



Lavon City Council Workshop

P.O. Box 340 ~ 120 School Rd.
Lavon, TX 75166
Ph. (972) 843-4220 ~ Fax (972) 843-0397

LAVON CITY HALL – COUNCIL ROOM

June 7, 2016

6:00 P.M.

NOTICE OF ATTENDANCE

NOTICE is hereby given that members of the Lavon Economic Development Corporation, Lavon Planning and Zoning Commission, Parks and Recreation Board, Infrastructure and Facilities Commission and Tax Increment Financing Zone #1 Board may be in attendance at this Lavon City Council Workshop.

- I. PRESIDING OFFICER TO CALL THE LAVON CITY COUNCIL WORKSHOP TO ORDER AND ANNOUNCE THAT A QUORUM IS PRESENT.**
- II. PRESIDING OFFICER TO LEAD THE COUNCIL AND VISITORS IN THE PLEDGE OF ALLEGIANCE.**
- III. INVOCATION**
- IV. DISCUSSION**
 - A. City Council to discuss construction plans and proposal for Bloomfield Homes to construct a Fire Crew Quarters at 501A Lincoln Avenue. (Teske, Scott)**
- V. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL WORKSHOP.**

Notes to the Agenda:

1. Items marked with an * are consent items considered to be non-controversial and will be voted on in one motion unless a council member asks for separate discussion.
2. The Council may vote and/or act upon each of the items listed in this Agenda except for discussion items.
3. The Council reserves the right to retire into executive session under Sections 551.071 – of the Texas Open Meetings Act concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.
4. Persons with disabilities who plan to attend this meeting and who may need assistance should contact the City Secretary at 972-843-4220 two working days prior to the meeting so that appropriate arrangements can be made.

This is to certify that I, Susan K. Johnson, Interim City Secretary for the City of Lavon, posted this Agenda on the glass of the front door of the City Hall, facing the outside, the City's website at www.cityoflavon.com and on the City Hall bulletin board, on or before 7:00 PM on June 3, 2016.


Susan K. Johnson, Interim City Secretary

Removed from posting this _____ day of June, 2016 at _____ a.m. / p.m.

Susan K. Johnson, Interim City Secretary



Lavon City Council Regular Meeting

P.O. Box 340 ~ 120 School Rd.

Lavon, TX 75166

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LAVON CITY HALL – COUNCIL ROOM

June 7, 2016

7:00 P.M.

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- I. PRESIDING OFFICER TO CALL THE LAVON CITY COUNCIL MEETING TO ORDER AND ANNOUNCE THAT A QUORUM IS PRESENT.**
- II. PRESIDING OFFICER TO LEAD THE COUNCIL AND VISITORS IN THE PLEDGE OF ALLEGIANCE.**
- III. INVOCATION**
- IV. CONSENT AGENDA**
 - A. Minutes of the April 5, 2016 Meeting.* (Johnson)
 - B. Minutes of the May 24, 2016 Meeting.* (Johnson)
- V. CONSIDERATION AND ACTION**
 - A. Council to Consider and Act on approving the preliminary plat for the Lavon Funeral Home Edition, Lot 1, Block 1 located on State Highway 78. (Teske)
 - B. Council to Consider and Act on approving funding in the amount of \$2000.00 to be matched by the Economic Development Corporation to assist the Planning and Zoning Commission. Funds to be used to hire Mundo and Associates, Inc. to assist in the update of the Lavon Comprehensive Plan and Zoning Ordinance. (Sansou)
 - C. Council to Consider and Act on approving the agreement with Ford Motor Credit for the lease/purchase of a 2016 Dodge Ram 1500 police vehicle and associated equipment. (Jones)
 - D. Council to Consider and Act on approving Resolution No. R-2016-06-01, a resolution to confirm the authorization of the submission of the grant application to the Office of the Governor, Department Body Camera Project. (Jones)
 - E. Council to Consider and Act on approving Ordinance No. 2016-06-01, an ordinance providing a mechanism for funding of certain in-kind services or projects through fee credits, providing severability and an effective date. (Teske)
 - F. Council to Consider and Act on approving a contract between Bloomfield Homes and the City of Lavon for the construction of Fire Crew Quarters at 501A Lincoln Avenue and authorizing the Mayor to execute the contract. (Teske, Scott)



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VI. EXECUTIVE SESSION

In accordance with Texas Government Code, Section 551.001, et seq., the City Council will recess into Executive Session (closed meeting) pursuant to the provisions of Chapter 551, TEXAS GOVERNMENT CODE, to discuss the following, in accordance with the authority contained in:

- A. Section 551.074 – personnel matters: deliberation concerning the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal:
 - 1. City Secretary
 - 2. Creating a City Administrator position
- B. Section 551.071 – to seek legal advice on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter in regard to:
 - 1. Texas Open Meetings Act
 - 2. Conflicts of Interest

VII. RECONVENE INTO REGULAR SESSION

In accordance with Texas Government Code, Section 551.001, et seq., the City Council will reconvene into Regular Session to take any action necessary regarding the following:

- A. Section 551.074 – personnel matters: deliberation concerning the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal:
 - 1. City Secretary
 - 2. Creating a City Administrator position
- B. Section 551.071 – to seek legal advice on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter in regard to:
 - 1. Texas Open Meetings Act
 - 2. Conflicts of Interest



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VIII. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS

Council Members and staff may request items be placed on a future agenda or request a special meeting be called.

IX. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING

Notes to the Agenda:

1. Items marked with an * are consent items considered to be non-controversial and will be voted on in one motion unless a council member asks for separate discussion.
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Susan K. Johnson, Interim City Secretary

Removed from posting this _____ day of June, 2016 at _____ a.m. / p.m.

Susan K. Johnson, Interim City Secretary

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Lavon City Council Meeting Minutes April 05, 2016

I. MEETING CALLED TO ORDER AT 7:01 P.M. BY MAYOR TESKE

Members Present: Mayor Chuck Teske
Council Member Place 1, Vicki Sanson
Council Member Place 2, Jason Kidd
Council Member Place 4, Matt Childers

Members Absent: Council Member Place 3, Melissa Stroop
Council Member Place 5, Mindi Serkland

Staff Present: Municipal Services Director, LeAnn McClendon
Police Chief Mike Jones
Fire Chief Jon Scott
Public Works Director Sonny Mancias

Legal Representative: None

Commission and Board Members: EDC Commission President, Kay Wright
EDC Commission, Pam Mundo

Visitors: 5

There was a quorum present.

II. MAYOR TESKE LED THE COUNCIL AND VISITORS IN THE PLEDGE OF ALLEGIANCE.

III. INVOCATION

Mayor Teske gave the invocation.

IV. CITIZENS COMMENTS

Debra Fato addressed the board regarding the "We Got Your 6" event to be held on May 15th from 5pm-8pm. This event is for the sole purpose of Law Enforcement Appreciation. Debra Fato asked to add this item to the agenda of the next Regular Council Meeting. The Gym Pavillion and Community Center will be needed for this event. They are asking to waive the Food Service permit fee.

V. ITEMS OF INTEREST/CITY COUNCIL COMMUNICATIONS

Saturday 1:00pm Funeral Services for Peter Hacking and his two children at First Baptist Church of Wylie. Expecting lots of participation from other agencies. The procession to the graveside may be long.

VI. CONSIDERATION AND ACTION

A. City Council to discuss appointing Leticia Harrison to the Economic Development Corporation Board, Place 5, whose term will expire on July 1, 2016. (Wright)

Motion: Council Member Jason Kidd made a motion to approve Leticia Harrison to the Economic Development Corporation Board, Place 5.

Second: Council Member Vicki Sanson



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In Favor: Council Members, Sanson, Kidd and Childers

Opposed: None

Motion: Carries

- B.** City Council to Consider and Act on approving Ordinance 2016.04.01, an ordinance establishing regulations for fences and providing for enforcement.

Motion: Mayor Pro Tem Childers made a motion to approve Ordinance 2016.04.01 establishing regulations for fences.

Second: Council Member Sanson

In Favor: Council Members Sanson, Kidd and Childers

Opposed: None

Motion: Carries

VII. DISCUSSION

- A. City Council to discuss adding a Municipal Development District for Parks or other qualified community benefit to the November 2016 ballot. The .25 cent sales tax increase would fund the Municipal Development District.**

(Sanson)

The amount should be .25% not .25 cents. The .25% is going to Austin and doesn't make it back to Lavon. This money needs to come back to our area and can include the ETJ. The citizens need to vote this in. The use of the MDD is more than just the city, it can include the ETJ; the area just needs to be clarified by the board. Which could include places that are not in the city limits. It can be used for multiple projects, they need to be determined by the board. We need to declare by June or July.

- B. City Council to discuss the Economic Development Corporation's 2015 Annual Report. (Wright/Mundo)**

Kay Wright spoke regarding last year's mission to cultivate, investment and growth. Started with Lavon Business Park phase II sewer, runs with Bear Creek. 12,000 business warehouse building at a cost of \$1,250,000 and will bring in 15 employees and expects to expand to 50 employees. (Jobs) When the water study comes back they will break ground on this facility. Lake Road sewer completed to add Lavon dentist office. This sewer will include Dollar General. Participated in the Sports Park Master Plan and donated money for the project. Began the small business training held by the Red Cross. (First Aid, CPR and defibrillator's.) Had a Small Business Saturday, it will be even bigger this next year.(November) Market Lavon, expect High Speed Internet coming soon. Attended several show's to market our City. City Monument signage coming. (205 area) Website that shows all available properties and opportunities and records are being kept up to date. Micki is an employee of Mundo & Associates.

- C. City Council to discuss the Economic Development Corporation's Strategic Plan. (Wright/Mundo)**

Kay discussed the 2016 strategic plan.

1. New private sector growth for Lavon/Market Lavon on website and trade shows. Voluntary annexation/New development for parks. Supports 17 acre



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sports complex/ land development. Small business need help with meet and greet.

2. Develop Brand for Lavon and update on aerials. Install monument sign, develop film ordinance.

3. Strengthen management tools, training, tax training (Mundo & associates) for City and EDC.(as required for City Secretary every 2 years) Scheduled office hours 10am-3pm Monday, Wednesday and Friday.

Four strategies: MDD Tax, Continued use of a professional and certified economic developer, Continued use of an office administrator for scheduled hours in the office, and meet monthly for more information if necessary.

VIII. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS

Staff Reports (Davis)

Stroop wants update on road repairs specifically Bently Farms and others-(Mancias)

TWC Cable

We Got Your 6 (Fato)

IX. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING

Mayor Teske adjourned the meeting at 7:49 p.m.

Duly passed and approved on this _____ day of _____, 2016.

Mayor Chuck Teske

Attest:

Susan K Johnson, Interim City Secretary

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Lavon City Council Special Meeting Minutes May 24, 2016

I. MEETING CALLED TO ORDER AT 6:09 P.M. BY MAYOR TESKE

Members Present: Mayor Chuck Teske
 Council Member Place 1, Vicki Sanson
 Council Member Place 2, Jason Kidd
 Council Member Place 3, Jason Arnold
 Council Member Place 4, Matt Childers Mayor Pro Tem
 Council Member Place 5, Mindi Serkland

Members Absent: None

Staff Present: Interim City Secretary Sue Johnson
 Police Chief Mike Jones
 Director of Life and Health Safety Jon Scott
 Public Works Director Sonny Mancias

Legal Representative: None

Commission and Board Members: None

Visitors: 8
 Don Dykstra, President of Bloomfield Homes

There was a super quorum present.

II. MAYOR TESKE LED THE COUNCIL AND VISITORS IN THE PLEDGE OF ALLEGIANCE.

III. INVOCATION

Mayor Teske gave the invocation.

IV. CONSENT AGENDA

Minutes of the March 29, 2016 Meeting.*(Johnson)

Minutes of the May 17, 2016 Meeting.* (Johnson)

Motion: Council Member Vicki Sanson made a motion to approve the Consent Agenda as written.

Second: Council Member Serkland

In Favor: Mayor Pro-Tem Childers, Council Members Sanson, Arnold, Kidd and Serkland

Opposed: None

Abstained: None

Motion: Carries



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May 24, 2016

V. DISCUSSION

A. City Council to discuss a proposal for Bloomfield Homes to construct a Fire Crew Quarters at 501A Lincoln Avenue. (Teske)

Jon Scott presented the Power Point presentation. Mayor Teske outlined the Bloomfield Homes/City of Lavon Fireman's offices and Crew Quarters deal. In this deal the structure would allow the NVFD to add a 2nd and 3rd shift. Bloomfield Homes will build a \$220,000 custom quarters for the cost of approximately \$112,000. Bloomfield will allow the City to pay \$49,000 after construction is complete and certificate of occupancy has been issued. Bloomfield will accept the remainder of the balance to be covered by fee credits of homes to be constructed in the next year. This means approximately 15 homes with applicable permit fees. At this point the Crew Quarters would be paid for 100% with the only future expenses being electric, water and gas of approximately \$600-\$800 per month. So essentially the city will be receiving double the value of our investment and Bloomfield will be partially financing the cost of the home in deferred fee credits.

Council Member Arnold asked who would pay for the relocation of the existing gas and water lines. Chief Scott explained the City would be responsible for those costs. Council Member Kidd inquired if the current generator would be used for back up on the Crew Quarters. Chief Scott said yes the generator would be used. Council Member Arnold asked if any member of the Fire Department would be living in the quarters. Chief Scott informed him that it would only be used in shifts. Council Member Arnold asked if using an existing bay area for the quarters would work, Chief Scott informed him of the size of the area and the need for more space to install a kitchen area. Council Member Serkland inquired if the water issues behind this area had been resolved. Public Works Director Mancias explained they had. Council Member Arnold questioned if there were issues getting recruits at this point. Chief Scott assured him there were not having any problems at the current time but if the quarters existed it would be easier to accommodate out of the area firefighters. Council Member Serkland questioned the need for two private sleeping quarters. Chief Scott informed the council of the future growth and needs of the Fire Department and the need for separate sleeping quarters. Chief Scott explained to the council that they would not expect male and female firefighters to sleep in the same room.

Chief Scott informed the Council that the furnishings could be donated and they have a small budget for some things needed in the quarters. Council Member Serkland asked if we had gone to other stations in the area to see what their quarters are like. Chief Scott told Council Member Serkland he has looked at other facilities and that the Fire Department has spent time at the Wylie Station 3 and is fully aware of other facilities around. Bloomfield also addressed the closets and pantries to work for the future. Council Member Arnold wanted to know if the quarters would be comparable to the model home, with the same 12" tiles and granite counter tops. Chief Scott told him that yes it would be like the model with a few changes to accommodate the needs of the Fire Department.



Lavon City Council Special Meeting Minutes May 24, 2016

Chief Scott also informed the council that he spoke to Bloomfield and told them the quarters didn't need the granite counters and took out the bath tubs and put in showers. Council Member Arnold stated that if something breaks we will be responsible for fixing it, therefore we need to make sure the items weren't going to cost us too much, he also wanted to know if the paint on the walls would be custom paint or regular white. Council Member Sanson asked if one sink would be enough in the bathroom and Chief Scott answered with an explanation of how they have cut back on the bathrooms. Council Member Serkland asked if there was a need for custom faucets to be outside the home and how many would be available. Chief Scott informed her there would not be custom facets and would be 2 outside faucets. Council Member Serkland asked if the sprinkler system would be inside or outside the home. Chief Scott informed her it would be outside the home. Council Member Kidd responded by questioning the need for an outdoor sprinkler system with there being no grass at this time. Mayor Teske stated that those could be taken off the contract.

Don Dykstra from Bloomfield homes explained the house would be at cost only. Council Members Kidd and Arnold would like a comparison on other options available for these quarters. Council Member Arnold questioned Don Dykstra, President of Bloomfield Homes as to the availability of 12" tiles for the floor. He was informed that those were in the plans already. He also stated the exact specifications have been included in the packet.

Mayor Teske informed the Council of the issues we are having with the current Fire Department building and how difficult it would be to use the building and even add on to it. Chief Scott brought information regarding a "Mueller" type building and the cost it would bring in regards to space for the quarters. The building would not have finished bedrooms or kitchen area and at a cost of around \$115,000. Council Member Arnold stated he doesn't agree with the fee credit being used for these quarters. Mayor Teske stated after speaking to the attorneys we would have to put the building out for bid if the City decides to pay cash or finance the building.

Council Member Serkland wanted to know what the difference in response time with having the firefighters coming from their home versus staying in quarters next door. Chief Scott informed her that the response time would increase at minimum by 7-8 minutes. Chief Scott also informed the Council that when the firefighters are at the station they are guaranteed to respond, if they are coming from their home there is no guarantee how many will respond. Chief Scott informed the council that in the next few years we expect to get a better ISO rating and our homeowners insurance premiums should decrease.

