Warranty, correct electrical outlets, switches or fixtures that malfunction. In situations where lights dim and flicker, please note that voltage entering the Home is controlled by the local utility transmission service and may fluctuate based on variances in power generation and usage. Light bulbs are excluded from this Warranty.

9.3 TRIPPED GROUND FAULT CIRCUIT INTERRUPTER (GFCI)

Ground fault interrupters are safety devices installed as part of the electrical system to provide protection against electrical shock. These sensitive devices detect potentially dangerous "ground faults" in small appliances and extension cords. Meritage will, during the first two years of the Warranty, replace any failed GFCI device that fails to reset. The Homeowner is responsible for repairing any device that causes the GFCI to trip.

9.4 ARC-FAULT INTERRUPTERS

Arc-fault interrupters function similarly to GFCIs. These devices detect overloads that could lead to fires. Meritage will, during the first two years of the Warranty, replace any failed arc-fault interrupters that fail to reset. The Homeowner is responsible for repairing any device that causes the arc-fault interrupters to trip.

9.5 MALFUNCTION OF LOW-VOLTAGE WIRING SYSTEM

In the event of a low-voltage wiring system malfunction, Meritage will, during the first two years of the Warranty, take corrective action.

9.6 CEILING FAN VIBRATES

Where applicable, Meritage installed ceiling fans were installed in accordance with the manufacturer's specifications including blade balances. Meritage will repair any defect due to installation only during the first year of the Warranty. Some minor fan wobble cannot be eliminated; therefore, elimination of fan wobble is not covered by the Warranty.

Warranty Information

9.7 COMMUNICATION WIRING

All wire and communication device functions will maintain their integrity during the first two years of the Warranty. This includes the phone cable and the service panel. Any additions or alterations to the communication wiring and/or problems resulting from negligence, lightning or lighting fixture wiring are not covered by the Warranty.

Section 10. Comfort Control

10.1 COOLING AND HEATING SYSTEMS

In cases where the cooling and/or heating system is not working properly, Meritage will, during the first two years of the Warranty, take corrective action if the standards outlined in subparagraphs 1, 2 and/or 3 below are not achievable.

- (1) A heating system should produce an inside temperature of at least 68 degrees Fahrenheit as measured two feet from the outside wall of a room at a height of three feet above the floor under local outdoor winter design conditions.
 - (a) Temperatures may vary up to four degrees Fahrenheit between rooms, but should not be less than the standard set forth above in paragraph (1) of this subsection. Changes made to the size or configuration of the Home, the heating system or the ductwork by the Homeowner or its contractor or agent shall negate Meritage's responsibility to take measures to meet this performance standard.
- (2) An air-conditioning system should produce an inside temperature of 78 degrees Fahrenheit as measured in the center of a room at a height of five feet above the floor under local outdoor summer design conditions.
 - (a) This standard does not apply to evaporative or other alternative cooling systems or if the Homeowner or its contractor or agent makes changes to the size or configuration of the Home, the air-conditioning system or the ductwork. Internal temperatures may vary up to four degrees Fahrenheit between rooms, but should not be more than the standard set forth above in paragraph (2) of this subsection.

- (3) A thermostat reading should not differ by more than four degrees Fahrenheit from the actual room temperature taken at a height of five feet above the floor in the center of the room where the thermostat is located. The stated performance standard is related to the accuracy of the thermostat and not to the performance standard of the room temperature. If, during the two-year Warranty period, the thermostat reading differs more than four degrees Fahrenheit from the actual room temperature taken at a height of five feet above the floor in the center of the room where the thermostat is located, Meritage shall take such action as is necessary to bring the variance within the standard.

10.2 CONDENSATION LINE CLOGS

The Homeowner is responsible for annual cleaning of the condensation lines that extend from the air-conditioning coil. Meritage will, one time within the first year of the Warranty, correct condensation lines that clog.

10.3 REFRIGERANT LINE LEAKS

Meritage will, during the first two years of the Warranty, repair refrigerant lines that leak during normal operation and recharge the air-conditioning unit.

