

ANDERSON HOMES

SANTANA RANCH Hollister, California

ANDERSON HOMES

CUSTOMER CARE PROGRAM

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I. INTRODUCTION

Anderson Homes, a California corporation (“**Anderson Homes**”), is pleased to provide you with this Customer Care Program (“**Program**”) for your new home. Please read these Program guidelines (“**Program Guidelines**”) carefully.

Please note that this Program contains performance and customer service standards and procedures. To the extent that performance standards are not enumerated in these Program Guidelines, generally accepted industry standards shall be used to determine whether a specific item is covered under this Program.

II. EMERGENCIES

In the case of an Emergency, as defined below, you must immediately contact Anderson Homes’s Emergency Service Telephone Line at: **(209) 367-7600 ext. 20 or 209-710-0189.**

In addition to notifying Anderson Homes immediately of any Emergency situation at the above telephone number, you also may wish to contact the trade contractors, as applicable to the Emergency. Contact information for the trade contractors is listed on the last page of these Program Guidelines, entitled “Emergency Telephone Numbers.”

A. **Emergency Requests.** “**Emergency**” means any condition that would lead to substantial damage, or additional damage to the home or property if not repaired immediately. Examples of an “Emergency” include plumbing leaks, no heat in cold weather, or any potentially hazardous condition. In an Emergency, requests shall be made by telephone to a representative of Anderson Homes’s Customer Service Department, provided, however, that the Service Request is promptly followed by your completed service request form.

NOTE: CONDITIONS INVOLVING WATER DAMAGE OR LEAKS. Any and all conditions at the home, which involve water damage, or the potential for water damage, within or to the home, such as a plumbing leak, or break, or roof or window leak, are Emergencies. You hereby agree to notify Anderson Homes’ Customer Service Department immediately by telephone as to any and all such conditions. Upon discovery of any such Emergency condition, you also agree to allow Anderson Homes immediate access to the home in order to inspect and/or test and to take all steps Anderson Homes deems necessary to repair any such condition, as well as to remove and/or replace any and all components or materials causing damage or damaged by such condition, including without limitation, removal of wet drywall, sheetrock, trim, tack strip, carpet, carpet pad and flooring material.

II. SCOPE OF PROGRAM

A. Property covered by the Program: This Program covers the home you are purchasing from Anderson Homes.

B. Who is covered: This Program protects you, the original party (referred to in the Program as “you”, “your”, “homeowner” or “buyer”) who purchased the home from Anderson Homes (referred to herein as “Anderson Homes”, “us”, “our”, or “we”) as shown on the grant deed. **This Program is transferable to subsequent purchasers of the home for the remainder of any Program coverage period; however, to be effective as to the subsequent purchaser, the subsequent purchaser and Anderson Homes must sign the Program Guidelines. You agree to provide these Program Guidelines, or a copy of same, to a subsequent purchaser of the home and to notify Anderson Homes of your sale of the home within 30 days after the close of escrow of the resale.** This Program terminates automatically when the coverage periods set forth below expire. You may not assign your rights under these Program Guidelines.

C. Commencement Date: Coverage under this Program begins at the close of escrow for the home (the “**Commencement Date**”). The duration of coverage under this Program, as to each specific item, is set forth below in Section V.

III. MAINTENANCE

A home is a unique product and requires proper maintenance and care by you. Maintenance is necessary because of normal wear and tear, the inherent characteristics of the materials used in your home and normal service required by the mechanical systems in your home. Natural fluctuations in temperature and humidity also affect your home. A minor adjustment or repair done immediately saves a more serious, time-consuming and sometimes costly repair later.

Under the terms of this Program, you agree to provide the required maintenance to your home as outlined in the “The Home Book, A Complete Guide to Homeowner and Homebuilder Responsibilities” by David E. MacLellan, George E. Wolfson, AIA and Douglas Hansen (“Maintenance Requirements”), a copy of which you have received with these Program Guidelines.

IV. NEW HOME ORIENTATION

Shortly before the close of escrow, a representative of Anderson Homes will meet with you at your new home ("**New Home Orientation**"). You and Anderson Homes will inspect the home and will make note of any deficiencies. The following items are considered to be cosmetic and are NOT covered by this Program. However, Anderson Homes will correct such items if they are identified and noted in writing at the time of the New Home Orientation:

The Following Areas Are Covered During The New Home Orientation:

- Scuffed, scratched, or smudged floor tiles, floor coverings, wall coverings, painted surfaces, or countertops;
- Stains or spots on floor coverings;
- Wall or trim surfaces visible through paint;
- Chipped or cracked porcelain, tile, natural stone (including granite and marble), Quartz, Piedrafina, grout, or fiberglass. Some faint scratches, crazing, or fissures are a natural part of certain materials. Inconsistencies that do not meet industry standards and are identified and noted in writing at the time of the New Home Orientation will be corrected with a filler product; the natural stone will NOT be replaced unless there is severe damage caused by unnatural circumstances;
- Cracked or loose porcelain or tile;
- Chipped or scratched surfaces of appliances, plumbing fixtures or hardware;
- Excessively chipped or gouged wood trim;
- Torn, damaged, or missing window screens or door screens;
- Door locks or windows that do not operate with reasonable ease;
- Smoke detectors that are not in working order;
- Smudged, scratched, or stained cabinet surfaces or finishes;
- Broken, inoperable, or scratched glass, light fixtures, light bulbs, or mirrors;
- Scratches on windows that are readily visible from a distance of eleven (11) feet under normal lighting conditions;
- Surface damage to stucco, concrete, or cracks in driveways, sidewalks, or patio slabs exceeding tolerances as defined in Section V below (see Concrete, and Exterior Stucco in Section V below);
- Paint splatters, smears, skips, or blotches on paint surfaces;
- Concrete splatters;
- Excessive stucco or drywall splatters;
- Broken roof tile;
- Infestation of insects (termites, ants, spiders, bees) or animals; and
- Concrete cracks occurring at a cold joint, control joint, or a cut joint exceeding tolerances as defined in Section V below (see Concrete in Section V below).

V. WHAT IS COVERED

Subject to the Specific Exclusions (as defined in Section VI) and other exclusions set forth in these Program Guidelines, Anderson Homes provides the following coverage under this Program as to original workmanship and materials for the time periods set forth below:

FIT AND FINISH

Coverage: Anderson Homes warrants the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes and trim.

Coverage Period: One Year.

HEATING

Coverage: Heating systems will be installed in accordance with local building codes, as well as engineering designs of the particular model home. Adequacy of the system is determined by its ability to establish a temperature of 70 degrees, as measured in the center of the room, five (5) feet above the floor. Thermostats are calibrated to within, plus or minus, 5 degrees.

Your heat system is a “sealed system” and the duct work should remain attached and securely fastened. If it becomes unattached, Anderson Homes will repair as needed during your one year coverage period.

Coverage Period: One year.

Important Note: Expansion or contraction of metal duct work will typically result in some ticking or popping sounds. It is not possible to eliminate these sounds. The exact placement of heat ducts may vary slightly from those positions shown in the models. Heat register covers are removable and adjustable. Homeowner is responsible for adjusting the dampers in these covers to regulate the heat flow within the home. In particular, attention is drawn to the fact that rooms farther away from the furnace will need to have vents opened more. To insure that the furnace will operate at its designed efficiency, THE FILTER SHOULD BE CHANGED EACH MONTH.

AIR CONDITIONING

Coverage: When air conditioning is included in the home, the system should be capable of maintaining a temperature differential of 15 degrees from the outside temperature, measured in the center of each room at a height of five (5) feet above the floor.

It is important to maintain the A/C compressor in a level position. If the A/C compressor “settles” during the coverage period, Anderson Homes will correct it. If the A/C compressor “settles” after the coverage period has expired, such “settling” is not covered and is the homeowner’s responsibility to maintain.

Coverage Period: One year.

Important Note: Lack of air conditioning is NOT an emergency. Problems will be handled by the heating/air conditioning contractor as soon as possible, in the order received. During the “busy season” this may mean a wait up to a week. The outside temperature must be 70 degrees or higher for freon to be added to the system.

WHOLE HOUSE FAN (Subdivision Specific)

Coverage: A whole house fan is a ventilation cooling system for the home that uses less energy than a traditional air conditioner. This energy efficient system works by pulling cooler air from the outside of the home to the inside, creating active cross to the inside, creating active cross breezes with open windows.

Coverage Period: Once year.

Important Note: Lack of whole house fan ventilation is NOT an emergency. Problems will be handled by the heating/air conditioning contractor as soon as possible, in the order received. During the “busy season” this may mean a wait up to a week.