Mayor Teske stated with our limited means and budget this is a good way to get the building we need and not go into debt. Council Member Serkland would like to know how the Fire Department Members feel about these quarters and what they would like to have. NVFD Member Amy Cortez addressed the Council regarding the quarters and stated that this plan has addressed the needs of the Fire Department and they would be very happy with this plan being approved. She also stated as a member of the NVFD she would be willing to sleep in the quarters for a faster response time. Chief Jon spoke regarding the builder and



Lavon City Council Special Meeting Minutes
May 24, 2016

how easy they have been to work with and how this building would be exactly what the Fire Department needed. Bloomfield offered to arrange with the architect to take this plan to bid. Bloomfield would love to bid on this project. Council Member Arnold stated he was not necessarily wanting a quarters that is a home. He had something different in mind. Council Member Serkland asked if the deal had to be done within a specific time frame. Don Dykstra, President of Bloomfield Homes stated the deal had no specific time frame, just the window is opening right now to have this done fairly quickly. Things will be picking up and the deal could take longer to finish later down the road, as houses are sold, the quarters could take longer to build as they are busier.

VI. CONSIDERATION AND ACTION

City Council to Consider and Act on approving Ordinance № 2016.05.03 an ordinance providing a mechanism for funding of certain in-kind services or projects through fee credits, providing severability and effective date. (Teske)

This Item was Tabled

VII. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDA

Council Member Kidd would like to get information regarding each department and explain their job description. He also would like to know who would be working on the employee handbook. Council Member Kidd volunteered to be on the Personnel Manual Committee.

City Secretary position needs to be addressed. (Teske)

VIII. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING

Mayor Teske adjourned the meeting at 7:08 p.m.

Duly passed and approved on this _____ day of _____, 2016.

Mayor Chuck Teske

Attest:

Susan K. Johnson, Interim City Secretary

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City of Lavon
Planning and Zoning Commission
Chair ~ David Rosenquist

P.O. Box 340 ~ 120 School Rd. ~ Lavon, TX 75166
Office (972) 843-4220 ~ Fax (972) 843-0397

May 24, 2016

To the Honorable Mayor and City Council,

On May 24, 2016, the Planning and Zoning Commission held a meeting to Consider and Act on approving a preliminary plat for the Lavon Funeral Home Edition, Lot 1, Block 1 located on State Highway 78.

After careful deliberation, the Planning and Zoning Commission voted unanimously to approve the final plat.

Thank you for your consideration of our approval.

Sincerely,

David Rosenquist

Chair

Planning and Zoning Commission

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Municipal Finance Department
1 American Road, MD 7500
Dearborn, Michigan 48126

May 26, 2016

Matt Knight
Defender Supply
matt@defendersupply.com

RE: **City of Lavon, TX, Quote #85286**

Ford Credit Municipal Finance is pleased to present the following financing options for your review and consideration.

Quantity	Description	Price
1	2016 Ram 1500 SSV w/ equipment	\$46,966.45

Total Amount Financed*	Number of Payments	Payment Timing	APR	Payment Factor	Payment Amount
\$47,511.45	3	Annual in Advance	5.50%	0.351331	\$16,692.25

*\$545.00 underwriting fee included

EXPIRATION DATE: 08/31/2016

This quotation, until credit approved, is not a commitment by Ford Credit Municipal Finance. It has been prepared assuming that the lease qualifies for Federal Income Tax Exempt Status for Ford Credit Company LLC under Section 103 of the IRS Code. Financing is subject to credit review and approval of acceptable documentation by Ford Credit Municipal Finance.

Ford Credit Municipal Finance Program

- There is no security deposit, no prepayment penalty, and no mileage penalty.
- At inception, the new equipment title/registration indicates the municipality as Registered Owner, with Ford Motor Credit Company LLC as first lien holder.
- At term end, the municipality buys the equipment for \$1.

Thank you for allowing Ford Credit Municipal Finance the opportunity to provide this quotation. If you have any questions regarding the option presented, need additional options, or would like to proceed with the approval process, please contact me at (800) 241-4199, option 1.

Sincerely,

Evan Pleasant

Evan Pleasant
Marketing Coordinator
epleasan@ford.com



We look forward to assisting you as we have other customers.

"I purchase Fords through Ford Credit as an easy alternative to conventional financing. Good product, good rate, easy process, great support staff." J.J. Randall – Frankfort Park District, IL 02/15/2016

Ford Motor Credit Company ("FMCC") is providing the information contained in this document for discussion purposes only in connection with a proposed arm's length commercial leasing transaction between you and FMCC. FMCC is acting for its own interest and has financial and other interests that differ from yours. FMCC is not acting as a municipal advisor or financial advisor to you, and has no fiduciary duty to you. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. FMCC is not recommending that you take an action and you should discuss any actions with your own advisors as you deem appropriate.

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CITY OF LAVON, COLLIN COUNTY TEXAS

Resolution No: R-2016-06-01

Body Camera Grant

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, COLLIN COUNTY, TEXAS, CONFIRMING THE AUTHORIZATION OF THE SUBMISSION OF THE GRANT APPLICATION TO THE OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION FOR THE LAVON POLICE DEPARTMENT BODY CAMERA PROJECT; APPROVING THE IMPLEMENTATION OF THE LAVON POLICE DEPARTMENT BODY CAMERA PROJECT FOR THE 2015-2016 FISCAL YEAR; DESIGNATING THE AUTHORIZED OFFICIAL; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, The Lavon City Council finds it in the best interest of the citizens of Lavon that the Lavon Police Department Body Camera Project be operated for the 2015/2016 Fiscal Year and beyond; and

WHEREAS, Lavon City Council finds that matching funds for the said project has previously been budgeted and is available for use as required by the Office of the Governor Criminal Justice Division grant program; and

WHEREAS, Lavon City Council agrees that in the event of loss or misuse of the Criminal Justice Division funds, Lavon City Council assures that the funds will be returned to the Criminal Justice Division in full.

NOW THEREFORE: BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:

SECTION 1. Findings

- 1.1 That the findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Authorized Official

- 2.1 Lavon City Council designates Police Chief J. Michael Jones as the grantee's authorized official.
- 2.2 J. Michael Jones as the authorized official is given the authority to apply for, accept, reject, alter or terminate the grant on behalf of the City of Lavon.
- 2.3 Upon the Governor's office approval of the final body camera grant for the Lavon Police Department, J. Michael Jones is authorized to expend grant and matching funds for the purchase of law enforcement body cameras; video

media storage devices; video storage software; and body camera mounting devices.

SECTION 3. Passed at Open Meeting

3.1 That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law, and the public notice of the time, place, and purpose of said meeting was given as required by law.

SECTION 4. Severability and Effective Date

4.1 It is hereby declared by the City Council of the City of Lavon that if any of the sections, paragraphs, sentences, clauses or phrases of this ordinance shall be declared unconstitutional or otherwise illegal by the valid judgment or decree of any court of competent jurisdiction, such event shall not affect any remaining the sections, paragraphs, sentences, clauses or phrases of this ordinance.

4.2 That this Resolution shall be and become effective from and after its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS ON THIS 7th DAY OF JUNE, 2016.

The Honorable Charles Teske, Mayor

Attest:

Sue Johnson, Acting City Secretary

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CITY OF LAVON, COLLIN COUNTY TEXAS

ORDINANCE NO: 2016-06-01

Fee Credit Funding

AN ORDINANCE OF THE CITY OF LAVON, COLLIN COUNTY, TEXAS: PROVIDING A MECHANISM FOR FUNDING OF CERTAIN IN-KIND SERVICES OR PROJECTS THROUGH FEE CREDITS; PROVIDING SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lavon recognizes that certain entities may have interest in assisting with infrastructure and facilities improvement for the City of Lavon; and

WHEREAS, the City Council of the City of Lavon recognizes that these entities may be willing to provide the funding for such City projects conditioned on credit of future fees; and

WHEREAS, City Council of the City of Lavon believes it is in the best interest of the citizens and visitors to the City, to establish a process for a dollar for dollar fee credit to entities that provide funding for City projects.

NOW THEREFORE: BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS:

SECTION 1. Findings

- 1.1 The City Council of the City of Lavon finds that the above foregoing recitals are true and correct and are hereby incorporated for all purposes as official findings of the City Council of the City of Lavon.
- 1.2 The City Council of the City of Lavon hereby establishes the below process for the credit of future fees in each case where an entity wishes to receive a dollar for dollar fee credit for the funding of City projects.

SECTION 2. Fee Credits

- 2.1 An entity wishing to receive a dollar for dollar credit of future fees based on their funding of a city project, must apply to the City Council.
- 2.2 An application for the credit of future fees shall provide the following information:

- 2.2.1 The name of the company (hereafter Company) requesting the credit of future fees;
- 2.2.2 The business address and phone number of the Company;
- 2.2.3 The maximum amount of funding the Company will provide for the project;
- 2.2.4 The dates on which the Company will provide funding or if the Company is providing in-kind service or a turnkey project, the date the project is to be completed.

2.3 Each request must be submitted to the City Secretary to be placed on a future agenda.

2.5 The City Secretary shall place an item on the City Council agenda within 60 days of receiving the request for the project.

2.5.1 Each item will be worded such that an affirmative vote will approve the fee credit for the project and a negative vote will deny the fee credit for the project.

2.6 Approval of a project in which the Company will receive future fee credit will require an affirmative vote of the majority of City Council members present at the meeting for which the item is placed on the agenda to consider and act.

SECTION 3. Issuing Fee Credit

3.1 Any entity that has received approval from the City Council for funding of all or part of a project through the credit of future fees shall upon providing reasonable proof of expenditure or in-kind services have placed in the City's register a dollar for dollar credit for an amount equal to the value of the expenditure or in-kind services up to the amount of fee credit previously approved by the City Council.

3.2 The Company may use the fee credits against any fees charged by the City of Lavon on a dollar for dollar basis.

3.2.1 The City Secretary shall keep a register of any fee credits used by the Company and any amount of credit remaining for the benefit of the Company.

3.2.2 The City Secretary shall be present to the City Council and the Company at least twice, a year a report of any remaining fee credits available to the Company.

3.3 Any fee credits shall remain valid until used by the company or for a period of no more than five (5) years from the date of the approval of the fees – whichever occurs first.

SECTION 4. SEVERBILITY

4.1 It is hereby declared by the City Council of the City of Lavon that if any of the sections, paragraphs, sentences, clauses or phrases of this ordinance shall be declared

unconstitutional or otherwise illegal by the valid judgment or decree of any court of competent jurisdiction, such event shall not affect any remaining the sections, paragraphs, sentences, clauses or phrases of this ordinance.

SECTION 5. Effective Date

This ordinance shall be in full force and effect from and after its passage and publication and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS ON THIS ___ DAY OF MAY, 2016.

The Honorable Charles Teske, Mayor

Attest:

Sue Johnson, Acting City Secretary

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Major questions from previous meeting

- How much for a similar size commercial building? 2400 sq ft' \$150-\$2228
Est. Turnkey

Mueller Metal Building, \$95 per \$228,000

Greenville Steel \$41,240 +, Building/Concrete/Assembly \$55s'x2400 \$173,240
No interior, no walls, no finish, stone and windows

Bill Wray construction (Turnkey, Metal building, very low in interior) \$151,200

Stud /Post Frame Building(Exterior Only) 40x60'

Building Material Cost	Foundation Cost	Labor	Total Cost
------------------------	-----------------	-------	------------

\$48,800	\$10,800	\$45,200	\$104,800
----------	----------	----------	-----------

<http://www.buildingsguide.com/faq/what-cost-40x60-steel->

**If we build a commercial metal building instead of a residential structure we will have to meet many more items in the commercial codes and GH developers agreement.*

- Can we do something similar to Wylie St.3? They have small bedrooms8x9'. \$3.2M (2009), \$400 sq.ft'.
- Fee's that are included in the existing Bloomfield agreement that would need to be added if we go a different direction:

Lot Survey	Architect/Plans fee
Engineers report	Soil analysis report
Lot leveling	Closing fees

- Can we add 2 additional hose bibs? Yes, I will pay for these out of my own pocket if needed.
- Estimated cost of interior furnishings—Many items from donations

Kitchen-- \$1500.. (Table, chairs, utensils, appliances, etc.)

Bedrooms— \$3924 (3) Already received offer from a anonymous citizen to donate the beds, Lockers, Beds, Side tables)

Day Room \$2100 (TV, Chairs, Tables)

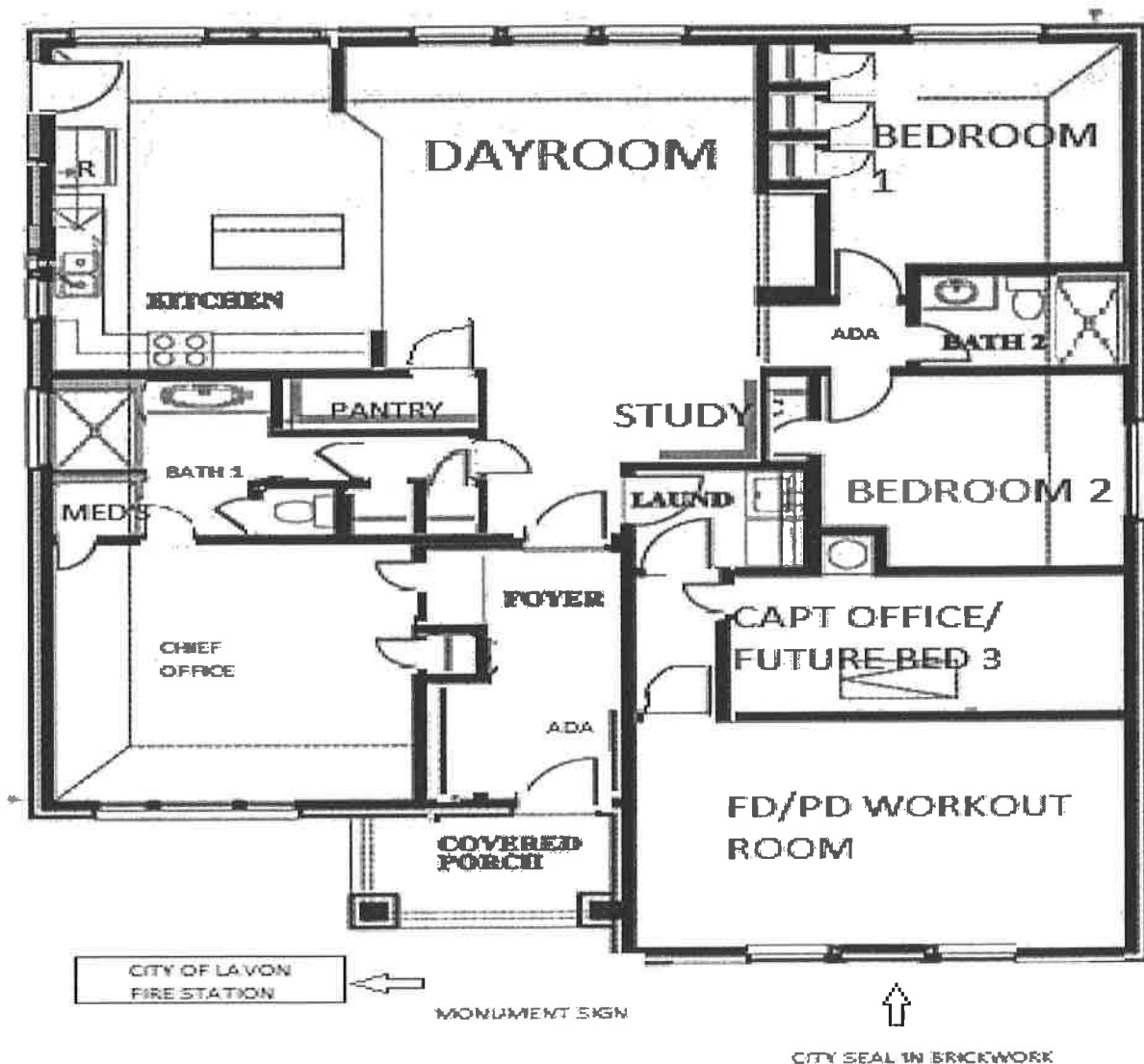
Offices-- \$2210 (desks or built-in's, chairs, lockers)

Washer and dryer \$500 (used)

NVFD has an existing accruing budget that can be used for some of these items.

- Utilities Cost (house only)? Electric... \$400 per month
Water... \$ 70 per month
Gas.....\$ 85 per month

- Countertops—Can be changed if needed. VFD is willing to fix anything they break.
- Floors-Stained concrete fades with time, is hard to keep scuff free and gets very dusty
 - Tile size, should not be an issue. Bloomfield will work with us on a good long term solution to the floor dilemma
- Builder resale on this particular home is \$230K, (neighborhood dependant), Not \$260K
- Why would the firefighters not want to sleep in their own bed? They get paid for this, they get to hang out with good friends, then get to do training if they like, time away from family is good sometimes,...THEY LOVE TO SERVE THEIR COMMUNITY!
- ISO insurances rate will drop as soon as we have people come on shift and go for a re-rate. How much? Depends....a good guess would be \$100+ per home/per year. That is a large amount!!
- There are lots of firehouses that have houses either attached or beside them. Frisco FD was like this until they went paid, Lucas VFD existing station is like this and Wylie St1 is a house with bays added to the front. Not uncommon. We will add the city seal onto the brickwork and put a monument sign out front, as well as other thing to dress up the house and make it blend in with both the existing station and neighborhood.