10.4 MISSING OR UNEVEN INSULATION

Thermal insulation is dictated by local codes or state energy guidelines, and Meritage will install insulation in accordance with these applicable guidelines. Meritage will, during the first year of the Warranty, take appropriate action to correct insufficient installation.

10.5 VIBRATION FROM HEATING OR COOLING EQUIPMENT

It is normal for heating/air-conditioning equipment to generate some noise and vibration. Under the Warranty, no corrective action is required of such noise or vibration considered by the manufacturer or installer to be within the normal range.

10.6 METAL RATTLING AT REGISTER, GRILLES OR DUCTS

Air moving through registers, grilles and ducts makes noise and is normal. Duct systems are not designed to be noise-free. However, metal rattling from the registers, grilles or ducts is not normal and will be repaired by Meritage within the first year of the Warranty.

10.7 SEPARATED OR DETACHED DUCTWORK

Meritage will, during the first two years of the Warranty, reattach any separated or detached ductwork.

Warranty Information

Section 11. Plumbing

11.1 DRAINAGE PROBLEMS

Meritage will, during the first 30 days of the Warranty, assume the responsibility for clogged sewers, fixtures or drains where clogged sewers, fixtures and drains are the result of defective construction, construction debris, or workmanship. The Homeowner shall be solely responsible if clogged sewers, fixtures, and drains are the result of Homeowner-inflicted debris such as toys, non-disposable items, or other debris.

11.2 WATER IN PIPE FREEZES

The Homeowner is responsible for maintaining the house temperature at a minimum of 65°F during cold weather and draining exterior pipes and faucets for protection. Damage caused to pipes due to extreme weather and lack of Homeowner preparedness for such occurrences is not covered under the Warranty.

11.3 WATER PIPE NOISE

Sounds made by water flowing through pipes and by pipe expansion are normal. Rattling or “water hammer” of piping when water is rapidly turned off should not occur. Meritage will, one time during the first two years of the Warranty, install anti-water hammer devices at faucets causing this problem. Noise caused by ejector pumps and sump pumps while they cycle on and off is normal and not covered by the Warranty.

11.4 PLUMBING LEAKS

In the event that leaks are found in any piping, bathtubs or showers, during the first two years of the Warranty, Meritage will repair as necessary. Undrained exterior faucets are not covered under the Warranty. The maintenance of caulking and grout to prevent leaks is considered part of routine Homeowner maintenance and is not covered by the Warranty.

11.5 SHOWER ENCLOSURE FLEXES

Meritage will, during the first year of the Warranty, repair excessive flexing in a shower base by installing support materials beneath the enclosure base. Composite shower walls will flex when pushed inward. Such flexing is not considered a defect. Shower enclosures do require regular maintenance including caulking, which is the responsibility of the Homeowner.

11.6 SEPTIC SYSTEM

Meritage will, during the first two years of the Warranty, repair or replace faulty workmanship and materials and will conform to the local code requirements for design and installation of septic systems. Freezing, soil saturation, underground springs, water run-off, excessive use and increased water table are among the potential septic system issues not covered by the Warranty.

11.7 SUMP PUMP

The Homeowner is responsible for maintaining the sump pump. Meritage will, during the first two years of the Warranty, repair or replace the pump if it fails to operate.

Section 12. Interior Paint and Finishes

12.1 BLEMISHES ON WALLS OR CEILINGS

Blemishes include nail pops, cracking or blistering visible on finished walls or ceilings. Meritage will, one time during the first year of the Warranty, repair blemishes, excessive waviness or seams visible in normal light in finished areas that are readily visible from a distance of five feet. Cracks that occur adjacent to windows from expansion and contraction will be repaired using flexible latex caulking. Meritage will also repaint the affected areas one time during the first year of the Warranty.