VENTILATION / FRESH AIR FANS

Coverage: Pursuant to Building Code and Title 24 specifications each bathroom and laundry room has a ventilation / fresh air fan installed to exchange fresh air with “stale / humid” air. The bathroom fresh air fans are installed with both motion and humidity sensors, while the laundry room fan is designed to run continuously.

Coverage Period: One year.

Important Note: The sensors in the bathroom are extremely sensitive to humidity and movement. The sensors are designed to operate when either a shower is running, tub is filling/filled, toilet flushed and/or wet towels are left in the bathroom. Even exterior humidity can affect the fan operation. The laundry room fan is designed to run non-stop. None of the ventilation / fresh air fans in the bathrooms and laundry room are “noiseless”. Anderson Homes will not adjust and/or remove the fan sensors.

PLUMBING

Coverage: All drains and sewer lines should operate freely. Anderson Homes will correct clogged drains resulting from construction debris.

Anderson Homes will repair leaks in the plumbing system. If a plumbing leak, caused by a covered item, results in drywall or floor covering damage, this will be repaired.

Anderson Homes will repair problems with faucets if noted on the New Home Orientation list. Reports made after the New Home Orientation are the responsibility of the homeowner.

Changes in temperature or the flow of the water itself will cause noise in the pipes. This is normal and requires no repair. Consistent “water hammer” will be repaired. Temperature variations can be expected if water is being used in more than one location in the home.

Coverage Period: Clogged Drains: Anderson Homes will correct clogged drains noted on the New Home Orientation list.

Plumbing Leaks: Four years.

Water Hammer: One year.

Fixtures: Anderson Homes will repair damage to fixtures only if noted on the New Home Orientation list.

Important Note: Any alterations and/or installations to the plumbing system made by the homeowner (i.e., installation of water softener) will void the coverage on the plumbing system. Clogged drains shown to be the result of homeowner action will be corrected at homeowner's expense.

Provided the home is heated at a normal level, pipes should not freeze. Heat should be set at 65 degrees when you are away during winter months. Garage doors should be kept closed to protect plumbing lines.

Please note that it is the homeowner's responsibility to make sure that hand-tight fittings, such as on the garbage disposal, remain tight.

ELECTRICAL

Coverage: If electrical outlets, switches or fixtures do not function as intended, Anderson Homes will repair or replace them. Any electrical wiring that fails to carry its designed load will be repaired or replaced to meet specifications. Damaged fixtures will be repaired or replaced.

Coverage Period: Electrical: Four years.

Fixtures: Anderson Homes will correct damaged fixtures only if noted on the New Home Orientation list.

Important Note: Electrical boxes on exterior walls may produce cold airflow through the outlet. This is normal and no action will be taken by Anderson Homes. Light fixtures are installed in the locations as indicated in the model house and will not be moved by Anderson Homes. Hanging fixtures are installed with chain, as delivered. Homeowner will be responsible for adjusting the length, if not satisfactory. All fixtures are installed with ordinance regulated LED bulbs or specified decorator LED bulbs, with the exception of the under cabinet lights in the kitchen. Homeowner is responsible for replacing any burned out bulbs other than those listed on the New Home Orientation list. Large appliances, such as freezers, should not be plugged into the Ground Fault Interrupter (G.F.I.) in the garage.

INSULATION

Coverage: Insulation will be installed in accordance with those building codes applicable at the time of construction.

Coverage Period: Two years.

DRYWALL (SEE ALSO "FIT & FINISH")

Coverage: Some slight cracking, nail "pops" and/or drywall seams may become visible in walls and ceilings. These occurrences are normally caused by the shrinkage of the wood to which the drywall is attached. These occurrences are only repaired when they can be viewed at a distance of six (6) feet under normal lighting conditions. Cracks that exceed 1/16" in width shall be repaired. Anderson Homes will be responsible for any touch-up or repainting that is needed as a result of this service. If the drywall repair is the result of a plumbing leak or other warranty-based repair, Anderson Homes will assume the cost of repainting the area of drywall.

Coverage Period: One year.

Important Note: Any cracking, nail "pops" or drywall seams that appear after the coverage period has expired are not covered and are the homeowner's responsibility. Repairs will not be made on flaws that are only visible under particular lighting conditions. A perfect match between original and new interior paint cannot be expected and Anderson Homes will not paint an entire room or wall. Restoring customer paint colors or wallpaper is the homeowner's responsibility.

SUBFLOOR

Coverage: Anderson Homes will review floor noises and make repairs as needed.

Coverage Period: One year.

Important Note: Totally noise-proof floors cannot be guaranteed.

PAINT (INTERIOR) (SEE ALSO "FIT & FINISH")

Coverage for Paint: Anderson Homes will touch up deficiencies in the application of paint.

Coverage Period: One year.

Important Note: Paint touch-ups are sometimes visible under certain lighting conditions. For more details on paint touch-ups needed as a result of repairs, see individual categories (i.e., Drywall; Plumbing).

PAINT (EXTERIOR) (SEE ALSO "FIT & FINISH")

Coverage: Anderson Homes will touch up deficiencies in the application of paint.

Coverage Period: One year.

Important Note: Fading of exterior paint can be expected due to the effects of sun and weather. Wood trim will develop some minor cracks and raised grain as it ages and dries. Much of this will occur during the first year. Raised grain can result in peeling paint; however, this is not due to a defect in materials or workmanship. Wood trim painted white or light colors will more readily show grain and cracks and will therefore require additional maintenance.

WINDOWS/SCREENS

Coverage: Broken windows and damaged screens will be repaired/replaced at the discretion of Anderson Homes. Windows should operate with reasonable ease and locks should perform as designed.

Coverage Period: Broken windows and damaged screens are covered only if noted on the New Home Orientation list.

Important Note: Condensation on interior surfaces of the window and frame is the result of high humidity within the home and low outside temperatures. The humidity level within the home is controlled by the homeowner and requires NO corrective action by Anderson Homes. Homeowners with humidifiers should closely observe manufacturer's directions, especially during extremely cold time periods.

Some air and dust will infiltrate around windows, especially prior to the installation of landscaping in the general area.

WOOD TRIM (SEE ALSO "FIT & FINISH")

Coverage: Anderson Homes will correct serious defects in the wood trim, such as cracking in the wood, or heavy splintering.

Coverage Period: One year.

Important Note: Separation of wood trim from the adjacent material is a normal result of shrinkage. A small dimple may result where nailed. This is due to wood shrinkage and will not be repaired. Minor imperfections may be visible.

DOORS

1. **Coverage For Metal Doors:** Significant dents, scratches, or other mars on metal doors will be repaired.

Coverage Period: Dents, scratches, or other mars are covered only if noted on the New Home Orientation list.

Important Note: Paint touch-up on repairs will be by brush and, therefore, will not match existing paint coverage exactly. Weather stripping on exterior metal doors will mar the paint. This result cannot be prevented.

2. **Coverage For Wood Doors.** Due to normal settling of the home, doors may require adjustment for proper fit. Anderson Homes will make such adjustments.

Doors that warp in excess of 1/4" will be repaired.

Coverage Period: Anderson Homes will make adjustments only one time during the coverage period, which is one year.

Warped doors: One year.

3. **Coverage For Garage Mandoor:** None.

Coverage Period: None.

Important Note: Anderson Homes will not alter the ventilation space between the door and the garage floor. The space between the door and the garage floor is required by City Ordinance for ventilation.

HARDWARE

Coverage: Doorknobs and locks should operate correctly. Some slight adjustment may be needed due to normal shrinkage of the framing. Anderson Homes warrants against finish defects in door hardware, towel bars, shower doors, medicine cabinets or mirrors.

Coverage Period: Adjustments of doorknobs and locks will be made by Anderson Homes only one time during the coverage period, which is one year.

The finish of door hardware, towel bars, shower doors, medicine cabinets or mirrors is covered for one year. (See also "Fit & Finish".)

FLOOR COVERING (SEE ALSO "FIT & FINISH")

YOUR COLOR SELECTION SHEETS ARE YOUR RECORD OF THE BRAND, STYLE AND COLOR OF FLOOR COVERINGS IN YOUR HOME.

THE MANUFACTURER'S FLOOR COVERING WARRANTIES ARE VOID IF THE HOME UNDER WARRANTY IS RENTED, LEASED, AND/OR USED IN A COMMERCIAL OR BUSINESS APPLICATION.

1. **Coverage For Carpet:** Although carpet seams will be visible, no gap or fraying is acceptable. Edges of carpet against base moldings and along edges of stairs should be held firmly in place. Anderson Homes warrants against stains or spots in the carpet.

Coverage Period: Gaps or fraying of carpet: One year.

Stains or spots are covered only if noted on the New Home Orientation list.

Important Note: Stains or spots in carpet will be corrected by cleaning, patching, or replacement. The method of correction is at the discretion of Anderson Homes.