Bloomfield Homes offer

- Cash Funding Approved - \$49,000
- Impact Fee Credit funding - \$63,590
 - Grand Heritage Traditions/Other
 - Future permits/hookups/impact fees/Inspections
- Total Estimate of Cost \$ 112,590
- Start Date – 3 weeks from approval
- Construction time frame - 12-14 weeks
- Project Manager – Jason Wynns
- 10 year limited warranty
- Any potential cost savings will be passed on to the City
- Action Items:
 - Utility locations
 - Lot Fit of home

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City of Lavon



Fire Station Addition



PAINTBRUSH



- Cash Funding Approved - \$49,000
- Impact Fee Credit funding - \$63,590
 - Grand Heritage Traditions/Other
 - Future permits/hookups/impact fees/Inspections
- Total Estimate of Cost \$ 112,590
- Start Date – 3 weeks from approval
- Construction time frame - 12-14 weeks
- Project Manager – Jason Wynns
- 10 year limited warranty
- Any potential cost savings will be passed on to the City
- Action Items:
 - Utility locations
 - Lot Fit of home

EXISTING STATION AND ISSUES

Existing

- Office area is too small and doesn't allow a conducive working environment or privacy.
- No storage was built into the existing station
- No environmentally controlled room for bunker gear
- Very little room for guys to get into gear during a call
- No way to cook lunches, or prepare meals of any kind
- No tables to eat on
- No way to effectively do crew training during the day
- Structural issues make upgrades to the existing facility not viable

Future

- No way to add another shift, with no day room or sleeping quarters
- People want to work in proper environments
- Many of our guys are coming off their regular shifts and need to rest
- More room allows for more people on each shift

IMAGINE...

Would you rather go to work for a company that has a nice building, a desk for you, a bathroom, a place to eat and other facilities

OR

a company that crams you into a small room with no windows, no privacy, no place to eat and very few other amenities.

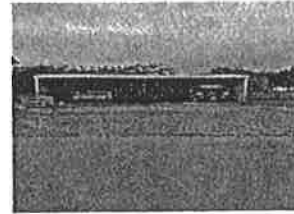
And keep in mind you only make \$50 per DAY! and are mostly doing this out of the goodness of your heart...

Fairly easy decision as to which Fire Department most would want to work for now or 5 years from now!

ESTIMATED TIME LINE

Upon approval by Council.....

Within	2-3 weeks	Sale of the existing "barn" structure Supervisor meeting with VFD building committee Movement of the "barn"
	8 weeks	"Red Line" drawings completed and approved Utility work in process Soil samples completed Pre-Engineering completed Lot leveling done Forms in place Below grade work completed Slab poured
	10 weeks	Framing completed Roof on structure Electric, Plumbing, Carpentry
	16 weeks	Build completed



WHY SHOULD WE DO THIS DEAL?

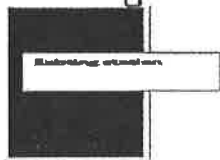
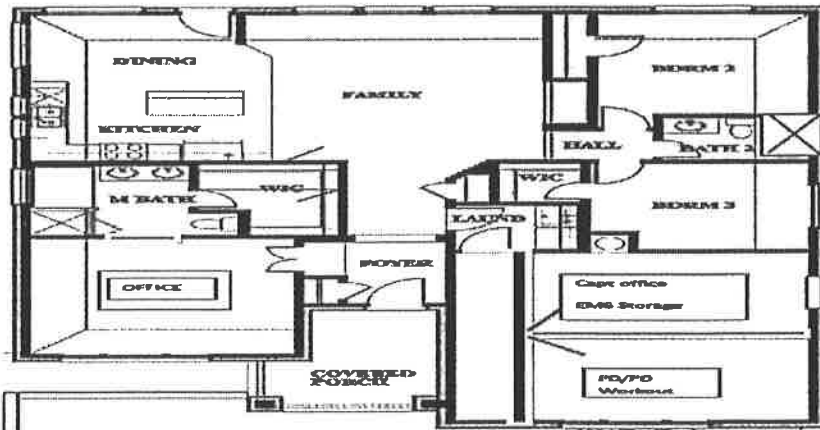
1. The City has the opportunity to get a \$238, 000 investment that will go up in value every year for the realized cost of \$ **112,590**
2. The ability to have a facility in place when additional shifts are funded in the budget
3. Continue our commitment to cut response time before growth outpaces our ability to do so.
4. Reduced ISO insurance rates by having a facility with staff
5. Attractive facility that promotes the City of Lavon's commitment to public safety
6. Funding the facility at a time that the City has a healthy reserve
7. Facility costs will only go up as time passes, making this possibility less and less likely.

SITE PLOT

Google Maps



Google Maps



FURNISHINGS

Suggestions—

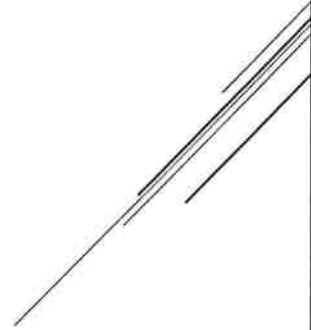
- Local donations of furniture that will be needed
- Minimal allowance in 2017/2018 budget
- NVFD will contribute as much as possible. We already have a established budget for this.
- Social Media "reverse garage sale"

WHAT'S NEXT?

if council approves

- NVFD will begin process of selling and dismantling the barn
- JS will meet with Bloomfield to ensure red line floor plan is complete
- Bloomfield will ensure the red line plan meets the financial requirements
- MJ/JS to develop contract
- Council meeting, approval of contract and final pricing
- Build cycle begins July 1 or before

THANK YOU!



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Bloomfield Homes
Contractor Control Worksheet

Contract Addendum		5/19/2016	
Bloomfield Homes	City of Lavon	Paintbrush	Notes
Project: Fire Station Addition		1929 sqft	
Cost			
Code	Contractor		
Permit Fees	1010	N/A	
Architectural Fee	1100	Harder Organization	285
Res Check	1110	Assured Home Performance	250
Engineering	1120	Falkofske Engineering, Inc.	275
Lot Bench	1210	Soak & Grow	175
Temporary Utilities	1250	N/A	400
Plumbing Rough/Top O	1300	Premier	7,360
Plumbing Sand	1350	Dwain Jones	130
Surv. Form, Elev., Title	1400	Patrain	
Pour Slab	1500	E&R	15,072
Rough Grade	1505	Soak and Grow	175
Concrete Curb Cut	1510	E&R	200
Concrete Flatwork	1520	E&R	3,500
Pest Control	1525	Massey Services, Inc.	100
Erosion Control	1530	Extreme Environmental	540
Lumber Package	1600	84 Lumber	8,900
Second Floor Trusses	1610	84 Lumber	0
Frame Labor	1620	Tryko	6,499
Trash Dumpsters	1990	Valles Landscaping	902
Portable Toilet	1995	Jackpot	172
Construction Manageme	1999	N/A	0
Windows	2650	Legacy	1,813
Roof	2670	WR Roofing	3,171
HVAC Rough/Final	2680	K & S Heating	3,729
HVAC Unit(s)	2681	Johnson Supply	1,816
Electric Rough/Final	2700	Fox	4,040
Electrical Extras	2701	Fox	0
Wall & Attic Insulation	2720	CLS	1,583
Fire Place	2730	Overhead Door	0
Exterior Doors	2740	Texas Plywood	633
Brick Material	3750	Boral / Cisco	6,200
Brick Labor	3755	Pascual	7,244
Sheetrock	3780	Dal-Worth Drywall	2,900
Sheetrock Materials	3781	BGS - Builders Gypsum	1,900
Garage Door	3790	Overhead Door	0
Garage Door Opener	3791	Overhead Door	0
Trim Material & Labor	3800	Texas Plywood	2,366
Paint (First & Final)	3810	Lorenzo Riveria	2,654
Cabinets	3820	Hoffman	2,800
Granite Countertops	3830	Allied Stone	1,426
Marble Countertops	3840	Marble Palace	351
Light Fixtures	3850	Fox	1,048
Hardware	3860	Texas Plywood	595
Balcony Railing	3880	Texas Plywood	
Construction Manageme	3999	N/A	0
Final Grade/Sand	4805	Soak & Grow / Dwain Jones	435
Mirrors & Shower Surro	4820	Dunn-Rite Glass, Inc.	1,023
Carpet	4850	Texas Floors Source	1,292
Tile/Vinyl	4851	Texas Floors Source	858
Wood Floors	4852	Texas Floors Source	
Tile - Shower	4855	Texas Floors Source	463
Tile - Kitchen Backspl	4856	Texas Floors Source	138
Appliances	4860	Whirlpool	1,242
Cleaning	4870	Clean This Mess	451
Pressure Wash	4880	Clean This Mess	65
Blinds	4890	Southwestern Carpets	750
Fence	4900	Accent Iron	0
Sprinkler	4910	Soak & Grow	2,180
Sod	4920	Soak & Grow	1,111
Landscape	4930	Soak & Grow	1,630
Gutters	4940	Direct Flow	
Construction Manageme	4999	N/A	0
Construction Manageme	5999	N/A	2,000
Non Standard Options	6000	N/A	5,250 garage modifications/other
Security System	6010	w	0
Unexpected/Warranty	6020		2,500
House Cost Subtotal			112,590
			112,590



Requested By:
 Albert - 972-977-8216
 Anthony-817-822-6723
 Barry - 972-877-1534
 Chad - 972-623-8966
 Chet - 972-977-8148
 David - 817-297-7388
 Dean - 972-977-8536
 Jason - 972-877-1732

BLUE PRINT AND PLOT PLAN REQUEST

Sold: Spec: Model: _____
 Date: 5/19/16 Salesperson: Jason McFarlin
 Buyer: Lavon Fire Dept. Sales Price: _____
 Community: Grand Heritage
 Lot: _____ Blk: _____ Phase: East Address: 501 Lincoln Ave.
 Plan Name: Paintbrush Elevation: B
 Garage Swing: Right Hand Entry: Front
 Estimated Closing Date: _____
 Prior Request Done For This Lot: Yes _____ No

Options to be Included: List Structural options, or lot specific instructions

1 Convert garage to 2 additional bedrooms

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9

EMAIL REQUEST TO: sherry@bloomfieldhomes.net

FOR OFFICE USE ONLY:

Approved by Mike _____	Bloomfield Own Lot _____ Yes
Copy to Harder _____	_____ No
Copy to Builder _____	If Not OK to Buy _____ Yes
Copy Given to Don _____	
On Visibility _____	Last Update ss 1 2014



BLOOMFIELD HOMES

Bloomfield Homes, L.P.
Construction Release Summary

Purchaser Lavon Fire Dept. Date 5/19/16
Lot Block Phase East Community Grand Heritage
Address 501 Lincoln Ave.
Plan Paintbrush Elevation B Garage Left Garage Right X

Buyer Contact Phone #'s
home work mobile work mobile email

Base Price \$
Lot Premium \$ -
Elevation Premium \$ -

OPTIONS	DESCRIPTION	PRICE
1	Convert garage to 2 additional bedrooms(approx. 400 SF)	\$ -
2	Install vinyl flooring in place of all beds, closets, family room, kitchen, and breakfast	\$ -
3		\$ -
4		\$ -
5		\$ -
6		\$ -
7		\$ -
8		\$ -
9		\$ -
10		\$ -
11		\$ -
12		\$ -
13		\$ -

Total Price \$ 209,990

Purchaser Signature: _____ Date: _____
Purchaser Signature: _____ Date: _____
Project Manager: _____ Date: _____

Color Selections Sheet

Color Selections Date: 5/19/2016 Revised: Yes/No Date:

Customer: Lavon Fire Dept.

Address: 501 Lincoln Ave.

Plan: Paintbrush

Elevation: B Lot: Block:

Brick: Autumn Mist

Stone: Similar to Firehouse

Gutters: N/A

Exterior Paint: 228 Charro

Kitchen Layout: Standard or Deluxe Std.

Interior Paint: 42 Wise Owl

Trim Paint: Soft White

Cabinet Color: Pecan no glaze(All Cabinets)

Granite Color: Gold Brazil

Carpet Color & Style

Name and Number: N/A

Style: Size: Direction: Product #: Color: Grout:

Entry

Flooring: Tile Andela 12x12 Straight 16296 Brown 66 Chestnut Brown

Extended Entry

Flooring: Vinyl Permanence 2MM Vinyl N/A P9002-103 Chocolate Brown N/A

Hall to Beds 2&3

Flooring: Vinyl Permanence 2MM Vinyl N/A P9002-103 Chocolate Brown N/A

Breakfast Area

Flooring: Vinyl Permanence 2MM Vinyl N/A P9002-103 Chocolate Brown N/A

Family Room

Flooring: Vinyl Permanence 2MM Vinyl N/A P9002-103 Chocolate Brown N/A

Utility

Flooring: Tile Style: Andela Size: 12x12 Direction: Straight Product #: 16296 Color: Brown Grout: 66 Chestnut Brown

Kitchen

Granite: Gold Brazil

Cabinets: Pecan No Glaze

Style: Size: Direction: Product #: Color: Grout:

Flooring: Vinyl Permanence 2MM Vinyl N/A P9002-103 Chocolate Brown N/A

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10 Year Limited Warranty for New Homes

1 Year Workmanship/Materials

2 Years Systems

10 Years Load-bearing Warranted Structural Components

For

Homeowner's Name

This Warranty is an expressed written Limited Warranty and is provided by Builder. To the extent permitted by law, all other implied warranties are waived included but not limited to, the warranty of good quality and workmanship and the warranty of habitability, merchantability and/or fitness for a particular purpose or any other warranties, expressed or implied.

American eWarranty

For this Limited Warranty Agreement to be active and in effect, it must contain preprinted information including your name, address, and a unique Warranty ID number. The last page is a signature page for the Homebuyer and the Builder.

This Warranty is extended to the following purchaser:

[Name:]
[Address of Warranted Home:]
[City: State: Zip Code:]
[Telephone Number: E-Mail Address:]
[Warranty ID Number: Final Sales Price: Maximum Limited Liability:]
[The Warranty Start Date is:]

[Builder information:]
Bloomfield Homes, L.P.
1050 E Hwy 114 Suite 210
Southlake, TX 76092
Phone: 817-416-1572

Section 1. OVERVIEW OF THE LIMITED WARRANTY

Your Builder has included this written Limited Warranty for your benefit. American eWarranty is the warranty administrator and is NOT a warrantor under this agreement.

The following pages explain this Limited Warranty on your Home:

- what it does and does not include;
- how it works, and other details, conditions and limitations that apply;
- certain terms contained in this Limited Warranty defined in Section 8;
- the process for requesting warranty performance explained in Section 6;

Read this document in its entirety, including definitions, to understand the Warranty, the exclusions that apply, your responsibilities, how the Limited Warranty is interpreted, and how it operates. **This Limited Warranty Agreement includes the process of binding arbitration for resolving disputes if needed.**

This is not a warranty service contract. If you have questions, be sure to contact your Builder or American eWarranty.

Section 2. THE LIMITED WARRANTY CONDITIONS

- A. The Warranty Start Date is Homeowner's settlement date indicated above.
- B. For one (1) year from the Warranty Start Date, items described and specified in Section 5.A in this Limited Warranty will function and operate according to the Warranty Standards.
- C. For two (2) years from the Warranty Start Date, the component of your Home described and specified in Section 5.B in this Limited Warranty will function and operate according to Warranty Standards.
- D. For ten (10) years from the Warranty Start Date, Load-bearing Warranted Structural Components (WSC) as identified and specified in Section 5.C in this Limited Warranty will meet the established performance standards.
- E. Your Builder is the Warrantor in years one (1) and two (2); the Insurer is the Warrantor in years three (3) through ten (10). If the Builder fails to correct warranted construction deficiencies in years one (1) and two (2), the Insurer will assume the responsibilities subject to the terms and conditions of this Limited Warranty. American eWarranty is the administrator of this warranty.
- F. This agreement is non-cancelable by the Warrantor.
- G. Only specified standards and actions represented in this warranty are applicable to this warranty.
- H. Your Builder is responsible for all work performed under its direction for the period of the applicable warranty. Your Builder is only responsible for warranted defects about which your Builder receives written notice on or before the expiration of the warranty coverage to which the notice applies but in no event later than thirty days (30) following the applicable warranty period stated in this Section.