12.2 REPAINTING AFTER REPAIR WORK

Repainting, staining or refinishing may be required because of repair work. Repairs required under the Warranty should be finished to match the immediate surrounding areas as closely as possible. Due to fading and normal weathering, a perfect match cannot be achieved, and a perfect match is not covered by the Warranty. Where warranty repairs affect more than 50% of a wall or ceiling area, Meritage will repaint the entire wall or ceiling surface from corner to corner. Custom paints, wall coverings and finishes installed after the closing are not covered under the Warranty.

Warranty Information

12.3 DRYWALL TEXTURE

Drywall texture is applied by hand and varies with the technique of the installer. Where tall walls exist, it is necessary to install the drywall texture in several passes. Breaks between application phases occur in all Homes and sometimes are more visible due to the method of application. The inherent inconsistency of drywall texture is to be expected as with all hand-applied troweled finishes. Meritage will, one time within the first year of the Warranty, repair excessive deviations, bumps or voids measuring over 1/4 inch per four feet, which are not part of the intended texture. During repair, Meritage will try to match the original texture as closely as possible, but a perfect match is not covered by the Warranty.

Section 13. Interior Trim and Moldings

13.1 INTERIOR TRIM SPLIT

Splits, cracks, raised grain, swelling of finger joints and checking are inherent characteristics of all wood and cannot be avoided. However, Meritage will, one time within the first year of the Warranty, fill any such condition in interior trim with wood putty.

13.2 NAILS SET OR HOLES NOT FILLED IN INTERIOR TRIM

Nails and nail holes in interior trim should be set and filled. Meritage will, within the first year of the Warranty, set and fill nails and nail holes in interior trim within finished areas.

13.3 GAPS AT JOINTS ON MOLDING AND CASING

All joints on molding and casing should fit and be securely attached, as well as filled and sanded. Meritage will repair defective joints and gaps one time within the first year of the Warranty. Acceptable repair includes filling joints and gaps with wood putty.

Section 14. Flooring

14.1 UNEVEN SUBFLOOR

Meritage will, within the first year of the Warranty, correct uneven wood sub flooring exceeding 1/4 inch within any four-foot measurement. Correction may include application of a flexible floor-fill underlayment.

Note: For concrete sub-flooring, see Section 1.1.

14.2 FLOOR SQUEAKS OR POPS/WARPING

Meritage will, one time within the first year of the Warranty, take corrective action to eliminate loose flooring and minimize squeaks. However, absence of squeaks is not guaranteed, nor are squeaks covered by this Warranty. Warping can occur if the floor repeatedly becomes wet or is soaked. Slight warping in the area of heat vents or heat producing appliances are common and not a defect. Common warping is not covered by the warranty.

14.3 CRACKED OR LOOSENED TILE, MARBLE OR STONE

Meritage will replace cracked tiles, bricks, marble or stone flooring and will reattach tiles, bricks, marble or stone that have detached from a surface during the first year of the Warranty. Meritage is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, stone flooring or grout. Some tiles inherently carry a hollow sound while others may on occasion sound hollow. Hollow-sounding tiles are not defective and are not covered by the Warranty. Damage caused by blunt force of falling objects such as a hammer, cooking utensils, or other Homeowner actions are not warranted. Reoccurring cracks are not warrantable if they occur outside the one-year Warranty.

When adjacent marble or ceramic tile edges are not even with each other, they cause a minor variance in height. Meritage will repair variances greater than 1/8 inch one time within the first year of the Warranty. Irregular tiles such as limestone, slate, granite, travertine, Saltillo and Mexican pavers are not covered by the Warranty.

Warranty Information

14.4 GAPS IN HARDWOOD FLOORING

Gaps between hardwood floorboards normally fluctuate in areas where relative humidity varies substantially. The Homeowner is responsible for maintaining proper humidity levels in the Home to minimize gaps between hardwood floorboards. Where gaps exceed 1/8 inch, Meritage will repair one time within the first year of the Warranty. Meritage is not responsible for removing excess filler that appears on the surface if the boards expand due to subsequent changes in humidity and expel the filler.

14.5 WOOD FLOORS - EXPANSION & CONTRACTION

Hardwood floorboards are a natural material that noticeably responds to humidity changes in your home. The individual planks and/or pieces expand and contract as water content changes. A dehumidifier may help, but will not eliminate this natural effect. Meritage does not warrant expansion and/or contraction of wood floors.