2. **Coverage For Vinyl:** Vinyl floor coverings should adhere; lifting or bubbling will be repaired. In the event that nail pops should appear on the surface of vinyl, these will be repaired. Seams will occur and are sealed at the time of installation. If a gap at the seam exceeds 1/16 inch in width, the seam will be sealed. Any cuts, scratches, tears, discoloration, or spots will be cleaned, patched, or replaced.

Coverage Period:

Lifting or bubbling: One year.

Nail Popping: One year

Gaps in seams: One year.

Important Note: Cuts, scratches, tears, discoloration, or spots are covered only if noted on the New Home Orientation list. The method of cleaning, patching or replacing

any cuts, scratches, tears, discoloration, or spots in vinyl is at the discretion of Anderson Homes. In any situation, which requires replacement, Anderson Homes will not be responsible for discontinued patterns or colors.

3. Coverage For Ceramic Tile, Ceramic Tile Planking, Natural Stone and Piedrafina (Floor, Tub & Shower): Stress cracks or loose tiles will be repaired or replaced. Cracks in grouting of ceramic tiles are normally due to shrinkage conditions. Notwithstanding, Anderson Homes will repair cracks that appear in grouting of ceramic tiles at joints or junctions with other materials. Regarding ceramic tile planking there will be lippage at the grout joints due to the manufacturing process of the planking. All ceramic tile planking will have a 3/8" grout joints per the manufacturer's recommendations.

Coverage Period: One year.

Important Note: Anderson Homes is not responsible for variations in color or discontinued tile patterns. New grout may vary in color from the original. Anderson Homes is not responsible for color variations in grout or discontinued colored grout. Anderson Homes does not seal grout.

4. Coverage for Hardwood & Laminate Flooring: Chips and dings are covered only if noted on New Home Orientation list. Cupping and separation greater than 1/16" will be repaired or replaced. The method of repair is at the discretion of Anderson Homes.

Coverage Period: One year.

Important Note: Anderson Homes is not responsible for variations in color or discontinued hardwood and laminate patterns. New boards may vary in color from the original. Anderson Homes is not responsible for color variations or discontinued patterns.

CABINETS (SEE ALSO "FIT & FINISH")

Coverage: Cabinets (drawers, doors, etc.) should operate properly under normal use. Doors, drawer fronts and handles should be level and even. Warped doors or drawer fronts will be corrected if warped in excess of 1/4" within any 24" distance. Gaps between cabinets, cabinets and ceiling, or cabinets and walls will be corrected if they are in excess of 1/4". Anderson Homes will correct serious defects in cabinets, such as heavy splintering.

Coverage Period:

Warped Doors/Drawers: One year.

Cabinet Gaps: One year.

Serious Defects: One year.

Chips, gouges, etc.: As noted on New Home Orientation list.

Important Note: Gaps between cabinets, cabinets and ceiling, or cabinets and walls will not be corrected if located behind appliances. Separation of wood from the adjacent material is a normal result of shrinkage and will not be repaired. Replacement/repair of cabinets will not be made due to variations in wood grain and color. Minor imperfections in cabinets may

be visible and are not covered. Readily noticeable variations in wood grain and color are expected in all style selections.

COUNTERTOPS (SEE ALSO "FIT & FINISH")

Coverage: Separations of countertops at walls and where backsplash meets the counter are the result of normal shrinkage of materials. Notwithstanding, Anderson Homes will repair such separations.

Coverage Period: One year.

Important Note: Repair of countertop separations is done by caulking. It is important to keep moisture from reaching the wood under the finish deck to prevent warping.

1. **Coverage For Ceramic Tile, Natural Stone, Quartz, Granite And/Or Piedrafina Countertops:** Stress cracks or loose tiles will be repaired or replaced.

Cracks appearing in grouting of ceramic tiles at joints or junctions with other materials are commonly due to normal shrinkage conditions. Nonetheless, Anderson Homes will repair grouting, if necessary.

Coverage Period: One year.

Important Note: Anderson Homes is not responsible for variations in color or discontinued tile patterns and/or coloration differences in natural stone and/or slabs. New grout may vary in color from the original. Anderson Homes is not responsible for color variation in grout or discontinued colored grout. Sealing grout and tile is a homeowner responsibility. Follow manufacturer's directions carefully.

CABLE TV HOOK-UP PRE-WIRE

Coverage: None.

Coverage Period: None

Important Notes: Each home is pre-wired with a designated number of outlets for cable TV. It is the homeowner's responsibility to contact the cable company for service connections, if desired. The exact location of the outlet within the room will vary slightly. Any change in location of the outlet will be at the homeowner's expense.

Although outlets are in the home, the exact timing of service for each community is dependent upon the cable TV company and not controlled by Anderson Homes. Specific questions regarding availability of service should be directed to the local cable company.

TELEPHONE PRE-WIRE

Coverage: None.

Coverage Period: None

Important Note: Each home is telephone pre-wired in a designated number of rooms. This is not the same as having phone “jacks” and additional work is required before phone service is complete. Having the final telephone connections made is the homeowner’s responsibility. Moving outlets for decorating purposes or convenience is an owner expense.

ELECTRIC VEHICLE CHARGER PRE-WIRE IN GARAGE

Coverage: None.

Coverage Period: None

Important Note: Each home is pre-wired only for an electric vehicle charger. This is not the same as having an operational electrical outlet that can be immediately plugged into, additional work is required before electrical service is complete. Having the final electrical connection made is the homeowner’s responsibility. Moving the electrical wiring for decorating purposes or convenience is an owner expense.

FIREPLACE

Coverage: The fireplace should function properly when Anderson Homes and/or manufacturer’s directions are followed. The cause of continuous malfunction will be determined and corrected by Anderson Homes.

Coverage Period: One year.

Important Note: Fireplaces are not intended to be a sole heat source in the home. High winds can result in a temporary downdraft. Also, negative drafts can be caused by obstructions such as tree branches, hillsides, adjoining houses, and interior furnaces. Homes have been constructed to meet stringent energy criteria and may need to have a nearby window opened slightly to create an effective draft. Discoloration of the fireplace or brick is the normal result of use and requires no corrective action. **Certain municipalities mandate that the damper remains partially open.**

Coverage For Fireplace Glass Door: Damage to glass doors, when included with the home, will be corrected.

Coverage Period: Damaged glass doors are covered only if reported on the New Home Orientation list.

Important Note: Homeowner should follow manufacturer’s instructions for using glass doors.

CONCRETE

Coverage: Anderson Homes will repair cracks in the flatwork that exceed 3/16” of an inch in width. Expansion joints are built into the slab and are not covered.

Anderson Homes will correct cracks, settling, or heaving in the interior concrete floor slab that ruptures finish floor materials installed as part of the home at the time of original purchase. Concrete floors in the habitable areas of the home will be level to within 1/4 inch

within any 32-inch measurement with the exception of an area specifically designed to slope toward a floor drain. Anderson Homes will repair vertical displacement of the concrete.

Anderson Homes will correct conditions that cause water to remain longer than twelve (12) hours unless the water is due to roof run-off or melting snow/ice. Water may stand on exterior concrete slabs for several hours after precipitation, or from run-off.

Coverage Period: One year.

Important Note: If your home is built on a post-tension slab, avoid any action that penetrates the concrete. Cables or tendons located within the concrete are under considerable tension such that the risk of hitting a cable or tendon makes such actions dangerous.

A concrete slab ten (10) feet across shrinks approximately 5/8 inch as it cures. This shrinkage may cause cracks to appear in the concrete. Cracking of concrete flatwork may also result from temperature changes that cause expansion and contraction. You must direct drainage away from the concrete slabs to minimize cracking. By maintaining good drainage, you protect your home's foundation and the concrete flatwork (*i.e.*, porch, patio, driveway, garage floor and sidewalks). Watering around foundations should be kept to a minimum. Do not flood or irrigate around foundations. Keeping adequate drainage away from the home is a maintenance item.

Avoid washing exterior concrete slabs with cold water from an outside faucet when temperatures are high and the sun has been shining on the concrete. The abrupt change in temperature can damage the surface bond of the concrete. We recommend sweeping exterior concrete. If washing is necessary, do this when temperatures are moderate.

As flatwork cracks occur, homeowners should seal the cracks with a waterproof concrete caulk (available at hardware or home improvement stores).

Prohibit commercial or other extremely heavy vehicles, such as moving vans or other large delivery trucks, from pulling onto your driveway. We design and install concrete driveways for conventional residential vehicle use only: family cars, vans, light trucks, bicycles, etc.

Concrete slabs vary in color due to concrete mix, soil and weather conditions. The white powdery substance that sometimes accumulates on concrete surfaces is called efflorescence. This is a natural phenomenon and cannot be prevented. Anderson Homes provides no correction for these conditions.