- I. The Warrantor shall have the option to choose to repair, replace, or pay the reasonable cost of repair or replacement of Warranted Defects. The method and manner of repairs are at the discretion of the Warrantor. Regarding a Load-bearing Warranted Structural Component (WSC), the Warrantor's obligation is limited to actions necessary to restore the WSC to the specified tolerances identified in this Limited Warranty. The aggregate cost to the Warrantor(s) under this Limited Warranty shall not exceed the Maximum Limited Liability of the Home as listed herein.
- J. Repair of a construction defect shall be performed in a manner and using such materials and methods consistent with the Performance Standards found in Section 5.
- K. Repair condition
 - 1. In connection with a repair of a warranted defect, any repairs performed by Your Builder will include those components of the Home originally installed by your Builder that have to be removed or altered in order to repair the defect. Repair shall be made so that the condition is returned to its condition as it existed at the time immediately preceding the defect.
 - 2. The Warrantor is not responsible for damage to any improvement, fixture or property not constructed, installed or provided by your Builder that may need to be removed to repair a warranted defect or which may be damaged by the implementation of repairs to the warranted defect.
- L. Surfaces altered incident to any repair will be finished or touched up to match the surrounding area as closely as practical. In connection with the repair of finish or surface material such as paint, wallpaper, flooring or a hard surface, your Builder will match the standard and grade as closely as reasonably possible. Your Builder will attempt to match the finish but will not be responsible for discontinued patterns or materials, color variations or shade variations. When the surface finish material must be replaced and the original material has been discontinued, your Builder is responsible for installing replacement material substantially similar in appearance to the original material.
- M. Manufactured products shall be installed in accordance with the manufacturer's instructions and specifications.
 - 1. Your Builder shall use only new manufactured products and parts unless otherwise agreed in writing by the parties. If your Builder did not install a manufactured product in accordance with the manufacturer's specifications or use newly manufactured parts as required, your Builder shall take such action as is necessary to bring the variance within the standard.
 - 2. Manufactured items such as appliances, fixtures or equipment covered by a manufacturer's warranty and defects in any of the systems resulting from a failure in manufactured items are not covered by this warranty.
- N. The Warrantor's responsibilities and liability are limited to the terms and conditions contained in this Limited Warranty including its performance standards. The Warrantor is providing only the warranty obligations contained in the Limited Warranty subject to its provisions, exclusions, limitations, performance standards, definitions and coverage. The warranties established herein are the only warranties provided by the Warrantor.

Section 3. HOMEOWNER RESPONSIBILITIES AND APPLICABLE CONDITIONS

- A. General and preventative maintenance of the Home and the lot on which the Home is located is essential to the proper functioning of the Home. The Homeowner is responsible for:
 - 1. Maintenance of the Home and the lot.
 - 2. Maintenance items described in this paragraph
 - 3. Those maintenance items identified separately in the performance standards set forth in this Limited Warranty.

4. Ongoing maintenance responsibilities that affect the performance of the Home but that may not be expressly stated in this warranty. Such ongoing maintenance responsibilities include but are not limited to:
 - a. Periodic repainting and resealing of finished surfaces as necessary,
 - b. Caulking for the life of the Home,
 - c. Regular maintenance of mechanical systems, regular replacement of HVAC filters, cleaning and proper preservation of grading around the Home
 - d. Drainage systems to allow for the proper drainage of water away from the Home.
- B. Prior to occupancy or closing, whichever occurs first, you and your Builder must establish a written, final walk-through inspection list identifying items in need of service. Keep a copy for your records. Any pre-existing conditions or defects (often referred to as punch list items) are not covered by this Limited Warranty.
- C. If your Builder does not complete any part of the Home, it is your responsibility to complete such parts. Any damage resulting from your failure to have the work completed will not be covered under this Limited Warranty.
- D. Your Builder is to assign to you without recourse all manufacturers' warranties on products included in the Final Sales Price of your Home. Any rights that inure to the Homeowner provided under a manufacturer's warranty are the obligation of the manufacturer. Your Builder does not assume any of the obligations of the manufacturer resulting from a manufacturer's warranty, but shall coordinate with the manufacturer, suppliers or agents to achieve compliance with the performance standard.
- E. Repairs of warranted defects will not extend the coverage periods established in this Limited Warranty.
- F. The Warrantor is not responsible for exact color, texture, grain or finish matches where materials must be replaced or repaired.
- G. In case of an EMERGENCY, (a situation or condition which may be hazardous to the Home or occupants if not repaired immediately), you must contact your Builder or the Administrator to receive authorization to make emergency repairs or follow the procedures established by your Builder. If unavailable, you must make repairs to mitigate further damage and report the emergency to your Builder or the Administrator on the next business day. Any unauthorized repairs will not be reimbursed unless you have followed these procedures. Emergency items will be evaluated by American eWarranty based on imminent danger to the Home. Determination regarding the extent of expenses that are reimbursable under the warranty for an emergency is at the discretion of your Builder or American eWarranty.
- H. No warranties extend beyond the items described and contained in this Limited Warranty.
- I. This Limited Warranty automatically transfers to a new Homeowner if you sell your Home during the ten(10) year term of the Limited Warranty.
- J. The Homeowner shall take measures to prevent landscaping materials or plants from contacting the exterior surface of the Home and from interfering with the proper drainage of water away from the foundation. The Homeowner should not improperly alter the proper drainage pattern or grade of the soil within ten feet of the foundation so that it negatively impacts the Home's performance.
- K. The Homeowner should take the following actions to prevent excessive moisture accumulation in and around the home by:
 1. Properly using ventilation equipment;
 2. Preventing excessive temperature fluctuations; and
 3. Taking any other action reasonably necessary to avoid excessive moisture, dampness, humidity or condensation that may lead to damage due to excessive moisture or dryness.
- L. The Homeowner shall properly maintain each component of the Home including proper cleaning, care and upkeep of the Home. The Homeowner shall use Home components for the purposes for which they are intended and shall not damage, misuse or abuse Home components.

- M. Self-help. Upon observation of a circumstance that may cause further damage to the Home or a component of the Home, the Homeowner shall take reasonable action necessary to prevent further damage to the Home.
- N. The Warrantor is not responsible for repair, loss or damage to a component or that part of a component of a Home caused by or made worse by failure of the Homeowner to comply with the Homeowner's responsibilities as set forth in this Limited Warranty.

Section 4. EXCLUSIONS TO THE LIMITED WARRANTY

- A. This Limited Warranty does not include the following:
 - 1. Loss, damage or injury to:
 - a. land, person, animals,
 - b. personal property, and improvements or structures, and/or
 - c. other than items in the Home identified in this Limited Warranty.
 - 2. Loss or damage resulting directly or indirectly from or made worse by:
 - a. Insects, birds, vermin, rodents, or wild or domestic animals, except where the builder has failed to use proper materials or construction methods designed to prevent infestation or intrusion;
 - b. Any loss or damage that arises while the Home is being used primarily for nonresidential purposes;
 - c. Soil movement, including subsidence, expansion or lateral movement of the soil which is covered by any other insurance or for which compensation is granted by State Legislation;
 - d. Flood, surface water, waves, tidal water, or spray from any of these (whether or not driven by wind); water that backs up from sewers or drains; changes in the water table which were not reasonably foreseeable; (Note: damage to the Home caused by an unforeseen hydrostatic situation due to surface or underground water is warranted in the first year);
 - e. Deterioration resulting from normal wear and tear;
 - f. Shrinkage, expansion or contraction due to drying or settlement caused by Homeowner negligence;
 - g. Material or work which was not supplied by your Builder or its employees, agents or subcontractors;
 - h. Any damage to the extent it is caused or made worse by negligence, improper maintenance or improper operations by anyone other than the builder or its employees, agents, or subcontractors;
 - i. Components of the Home which are constructed separate from foundation walls or other structural components of the Home such as, but not limited to, chimneys concrete floors of basements, attached garages after one year;
 - j. Any damage to the extent it is caused or made worse by changes of the grading of the ground by anyone other than the builder, its employees, agents, or subcontractors;
 - k. Any modification or addition to the Home or the property under or around the Home, made after the Warranty Start Date (other than changes made in order to meet the obligations of this Limited Warranty);
 - l. Outside sillcocks (hosebibs) and other house connections;
 - m. The weight of a water bed or any other type of furnishing or equipment that exceeds the load-bearing design of the Home;

- n. The presence of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants, or the presence of hazardous or toxic materials within the Home;
 - o. Acts or omission by you, your agents, employees, licensees, or invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, wind storm, hail, lightening, ice, snow, falling trees, aircraft, vehicles, flood, mudslides, sinkholes, mine subsidence, faults, crevices, earthquakes, aftershocks, shock waves or tremors occurring before, during or after a volcanic eruption;
 - p. Your failure to minimize or prevent loss or damage in a timely manner as per Section 3 G;
 - q. Dampness or condensation due to your failure to adequately maintain ventilation, caulking, flashing or gutters;
 - r. Negligent operation of any part of the Home by anyone other than your Builder, its agents, employees or subcontractors; and/or
 - s. Swimming pools whether located in or outside of the Home.
3. Your Builders' failure to finish any or all construction of the Home on or before the Warranty Start Date, or damages arising from such failure. (An incomplete item is not considered a Warranted Defect. Your Builder, however, may be obligated to complete such items under separate agreements.)
 4. A deficiency which does not result in actual physical damage or loss to the Home.
 5. Consequential Damages:
 - a. Incidental expenses related to relocation during repair, such as costs of shelter, transportation, food, moving, storage, or other costs due to loss of use, inconvenience or annoyance.
 - b. Diminished market value of your Home,
 - c. Any and all consequential loss or damage, including without limitation, any damage to personal property, any damage to property not covered by this Warranty, any damage to property which you do not own, any bodily damage or personal injury of any kind, including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits.
 6. Violation of applicable building codes or ordinances, unless such violation results in a Warranted Defect. Under such circumstance, the obligation of the Warrantor under this Limited Warranty shall be only to repair the Warranted Defect, but not necessarily to restore or bring the Home into compliance with the codes or ordinances.
 7. Any claim submitted to American eWarranty after an unreasonable delay or later than thirty (30) days after the expiration of the applicable warranty period.
 8. A non-emergency Warranted Defect that you repair without prior written authorization of Warrantor.
 9. Removal and/or replacement of items not covered by this Limited Warranty, such as landscaping or personal property, and items not originally installed by Your Builder, like wallpaper, where removal and replacement are required to repair a Warranted Defect.
 10. Wiring, wires and cables that connect the Home to communications services such as telephone, television, intercom, computer and security systems.
 11. Loss or damage to EIFS synthetic stucco systems.
 12. Any issue consisting of, caused by, contributed to, related to or aggravated by moisture, rotting of any kind, mold, mildew, fungus or rust.

13. Sound transmission and sound proofing.
14. Glass breakage.
15. Improvements not part of the Home itself, including, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached to the Home; decks and balconies which are not bolted to or cantilevered from the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; detached garages and carports, outbuildings (except those which contain a Heating, Ventilating, and Cooling System, Plumbing System or Electrical System serving the Home, and then only to the extent that these systems are affected).
16. Any alteration of the drainage pattern or grade of the soil by the Homeowner within ten feet of the foundation so that it negatively impacts the Home's performance.
17. Any item not listed as a warranted item in this Limited Warranty. The enumeration of the Exclusions above is not intended to be exhaustive of the items that are not covered by this Limited Warranty.
18. Any item listed by Builder as not included in this Limited Warranty.