14.6 SUN EXPOSURE AND HIGH TRAFFIC AREAS

Exposure to direct sunlight can lead to fading of your floors finish. High traffic areas such as hallways and door entries may dull over time. Both are natural tendencies of wood floors and not covered by the warranty.

14.7 VINYL FLOORING LOOSENED OR BUBBLED

Vinyl flooring should not lift, bubble, detach or shrink from the perimeter. Meritage will reattach loose or bubbled floor areas or replace floors where shrinkage occurs at the perimeter within the first year of the Warranty. Patching is an acceptable method of repair.

14.8 VINYL FLOORING DEPRESSIONS OR RIDGES

Depressions or ridges may appear in vinyl flooring because of subfloor irregularities or penetrations made by high heels and furniture. Meritage will, one time within the first year of the Warranty, repair defects in subflooring that cause irregular depressions or ridges.

14.9 GAPS IN VINYL FLOORING SEAMS

Gaps in vinyl flooring seams should not be visible from a standing position. Meritage will, one time within the first year of the Warranty, repair gaps in seams (sheet goods) or gaps in seams that exceed 1/8 inch (resilient block tile).

14.10 VINYL FLOORING NAIL POPS

Meritage will, one time within the first year of the Warranty, repair nail pops on vinyl flooring that are readily visible from a standing position.

14.11 VINYL FLOORING PATTERNS MISALIGNED

Vinyl flooring patterns at seams between adjoining pieces should align. Meritage will, one time within the first year of the Warranty, correct misaligned flooring.

14.12 VINYL FLOORING STAINS

Staining, fading or discoloration that occurs on the surface of vinyl flooring after the closing date is not covered by the Warranty.

14.13 LOOSE OR WRINKLED CARPETING

Meritage will, one time only within the first year of the Warranty, restretch wall-to-wall carpeting that has detached or loosened from the point of attachment.

14.14 GAPS IN CARPET SEAMS

It is normal for carpet seams to show. However, Meritage will, within the first year of the Warranty, repair gaps in carpet seams that are readily visible from a standing position.

14.15 CARPET SPOTS OR FADING

In cases where fading, staining or discoloration in the carpet occurs because of a carpet defect, the manufacturer's warranty will apply.

Warranty Information

Section 15. Doors

15.1 DOOR PANEL SPLIT

Split door panels should not allow light to be visible through the door. Meritage will, within the first year of the Warranty, repair splits in door panels by filling them with wood fillers and refinishing.

15.2 WARPED DOORS

Warping on doors should not exceed 1/4 inch as measured from corner to corner. If the door has been properly maintained and is not physically damaged, Meritage will, within the first year of the Warranty, replace the door with a comparable product if warping exceeds the 1/4 inch standard. Warping that occurs to stain or lacquer finished doors that are improperly maintained is the Homeowner's responsibility and is not covered by the Warranty.

15.3 RAW WOOD SHOWING ON DOOR PANEL

Wooden door panels will shrink and expand because of temperature and humidity changes and may expose unpainted surfaces at the edges of the inset panel on the door. Meritage will, one time during the first year of the Warranty, touch up door panel edges that expose more than 1/16 inch of raw wood. Any subsequent touch-up is considered part of routine Homeowner maintenance and is not covered by the Warranty.

15.4 DOORS NOT OPERATING PROPERLY

Meritage will, one time during the first year of the Warranty, make necessary corrections to doors that fail to operate properly (binding, sticking, not latching, rubbing or failure to seal properly).

15.5 BI-FOLD AND POCKET DOORS

Bi-fold and pocket doors should slide without rubbing or coming off their tracks during normal operation. Meritage will, within the first year of the Warranty, adjust bi-fold and pocket doors that fail to slide, are rubbing or come off their tracks during normal operation.