Protect concrete from abuse by chemical agents such as pet urine, fertilizer, radiator overflow, repeated hosing, or de-icing agents, such as road salt that can drip from vehicles. All of these items can cause spalling (chipping of the surface) of concrete. Repair of spalling is a home maintenance task. A concrete sealer, available at paint stores, will help you keep your flatwork clean. Do not use soap on unpainted concrete. Instead, use plain water and washing soda, or, if necessary, a scouring powder.

ROOF

1. **Coverage For Tile and/or Shingled Roof:** Anderson Homes will repair roof leaks.

Coverage Period: Four years.

Important Note: Spaces between shingles are required by code and some flashing will be visible. If repairs are made, such repairs are only made when the roof is dry. Anderson Homes will not repair roof leaks if caused by severe weather, such as hail damage.

2. **Coverage For Tile Roofs:** Damaged roof tiles will be repaired.

Coverage Period: Damage to roof tiles is covered only if noted on the New Home Orientation list.

Important Note: The tile roofs have been inspected for damage (and repaired, if required) at the time of completion. Do not attempt to walk on the roof of your home. Not walking in the right areas of the tile roof will cause cracking. Anderson Homes will not repair any damage to tile roofs that is noted subsequent to any roof-mounted accessories, or any other evidence of travel on the roof.

GUTTERS AND DOWNSPOUTS

Coverage: Anderson Homes will replace/repair dents in the gutters and/or downspouts that are noted on the New Home Orientation list.

Coverage Period: Dents in the gutters and/or downspouts are covered only if noted on the New Home Orientation list.

Important Note: It is necessary that the gutters be kept clear of debris, which might clog them and cause water to run over the sides instead of through the downspouts. Homeowner should check gutters periodically to insure proper functioning. During heavy downpours the gutter systems most likely will NOT handle the volume of water shedding off the roof area. This system is designed to handle regular rainfall.

LOUVERS AND VENTS

Coverage: None.

Coverage Period: None.

Important Note: Occasionally, depending on the force and direction of the wind, rain will infiltrate through these vents causing spotting on the ceiling, or water under the mandoor in the garage. Anderson Homes is not responsible for such weather damage and will not make repairs in these instances. Attic and garage ventilation is required by the Uniform Building Code and must not be omitted.

SIDING (SEE ALSO "FIT & FINISH")

Coverage: Shrinkage of siding will be caulked, and touch-up paint will be applied, if gaps in excess of 1/4" appear.

Coverage Period: One Year.

Important Note: Some shrinkage of siding is to be expected. Paint touch-up may not match exactly. Slight "waves" can be seen in siding under certain weather conditions - this

cannot be entirely eliminated. Nails are not “set” when siding is installed per manufacturer’s directions.

EXTERIOR STONE AND MASONRY GROUT JOINTS

Coverage: Significant cracks in the grout joints of exterior stone or masonry will be repaired, if in excess of 3/16”.

Coverage Period: One year.

Important Note: Minor hairline cracks will appear from settling of foundation and contraction. Such cracks are normal and to be expected. Exact color match cannot be guaranteed.

EXTERIOR STUCCO (SEE ALSO “FIT & FINISH”)

Coverage: Exterior stucco cracks determined to be below standard by Anderson Homes (greater than 1/8” in width) will be repaired.

Coverage Period: One year.

Important Note: Minor hairline cracks will appear from settling of foundation and expansion / contraction. Such cracks are normal and to be expected. Exact texture and color match cannot be guaranteed and repairs may be visible.

TRIM BOARDS (SEE ALSO “FIT & FINISH”)

Coverage: Shrinkage of trim boards will be handled in the same manner as siding. Damaged trim boards, such as heavy splintering or stress cracks, will be corrected.

Coverage Period: One year.

Important Note: Homeowner is responsible for applying sealant, if desired. Because of the effects of weather on natural wood, you should expect raised grain to develop in some of the boards used in trimming your home. This is normal and not a defect in the wood or paint. Wood trim painted white or light colors will more readily show grain and cracks and will therefore require additional maintenance.

GARAGE OVERHEAD DOOR

Coverage: The garage door should operate smoothly and with reasonable ease. The door can become misaligned and require adjustment, which Anderson Homes will provide. Dents on garage overhead doors will be repaired.

Coverage Period: Misaligned garage doors: One year.

Garage Door Dents: Anderson Homes will repair such dents only if noted on the New Home Orientation list.

Important Note: No adjustment will be made if the homeowner has installed an electric garage door opener subsequent to the purchase of the home. Garage overhead doors cannot be airtight and typically some light will be visible around the edges and across the top of

the door. Additionally, some water can be expected to enter under certain conditions. Touch-up paint over dents on garage overhead doors may not match exactly.

LANDSCAPE / DRAINAGE

Coverage: Backfilled or excavated areas around foundation and at utility trenches should not interfere with the drainage away from the house. If these areas settle, Anderson Homes will provide the homeowner with fill dirt. Anderson Homes will fill sunken areas under concrete.

Coverage Period: Anderson Homes will inspect problems reported in writing during the one year Coverage Period and **advise** homeowner as to corrective actions which might be taken.

Settling Backfill: Anderson Homes will provide fill dirt during the Coverage Period, which is one year.

Sunken Areas: Anderson Homes will fill sunken areas only one time during the Coverage Period, which is one year.

Landscape Drainage System: Anderson Homes will inspect problems reported in writing and will advise homeowner as to corrective actions which might be taken.

Important Notes: The final grade is established by the City Building Department of the as a part of an overall plan. The site is surveyed at several points in the grading process to insure adherence to the specifications. The primary concern is to establish drainage away from the home.

Homeowner should expect some settling of backfill soils. In most cases, drainage swales do NOT follow property boundaries. Typically, a lot will not receive water from, and will not pass water onto other lots. For this reason, homeowner changes in grade often affect those adjacent to or near him. Anderson Homes advises homeowners against making such changes.

Anderson Homes will not alter drainage patterns to suit individual landscape plans. Anderson Homes is not responsible for weather-caused damage or homeowner alterations to un-landscaped or landscaped yards. Anderson Homes will not be responsible for consequential damage to grass, shrubs, sprinkler system, drainage system and/or other landscaping details in these areas. Failure to maintain positive drainage away from the home, foundation or concrete slabs can result in damage to the foundation and VOID your structural coverage.

Due to weather conditions, especially during winter and early spring, it may happen that the final grade has not been established at the time of closing. As soon as conditions permit, grading work will continue. In these circumstances, homeowner should check on the status of his grading prior to beginning his landscaping.

Homeowner is cautioned that rototilling, landscaping, hardscaping, and pool installation will often significantly change drainage swales, as will erosion resulting from the site remaining unlandscaped for a long period. If rototilling is done, it should be done parallel to the swales, rather than across them.

New sod installation and the extra watering that accompanies it can cause temporary drainage problems, as can unusually severe weather conditions. You may observe ponding until the over watering ends and/or the severe weather conditions abate and ground can adequately dry out.

Maintaining positive drainage away from the home, foundation and concrete slabs is a homeowner responsibility. Any and all damage to the drainage system caused by the homeowner will be the homeowner's responsibility to repair.

SOD & PLANTS & IRRIGATION SYSTEMS

Coverage: Anderson Homes will remove and replace any diseased sod, shrubs, or trees. Anderson Homes will repair damaged irrigation systems.

Coverage Period:

Diseased sod, shrubs, or trees are covered, only if, noted on the New Home Orientation list.

Irrigation systems: One year, unless damaged by the homeowner.

Important Notes: Once the property is graded and sodded, it is the responsibility of the homeowner to water and maintain the lawn and plants. Anderson Homes accepts NO responsibility for the growth of grass, scrubs or trees. Anderson Homes will not regrade the yard.

VI. NO COVERAGE FOR MANUFACTURED ITEMS AND APPLIANCES

This Program does not cover any appliance, piece of equipment, or other item which is a "Consumer Product" for purposes of the Magnuson-Moss Warranty Act, 15 United States Code Section 2301, et seq., or any successor statute thereto, or manufactured items covered by separate manufacturers' warranties, and also does not cover damage or loss arising because of homeowner's failure to comply with manufacturers' warranties ("**Specific Exclusions**"). Homeowner agrees to review the coverage for these items and note when the coverage starts and ends. Homeowner agrees to complete and mail any registration cards included in the manufacturer's materials to activate each manufacturer's coverage. In some cases, manufacturer's coverage may extend beyond this Program and it is in homeowner's best interest to be apprised of such coverage. In the event of malfunction of such items, homeowner hereby agrees to make a claim directly to the manufacturer or supplier. Anderson Homes will assist homeowner in such effort during the first year of this Program by providing the names most recently provided by the manufacturer to Anderson Homes of the manufacturer's contact persons. Anderson Homes hereby assigns to homeowner any and all rights Anderson Homes may have under any original manufacturer's warranties covering any Consumer Product in the home.