Section 5. WARRANTY STANDARDS

A. Year 1 Only

The following Warranty Standards are applicable only to warranted items installed by the Builder and expressly stated in this Limited Warranty. Read Section 1 through 4 to determine if the following Warranty Standards apply. These Standards are included to provide an understanding of how issues will be evaluated.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
A1. SITE WORK				
Drainage	A 1.1	Erosion around the foundation	Builder is not responsible for soil erosion due to acts of God or other conditions (site alterations, lack of maintenance, etc.) beyond the Builder's control.	Homeowner is responsible for removal and replacement of all Homeowner installed landscaping.
	A 1.2	Improper grades or swales which cause standing or ponding water and affect drainage	Builder will correct grades which cause standing or ponding water for more than 24 hours and affect the drainage within 10' of the foundation of the Home or swales which cause standing or ponding water for more than 48 hours and affect the drainage within 20' of the foundation of the Home.	Standing or ponding water beyond the defined area is not covered by this Limited Warranty. Homeowner is responsible for maintaining proper grades and adequate ground cover.
	A 1.3	Ground settling around foundation walls, utility trenches or other filled areas on the property where excavation and backfill has affected foundation drainage.	If Builder established the original final grading, Builder will replace fill in excessively settled areas one time only	Settling less than 6 inches, is a Homeowner maintenance item. Homeowner is responsible for proper grades and maintaining adequate ground cover.
A 2. FOUNDATION, FLOORS, WALLS, CRAWL SPACES, SLABS				
Concrete Floor	A 2.1	Separation or movement of concrete slab at expansion joints.	This is normal and no corrective action is required.	Slabs are designed to move at expansion/contraction joints. This is not a warranted condition.
	A 2.2	Foundation is out of square or level	Out of square: Measured at the top of the foundation wall, the diagonal of a triangle with sides of 12' and 16' shall not be out of square more than 1" +/- in 20'. Out of level: no point shall be more than 1/2" higher or lower than any point within 20'.	Squareness and levelness are aesthetic and may be corrected in subsequent construction.
	A 2.3	Cracks in concrete footing	Cracks greater than 1/4 inch in width are considered excessive. Builder will repair.	Minor cracks in concrete are common and normal in new Home construction.
	A 2.4	Pitting, scaling or spalling of the concrete floor surface.	Builder will repair disintegrated surfaces caused by improper installation of concrete.	Deterioration caused by chemicals, implements used and other factors beyond Builder's control is not a warranted condition.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	A 2.5	Cracks in concrete floors in conditioned area.	Builder will repair cracks which exceed $\frac{3}{16}$ inch in width or vertical displacement if the floor is in conditioned space.	If floor has covering, finish material will be replaced in area of repair to match as closely as possible. Minor imperfections in floor covering are not a warranted condition.
	A 2.6	Cracks in concrete floor in non-conditioned area.	Builder will repair cracks greater than $\frac{1}{4}$ inch in width or vertical displacement.	Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair.
	A 2.7	Cracks in garage floor slab.	Builder will repair cracks greater than $\frac{3}{16}$ inch in width or vertical displacement.	Shrinkage cracks are common and can be expected. Patching and epoxy injections are acceptable methods of repair.
	A 2.8	Uneven concrete floors in areas designed for living purposes.	Builder will repair uneven areas (including pits or depressions) greater than $\frac{3}{8}$ inch within a 32-inch measurement.	In rooms not initially designed as finished living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds the tolerance warranted condition is acceptable.
	A 2.9	Leaks resulting in actual seeping of water through the floor.	Builder will take such action as is necessary to correct the leak. If this happens only once, Builder may investigate and delay action to determine the cause.	Homeowner is to maintain positive grading around the Home and maintain any Builder installed surface water control systems. Leaks caused by landscaping improperly installed by the Homeowner are excluded from this Warranty. Dampness and condensation are not covered by this Limited Warranty.
Basement Walls and Crawl Spaces	A 2.10	Cracks in poured concrete foundation walls.	Builder will repair cracks greater than $\frac{1}{4}$ inch in width.	Shrinkage cracks are common and can be expected. Patching and epoxy injection are acceptable methods of repair.
	A 2.11	Cracks in masonry or veneer wall.	Builder will repair cracks greater than $\frac{1}{4}$ inch in width.	Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair.
	A 2.12	Bowed walls	Builder will stabilize basement walls that are bowed in excess of 1 inch in 8 feet when measured from the base to the top of the wall.	Lateral pressure may cause basement walls to bow.
	A 2.13	Wall is out of plumb	Builder will repair if wall is out of plumb greater than 1 inch in 8 feet.	No corrective action is necessary if codes are met.
	A 2.14	Condensation on walls, joists, support columns and other components of basement area.	Not a warranted condition.	Homeowner is responsible for maintaining adequate ventilation and moisture control.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
Crawl space	A 2.15	Insufficient ventilation.	Builder will install louvers or vents according to industry standards.	Homeowner is responsible for ventilation and moisture control, including seasonal adjustment of vent openings.
A 3. GENERAL CARPENTRY				
Walls and Ceilings	A 3.1	Wood frame walls out-of-plumb.	Builder will correct if out-of-plumb condition is greater than 3/8 inch within 32 inches vertical measurement.	Minor framing imperfections less than the standard are not a warranted condition.
	A 3.2	Wood frame wall is not squared.	Not a warranted condition.	Minor framing imperfections can be expected.
	A 3.3	Bowed stud walls or ceilings	Builder will correct if unevenness is greater than 1/2 inch within a 32-inch horizontal measurement or 1/2 inch within any 8 foot vertical measurement.	All exterior and interior frame walls and ceiling have slight variations on the finish surfaces.
Floors	A 3.4	Uneven wood framed floors.	Builder will correct if high or low areas are greater than 1/4 inch within a 32-inch measurement.	Depending on the surface finish, self-leveling compounds are acceptable.
	A 3.5	Floor squeaks.	Builder will correct if caused by a defective joist or improperly installed or loose subfloor. An isolated floor squeak is not a Warranted Defect.	A squeak-proof floor cannot be guaranteed. Squeaks can be caused by wood shrinkage, temperature and humidity changes and other factors beyond the Builder's control.
Roof	A 3.6	Split or warped rafters or trusses.	Not a warranted condition.	Splitting and warping can be caused by high temperature effects on wood and other factor beyond the Builder's control.
A 4. EXTERIOR				
Stoop, Porch and Patio	A 4.1	Settling or heaving of structurally attached stoop, porch and patio.	Builder will correct if movement is greater than 1 inch from the Home.	Stoops, porches and patios poured separately are not considered structurally attached.
	A 4.2	Concrete splatters on adjacent surfaces.	Not a warranted condition.	This item should be identified on a pre-closing walk-through inspection list.
Structurally Attached Wood Decks	A 4.3	Twisting, warping or splitting of wood.	Builder will correct if condition was caused by improper installation.	Wood deck material is exposed to changing weather conditions which can cause twisting, warping and splitting.
	A 4.4	Deck settles.	Builder will correct slope of deck if greater than 2 inches in a 10 foot measurement.	Some slope is normal for proper water drainage.
	A 4.5	Railing or post becomes loose.	Builder will correct if the condition is due to improper installation.	Homeowner is responsible for conditions not related to installation.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
Exterior Walls	A 4.6	Separation of siding or trim joints, or separation between trim and abutting masonry siding.	Builder will caulk separations greater than $\frac{3}{16}$ inch. Also, exterior trim abutting masonry siding shall perform its function of excluding the elements.	Separations $\frac{1}{4}$ inch or less are considered normal.
	A 4.7	Cracks in stucco and cement plaster surfaces.	Builder will repair cracks greater than $\frac{1}{8}$ inch in width. Exact match of color or texture cannot be expected.	Hairline cracks are common in this type of wall finish.
	A 4.8	Siding deteriorates, delaminates or comes loose.	Builder will repair damaged siding and secure loose siding if caused by improper workmanship or materials.	Homeowner is responsible for maintenance. Wood siding will split, shrink and cup.
Doors	A 4.9	Door binds against jamb or does not lock.	Builder will adjust door or latch if caused by faulty workmanship or materials, one time only.	Doors will expand and contract due to changes in climatic conditions.
	A 4.10	Wood door panels shrink exposing bare wood.	Not a warranted condition.	Panels will shrink due to the nature of wood. Exposed unfinished surfaces can be expected.
	A 4.11	Warpage of exterior doors.	Builder will correct warpage greater than $\frac{1}{8}$ inch, measured diagonally.	Doors will expand and contract due to changes in climatic conditions.
	A 4.12	Door panel splits.	If split allows the entrance of elements, Builder will correct one time.	Splits which do not allow the entrance of elements are considered normal. Homeowner maintenance is required.
	A 4.13	Drafts around door.	Builder will adjust poorly fitted doors or weather-stripping to prevent excessive infiltration under normal conditions.	Some infiltration is normal especially during high winds. Homeowner is responsible for minor alterations to adjustable thresholds and other parts of the door.
	A 4.14	Torn or damaged screens.	Not a warranted condition.	Damaged door and window screens should be identified on a pre-closing walk-through inspection list.
	A 4.15	Garage door fails to operate or fit properly.	Builder will adjust garage doors to meet the manufacturer's installation tolerances.	Garage doors are not designed to be weather-tight. Some entrance of elements can be expected and is not considered a deficiency. If Homeowner installs a garage door opener, the Homeowner is responsible for operation of door.
Windows	A 4.16	Condensation or frost on interior window surface.	Not a warranted condition.	Condensation can occur on various types of windows. Temperature, humidity and living conditions can cause condensation.
	A 4.17	Clouding or condensation on inside surface of insulated glass.	Builder will replace glass to comply with manufacturers requirements.	If condition is caused by Homeowner negligence, this is not a warranted condition.
	A 4.18	Glass breakage.	Not a warranted condition.	Broken glass should be identified on a pre-closing walk-through inspection list.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	A 4.19	Drafts around windows.	Builder will adjust poorly fitted windows or weather-stripping to prevent excessive infiltration under normal conditions.	Some drafts are normal especially during high winds. Caulking expands and contracts. Maintenance of caulking and weather stripping is Homeowner's responsibility.
	A 4.20	Windows are difficult to open, close or lock.	Builder will adjust for proper fit according to the manufacturer's guidelines.	Windows should operate in conformance with the design standards established by the manufacturer.
Exterior Paint	A 4.21	Paint or stain peels or deteriorates.	Builder will refinish affected areas matching color as closely as possible.	Fading is normal. Mildew and fungus on siding can be caused by weather conditions and are considered routine maintenance. Varnish or lacquer will deteriorate quickly and is not a warranted condition.
	A 4.22	Paint splatters and smears on other surfaces.	This is not a warranted condition.	This item should be noted on a pre-closing walk-through inspection list.
	A 4.23	Inadequate paint coverage.	Builder will repair affected area matching color as closely as possible.	Minor imperfections such as overspray and brush marks can be expected.
	A 4.24	Knots appear through paint or stain.	Builder will seal affected areas where excessive bleeding of knots appear and touch-up with original material color to match as closely as possible.	Knots may be visible due to the material used.
Exterior Walls	A 4.25	Cracks in masonry, veneer or stone exteriors.	Builder will repair cracks greater than ¼ inch in width.	Small cracks are common in masonry mortar joints. Patching and epoxy injection are acceptable methods of repair.
Roof	A 4.26	Roof or flashing leaks.	Builder will correct roof or flashing leaks that occur under normal weather conditions.	If the cause of the leak is due to snow or ice build-up, high winds, driving rains, or Homeowner negligence, this is not a warranted condition.
	A 4.27	Lifted, torn or curled roof shingles.	Builder will repair or replace if due to poor installation.	Damage caused by fire, explosion, smoke, hail, lightning or other accidents is not a warranted condition.
	A 4.28	Inadequate ventilation.	Builder will install louvers or vents based on industry standards.	Attics should be adequately vented to prevent excessive moisture buildup. Homeowner is responsible to keep vents clear of obstructions for proper air flow.
	A 4.29	Gutters leak and have standing water.	Builder will repair joints to be leak free and correct pitch if standing water depth exceeds ½ inch.	Homeowner is responsible for keeping gutters and downspouts free from leaves and debris.
A 5. INTERIOR				
Sub-Flooring	A 5.1	Loose sub-flooring.	Builder will repair if caused by improper installation.	Wood will shrink due to temperature and humidity changes which can affect sub-flooring.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS	
Hard Surface Flooring (flagstone, marble, ceramic tile, slate)	A 5.2	Flooring cracks or becomes loose.	Not a warranted condition.	This condition should be noted on a pre-closing walk-through inspection list.	
	A 5.3	Hollow sounding tile.	Not a warranted condition if tile is bonded.	Hollow sounding tile is not considered a defect.	
	A 5.4	Shrinking or deterioration of caulking.	Builder is responsible only for initial application.	Caulking shrinks and deteriorates. Homeowner is responsible for maintenance.	
	A 5.5	Cracks in grouting of ceramic tile joints.	Builder will repair cracks greater than 1/8 inch one time only.	Regrouting of cracks in grout joints is a Homeowner maintenance item.	
	A 5.6	Gaps at seams of resilient flooring.	Builder will correct gaps of similar materials in excess of 1/16 inch, and 1/8 inch where dissimilar materials abut.	Minor gaps should be expected.	
Floor Covering	A 5.7	Cuts and gouges in floor covering.	Not a warranted condition.	All cuts and gouges should be identified on a pre-closing walk-through inspection list.	
	A 5.8	Nail pops appear on the surface of resilient flooring.	Builder will repair nail pops that have damaged floor covering.	Damage caused by high heels, table and chair legs and similar objects is not a warranted condition.	
	A 5.9	Depressions or ridges in resilient flooring due to sub-flooring irregularities.	Builder will repair depressions or ridges greater than 1/8 inch. Ridges will be measured with a 6 inch straight edge centered on the ridge with a 1/8 inch spacer placed on one end.	Condition is to be repaired so as to comply with the tolerance and not be readily visible.	
	A 5.10	Resilient flooring fades, stains or discolors.	Not a warranted condition.	Fading, stains or discoloration should be identified on a pre-closing walk-through inspection list.	
	A 5.11	Resilient flooring loses adhesive.	Builder will repair as necessary but is not responsible for discontinued patterns or color variations.	Homeowner is responsible for proper maintenance.	
	A 5.12	Seams in carpet.	Builder will repair seams in carpeting that separate due to improper installation.	Homeowner maintenance is required to prevent separation of seams.	
	A 5.13	Carpet loosens or buckles.	Builder will restretch carpet if condition is caused by an installation defect.	Stretching of new carpet is normal. Homeowner is responsible for proper care.	
	A 5.14	Carpet shows wear.	Not a warranted condition.	High-traffic areas in entryways and hallways will normally show wear. Homeowner is responsible for maintenance.	
	Hardwood Floors	A 5.15	Gaps or cracks between finished floor boards	Builder will correct separations exceeding 1/8 inch.	It is normal for wood to shrink and expand due to changes in humidity. Repair may be effected by filling the gap

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	A 5.16	Finished floor boards that cup, crown or become loose.	Builder will correct only if the cause is due to improper installation.	It is normal for wood to experience some cupping or crowning due to the changes in humidity and other inherent features. Finished floors are subjected to Homeowner living conditions. Builder is not responsible for defects resulting from causes beyond its control.
Wall and Ceiling Surfaces	A 5.17	Drywall cracks.	Builder will repair cracks greater than $\frac{1}{16}$ inch in width, one time only during the first year.	Minor cracks and slight imperfections, are common and can be expected.
	A 5.18	Nail pops, trowel marks, tape blisters.	Builder will repair nail pops which have broken finished surface. Marks and blisters must be readily seen by visual inspection at a minimum distance of 6 feet under normal light conditions.	Minor depressions and slight mounds at nail heads are not warranted conditions.
	A 5.19	Peeling of wallpaper installed by Builder.	Builder will repair unless due to Homeowner neglect or abuses.	Maintaining adequate ventilation in areas of high humidity is the Homeowner's responsibility.
	A 5.20	Lumps, ridges and nail pops in wallboard which appear after Homeowner has installed wall covering.	Not a warranted condition.	Homeowner should insure that surface to receive wall covering is suitable and is properly prepared.
	A 5.21	Surface defects in finished woodwork	Builder will repair surface marks that are visible at a distance of 6 feet under natural light.	Surface defects caused by Homeowner negligence are not a warranted condition.
	A 5.22	Gaps between trim and adjoining surfaces.	Builder will correct gaps greater than $\frac{1}{4}$ inch.	Wood shrinkage is common.
	A 5.23	Inadequate paint coverage on wall or trim surfaces.	Builder will repair affected area matching color as close as possible.	Minor imperfections such as overspray and brush marks can be expected.
Doors	A 5.24	Door binds against jamb or does not latch.	Builder will adjust door or latch if caused by improper workmanship or materials.	Doors will expand and contract due to changes in climatic conditions.
	A 5.25	Warpage of interior doors.	Builder will correct warpage greater than $\frac{1}{4}$ inch, measured from top to bottom vertically, or diagonally.	Doors will expand and contract due to changes in climatic conditions.
	A 5.26	Excessive opening at bottom.	Builder will correct gaps that exceed $1\frac{1}{2}$ inch between bottom of passage door and finished floor or 2 inches between bottom of closet door and finished floor.	It is common to have an opening to allow an air passage.
	A 5.27	Bottom of door rubs on carpet.	Builder will undercut door as necessary.	Builder is not responsible if Homeowner installed the carpet or if Homeowner selects an excessively high pile.
	A 5.28	Hardware does not work or perform its intended purpose.	Builder will repair, adjust or replace as required.	Normal wear and tear can be expected. The hardware manufacturer's warranty shall apply.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
A 6. MECHANICAL				
Plumbing System	A 6.1	Faucet, valve or pipe leak.	Builder will repair a leaking faucet or valve if due to faulty workmanship and materials. Condensation on pipes does not constitute a leak.	Homeowner is responsible for maintenance including replacing worn or defective washers or seals. Scratches, tarnishing or marring must be identified on a pre-closing walk-through inspection list.
	A 6.2	Noisy water pipe.	Builder will correct hammering noise.	Some noise can be expected due to flow of water and pipe expansion. This is not a warranted condition.
	A 6.3	Plumbing pipes freeze and burst.	Builder will repair if caused by faulty workmanship or materials. Pipes are to be adequately protected to prevent freezing during normal anticipated cold weather.	Homeowner is to maintain suitable temperatures inside the Home to prevent freezing or bursting. Homes unoccupied for an extended period of time should be properly winterized or checked periodically to insure that systems are in good working condition. Homeowner negligence is not a warranted condition.
Water Supply System	A 6.4	Water supply fails to deliver water.	Builder will correct if due to faulty workmanship or materials.	Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty.
Sewage Disposal System	A 6.5	Clogged drain or sewer.	Builder will correct clog within structure caused by faulty workmanship or materials.	Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Homeowner maintenance and proper use is required.
	A 6.6	Septic system fails.	Builder is responsible for installing the system in compliance with local codes and requirements. Defects resulting from noncompliance are warranted.	Homeowner is responsible for maintenance and proper care of the system. Issues not related to workmanship or materials are considered non-warranty items.
Electrical System	A 6.7	Malfunction of outlets, switches or fixtures.	Builder will repair or replace defective outlets, switches or fixtures.	Homeowner should exercise caution if an outlet, switch or fixture appears defective.
	A 6.8	Drafts from electrical outlets.	Not a warranted condition.	Air can be drawn through outlets. This is normal.
	A 6.9	Failure of wiring to carry its designated load.	Builder will repair wiring if failure is caused by improper installation or materials.	If failure is caused by overloading the circuit or Homeowner negligence, this is not a warranted condition.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
Heating, Ventilating and Cooling System	A 6.10	Inadequate heating.	Builder will correct if heating system cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. Builder will balance dampers, registers and make minor adjustments one time only during the first year. All rooms may vary in temperature by 5 or 6 degrees. This is acceptable under industry standards.	Orientation of the Home, location of rooms and location of vents can cause temperature variations. If outdoor temperature falls below design temperature, the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage.
	A 6.11	Inadequate cooling.	Builder will correct if cooling system cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 feet above floor in center of affected area. On hot days, when outside temperature is above 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. This standard may be superseded by energy codes adopted by the local jurisdiction. All rooms may vary in temperature by 5 or 6 degrees. This is acceptable under industry standards.	Orientation of the Home, location of room and location of vents can cause temperature variations. If outdoor temperature rises above design temperature the temperature in the Home will be affected. Design features such as expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variations and are beyond the scope of coverage.
	A 6.12	Leak in cooling system.	Builder will repair if due to faulty installation or materials.	Homeowner is responsible for system maintenance.
	A 6.13	Duct work separates.	Builder will reattach and resecure separated ductwork.	Homeowner maintenance is required.
	A 6.14	Ductwork noise and oilcanning.	Builder will take necessary steps to eliminate oilcanning and booming noise.	When metal heats or cools noise in ductwork may occur for a brief period of time.
A 7. GENERAL NEW HOME COMPONENTS				
Bathroom and Kitchen	A 7.1	Gaps between cabinets, walls or ceiling.	Builder will repair gaps greater than ¼ inch. Cabinets are to be securely mounted.	Minor separation is normal. Acceptable methods of repair may be caulking, molding, or other ways to meet the standard.
	A 7.2	Cracked door panel.	Not a warranted condition.	Cracked door panels should be identified on a pre-closing walk-through inspection list.
	A 7.3	Warping of cabinet door or drawer front.	Builder will repair warpage greater than ¼ inch from the face of the cabinet frame to the most distance of warpage on door in a closed position.	Warpage may be a temporary condition when cause by climatic changes.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	A 7.4	Doors or drawers malfunction.	Builder will repair or replace as needed.	Homeowner negligence is not a warranted condition.
	A 7.5	Defective plumbing fixture, fitting or appliance.	Builder will repair any fixture or fitting which does not conform to the manufacturer's standards.	Homeowner is responsible for maintenance.
Countertops	A 7.6	Chips, cracks, scratches in countertops, cabinets, fixtures, or appliance.	Not a warranted condition.	These conditions should be identified on a pre-closing walk-through inspection list.
	A 7.7	Delamination in high pressure laminates of countertops.	Builder will repair.	This condition should be identified on a pre-closing walk-through inspection list.
Chimney and Fireplace	A 7.8	Chimney separates from the Home.	Builder will repair separation greater than ½ inch within 10 feet.	It is normal for chimneys to settle causing separation.
	A 7.9	Chimney smoke inside Home.	Builder will repair if the condition is caused by improper construction or inadequate clearance one time only.	Smoke is caused by a negative draft where outside air is pulled into the room through the chimney. It can be caused by high winds, outdoor obstructions such as trees or the physical location of the chimney. A negative draft is usually temporary and can be corrected by opening a window to create a positive draft.
	A 7.10	Water infiltration into firebox from flue.	Not a warranted condition.	A certain amount of rainwater can be expected under certain conditions.
	A 7.11	Firebrick or mortar joint cracks or color of firebrick changes.	Not a warranted condition.	Heat in a fireplace may cause cracking or discoloration.
Appliances and Equipment	A 7.12	Appliances or equipment installed by Builder does not operate.	Builder will repair or restore the operation of appliances and equipment if damaged during installation or improper installation.	Normal wear and tear and defects resulting from negligence or Homeowner abuse are not warranted. Other manufacturers' warranties may apply to new appliances and equipment.