15.6 SLIDING PATIO DOORS AND SCREENS

Sliding patio doors and screens should slide without coming off their tracks during normal operation. Meritage will, one time within the first year of the Warranty, adjust sliding patio doors that do not slide properly. Some intrusion of the elements can be expected under windy conditions.

15.7 GARAGE DOOR OPERATES IMPROPERLY

If the garage door does not operate properly within the first year of the Warranty, Meritage will correct or adjust the door as required. Doors should be properly adjusted and balanced. Normal maintenance by you, the Homeowner, includes keeping the tracks, channels and operating mechanisms clean and lubricated. The Warranty is void if the Homeowner installs a garage door opener or otherwise modifies the garage doors as originally installed.

Section 16. Windows

16.1 DIFFICULT TO OPEN OR CLOSE WINDOWS

Windows should be properly adjusted and balanced. Normal maintenance by the Homeowner includes keeping the tracks, channels and operating mechanisms clean and lubricated. For most windows, Homeowners should use a dry silicone spray lubricant on the tracks once each year. Meritage will, during the first two years of the Warranty, correct or repair windows that fail to operate per the manufacturer's specifications.

16.2 WINDOW OR SKYLIGHT LEAKS

Water leaking through or around windows or skylights as a result of improper installation will be repaired by Meritage within the first two years of the Warranty. Water may become visible in window tracks and sliding glass door tracks during heavy rain and should drain to the outside of the Home. Occasionally aggressive rains may force water in at such a rate that it overflows your windows' interior tracks. Wiping any excess water or spills as soon as reasonably possible will avoid damage to your window seal or walls. Be sure to keep your window tracks clean and free of debris.

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16.3 CONDENSATION OR FROST ON WINDOWS OR SKYLIGHTS

Windows and skylights will collect condensation on their interior surfaces when high humidity within the Home turns into water on the colder window or skylight surface. The Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. Draperies and blinds should be left open to encourage air circulation and even temperatures during periods of cold weather and high interior humidity. No action on the part of Meritage is required under the Warranty.

16.4 WINDOW SCRATCHES AND IMPERFECTIONS

Meritage will, within the first ten days of the Warranty, repair any window imperfections reported in writing to Meritage that do not meet ASTM specifications. ASTM standards require that imperfections must be viewable in daylight without direct sunlight at a 90° angle from the window surface from a distance of over ten feet.

16.5 DEFECTS

Meritage will, within the first two years of the Warranty, replace defective glass or failed seals in insulated windows. Stress cracks are not warranted by Meritage. Manufacturer's warranties vary and may exceed this Warranty. For details, consult your customer care manager.

16.6 AIR INFILTRATION

Some infiltration around windows is normal, especially during high winds. You may hear whistling as wind enters your window's weeps. This is a natural occurrence and no action is required of Meritage to address this condition. As a part of your routine homeowner maintenance, keep your weeps clear of debris.

16.7 TINTING

After market tinting added to dual glazed windows will void all builder warranties. Damage can result from condensation or excessive heat build up between the panes of glass. Refer to manufacturer guidelines for additional information.

Section 17: Cabinets and Countertops

17.1 GAPS BETWEEN CABINETS AND CEILINGS OR WALLS

Gaps between cabinets and ceilings or walls should not exceed 1/8 inch. Meritage will, during the first year of the Warranty, repair any such gaps with caulking, putty, scribe molding or by repositioning the cabinets.

17.2 CABINET DOOR OR FACING WARPED

Meritage will, during the first year of the Warranty, repair cabinet doors and drawer fronts that are warped in excess of 1/4 inch.

17.3 CABINET DOOR WILL NOT STAY CLOSED

Meritage will, one time during the first year of the Warranty, adjust cabinet door catches or closing mechanisms that do not hold the door in a closed position. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Warranty.

17.4 CABINET DOOR OR DRAWER BINDS

Meritage will, one time during the first year of the Warranty, adjust cabinet doors and drawers that do not easily open or close. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Warranty.