VII. EXCLUSIONS FROM COVERAGE

In addition to the Specific Exclusions set forth above, this Program does NOT cover the following:

1. Damage or loss arising out of or made worse by ordinary wear and tear.
2. Lack of homeowner maintenance, including without limitation, homeowner's failure to perform maintenance requirements and any manufacturer guidelines.
3. Damage or loss normally covered by a standard homeowner's insurance policy.
4. Damage or loss caused by natural catastrophes, acts of nature, or acts of God, including, without limitation, freezing, ice build up, build up of leaves, debris or animal droppings, fire, smoke, explosion, water escape, flood, wind, wind-driven rain, hail, lightning, earthquake, earth movement, and falling trees, or power surges, or other similar circumstances outside the control of Anderson Homes. Without limiting the foregoing, Anderson Homes does not cover air infiltration or drafts around doors, windows and electrical outlets, especially during severe weather and high winds, will be eliminated; nor does this Program cover the failure of windows to perform, or leak due to wind-driven rain exceeding 35 miles per hour or clogged weep holes or tracks.
5. Damage or loss caused by abuse of the home or property, or use of the home or property in a manner for which they are not intended, including

without limitation failure to use the sprinkler system properly (resulting in over or under watering), or damage to the driveway or other flatwork caused by heavy trucks, heavy machinery, or other unusual loads.

6. Damage resulting from or made worse by homeowner's failure to take appropriate action to prevent further damage, including without limitation the failure to notify Anderson Homes promptly of any damage so as to avoid worsening of damage, after homeowner discovered or should have discovered it, or homeowner's failure to notify Anderson Homes of, and take reasonable action relating to, any Emergency.
7. Damage or loss to the home or property caused by homeowner, or any third party (including, without limitation, accidental damage and damage during move-in).
8. Damage or loss caused by animals, birds, vermin, rodents, insects (including termites) or pets, or by any guest, tenant or invitee of homeowner or by any other third party (including without limitation vandalism).
9. Damage resulting from any changes to the grading or drainage pattern of the property after the close of escrow. If you or any contractor you hire makes changes to the grade of the lot (for example, by installing a pool or backyard landscaping or flatwork, or patio, or patio enclosure), or otherwise modifies the drainage pattern of your lot, the Program Guidelines regarding lot grading and drainage will no longer apply. If you connect additional drain lines to an underground drainage system installed by Anderson Homes, the Program coverage on that system will terminate.
10. Damage or loss caused by materials furnished, or any work or alterations performed, by anyone other than Anderson Homes.
11. Any part of the home, structural or otherwise, that is modified by or added to in any way, including attempted repair, by anyone other than Anderson Homes, is excluded from this Program. Any modification or addition performed by anyone other than Anderson Homes that adversely effects any covered item will void the Program coverage for that item.
12. Variations in grain, color and natural voids are normal in all types of wood products and are not covered by this Program. Similarly, porcelain, tile, flooring, natural stone, grout and concrete are subject to natural color and manufacturing dye lot variations and natural stone is subject to naturally caused scratches, crazing and fissures and variations in shading, veining, chipping, joint sizing and thickness, and these variations are not covered by this Program. Natural stone is unique and will look different from the sample from which your selection was made. In addition, granite and marble slabs may vary in size and seams may vary in location and number.

13. Condensation that accumulates between the panes of glass in dual-glazed windows indicates a broken seal. Window seals are warranted by the manufacturer only and are not covered under this Program. Condensation on interior surfaces of the window and frame is the result of high humidity in the home and low outside temperatures and is not covered by this Program, nor is damage caused by tinting to windows.
14. Special, incidental, or secondary damages of any kind, including, but not limited to, damages for bodily injury or emotional distress or loss of wages or income, arising from any item, whether or not such item is covered by this Program or otherwise, (including, without limitation, lodging, meal or transportation expenses incurred by homeowner while an item exists or is being repaired, or secondary damage to wallpaper, drapes, or personal belongings).
15. Special, incidental or consequential damages of any kind, including, but not limited to, damages for bodily injury, emotional distress or loss of wages or income, arising from the failure of any third party service provider (*i.e.*, utility company, telephone company or cable company) to provide its particular service, including, without limitation, lodging, meal or transportation expenses incurred by homeowner while such service is interrupted.
16. Damage to or loss of personal property.

VIII. HOW TO REQUEST CUSTOMER CARE SERVICE

A. **Customer Care Service Request Form.** Requests for service under this Program (“**Request for Service,**” or “**Service Request**”) must be made in writing, using the Service Request form (see attached), and must be received by Anderson Homes within the applicable coverage period. Complete the Service Request form and forward it to Anderson Homes by U.S. Mail, or fax as follows:

U.S. Mail:

**Customer Service Department
Anderson Homes
P.O. Box 1237
Lodi, CA 95241**

Facsimile transmittal: (209) 333-1062 or 831-636-7201

Phone Number: (209) 367-7600 ext. 20 or 209-710-0189

Email: cservice@anderson-homes.com

1) **Reporting A Problem.** Providing complete information expedites repairs. When completing the Request for Service form, be sure to include:

1. Name, Address and PHONE NUMBERS where you can be reached during business hours;
2. Lot number for your home;
3. A complete description of the problem. For example, “Guest bathroom - cold water line leaks under sink,” NOT “plumbing in bathroom;” and
4. Information about special arrangements that should be made to get into your home to perform work you have requested. Getting service personnel into your home is one of the most time consuming aspects of this Program. Comments such as “Someone is usually home on Tuesdays,” or “I prefer an early a.m. appointment” expedites repairs.

2) **Written Requests For Service Required.** Service Request forms are enclosed at the end of these Program Guidelines for your convenience. **We will not accept reports or routine service requests over the phone.** Anderson Homes’ personnel are not permitted to perform work in homes at the homeowner’s request without first obtaining written authorization from the Customer Service Department. Similarly, subcontractors will perform homeowner work request only upon written instructions from Anderson Homes. The written instruction is in the form of a work order or purchase order issued by Anderson Homes. The subcontractor has twenty (20) days to complete the service order. **Any work performed by a subcontractor without the knowledge and approval of Anderson Homes will be at the homeowner’s expense.**

B. **Customer Service Department Response To Request.** Upon receipt of a Service Request, Anderson Homes’ Customer Service Department will investigate the request

and determine whether it is covered by this Program. You agree to allow Anderson Homes and/or its agents and/or subcontractors access to the home to complete all such repair or replacement work and any related work. If the request is covered, Anderson Homes shall decide, in its sole discretion, to either (i) repair the item, (ii) replace the item, or (iii) pay you the reasonable cost of repairing or replacing the item. You agree to allow Anderson Homes and/or its agents and/or subcontractors access to the home for inspection and/or testing and repair of any item set forth in the request.

1) **Inspection / Repair Appointments.** In response to a Request for Service, a customer service representative will contact you for an appointment. All appointments are scheduled Monday through Friday between 8 a.m. to 3 p.m.

C. Repair Performance Standards

1) **Repair Materials and Subcontractors.** Anderson Homes shall have the sole right to determine the materials and methods to be used in making any repairs or replacement, provided all repairs will be made with materials or components reasonably equivalent to the materials or components used in the original construction. Homeowner acknowledges that in the event of repairs or replacements involving paint, stain, stucco, tile, marble, grout, caulking, wood, resilient flooring or carpeting, Anderson Homes does not warrant that the replacement or repair will match the color, grain, or pattern of the original item. Anderson Homes shall not be responsible for discontinued patterns or colors nor shall Anderson Homes be responsible for repair or replacement outside of the immediately affected area. For example, if there is a condition relating to the vinyl flooring in one room of the home, Anderson Homes will not be responsible to repair or replace the vinyl flooring in any other room of the home unless there is also a condition in the vinyl flooring in that other room. If Anderson Homes elects to repair or replace the damaged item, Anderson Homes shall have sole and absolute discretion to choose the subcontractors used for such repair or replacement work.

2) **No Obligation for Reimbursement.** Anderson Homes has no obligation under this Program to reimburse you for work done by you, or for amounts paid by you, to a repairman or subcontractor that have not been pre-approved, in writing by Anderson Homes' Customer Service Department. However, in the event of damage caused by a condition which constitutes an Emergency, if you can demonstrate that Anderson Homes could not be contacted by you despite your diligent efforts, Anderson Homes will reimburse you for your actual costs of repairing or replacing the item, provided you notify Anderson Homes in writing within 48 hours of such Emergency and provide Anderson Homes your repair invoices substantiating the amount of reimbursement you request.