B. Year 2 Only

B. YEAR 2 COVERAGE ONLY				
Electrical System	B. 1	Wiring fails to carry specified load.	Builder will correct if failure is due to improper installation or materials.	Electrical fixtures are covered in year one only.
Heating and Cooling Systems	B. 2	Duct work separates.	Builder will correct.	Homeowner maintenance is required.
Plumbing Systems	B. 3	Pipe leaks.	Builder will correct.	Condensation on pipes does not constitute leakage.
	B. 4	Water supply fails to deliver water.	Builder will correct if due to faulty workmanship or materials inside the Home.	Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	B. 5	Clogged drain or sewer.	Builder will correct clog within structure caused by faulty workmanship or materials.	Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Homeowner maintenance and proper use is required.
	B. 6	Septic system fails.	Builder is responsible for installing the system in compliance with local codes and requirements. Defects resulting from noncompliance are warranted.	Homeowner is responsible for maintenance and proper care of the system. Issues not related to workmanship or materials are considered non-warranty items.

C. 10 Year WSC Coverage only

The following Warranty Standards are applicable only to the Load-bearing Warranted Structural Component expressly stated in this Limited Warranty. Read Section 1 through 4 to determine if the following Warranty Standards apply. These Standards are included to provide an understanding of how issues will be evaluated.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
C. 10 YEAR COVERAGE - LOAD-BEARING WARRANTED STRUCTURAL COMPONENTS				
Concrete Components	C.1	Cracks in concrete beams	Warrantor will repair cracks greater than ¼ inch in width and ½ the beam thickness in depth. Corrective action may include measures as determined by the Warrantor.	Shrinkage and non-structural cracks are typical in new Home construction and are not considered a warranted condition.
	C.2	Cracks in poured concrete walls.	Warrantor will repair cracks greater than ¼ inch in width and ¼ inch in displacement and ½ of the wall thickness in depth. Corrective action may include measures as determined by the Warrantor.	Minor cracking due to shrinkage, backfilling or soil conditions is typical in new Home construction and are not considered a warranted condition.
	C.3	Cracks in structural poured concrete floor systems.	Warrantor will repair cracks greater than ¼ inch in width and ¼ inch vertical displacement and floor covering directly affected by the crack.	Warrantor will match finish as closely as possible.
	C.4	Movement in poured concrete floor.	Warrantor will repair movement greater than 1% over the length of the foundation from the Original Construction Elevation.	Some movement should be expected due to regional soil conditions and seasonal climate changes. Expansion joints allow for expansion and contraction. This is not considered a warranted condition.
Masonry Components	C.5	Cracks in load bearing concrete and masonry walls.	Warrantor will repair cracks greater than ⅜ inch in vertical or horizontal displacement. Corrective action may include measures as determined by the Warrantor.	Shrinkage and non-structural cracks are common in new Home construction. Masonry veneers are not Load-bearing Warranted Structural Components.

CATEGORY	REF.	CONDITION	STANDARD	REMARKS
	C.6	Column movement.	Warrantor will repair out-of-plumb movement greater than 1 inch in 96 inches.	Some movement is typical in new Home construction and is not considered a warranted condition.
Wood Components	C.7	Deflection in beam or joist.	Warrantor will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Minor warping is typical as wood dries out and is not considered a warranted condition.
	C.8	Deflection in floor or roof trusses.	Warrantor will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Variations in temperature and humidity may cause temporary deflection beyond the standard. Minor warping is typical as wood dries out and is not considered a warranted condition.
	C.9	Movement of a load bearing wall.	Warrantor will repair movement greater than 1½ inches per 96 inches.	Some movement is typical in new Home construction. Minor warping may occur as wood dries out and is not considered a warranted condition.
	C.10	Deflection of a load bearing wall.	Warrantor will repair deflection greater than 1 inch in 96 inches measured horizontally or vertically.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	C.11	Movement of a wood column.	Warrantor will repair movement greater than 1½ inches per 120 inches of vertical height.	Some movement is typical in new Home construction. Movement of 1½ inches or less is not considered a warranted condition.
	C.12	Deflection of a wood column	Warrantor will repair deflection greater than 1 inch per 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
Metal Components	C.13	Deflection in beam or joist.	Warrantor will repair deflection greater than 1 inch in 120 Inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	C.14	Deflection in floor or roof trusses.	Warrantor will repair deflection greater than 1 inch in 120 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.
	C.15	Movement of a load bearing wall.	Warrantor will repair movement greater than 1½ inches per 96 inches.	Some movement is typical in new Home construction. Movement of 1½ inches or less is not considered a warranted condition.
	C.16	Deflection of a column	Warrantor will repair deflection greater than 1 inch per 96 inches.	Some deflection is typical in new Home construction. Deflection of 1 inch or less is not considered a warranted condition.

Section 6. REQUEST FOR WARRANTY PERFORMANCE.

A. Notice to Warrantor

If you believe your Home has a warranted defect covered and is not an exclusion under this warranty, you must notify the Warrantor in writing as provided below. This written request for warranty performance must be postmarked no later than thirty (30) days after the expiration of the applicable warranty period. For example, if the item is one that is warranted during the first year of coverage, a request for warranty performance must be postmarked no later than thirty (30) days after the end of the first year to be valid. In all cases you must notify the Warrantor immediately of an alleged defect in a Load-bearing Warranted Structural Component.

1. Notice to Warrantor in years one (1) and two (2).

- a. If a Warranted Defect occurs in years one (1) or two (2), you must notify your Builder in writing. Your request for warranty performance must clearly describe the Warranted Defect(s) in reasonable detail.
- b. Your Builder will, within a reasonable period of time, investigate your warranty request and determine whether the defects described in the complaint are under warranty. You are to cooperate with your Builder including access to your Home to inspect the affected areas during normal business hours and at other reasonable times. Failure to allow access during normal business hours and at other reasonable times will void this Warranty.
- c. Your Builder will advise you in writing as to whether your complaint is a warranted defect. If it is, your Builder has the option to perform repair work as described in this Limited Warranty or to make payment for the repair. If you added improvements which were not part of the Builder's original construction work, you are responsible for removal and/or repair of these items. Warranty repairs will be made during normal business hours.
- d. If your Builder does not respond to your request for warranty performance, you must give written notice to American eWarranty as provided in Section 6.B. Such notice to American eWarranty must be received within thirty (30) days of the expiration of the applicable warranty period or the request will be rejected as untimely made.
- e. A request for warranty performance to your Builder does not constitute notice to American eWarranty and it will not extend applicable warranty periods.

2. Notice to Warrantor for Load-bearing Warranted Structural Components in years three (3) through ten (10).

- a. If a defect related to a Load-bearing Warranted Structural Component occurs in years three (3) through ten (10) of the Limited Warranty, you must notify American eWarranty in writing as provided in Section 6.B.
- b. Your request for warranty performance must describe the condition of the Load-bearing Warranted Structural Component in reasonable detail.

B. Notice to American eWarranty

1. Written notice to the American eWarranty requesting warranty performance must be sent by:

- a. Completing the online form at www.AmericaneWarranty.com/request.htm or
- b. Standard mail to American eWarranty, Department C, 119 Aster Drive Suite 105, Harrisburg, PA 17112.

2. Your notice to American eWarranty must contain the following information:

- a. Unique Warranty ID Number and Start Date of Warranty;
- b. Your Builder's name and address;

- c. Your name, address, email, and telephone number (including Home and work numbers);
 - d. A reasonably specific description of the Defect(s);
 - e. A copy of any written notice to your Builder; and
 - f. Photographs, if they would be helpful in describing the Defect.
3. When a request for warranty performance is filed and the alleged Warranted Defect cannot be observed under normal conditions, it is your responsibility to substantiate that the need for warranty performance exists and to pay both the cost of the substantiation and the cost of correcting any damage done by such substantiation. If properly substantiated, your reasonable expenses in this regard will be reimbursed by the Warrantor.
- C. Response and inspection following a request to American eWarranty for warranty performance.
1. Within thirty (30) days after American eWarranty receives proper notice requesting warranty performance, we will review and respond to your request by communicating with you, your Builder and any other individuals or entities who may possess relevant information.
 2. At any time after American eWarranty receives proper notice of your request for warranty performance, we may schedule an inspection of the alleged Warranted Defect. Your cooperation is essential and we may request access to inspect the Home and ask for more information to process your request
 3. If your Builder defaults on a year one (1) or two (2) Warranted Defect obligation for which the Builder is the Warrantor and you are entitled to a remedy under this Limited Warranty, prior to repair or replacement of the Warranted Defect(s), you must pay to American eWarranty a Warranty Service Fee of Two Hundred Fifty dollars (\$250.00). If American eWarranty elects to pay you cash rather than to repair or replace the Warranted Defect, the Warranty Service Fee will be subtracted from the cash payment due you.
 4. During years three (3) through ten (10), you must pay American eWarranty a non-refundable Warranty Administration Fee of Two Hundred Fifty dollars (\$250.00) that will need to be submitted with our claim form.
 5. When a request for warranty performance regarding a Load-bearing Warranted Structural Component is validated, prior to repair or replacement of the warranted defect, you must pay American eWarranty a Warranty Service Fee of Two Hundred Fifty dollars (\$250.00). If American eWarranty elects to pay you cash rather than to repair to replace the warranted item, the Warranty Service Fee will be subtracted from the cash payment due you.

D. Arbitration

1. **Any and all disputes, claims and controversies between the Homeowner, the Builder, the Insurer and/or the administrator arising from this Limited Warranty will be resolved by binding arbitration. This includes but is not limited to any alleged deficiency in or to the Home, breach of any alleged good faith and fair dealing, alleged violations of consumer protection, unfair trade practice, or other statutes, breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract including this arbitration agreement.**
2. **You or the Warrantor may request Arbitration. Arbitration is the sole recourse for resolving disputes and you agree to waive your right to a trial by either judge or jury in a court of law. The findings of the Arbitrator are final and binding on all parties except as modified or vacated in accordance with applicable rules and procedures of the designated arbitration organization, or in their absence, the U.S. Arbitration Act (9 U.S.C. 1. et.seq.).**

3. To begin the arbitration process, you must give American eWarranty written notice requesting arbitration of the Unresolved Request Item. Notice must be provided in the manner described in Section 6.B. If you make this request, you must pay the arbitration fee before the matter is submitted to the arbitration service. The Arbitrator has the power, however, at the close of the arbitration to charge this fee to any party or split it between the parties. Neither party to the arbitration can claim punitive damages and the Arbitrator shall not have authority to award such damages.
4. Within twenty (20) days after American eWarranty receives your written request and the arbitration fees, your Unresolved Request Item or dispute issue(s) will be submitted to a neutral, reputable arbitration service for resolution. Any binding arbitration proceeding will be performed by an independent, recognized arbitration organization selected by American eWarranty. The arbitration service will select a qualified Arbitrator to arbitrate the matter. The rules and procedures will be those of the designated arbitration service and a copy will be delivered upon request.
5. The Arbitrator will arrange a reasonably convenient time, date and location for the arbitration hearing. Normally this takes place at the home.
6. If any party commences litigation which is considered a violation of this binding arbitration agreement, that party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees incurred in seeking dismissal of such litigation.
7. The initiation or participation by any party in any judicial proceeding shall not be deemed a waiver of the right to enforce this arbitration agreement and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration agreement.
8. The builder and/or the warranty administrator shall have the right, in advance of the arbitration proceeding, to re-inspect the home if the request was made more than sixty (60) days following the last claim decision of the warrantor concerning the home.
9. An arbitration proceeding shall involve only one single-family detached home or a single unit in a multi-family building. If more than one proceeding is involved in a multi-family builder, the administrator shall have the sole option to combine such proceedings.
10. If any provision of this arbitration agreement shall be determined to be unenforceable by the arbitrator or by any court, the remaining provisions shall be deemed to be severable and enforceable according to their terms.
11. The parties agree that this arbitration agreement involves and concerns interstate commerce and is governed by the Federal Arbitration Act (9 U.S.C. 1,et.seq.) and the rules of the independent arbitration service which conducts the arbitration to the exclusion of any different or inconsistent state or local laws, ordinances, or judicial rules.
12. Enforcement of Arbitration Award.
 - a. Except as provided in Subsection b below:
 - i. For a year one (1) or two (2) Warranted Defect, the Builder must comply with the Arbitrator's Award within sixty (60) days from the date American eWarranty sends it to the Builder.
 - ii. In years three (3) through ten (10) for a Load-bearing Warranted Structural Component, the Warrantor must comply with the Arbitrator's Award within sixty (60) days from the date American eWarranty receives it.

- b. The Warrantor must begin compliance as soon as possible and complete it within the sixty (60) day compliance period, except for repairs that would reasonably take more than sixty (60) days. An example that could extend the time frame would be inclement weather. In such circumstances, the Warrantor will complete such repairs or replacement as soon as possible without incurring overtime or weekend expenses.
- c. You must provide the Warrantor with reasonable weekday access to your Home during normal business hours so that it can perform its obligations. Failure by you to provide such access to the Warrantor may result in further damage that will not be covered by this Limited Warranty and may extend the time during which Warrantor may fulfill its obligations.

E. Conditions of Warranty Performance.

- 1. Before the Warrantor pays for the reasonable cost of repair or replacement, you must sign and deliver to the Warrantor a full and unconditional release, in recordable form, of all legal obligations with respect to the Warranted Defects and any relating conditions.
- 2. If the Warrantor elects to make a cash settlement for the reasonable cost of a warranted defect, the settlement must be in writing. The Homeowner shall have up to two (2) weeks to respond.
- 3. If the Warrantor repairs, replaces or pays you the reasonable cost to repair or replace a Warranted Item, the Warrantor shall be subrogated to all your rights of recovery against any person or entity. You must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assigning the proceeds of any insurance or warranties to the Warrantor. You shall do nothing to prejudice these rights of subrogation.

Section 7. WARRANTY PROVISIONS

- A. This Limited Warranty is NOT an insurance policy, a maintenance agreement or a service contract.
- B. This Limited Warranty provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.
- C. This Limited Warranty is binding on your Builder and you and your heirs, executors, administrators, successors and assigns.
- D. This Limited Warranty shall be interpreted and enforced in accordance with the state in which the Home is located.
- E. This Limited Warranty is separate and apart from other contracts between you and your Builder, including any sales agreements. It cannot be affected, altered or amended in any way by any other agreement, except by a formal written instrument signed by you, your Builder, and American eWarranty.
- F. If any provision of this Limited Warranty is determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provision.
- G. All notices required under this Limited Warranty must be in writing and sent to the address the recipient may designate in writing.
- H. If performance by the Warrantor under this Limited Warranty is delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God or nature, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by you or a person or entity not a party to this Limited Warranty.
- I. In this Limited Warranty, reference to a person includes entities and vice versa. Use of the singular includes the plural. Use of one gender includes the other gender.

Section 8. DEFINITIONS

Certain terms used in this Limited Warranty book are defined below. This is designed to help you better understand the meaning of terms and the warranty described herein:

- A. **American eWarranty** - 119 Aster Drive Suite 105, Harrisburg, PA 17112. This is the administrator of this Limited Warranty. American eWarranty is neither the Warrantor nor the Insurer.
- B. **Appliances, fixtures, and items of equipment** - means furnaces, boilers, oil tanks and fittings, air purifiers, air handling equipment, ventilating fans, air conditioning equipment, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, automatic door openers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures, circuit breakers, and other similar items.
- C. **Arbitration** - a binding dispute resolution process in which a designated neutral third party conducts a hearing where the parties present live testimony and evidence to the arbitrator. The arbitrator shall render a decision as to responsibility of each party based on the terms and conditions of the warranty and applicable law.
- D. **Arbitrator** - a neutral third-party representative of an arbitration service, appointed by such service to resolve an Unresolved Request Item.
- E. **Builder** - means the legal entity registered with American eWarranty who has obtained this warranty.
- F. **Electrical systems** - means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.
- G. **Exclusion** - items, conditions or situations not warranted or not covered by a performance standard.
- H. **Habitable area** - is the living space defined as the enclosed area in a Home that is suitable for year-round residential use.
- I. **Heating, Ventilating, and Cooling System** - means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.
- J. **Home** - means a newly constructed private dwelling unit and the fixtures and structure that are made a part of a newly constructed private dwelling unit at the time of construction.