17.5 WOOD CABINET FINISH VARIATIONS

All wood in any finish will exhibit color changes when exposed to light. All wood cabinets are constructed using different pieces of wood, and each piece will differ in color as well as change color in different ways. This color change is caused by variations in the minerals and acids from the soil and other conditions created by the growth environment of a tree. These variations in graining and color are characteristics of a natural wood cabinet and are not considered defects. Wood has these variations, and these variations are not covered by the Warranty.



Note: Meritage Homes does not warrant appliances. ALL appliances are directly warranted by the applicable manufacturer. Contact the manufacturer directly for warranty service.

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17.6 ALL SOLID SURFACE TOPS

Cracks at drains and fixtures are usually the result of stress. Meritage will, one time during the first year of the Warranty, repair cracked tops at drains. Cracks, scratches or other damage caused by the Homeowner and/or reported after close of escrow are not covered by the Warranty.

17.7 COUNTERTOP NOT LEVEL

Countertops should be no more than 1/4 inch per four feet out of level. If the countertop is more than 1/4 inch per four feet out of level, Meritage will, one time within the first year of the Warranty, make appropriate adjustments to the countertops.

17.8 COUNTERTOP DELAMINATED

Meritage will, one time during the first year of the Warranty, repair delaminated high-pressure laminate countertops. Delamination due to abuse or neglect are not covered by the warranty.

Section 18: Appliances

18.1 CHIPPED OR SCRATCHED APPLIANCES

Scratched or chipped finishes on porcelain, glass, aluminum or other surfaces on laundry, kitchen or any other appliances are not covered by the Warranty.

18.2 APPLIANCE FAILS TO FUNCTION

Kitchen, laundry and all other appliances purchased within your contract that fail to function per the manufacturer's specifications should be addressed by the manufacturer under the manufacturer's warranty.

Section 19: Fireplace and Chimney

19.1 FIREBOX LINING DAMAGED BY FIRE/DISCOLORATION/CRACKS

It is normal for the interior firebox area to become discolored and cracked from the heat of fire in the fireplace. Mortar style fireplaces may develop cracks due to temperature changes. These effects are not covered by the Warranty.

19.2 FIREPLACE SMOKE IN LIVING AREA

When fireplaces are used properly, smoke from the fireplace should not escape into living areas. In cases where smoke escapes into living areas during the first year of the Warranty because of improper installation or design, Meritage will take appropriate corrective action.

Note: High winds or external factors such as trees can cause negative draft situations. Make sure damper is fully opened.

19.3 WATER IN FIREBOX/AIR FILTRATION

It is common for water infiltration to occur into the firebox from the flue. A certain amount of rainwater can be expected under certain conditions. No action is required on the part of Meritage for these conditions under the Warranty. Further, drafts from fireplaces are normal and are excluded from warranty coverage.

19.4 PRE-FAB GAS FIREPLACE

Meritage will, within the first year of the Warranty, repair any defects of any pre-fabricated gas fireplace per the manufacturer's specifications. Cleaning and replacement of embers will be the responsibility of the Homeowner. Manufacturer's warranty may exceed this coverage.

Section 20: Driveways and Exterior Concrete Surfaces

20.1 ASPHALT DRIVEWAYS

Asphalt driveways containing cracks exceeding 1/4 inch wide within the first year of the Warranty will be repaired by Meritage, and Meritage will repair any depression that retains water in excess of one inch deep caused by settlement within the first year of the Warranty. Extreme heat

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will cause indentations and surface deterioration if cars or trucks are parked for long periods of time in the same location. These indentations caused by the long-term parking of cars or trucks are not covered by the Warranty.

20.2 MASONRY (BRICK) DRIVEWAY SETTLEMENT/SHIFTING

Some settling of the masonry driveway should be expected. In cases where there is 1/4 inch or greater settlement or shifting within the first year of the Warranty, Meritage will repair by resetting pavers.

20.3 MASONRY DRIVEWAY COLOR VARIATION

Variation in the masonry or brick colors should be expected. Shade variations are normal and should be expected from weather, oxidation and pollutants. Because of this, color variation in masonry driveways is not covered under the Warranty.