3) **Time for Corrective Work.** Anderson Homes intends to fulfill its coverage obligations under this Program within a reasonable time from Anderson Homes' determination that the request is covered by this Program, provided that you cooperate with Anderson Homes in Anderson Homes' performance of the repair or replacement. You acknowledge that repairs or replacements may be required to be extended for circumstances beyond the reasonable control of Anderson Homes, such as strikes, labor, or material shortages, unsuitable weather conditions, unavailability of parts, the magnitude of the repair or replacement required, or delays caused by subcontractors or suppliers.

D. Response to Requests Not Covered. If Anderson Homes determines that a particular request is not covered by this Program, Anderson Homes will, within a reasonable

time after receiving a completed Service Request Form, provide you with a written explanation as to why the particular request is not covered.

E. Voluntary Mediation. Upon your mutual agreement, you and Anderson Homes agree to voluntary mediation of any and all Disputes, as defined below, including but not limited to Anderson Homes' determination that a particular request is not covered by this Program. In the event the parties agree to mediate, mediation shall be held before a mutually-agreeable neutral mediator and Anderson Homes agrees to pay the mediator's fees for a one-half day mediation session. A decision to mediate or not to mediate by either party is without prejudice to either party's rights.

IX. DISPUTE RESOLUTION

A. **Dispute Resolution Procedure.** In the event a Dispute, as defined below, exists between you and Anderson Homes, you and Anderson Homes agree that such Dispute shall be resolved by final and binding arbitration, which is the exclusive method of resolution under this Program between the parties:

B. **Binding Arbitration.**

ARBITRATION OF DISPUTES. EXCEPT FOR CLAIMS SUBJECT TO THE HOME BUILDER'S LIMITED WARRANTY ADMINISTERED BY PROFESSIONAL WARRANTY SERVICE CORPORATION, WHICH CLAIMS SHALL BE GOVERNED BY THE PROVISIONS THEREOF, ANY AND ALL CLAIMS, CONTROVERSIES, BREACHES, OR DISPUTES BY OR BETWEEN THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS PROGRAM, WHETHER BASED ON CONTRACT, TORT, STATUTE, OR EQUITY, INCLUDING WITHOUT LIMITATION ANY DISPUTE RELATING TO AN ALLEGED CONSTRUCTION DEFECTS, OR ARISING OUT OF OR RELATED TO THE INTERPRETATION OF ANY TERM OR PROVISION OF THIS PROGRAM , INCLUDING WITHOUT LIMITATION, ANY DEFENSE GOING TO THE FORMATION OR VALIDITY OF THIS PROGRAM , ALLEGATIONS OF UNCONSCIONABILITY, FRAUD IN THE INDUCEMENT OR FRAUD IN THE EXECUTION OF THIS PROGRAM (EACH, A "DISPUTE"), SHALL BE ARBITRATED PURSUANT TO THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS NOT INCONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND SUBJECT TO THE PROCEDURES SET FORTH IN THIS SECTION.

1) THE DISPUTE SHALL BE SUBMITTED TO ARBITRATION BY AND PURSUANT TO THE RULES OF DEMARS AND ASSOCIATES, LTD. ("DEMARS") IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION. IN THE EVENT THAT DEMARS IS FOR ANY REASON UNABLE OR UNWILLING TO SERVE AS THE ARBITRATION SERVICE PROVIDER, THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH AND PURSUANT TO THE COMPREHENSIVE ARBITRATION RULES AND PROCEDURES OF JAMS IN EFFECT AT THE TIME OF THE INITIATION OF THE ARBITRATION. IN THE EVENT DEMARS OR JAMS, IS UNABLE OR UNWILLING TO CONDUCT OR IS DISABLED FROM CONDUCTING SUCH ARBITRATION, THE ARBITRATION SHALL BE SUBMITTED TO ARBITRATION BY AND PURSUANT TO RULES OF THE ALTERNATIVE ARBITRATION SERVICE SELECTED IN ACCORDANCE WITH THE AGREEMENT OF THE PARTIES. IF THE PARTIES ARE UNABLE TO AGREE UPON AN ALTERNATE ARBITRATION SERVICE, THEN EITHER PARTY MAY PETITION ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY TO APPOINT SUCH AN ALTERNATE SERVICE, WHICH SHALL BE BINDING ON THE PARTIES. THE RULES AND PROCEDURES OF SUCH ALTERNATIVE ARBITRATION SERVICE IN EFFECT AT THE TIME THE REQUEST FOR ARBITRATION IS SUBMITTED SHALL BE FOLLOWED.

2) NOTWITHSTANDING ANY PROVISION OF THESE PROGRAM GUIDELINES TO THE CONTRARY, EITHER PARTY MAY USE SMALL CLAIMS COURT AS AN ALTERNATIVE TO ARBITRATION OF A DISPUTE, IF THE AMOUNT IN CONTROVERSY IS WITHIN THE JURISDICTIONAL LIMITS OF SMALL CLAIMS COURT.

3) THIS ARBITRATION AGREEMENT SHALL INURE TO THE BENEFIT OF, AND BE ENFORCEABLE BY, ANDERSON HOMES' SUBCONTRACTORS, AGENTS, VENDORS, SUPPLIERS, DESIGN PROFESSIONALS, INSURERS AND ANY OTHER PERSON WHOM HOMEOWNER CONTENDS IS RESPONSIBLE FOR ANY ALLEGED DEFECT IN OR TO THE PROPERTY OR ANY IMPROVEMENT OR APPURTENANCE THERETO. THE PARTIES CONTEMPLATE THE INCLUSION OF SUCH PARTIES IN ANY ARBITRATION OF A DISPUTE AND AGREE THAT THE INCLUSION OF SUCH PARTIES WILL NOT AFFECT THE ENFORCEABILITY OF THE ARBITRATION AGREEMENT. ANY PARTY SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEY'S FEES AND COSTS INCURRED IN ENFORCING THIS ARBITRATION AGREEMENT, AND THE ARBITRATOR SHALL HAVE SOLE AUTHORITY TO AWARD SUCH FEES AND COSTS.

4) EXCEPT AS AGREED BY THE PARTIES PURSUANT TO AN ENFORCEABLE PROVISION TO THE CONTRARY, IN THE EVENT OF A DISPUTE INVOLVING ANDERSON HOMES AND ONLY ONE (1) HOMEBUYER, ANDERSON HOMES SHALL ADVANCE THE FEES NECESSARY TO INITIATE THE ARBITRATION. IN ALL OTHER DISPUTES, SUCH FEES SHALL BE SHARED EQUALLY BY THE PARTIES TO THE ARBITRATION; PROVIDED, HOWEVER, THE ADMINISTRATION FEES AND ANY OTHER FEES AND COSTS OF THE ARBITRATION SHALL ULTIMATELY BE BORNE AS DETERMINED BY THE ARBITRATOR.

5) THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION.

6) THE DECISION OF THE ARBITRATOR SHALL BE FINAL AND BINDING. HOMEOWNER AND ANDERSON HOMES EXPRESSLY AGREE THAT AN APPLICATION TO CONFIRM, VACATE, MODIFY OR CORRECT AN AWARD RENDERED BY THE ARBITRATOR SHALL BE FILED IN ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY IN WHICH THE RESIDENCE IS LOCATED.

7) THIS ARBITRATION AGREEMENT SHALL BE DEEMED TO BE A SELF-EXECUTING ARBITRATION AGREEMENT. ANY DISPUTE CONCERNING THE INTERPRETATION OR THE ENFORCEABILITY OF THIS SECTION IX.B, INCLUDING, WITHOUT LIMITATION, ITS REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, ANY CHALLENGES TO THE ENFORCEMENT OR THE VALIDITY OF THIS ARBITRATION AGREEMENT, OR THIS SECTION IX.B, OR THE SCOPE OF ARBITRABLE ISSUES UNDER THIS SECTION IX.B, AND ANY DEFENSE RELATING TO THE ENFORCEMENT OF THIS SECTION IX.B, INCLUDING WITHOUT LIMITATION, WAIVER, ESTOPPEL, OR LACHES, SHALL BE DECIDED BY AN ARBITRATOR IN ACCORDANCE WITH THIS SECTION IX.B AND NOT BY A COURT OF LAW.