Home does not include:

- 1. Outbuildings, including detached carports, except outbuildings that contain plumbing, electrical, heating, cooling, or ventilation systems serving the new Home;
 - 2. Driveways;
 - 3. Walkways;
 - 4. Patios and decks;
 - 5. Boundary walls;
 - 6. Retaining walls not necessary for the structural stability of the new Home;
 - 7. Landscaping;
 - 8. Fences;
 - 9. Off-site improvements; and/or
 - 10. Appurtenant recreational facilities.
- K. **Homeowner** - means the purchaser of a new Home who uses the Home for residential purposes during the warranty period.
 - L. **Homeowner responsibility** - an action required by the Homeowner for proper maintenance or care of a Home or the element or component of the Home concerned. A Homeowner's failure to substantially comply with a stated Homeowner responsibility creates an exclusion to the warranty for the performance standard.
 - M. **Insurer** - the warranty insurer that is established at the time this agreement is executed.

- N. **Limited Warranty** - the terms and conditions contained in this warranty book. It applies to specific components and standards which are identified in this book.
- O. **Load-bearing Warranted Structural Components (WSC)** - those items defined in this Limited Warranty in Section 5.C.
- P. **Manufactured product** - a component of the Home that was manufactured away from the site of the Home and that was installed in the Home without significant modifications to the product as manufactured. Manufactured products commonly installed in residential construction include but are not limited to dishwashers, cook tops, ovens, refrigerators, trash compactors, microwave ovens, kitchen vent fans, central air conditioning coils and compressors, furnace heat exchanges, water heaters, carpet, windows, doors, light fixtures, fireplace inserts, pipes and electrical wire. For purposes of this warranty, a manufactured product includes any component of a Home for which the manufacturer provides a warranty.
- Q. **Original Construction Elevations** - actual elevations of the foundation taken prior to substantial completion of the Home. Such actual elevations shall include elevations of porches and garages if those structures are part of a monolithic foundation. To establish original construction elevations, elevations shall be taken at a rate of approximately one elevation per 100 square feet showing a reference point, subject to obstructions. Each elevation shall describe the floor. If not such actual elevations are taken, then the foundation for the habitable areas of the Home are presumed to be within +/- 0.75" (total 1.5") of level over the length of the foundation.
- R. **Plumbing systems** - means: Gas supply lines and fittings; Water supply, waste, and vent pipes and their fittings; Septic tanks and their drain fields; Water, gas, and sewer service piping and their extensions to the tie-in of a public utility connection; On-site wells and sewage disposal systems.
- S. **Structurally Attached** - an integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.
- T. **Unresolved Request** - all requests for warranty performance, demands, disputes, controversies and differences that may arise between the Homeowner and the Warrantor that cannot be resolved between them. An Unresolved Request Issue may be a disagreement regarding:
1. What this Limited Warranty covers;
 2. An action performed, to be performed, or not performed under this Limited Warranty; or
 3. The cost to repair or replace any item covered by this Limited Warranty.
- U. **Warranted Defect** - a condition of a Warranted Item that, according to the Warranty Standards described in this Limited Warranty requires action by the Warrantor. Failure to complete construction of the Home or any portion of the Home, in whole or in part is not considered a Warranted Defect.
- V. **Warranted Items** - those items in the Home that are specifically identified in the Warranty Standards described in Section 5 that can require action from the Warrantor if a warranty standard is not met.
- W. **Warrantor** - your Builder in years one (1) and two (2); the Insurer in years three (3) through ten (10) for Load-bearing Warranted Structural Components and for Defects in years one and two if your Builder defaults.
- X. **Warranty Standards** - the standards, described in Section 5, by which the condition of a warranted item will be judged to determine whether action by the Warrantor is required, and if so, the type of action that such condition requires of Warrantor.
- Y. **Warranty Start Date** - means the first day that the owner occupies the new Home, settles on the new Home, makes the final contract payment on the new Home, or obtains an occupancy permit for the new Home if the Home is built on the owner's property, whichever is earlier.

HUD Addendum: Applicable if your home is financed by FHA/VA.

Section 2. The Limited Warranty Conditions - The following language is substituted:

- A. The Warranty Start Date is indicated with Homeowner Information, and is the date on which closing or settlement occurs in connection with the initial sale of the property to the homeowner.
- B. For one (1) year, beginning on the warranty date, your Builder will correct defects in workmanship and materials resulting from the failure of the covered property to comply with standards of quality as measured by acceptable trade practices, as well as correct the problems with, or restore the reliable function of, appliances and equipment damaged during installation or improperly installed by the builder.
- C. For two (2) years, beginning on the warranty date, your Builder will correct defects in the delivery systems of the electrical, plumbing, heating, cooling, ventilating, and mechanical systems as described in Section 5.B.
- D. For ten (10) years, beginning on the warranty date, the new home is free from any Load-bearing Warranted Structural Component defects as described in Section 5.C in this Limited Warranty. The Builder is the Warrantor in years one (1) and two (2). The insurer is the Warrantor in years three (3) through ten (10).

Section 6.C.4 and 5. Mediation and Inspection – The following language is substituted:

4. During years three (3) through ten (10), you must pay American eWarranty a non-refundable Warranty Administration Fee of Two Hundred Fifty dollar (\$250.00) per claim that will need to be submitted with our claim form.
5. The entire language is removed.

Section 6.D.2. Arbitration - The following language is added:

If you are the original Homeowner with the original HUD (FHA/VA) financing, you may elect judicial resolution as another option which may be used in lieu of arbitration.

Section 6.D.7. The initiation or participation by any party in any judicial proceeding shall not be deemed a waiver of the right to enforce any arbitration award and notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration award.

Section 6.E.2. Conditions of Warranty Performance - The following language is added:

Any settlement over \$5,000 is subject to an on-site inspection by a HUD approved inspector paid by the Warrantor. The HUD inspection will not be required if the settlement is the result of legal action, or the Homeowner is represented by a lawyer, or the settlement is based on a third party contractor who agrees to complete warranted repairs.

American eWarranty Signature Page

Instructions to Builders/Closing Agents;

After this page is signed by both the Homeowner and the Builder (normally on or before closing,

1. Make a copy of this original page for the Builder's file;
2. Give the original and the warranty book to the Homeowner.

[Preprinted Homeowner Info]

***Bloomfield Homes, L.P.
1050 E Hwy 114 Suite 210
Southlake, TX 76092
Phone: 817-416-1572***

I (We) acknowledge that I (we) have received and read this Limited Warranty including its provisions, limitations and process for resolving warranty issues through binding arbitration. I (We) understand owning a Home requires regular and ongoing Homeowner maintenance.

Homeowner

Date

Homeowner

Date

Builder represents it is a member in good standing authorized to provide the American eWarranty on this Home and that the Home meets the construction standards established by the program.

Builder Representative

Date

One copy to Homeowner

One copy to Builder

Agreement by and between the City of Lavon, Texas
and Bloomfield Homes LP for Construction Services
(Fire Station Addition Project)

THIS DOCUMENT CREATES IMPORTANT LEGAL OBLIGATIONS THAT YOU SHOULD UNDERSTAND PRIOR TO SIGNING. YOU SHOULD READ IT THOROUGHLY AND IF YOU ARE UNCERTAIN OR HAVE QUESTIONS ABOUT YOUR RIGHTS, OBLIGATIONS OR RESPONSIBILITIES UNDER THIS AGREEMENT, CONSULT AN ATTORNEY.

Whereas, the City Council of the City of Lavon, Texas ("City Council") has investigated and determined an immediate need exists for fire station barracks or housing in order to provide for and ensure the public health and safety of the citizens of the City of Lavon ("Lavon"); and

Whereas, Bloomfield Homes LP is a prominent developer within Lavon and has established itself as a good member of the community; and

Whereas, considering the immediacy of the need for fire station barracks or housing, Bloomfield Homes LP approached Lavon about the construction of the same at a greatly reduced rate; and

Whereas, Bloomfield Homes LP proposed that Lavon pay for the construction by way of a cash payment and through the waiver of certain future development fees for Bloomfield Homes LP; and

Whereas, the City Council has investigated and determined that it is in the best interest of the citizens of Lavon and that a public purpose is accomplished by entering into an agreement with Bloomfield Homes LP for the construction of fire station barracks or housing, whereby the same is paid with a cash payment and through the waiver of certain future development fees for Bloomfield Homes LP according to the terms to this Agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth herein, the parties agree as follows:

1. **PARTIES:** Bloomfield Homes LP (Builder) agrees to construct the Improvements (as defined below) for the City of Lavon, Texas (sometimes referred to as Owner) on the Property (as defined below) ("Agreement").
2. **PROPERTY:** Lot _____, Block _____, _____ Addition, City of Lavon, Collin County, Texas, known commonly as 501 Lincoln, Lavon, Texas, or as described on the attached exhibit, together with all improvements constructed or to be constructed on the Property, including the Improvements described below (the foregoing collectively referred to as the Property). The legal depiction and description of the Property, including a depiction of the completed construction, are attached hereto and incorporated herein for all purposes.
3. **IMPROVEMENTS:**
 - A. **CONSTRUCTION DOCUMENTS** – The Construction Documents shall consist of the following:
 - 1) Complete plans as may be hereafter amended, dated 5/20/16, prepared by Bloomfield Homes LP, attached hereto and incorporated herein for all purposes (Plans) and provided by or through with prior written approval from Owner: (check appropriate box) Owner Builder;
 - 2) Specifications as may be hereafter amended, dated 5/20/16, prepared by Bloomfield Homes LP, attached hereto and incorporated herein for all purposes, (Specifications) and provided by or through with prior written approval from Owner: (check appropriate box) Owner Builder; and
 - 3) all attached addenda and exhibits.

B. WORK - Builder shall provide all labor and materials for the construction (Work) of the following improvements (Improvements): the City of Lavon Fire Station Addition in accordance with the Construction Documents ("Project"). Any inconsistencies or conflicts within the Construction Documents shall be resolved by the Owner and Builder in their reasonable discretion. If a detail of the construction is not specified within the Construction Documents, or should an alternative building practice be available in lieu of a specified procedure, the Builder may, in conjunction with the Owner, select a construction procedure that complies with applicable building codes, but not without prior written approval from the owner. Unless otherwise specified in writing, materials used by the Builder in the construction of the Improvements shall be as prescribed in the Construction Documents.

4. **AGREEMENT PRICE:** Owner agrees to pay Builder for the Work and Improvements described above, subject to adjustment and any offset as allowed by this Agreement, a total Agreement price (Total Agreement Price) in accordance with the following provisions:

A. The Improvements are to be constructed by Builder on a cost plus basis. Owner agrees to pay Builder a Total Agreement Price equal to the sum of the "Construction Costs" (as defined below), plus a fee (Builder Fee) to cover the services of Builder in an amount not to exceed (check one of the following):

\$ 112,590.00, or less.

_____ % of the actual Construction Costs (as defined below)

Builder Fee of \$ _____ plus _____ % of the Construction Costs (as defined below) which exceeds \$ _____.

B. For this Agreement, "Construction Costs" are defined as those costs incurred for each of the categories listed in the attached Schedule of Estimated Construction Costs, and incorporated herein for all purposes. The amounts shown on the Schedule of Estimated Construction Costs are estimates only and do not guarantee or set the actual cost of any listed category. In the absence of a Schedule of Estimated Construction Costs, Construction Costs are defined as all costs incurred by the Builder as a result of the Work, except for the costs specifically enumerated in subparagraph "C" below. Construction Costs may not include credits, rebates, or other incentives Builder may receive from a supplier or vendor that is allocated to Builder after Final Completion based on program participation or agreement.

C. This Agreement may be hereafter amended upon the mutual, written agreement of the parties.

5. **PAYMENTS:**

A. INITIAL CASH PAYMENT – No initial cash payment shall be due. The parties agree that the cash payment of \$49,000.00 shall not be due to Builder from the owner until Final Completion.

B. DISASTER REMEDIATION - The following, bold text only applies if 1) the Builder is performing disaster remediation services on the Property with construction of the Improvements, 2) after the Governor or county judge has issued a disaster declaration for the county in which the Property is located, and 3) Builder has not maintained a physical business address in the subject county or adjacent county for at least one year prior to the execution of this Agreement. **This Agreement is subject to Chapter 57, Business & Commerce Code. A contractor may not require a full or partial payment before the contractor begins work and may not require partial payments in an amount that exceeds an amount reasonably proportionate to the work performed, including any materials delivered.** If applicable, this statutorily prescribed provision may affect the Initial Cash Payment amount in Paragraph A above.

C. SUBCONTRACTOR PAYMENT RELEASES – Builder shall prove proof of payment of all subcontractors within three (3) days of request from Owner.

D. FINAL PAYMENT - The cash payment of **\$49,000.00** shall be due upon Final Completion. The remaining amount of **\$63,590.00** shall be made in the form of building/development fee waivers by the Owner, from time to time on lots in Grand Heritage owned by Bloomfield Homes in a total amount not to exceed **\$63,590.00**. The Owner shall waive

the building/development fees in the amount not to exceed \$6000 per platted lot, subject to any offset by the Owner.

6. TIME:

- A. COMMENCEMENT OF WORK - Builder shall commence the Work within two (2) weeks of the execution of this Agreement and the completion of the following:
 - 1) The complete Construction Documents have been approved and initialed by both Owner and Builder;
 - 2) Owner has all necessary approvals; and
 - 3) All appropriate building permits and regulatory approvals have been issued.
- B. COMPLETION OF IMPROVEMENTS - After Work begins, construction activities shall then be continued in accordance with Builder's normal construction schedule until the Improvements reach Final Completion (as defined below). Builder will make reasonable efforts to finally complete the Improvements within sixteen (16) weeks of the commencement of work (Projected Completion Date), subject to Permitted Delays (as defined below). PERMITTED DELAYS - The Projected Completion Date may be extended for one or more of the following causes:
 - 1) Changes by Owner or Owner's representatives to the Construction Documents.
 - 2) Prohibitive inclement weather or acts of God.
 - 3) Fire or casualty loss.
 - 4) Delays caused by a change in laws or ordinances or delays in issuing necessary permits or conducting inspections or testing by any governmental entity or regulatory authority.
 - 5) Delays caused by Change Orders.
 - 6) Civil unrest, strikes, lockouts, acts of public authorities, war.
 - 7) Other events or causes beyond the Builder's reasonable control, as determined by Owner.
- C. NO WORK PERFORMED - Builder and Owner, by their signatures to this Agreement, acknowledge and agree that this Agreement has been executed and delivered before Builder has performed any labor on the Property and before Builder has furnished any materials in connection with the construction of the Improvements.

7. FINAL COMPLETION, INSPECTION, RELEASE AND OCCUPANCY: The Improvements are finally completed (Final Completion) when a certificate of occupancy is issued by the Owner. At the time of Final Completion, Owner will conduct a walk-thru inspection of the Improvements with Builder and will execute and deliver to Builder a "Final Customer Walk-Thru Approval and Punch List" in the form attached hereto that confirms Owner's inspection and acceptance of the Improvements, and Owner's acknowledgment that all construction Work has been completed in accordance with the Construction Documents. Upon Final Completion of the Improvements and payment to the Builder of the \$49,000.00, Owner will be given possession of the Improvements.

8. ALLOWANCES: For the purposes of this Agreement, Allowances, if applicable include budgets for certain Work components shown in the Construction Documents to be incorporated into the Improvements. The sums allocable to each listed Allowance **are included in the Total Agreement Price**. Unless otherwise noted in the Construction Documents, each Allowance listed includes, without limitation, the component costs of material and labor, any appropriate sales tax, shipping charges, or other costs associated with procurement. Selections of Allowance items will be made at suppliers typically used by Builder to limit the possibility of unusual costs or delays. Owner will verify all selections with the supplier and provide Builder with the information for ordering. Owner understands that some materials selected will have a wide variation in color, pattern, and texture. The additional material or labor cost for any waste, spoilage, breakage, or culling shall be applied to the Allowance for that item.

9. CHANGES:

- A. CHANGE ORDER PROCEDURE – Except as otherwise stated in this Agreement, no alterations, additions or deletions will be made in the Work unless agreed to in writing by Owner and Builder. To approve a proposed

change, both Owner and Builder shall sign a written agreement (Change Order) in the form attached and incorporated herein for all purposes. Upon receiving from Owner a written request for any change, Builder will present Owner with a proposal for the changes including any additional price of construction, additional Builder's Fee and any extensions to the Projected Completion Date. If Owner accepts Builder's proposal for changes, the Change Order will become a binding attachment to the Construction Documents, and to the extent a conflict between a Change Order and the Construction Documents exists, the terms of the Change Order shall control. A written change order may only be approved in writing by the Lavon City Council. Failure of Owner to approve Builder's proposal for changes within three (3) days after receipt shall constitute a rejection of the proposal. Unless otherwise specified in agreed upon Change Orders, Owner shall pay for all agreed upon Change Orders including the additional Builder's Fee to Builder in cash or waiver of development fees. Builder will not be obliged to proceed with any Work until all amounts have been paid or development fees waived as agreed and Builder has no obligation to stop Work while Change Orders are being discussed.