20.4 CRACKS/CHIPS IN MASONRY DRIVEWAY

The Homeowner should not expect the masonry driveway to be crack-free or chip-free. Unless noted on the final walkthrough, any crack or chip in the masonry driveway is not covered under the Warranty. In many driveways, expansion joints are present to help control temperature related expansion and cracking. In cases when cracks and/or chips are noted on the final walkthrough, Meritage will take necessary corrective action. Filling cracks with a cementitious product is an acceptable form of repair.

20.5 CONCRETE SETTLING

Concrete walkways, patios and steps should not settle, heave or separate from the house structure in excess of one inch in freezing climates or 3/8 inch in non-freezing climates. In cases where this occurs within the first year of the Warranty, Meritage will repair damaged portions of the concrete, using methods at Meritage's discretion.

20.6 WATER PONDING ON EXTERIOR CONCRETE SURFACES

After rain ceases and no additional rain or moisture has been introduced, water ponding should not exist on concrete surfaces for more than 24 hours. In the event it is determined, during the first year of the Warranty, that water ponding exists beyond the 24-hour period, Meritage will take discretionary corrective action.

20.7 COMMON AREA SIDEWALKS

Community sidewalks are not covered by the Warranty.

20.8 EXTERIOR CONCRETE PAVER SURFACES

Surface variances greater than 1/2 inch per four feet will be repaired within the first year of the Warranty. Surface patching is an acceptable method of repair. Due to the nature of the product, irregularities in the shape, color, texture, size and finish can be expected, and these variances are not covered by the Warranty.

20.9 CRACKS, CHIPS, SCALING AND PITTING IN EXTERIOR CONCRETE

Driveways, sidewalks, stoops, patios, and other exterior concrete areas are exposed to the elements year-round and are subject to wear and tear from weather. Cracks are to be expected due to curing, expansion and contraction. Meritage will, one time within the first year of the Warranty, repair cracks exceeding 1/4 inch in width or vertical displacement by filling, patching or grinding. Surface scaling, pitting and chipping can occur and is the result of freeze/thaw cycles, road salts, chemicals, radiator overflow, animal urine, repeated washing and leaving snow or water on the concrete for extended periods of time. Scaling, pitting and small cracks can also be related to soft aggregate used in standard residential concrete mixes. In either event, cracks, chips, scaling, small cracks and chips are not covered under the Warranty and will not be repaired by Meritage.

20.10 CONCRETE APPEARANCE/FINISH

Meritage will, one time within the first year of the Warranty, repair deterioration of the surface resulting in the appearance of coarse aggregate below the surface, unless salt or chemicals, cause the deterioration of the surface. Meritage will repair the surface by patching or surface coating. Color variations are not covered by the Warranty.

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Section 21: Landscaping

21.1 LANDSCAPING

Due to regional variances in temperature and terrain, Meritage does not offer any warranty on landscaping vegetation or mechanicals including shrubs, plants, tree's, sod, erosion, mulch, rock, granite, irrigation and sprinkler systems. In some areas, mechanical warranty coverage of irrigation or sprinklers may be available from a third-party landscape contractor.

21.2 IRRIGATION - SPRINKLER SYSTEMS

Sprinkler systems require regular maintenance and management by you – the Homeowner. Failure to adjust water cycles and repair or replace broken sprinkler heads can result in excess water runoff, causing overwatering of vegetation, muddy areas, soggy soils, erosion of soils and swales, rot, damage to existing structures such as fencing, and possible drainage issues that could undermine your Home's foundation or lead to upheaval and cracking of existing concrete driveways and other concrete surfaces. Any and all issues, including but not limited to the abovementioned, that are the result of lack of sprinkler or irrigation maintenance or management are not the responsibility of Meritage Homes.

21.3 FENCING

Depending on the community in which your home is located, fencing may be included with your home. If fencing is a part of your home purchase, we will confirm that it is in acceptable condition during your Homeowner Orientation. Maintenance of your homes fencing is a homeowner maintenance responsibility. Damage to fencing from severe weather should be handled through your Homeowner's insurance.