8) THE PARTICIPATION BY ANY PARTY OR ANY PARTY WHOM HOMEOWNER CONTENDS IS RESPONSIBLE FOR A DISPUTE IN ANY JUDICIAL PROCEEDING CONCERNING THIS ARBITRATION AGREEMENT OR ANY MATTER ARBITRABLE HEREUNDER SHALL NOT BE ASSERTED OR ACCEPTED AS A REASON TO DELAY, STAY OR REFUSE TO PARTICIPATE IN, OR TO REFUSE TO ENFORCE THIS ARBITRATION AGREEMENT, INCLUDING INSTANCES IN WHICH THE JUDICIAL PROCEEDING INVOLVES PARTIES NOT SUBJECT TO THIS ARBITRATION AGREEMENT AND

WHO CANNOT OTHERWISE BE COMPELLED TO ARBITRATE.

9) HOMEOWNER AND ANDERSON HOMES EXPRESSLY AGREE AND ACKNOWLEDGE THAT THIS PROGRAM INVOLVES AND CONCERNS INTERSTATE COMMERCE AND THESE PROGRAM GUIDELINES ARE GOVERNED BY THE PROVISIONS OF THE FEDERAL ARBITRATION ACT (9 U.S.C. §1, ET SEQ.) NOW IN EFFECT AND AS THE SAME MAY FROM TIME TO TIME BE AMENDED, TO THE EXCLUSION OF ANY DIFFERENT OR INCONSISTENT STATE OR LOCAL LAW, ORDINANCE, REGULATION, OR JUDICIAL RULE. ACCORDINGLY, ANY AND ALL DISPUTES NOT OTHERWISE RESOLVED THROUGH NEGOTIATION OR MEDIATION SHALL BE ARBITRATED – WHICH ARBITRATION SHALL BE MANDATORY AND BINDING – PURSUANT TO THE FEDERAL ARBITRATION ACT, AND TO THE EXTENT THAT ANY STATE OR LOCAL LAW, ORDINANCE, REGULATION, OR JUDICIAL RULE SHALL BE INCONSISTENT WITH ANY PROVISION OF THE RULES OF THE ARBITRATION SERVICE UNDER WHICH THE ARBITRATION PROCEEDING SHALL BE CONDUCTED, THE LATTER RULES SHALL GOVERN THE CONDUCT OF THE PROCEEDING.

10) THE ARBITRATOR APPOINTED TO SERVE SHALL BE A NEUTRAL AND IMPARTIAL INDIVIDUAL.

11) THE VENUE OF THE ARBITRATION SHALL BE IN THE COUNTY WHERE THE PROPERTY IS LOCATED UNLESS THE PARTIES AGREE IN WRITING TO ANOTHER LOCATION.

12) PROMPT AND TIMELY COMMENCEMENT OF THE ARBITRATION SHALL BE REQUIRED IN ACCORDANCE WITH (i) THE ABOVE-REFERENCED RULES OF THE ARBITRATION, OR IF THE RULES DO NOT SPECIFY A DATE BY WHICH THE ARBITRATION MUST COMMENCE, THEN (ii) A DATE AS AGREED TO BY THE PARTIES, AND IF THEY CANNOT AGREE, (iii) A DATE DETERMINED BY THE ARBITRATOR(S).

13) PROMPT AND TIMELY CONCLUSION OF THE ARBITRATION SHALL BE REQUIRED.

14) IF ANY PROVISION OF THIS ARBITRATION AGREEMENT SHALL BE DETERMINED TO BE UNENFORCEABLE OR TO HAVE BEEN WAIVED, THE REMAINING PROVISIONS SHALL BE DEEMED TO BE SEVERABLE THEREFROM AND ENFORCEABLE ACCORDING TO THEIR TERMS.

NOTICE: BY INITIALING IN THE SPACE BELOW HOMEOWNER AND ANDERSON HOMES AGREE TO HAVE ANY AND ALL DISPUTES RELATING TO THIS PROGRAM DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS NOT INCONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND HOMEOWNER AND ANDERSON HOMES ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW HOMEOWNER AND ANDERSON HOMES ARE GIVING UP THEIR JUDICIAL RIGHTS TO DISCOVERY, TRIAL AND APPEAL, EXCEPT TO WHATEVER EXTENT ANY RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SECTION IX. IF HOMEOWNER OR ANDERSON HOMES REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, (i) SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS NOT INCONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND/OR (ii) ARBITRATION MAY GO FORWARD IN THE ABSENCE OF THE REFUSING PARTY. HOMEOWNER'S AND ANDERSON HOMES' AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

I/WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN SECTION IX HEREIN (DISPUTE RESOLUTION PROCEDURE) TO BINDING ARBITRATION.

HOMEOWNER'S INITIALS: _____

ANDERSON HOMES'S INITIALS: _____

X. NO AUTHORITY TO ALTER

No agent or representative of Anderson Homes has authority to alter, add to, or waive any of the terms, conditions, or provisions of these Program Guidelines, including without limitation, the Specific Exclusions or any other exclusions set forth in these Program Guidelines.

XI. SEVERABILITY

If any term, condition, or provision of these Program Guidelines is declared illegal or invalid for any reason, the remaining terms, conditions and provisions of these Program Guidelines shall remain in full force and effect.

XII. CALIFORNIA CIVIL CODE SECTIONS 895 ET. SEQ.

Except as may be set forth herein, this Program in no way alters or diminishes rights or obligations the parties to this Program may have under California Civil Code Sections 895 et. seq. and a Request for Service under this Program does not constitute a notice of a claim, or any other notice under California Civil Code Sections 895, et seq.

XIII. WAIVER OF PROGRAM COVERAGE

ANDERSON HOMES IS PROVIDING THIS PROGRAM TO YOU BASED ON, AND AS CONSIDERATION FOR, YOUR AGREEMENT TO THE PROVISIONS AND LIMITATIONS OF THIS PROGRAM, INCLUDING, WITHOUT LIMITATION, THE FOLLOWING WAIVERS: YOU AGREE THAT FOR ANY ITEM IDENTIFIED IN THESE PROGRAM GUIDELINES, YOU HEREBY WAIVE ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH MAY APPLY TO SUCH ITEM, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WORKMANLIKE CONSTRUCTION.

XIV. ASSIGNMENT

Anderson Homes reserves the right to assign its rights and obligations under this Program to an affiliated entity.

XV. ENTIRE AGREEMENT

These Program Guidelines represent the entire agreement between the parties regarding their duties and obligations under this Program. You acknowledge that you have not

relied on, and will not rely on, any representation made by any agent of Anderson Homes, or any affiliate of Anderson Homes regarding the condition or use of the home, or regarding the rights or duties of the parties under this Program, unless the representation is made in writing and signed by Anderson Homes' authorized agent.

XVI. EFFECTIVE DATE

This Program shall be effective as of the date a copy signed by Anderson Homes' authorized agent is delivered to you and no sooner than the close of escrow.

ACKNOWLEDGMENT

THE UNDERSIGNED ACKNOWLEDGE THAT THEY HAVE READ THE CUSTOMER CARE PROGRAM GUIDELINES, UNDERSTAND ITS TERMS AND AGREE TO BE BOUND THEREBY. THE UNDERSIGNED ALSO ACKNOWLEDGE THAT THEY WILL READ THESE CUSTOMER CARE PROGRAM GUIDELINES AGAIN PRIOR TO THE NEW HOME ORIENTATION.

Printed Name(s)_____

Signature(s)_____ Date_____

Printed Name(s)_____

Signature(s)_____ Date_____

Printed Name(s)_____

Signature(s)_____ Date_____

Printed Name(s)_____

Signature(s)_____ Date_____

Community Name: Santana Ranch, Villages VII, Phase 1, Lot #_____

"Anderson Homes,"
a California corporation

By: _____
Authorized Agent

_____ Date

SERVICE REQUEST FORMS

AND INFORMATION

ANDERSON HOMES
P.O. Box 1237, Lodi, CA 95241
Phone 209-367-7600 ext. 20 or 209-710-0189 Fax 209-333-1062
Email cservice@anderson-homes.com

CUSTOMER CARE SERVICE REQUEST FORM

Date:	
Subdivision:	Block/Lot:
Homeowner:	Plan:
Address:	Job No:
	Closing Date:
Telephone: (Home)	(Work)

Please list below any item for which you are requesting service under your Anderson Homes' Customer Care Program. If an appointment is necessary, we will contact you to arrange an appointment.

1ST FLOOR: _____

2ND FLOOR: _____

EXTERIOR: _____

SPECIAL INSTRUCTIONS/INFORMATION:

DATE: _____ SIGNATURE: _____

DATE: _____ SIGNATURE: _____

ANDERSON HOMES
P.O. Box 1237, Lodi, CA 95241
Phone 209-367-7600 or 209-710-0189 Fax 209-333-1062
Email Cservice@anderson-homes.com

CUSTOMER CARE SERVICE REQUEST FORM

Date:	
Subdivision:	Block/Lot:
Homeowner:	Plan:
Address:	Job No:
	Closing Date:
Telephone: (Home)	(Work)

Please list below any item for which you are requesting service under your Anderson Homes Customer Care Program. If an appointment is necessary, we will contact you to arrange an appointment.

1ST FLOOR: _____

2ND FLOOR: _____

EXTERIOR: _____

SPECIAL INSTRUCTIONS/INFORMATION:

DATE: _____ SIGNATURE: _____

DATE: _____ SIGNATURE: _____

CONCRETE REPLACEMENT/REPAIR

Please note:

Concrete varies in color and texture. Many different factors contribute to varying shades on concrete, some include temperature, amount of sunlight, wind and chemicals and minerals in water. New concrete will not match weathered concrete.

Surface texture is not guaranteed to match existing texture.

Upon signing, you have agreed to the above statements and approved the removal and replacement of the concrete pursuant to the attached diagram.

Homeowner signature: _____

Date: _____ Lot: _____

Anderson Homes' Initials: _____

TILE REPLACEMENT/REPAIR

Please note:

Ceramic tile, grout, pavers and natural stone inherently vary in shade, color and finish from shipment to shipment. No two are exactly alike.

As a precaution, prior to installation, you have chosen and approved of the tile(s)/grout pursuant to the work order generated by the Customer Service Department. These tile(s)/grout are not guaranteed to be a perfect match of shade, finish, pattern, tone, caliber and/or any other attribute that is inherent of any product that has been used in the tile setting application.

Upon signing, you have agreed to the above statements and approved the tiles and grout for replacement as marked.

Homeowner signature: _____

Date: _____ Lot: _____

Anderson Homes' Initials: _____

SUGGESTED CONSERVATION MEASURES ON WATER WASTE

SECTION 1

(a) **Repair of plumbing, sprinkler and irrigation systems.** It is suggested that any person who is the owner or person responsible for the day-to-day operation of any premises shall take action to initiate steps to repair any leaking, broken or defective water pipes, faucets, plumbing fixtures, other water service appliances, sprinklers, watering or irrigation systems, or distribution systems within a reasonable time after such person first learns of such leaks, breaks, or defect, and shall thereafter diligently and promptly pursue such repair work to completion.

(b) **Washing of vehicles.** It is suggested that no person shall use a water hose to wash any car, truck, boat, trailer, bus, recreational vehicle, camper, aircraft, tractor, or any other vehicle, or any portion thereof, unless the hose is equipped with an automatic shutoff nozzle.

(c) **Cleaning of Structures.** It is suggested that no person shall use potable water through a hose to clean the exterior of any building or structure unless such hose is equipped with a shutoff nozzle.

(d) **Cleaning of Surfaces.** It is suggested that no person shall use potable water through a hose to clean any sidewalk, driveway, roadway, parking lot, or any other outdoor paved or hard surfaced area, except where necessary to protect public health or safety. The use of a bucket is not prohibited at any time for cleaning food, grease, oil, or other stains or spillage from surfaces.

(e) **Water Spillage.** It is suggested that no person shall cause, suffer, or permit water to spill into streets, curbs, or gutters. No person shall use any water in any manner, which results in runoff beyond the immediate area of use.

(f) **Swimming Pools and Spas.** It is suggested that no person shall empty and refill a swimming pool except to prevent or repair structural damage or to comply with public health regulations.

SECTION 2

PROHIBITION OF CERTAIN USES

(a) No person shall waste water as used herein. The term "waste" means:

1. Use of potable water to irrigate grass, lawns, ground cover, shrubbery, crops, vegetation trees between the hours of 10:00 a.m. and 7:00 p.m. in such a manner as to result in runoff of more than five (5) minutes.

2. Use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground or other hard surface areas by direct application where sweeping will accomplish the same results.

3. Allowing potable water to escape from breaks within the person's plumbing system for unreasonable period of time after the break is discovered and reported.

4. Use of potable water for sewer system maintenance or fire protection training except as necessary.

5. Use of potable water for any purpose in excess of the amounts allocated below for each class of service.

CONDENSATION

Today's homes are being built to more energy-efficient and air-tight standards for your comfort. One disadvantage of this is the possibility of condensation forming on windows due to the humidity level within the home.

Each home is different and has its own unique humidity level, produced by people and their activities. Windows are a natural conductor of heat and cold. Condensation can form on windows when temperatures drop outside and heat is used indoors. This does not mean that the windows are defective in any way.

To dilute the condensation of water vapors in a home and on windows, a certain amount of air movement or ventilation must be provided in the house. Ways to help reduce water vapors are to open windows, turn on fans, and lower the heat at night. You can also purchase a small dehumidifier for your home.

HOMEOWNER'S "HOMEOWNER'S "MOVE-IN" GUIDE (SITE SPECIFIC)

To help you settle into your new home and perhaps a new area, we have gathered, for your convenience, information on services and facilities you will need in the future.

UTILITY CONNECTIONS

If you have not already done so, please arrange to have your utilities turned on one (1) week prior to your move. It is suggested that you allow the various utility companies a few days time to schedule your hook-up for the convenience of all parties.

	<u>UTILITIES</u>		<u>SAFETY</u>
<u>Gas and Electricity:</u>	Pacific Gas & Electric 551 East Street Hollister, CA 95023 800-743-5000	<u>Police:</u>	San Benito County Sheriff's Dept. 2304 Technology Hollister, CA 95023 831-636-4080 or Emergency 911
<u>Water & Sewer:</u>	Sunnyslope Water District 3570 Airline Hwy Hollister, CA 95023 831-637-4670	<u>Fire:</u>	Hollister Fire Dept. 110 Fifth Street Hollister, CA 95023 831-636-4325 or Emergency 911
<u>Garbage:</u>	Recology San Benito County Garbage Collection Service 1351 Pacheco Pass Gilroy, CA 95020 831-636-7500	<u>Hospital:</u>	Hazel Hawkins Medical Center 911 Sunset Drive Hollister, CA 95023 831-637-5711
<u>Telephone:</u>	AT&T 800-288-2020		
<u>Cable:</u>	Charter Communications 877-728-3121	<u>Ambulance/ Paramedics:</u>	Emergency 911
		<u>Poison Control:</u>	800-222-1222

GENERAL

Post Office: 100 Maple Street
Hollister, CA 95023
800 275-8777

Library: San Benito County
Free Library
470 Fifth Street
Hollister, CA 95023
831-636-4107

Newspaper: Free Lance Newspaper
1350 Sixth Street
Hollister, CA 95023
831-637-5566

DMV: 80 N. Sally Street
Hollister, CA 95023
800-777-0133

School District: Hollister Elementary School
District
2690 Cienega Road
Hollister, CA 95023
831-630-6300

Rancho San Justo Middle
School
1201 Rancho Drive
Hollister, CA 95023
831-636-4450

San Benito County Joint Union
High School
1201 Rancho Drive
Hollister, CA 95023
831-636-4450

City Hall: 375 Fifth Street
Hollister, CA 95023
831-636-4301

Racquetball & Gym: Gold's Gym
1525 Cushman
Hollister, CA 95023
831-637-8122

Hollister Health &
Fitness
190 Maple Street
Hollister, CA 95023
831-636-3488

Rovella's Gym &
Health Spa
854 Industrial Way
Hollister, CA 95023
831-636-8500

The Bus: County Express
481 4th Street
Hollister, CA 95023
831-636-4161

Chamber of Commerce: 650 San Benito
Hollister, CA 95023
831-637-5315

Reminders

1. Notify the post office of your change of address.
2. Notify your insurance company that covers your household goods.
3. Notify your automobile insurance company of your change of address.
4. Notify the Department of Motor Vehicles of your change of address for your driver's license and vehicle registration.

EMERGENCY TELEPHONE NUMBERS

Santana Ranch

Hollister, California

In the case of an emergency, you must immediately contact Anderson Homes' Emergency Service Telephone Line at: * **209-367-7600 ext. 20** or **209-710-0189**.

In addition to notifying Anderson Homes immediately of any Emergency situation at the above telephone number, you also may wish to contact the following trade contractors, as applicable to the Emergency.

TRADE	SUBCONTRACTOR	CONTACT	TELEPHONE
Electrical	B.C. Electric	Doug	209-524-6859
Heating & A/C	Young's Air Conditioning	Customer Service	209-826-4807
Plumbing	Sabatini Plumbing	Customer Service	Daytime & Emergency
Fire Sprinklers	Coffey Fire	Miquel Ruiz	831-537-7804
Irrigation	Al Fresco	During Office Hours	831-724-1376
		After Hours	831-750-2601
			Mike Towle 831-801-2521 Jose Villasenor 831-801-8379
Roofing	Citadel Roofing & Solar	Customer Service	707- 446-5500
			After hours follow the prompt system
Appliances	GE Appliances	Customer Service	800-432-2737 (Warranty & Answer Center)