- 10. BUILDER'S RESPONSIBILITIES:** Builder, in the performance of the Work, does so as an independent contractor. Nothing contained in or inferable from this Agreement should be construed to make Builder the agent, servant or employee of Owner, or create any partnership, joint venture or other association between Owner and Builder. Builder accepts responsibility for the performance of all duties reasonably necessary to complete the Work and agrees that:
- A. PERMITS - Builder shall obtain all necessary licenses, permits, and similar authorizations required by any applicable governmental authorities. Builder shall have no liability for any failure to obtain any such items, in which case either party may terminate this Agreement without further liability to the other party and, in such event, Owner will receive a refund of the Initial Cash Payment.
 - B. PAYMENT OF COSTS - Builder shall pay all costs related to the Work, except for costs associated with Change Orders and Allowance overages as described above.
 - C. MATERIALS - Builder shall use all new materials in connection with the Work that are of a suitable quality for the intended purpose, except as otherwise specified in the Construction Documents.
 - D. LIENS - Builder shall deliver the Improvements to the Owner free of all liens, claims, security interests or encumbrances that might have arisen from the performance of the Work.
 - E. CODES AND STANDARDS - Builder shall perform the Work in accordance with the Express Limited Home Warranty (Paragraph 12), and attached to the Agreement as Addendum 14 except where such standards have been modified by local building codes. Builder shall have sole control over the scheduling and progress of the Work, including the superior right to select and arrange for all labor in any way related to the Work. Builder shall exercise exclusive control over the selection of subcontractors and shall not be obligated to employ subcontractors solely on the basis of cost savings that might be achieved. All subcontractors shall perform their work independently, and not as an agent or employee, servant or representative of Builder.
 - F. OTHER – Builder shall perform all other obligations as provided in this Agreement.
 - G. Builder shall provide owner an affidavit of Final Completion and Payment, in form provided by the Owner, certifying that all work is completed and payment to all vendors and subcontractors has been fulfilled.

- 11. INSURANCE:** Before beginning the Work, Builder shall obtain: (check the appropriate box(es))
- All insurance requirements as stipulated by the Owner in the document attached hereto and incorporated herein for all purposes, including Builder's risk insurance covering all insurable risks, with respect to the Improvements, in an amount equal to or greater than the Total Agreement Price.
 - Comprehensive general liability insurance.
 - Workers Compensation Insurance or waivers covering all individuals who assist in the Work.
- The cost for all required insurance is included in the Total Agreement Price.

12. WARRANTY AND OFFSET: Builder shall provide warranty under the American E Warranty, attached hereto and incorporated herein for all purposes. Builder agrees to strike: (i) Section 4, Paragraph (b) from the American E Warranty; and (ii) any reference to or requirement of binding arbitration.

- A. Builder will will not also provide a third-party warranty (Third-Party Warranty) provided through a third-party warranty company. If a Third-Party Warranty is provided, Owner shall first file and pursue any claim that may be covered by the Third-Party Warranty with the third-party warranty company prior to making any warranty claim against Builder under the Express Limited Home Warranty.
- B. Any Manufactured Product warranties will be assigned, without recourse, to Owner upon payment of the Initial Agreement Price. This assignment shall be evidenced by Builder's execution and delivery to Owner of the "Assignment of Manufactured Product Warranties" addendum. Owner understands and agrees that proper maintenance of the Improvements is required to ensure (i) the Express Limited Home Warranty and Third-Party Warranty, if applicable, remains in effect, and (ii) the proper performance of the Improvements.
- C. If there is any defect in workmanship, materials, services of the Improvements, Owner is entitled to offset the cost of repair or replacement by not waiving development fees and by seeking development fees.

13. DEFAULT BY BUILDER:

- A. EVENTS OF DEFAULT (each is a Builder Event of Default) -
 - 1) Builder's failure, without cause, to make payment to any material supplier, laborer or subcontractor for which Builder has received payment from Owner.
 - 2) A breach by Builder of any material provision contained in this Agreement.
 - 3) Builder's filing of a voluntary petition in bankruptcy, making an assignment for the benefit of any creditor, being adjudicated as bankrupt or insolvent, or applying for or consenting to the appointment of a receiver, trustee or liquidator of all or a substantial part of Builder's assets.
 - 4) Abandonment of the Work by Builder for a period of fifteen (15) or more consecutive days provided that the inactivity is not caused, at least in part, by weather, shortage of labor or materials, other matters beyond the control of Builder, or a Permitted Delay.
- B. NOTICE OF DEFAULT TO BUILDER - If Builder commits a Builder Event of Default, prior to exercising any remedy granted by this Agreement or by law, Owner shall deliver written notice of such default to Builder. If the Builder Event of Default is not cured within fifteen (15) days after delivery of the written notice (Builder's Cure Period), Owner may exercise any remedy available at law or equity, up to and including termination of this Agreement.
- C. REMEDIES OF OWNER - Upon the occurrence of any Builder Event of Default and the expiration of Builder's Cure Period, Owner may (but shall not be obligated to) terminate this Agreement and recover monetary damages as allowed by law. If Owner receives notice of any lien or claim for labor or materials furnished to Builder for which Owner of the Property might become liable, though primarily chargeable to Builder, Owner shall have the right to retain or offset out of the Total Agreement Price, an amount sufficient to indemnify owner against such lien or claim. However, Builder shall have the right to contest in good faith the validity of such lien or claim. If Builder fails to discharge any such lien or claim, all amounts expended by Owner for the payment of any liens or claims shall be credited against the Total Agreement Price.

14. OWNER'S RESPONSIBILITIES: Owner agrees to the following:

- A. PAYMENTS - Owner shall make all payments to Builder in accordance with this Agreement, subject to any offset.
- B. TITLE AND POSSESSION - Owner shall protect the title and possession of the Property and pay all taxes and assessments prior to delinquency.
- C. APPROVALS - Owner shall obtain all consents and approvals required from any governmental authority, architectural review committee, homeowners association or similar entity having the right to review and approve plans and specifications for any residence or improvements proposed to be constructed on the Property.

- D. OBJECTIONS TO WORK - Owner agrees to promptly notify Builder of any objections to any Work not in compliance with the Construction Documents.
- E. UTILITIES - Owner is solely responsible for providing Builder, prior to commencement of construction, with water, gas, storm and sanitary sewer, and electricity at the lot line required for construction of the Improvements.
- F. EXISTING ITEMS - Owner shall remove or protect all of Owner's existing items of property at the Property that could be affected by the contemplated construction. Builder shall not be unreasonably responsible for damaged driveways, walks, lawns, trees, shrubs, flowers, and items of personal property or the release of confined pets. SUBCONTRACTORS - Owner agrees not to instruct, direct or otherwise communicate with the subcontractors retained by Builder as to the scheduling of or details about the Work (including additions to or deletions from the Work). Furthermore, Owner shall not do or cause any work to be done, or alter or cause the alteration of any portion of the Improvements, whether complete or incomplete, prior to Owner's occupancy of the Improvements without Builder's prior written consent.
- G. OTHER - Owner shall perform all other obligations as provided in this Agreement.

15. DEFAULT BY OWNER:

- A. EVENTS OF DEFAULT BY OWNER – (each is an Owner Event of Default):
 - 1) Owner or Owner's agents or representatives fail to make any payments due under this Agreement, including payment for any Change Orders.
 - 2) Owner or Owner's agents or representatives unreasonably delay or unreasonably interfere with the Builder in the execution of the Work.
 - 3) Owner fails to participate in the Final Customer Walk-Thru Approval and Punch List inspection.
 - 4) Owner or Owner's agents or representatives fails to perform any material agreement contained in this Agreement.
 - 5) Owner, or any person liable for the payment or performance under this Agreement, files a petition in bankruptcy, makes an assignment for the benefit of any creditor, is adjudicated as bankrupt or insolvent, or applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their or its assets.
- B. NOTICE OF DEFAULT TO OWNER - If Owner commits an Owner Event of Default, prior to exercising any remedy granted by this Agreement or by law, Builder shall deliver written notice of such default to Owner. If the Owner Event of Default is not cured within fifteen (15) days after delivery of such written notice (Owner's Cure Period), Builder may exercise any remedy subject to the terms of this Agreement.
- C. REMEDIES OF BUILDER - - Upon the occurrence of any Builder Event of Default and the expiration of Builder's Cure Period, Owner may (but shall not be obligated to) terminate this Agreement and recover monetary damages as allowed by law. The remedy of specific performance is hereby waived by Builder and shall not be available in any action concerning this Agreement. If Owner refuses to accept the completed Improvements and/or pay the Total Agreement Price to Builder as specified in this Agreement, Builder not being in default, Builder will be entitled to pursue all remedies provided by Texas law, save and except specific performance.

16. OWNER(S)' AND BUILDER'S JOINT AGREEMENTS:

- A. INSULATION – As required by Federal Trade Commission regulations, the information relating to the insulation installed or to be installed in the Improvements at the Property is: (check only one box below)
 - 1) as shown in the Specifications.
 - 2) as follows:
 - a) Exterior walls of improved living areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
 - b) Walls in other areas of the home: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.

- c) Ceilings on improved living areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
- d) Floors of improved living areas not applied to a slab foundation insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
- e) Other insulated areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.

All stated R-Values are based on information provided by the manufacturer of this insulation.

- B. DOCUMENT RELIANCE - Owner is advised that the Builder may have contracted with one or more independent professional architects, engineers, surveyors, designers, or other professional third parties (Builder's Professionals) to perform services and/or prepare certain documents or reports for completion of the Construction Documents and/or use in constructing the Improvements. Owner, at Owner's option, may also elect to obtain soil and sub-soil tests, flood plain maps and any other data or documents that may impact the performance of the completed Improvements from experts knowledgeable of such matters and hired by Owner (Owner's Professionals). If Owner elects to obtain such data and/or documents, Owner shall direct Owner's Professionals to furnish all such data and/or documents to Builder prior to the design of the foundation and the completion of the Construction Documents. In constructing the Improvements, Builder will rely on documents provided by Builder's Professionals and Owner's Professionals as being complete, adequate, and correct in all respects. Builder shall promptly notify Owner of any errors, conflicts, or inconsistencies discovered with respect to the Owner supplied data or Construction Documents. Builder's reasonable reliance on the data and Construction Documents compiled and/or provided by Owner's Professionals shall relieve Builder from all responsibility for or liability to the Owner for damages to the structural components of the Improvements caused by raising, shifting, heaving or settling of the soil or any other damage to the Improvements, provided Builder constructs the Improvements in substantial compliance with the Construction Documents.
- C. WORK PERFORMED AND MATERIALS PROVIDED DIRECTLY BY OWNER – Upon receipt of Builder's written approval, in the event Owner contracts with other parties to perform work or provide or install materials that are not a part of the Work performable by Builder hereunder, Owner shall keep such other parties from interfering with the progress of the Work. To the extent reasonably practicable, Builder shall cooperate with such other parties, but will not be responsible for coordinating that work or for the quality of their work. Owner agrees that any ACTS OF, OMISSIONS BY, OR LOSSES, DAMAGES OR DELAYS CAUSED BY OWNER, OWNER'S AGENTS OR ANY THIRD PARTY RETAINED BY OWNER SHALL BE THE RESPONSIBILITY OF OWNER, NOT THE BUILDER. FURTHERMORE, OWNER AGREES THAT BUILDER WILL NOT BE REQUIRED TO PAY FOR, WARRANT, REPAIR, INSURE, OR CORRECT ANY WORK PERFORMED OR MATERIALS PROVIDED BY PERSONS OR ENTITIES EMPLOYED BY, OR WHO HAVE CONTRACTED WITH OWNER.
- D. CONFIDENTIALITY OF INFORMATION – Subject to Open Government laws, Owner acknowledges that Owner may receive a list of subcontractors and materialmen utilized by Builder to construct the Improvements, immediately upon request to Builder. Owner acknowledges that Builder regards that information as confidential, proprietary, and trade secret information of Builder's business. Owner agrees that Owner shall not disclose such information to any party except as required by this Agreement, and state law. Prior to Final Completion and payment to Builder of the Total Agreement Price, Owner agrees that Owner will not contract any of Builder's subcontractors for labor or materials to be incorporated into the Improvements except with the express, prior written consent of Builder.
- E. OTHER PARTIES BOUND - Owner and Builder each bind themselves, their respective heirs, executors, administrators, partners, successors, assigns, and legal representatives in all matters related to this Agreement.
- F. NO ASSIGNMENT - Neither party has the right to assign this Agreement without the written consent of the other, which consent shall not be unreasonably withheld.
- G. TIME OF THE ESSENCE – Time is of the essence in this Agreement.

- H. REAL ESTATE BROKERS' FEES – Builder and Owner acknowledge to each other that, unless specified in the Real Estate Broker's Fee Addendum, there has been no contract with any real estate broker or other party in connection with this Agreement, to whom any brokerage, finders, or other fees may be due and payable.
- I. RELEASE OF AND INDEMNIFICATION FOR LOSSES SUSTAINED DURING CONSTRUCTION – Because of potential safety and health hazards present during construction of the Improvements, as well as the practical limitations on the Builder's ability to control the activities of all persons involved in the construction process and thereby limit the risk of personal injury that may arise from construction activities, the parties agree as follows:
 - 1) Personal Safety: To ensure and to protect the personal health and safety of Owner and Owner's licensees and invitees, Owner shall restrict entry by the Owner and Owner's licensees and invitees onto the Property or into the Improvements to a minimum.
 - 2) Risks to Vegetation: Owner also acknowledges that the contemplated construction imposes an inherent risk to the health of the trees and vegetation situated on the Property, and Owner understands that Builder cannot guarantee the viability of those trees and vegetation. Owner acknowledges this risk and agrees to release the Builder from any claims for damages to or loss of trees or vegetation resulting from construction activities.
- J. TERMINATION/STIPULATED DAMAGES PRIOR TO FINAL COMPLETION – In the event a bona fide dispute or material misunderstanding (Dispute) arises between Builder and Owner prior to Final Completion and if such Dispute cannot be resolved to the mutual satisfaction of Builder and Owner, either party, may submit the Dispute to mediation which the parties are required to jointly pay for and attend at a mutually agreeable date.
- K. WARRANTY REQUEST- Owner and Builder agree that a request for warranty performance shall not be construed as a notice of construction defect under the Texas Residential Construction Liability Act (RCLA), and that any notice under RCLA shall be separately sent to Builder in the manner required by RCLA.
- L. ATTORNEY FEES - The prevailing party in any legal proceedings brought in relation to this Agreement may be entitled to recover from the non-prevailing party reasonable and necessary attorney's fees.

17. AGREEMENT OF PARTIES: This Agreement, the Construction Documents, and any Change Orders, constitutes the entire agreement between the parties. No oral or written statements made at or prior to the execution of this Agreement shall be binding upon Owner or Builder. Exhibits and addenda that are part of this Agreement are attached hereto and incorporated herein for all purposes: (check all that apply)

- Legal Description (TAB A-1)
- Schedule of Estimated Construction Costs (TAB A-2)
- Draw Request Form (TAB A-3)
- Notice Regarding Expansive Soils (TAB A-4)
- Final Customer Walk-Thru Approval and Punch List (TAB A-5)
- Selection / Allowance Schedule (TAB A-6)
- Change Order (TAB A-7)
- Real Estate Broker's Fee Addendum (TAB A-8)
- Disclosure Statement (TAB A-9)
- Waiver of the List of Subcontractors & Suppliers (TAB A-10)
- Assignment of Manufactured Product Warranties (TAB A-11)
- Special Provisions Addendum (TAB A-12)
- Green Building Disclosure (TAB A-13)
- Express Limited Home Warranty (TAB A-14)
- Third-Party Warranty Specimen
- Additional Terms and Conditions, and Insurance Requirements

18. CONSULT YOUR ATTORNEY: Builders/Real Estate Licensees cannot give legal advice. This is a legally binding Agreement so read it carefully. If you do not understand the effect of this Agreement, consult your attorney before signing it.

Owner's Attorney:

Builder's Attorney:

19. NOTICES: To the extent not otherwise required by law, notices must be in writing and must be delivered by personal delivery or by certified mail return receipt requested to the location for each party designated below.

Either party may change the location for notice upon written notice, delivered as described above.

NOTICE OF WATER LEVEL FLUCTUATIONS: This section applies only to the sale of residential real property adjoining an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level. The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: 1) an entity lawfully exercising its right to use the water stored in the impoundment; or 2) drought or flood conditions.

20. EXECUTION BY BUILDER: This Agreement shall not be binding upon Builder until accepted and executed by one of its duly authorized officers. No other employee or agent is authorized to enter into any contract for construction of the Improvements on behalf of Builder.

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21. SIGNATURES OF PARTIES:

The Agreement is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

EXECUTED ON _____ 20____.
OWNER(S):

City of Lavon, by it's Mayor

Owner Signature

Address: _____

Email: _____

BUILDER: _____

By: _____

Printed Name: _____

Title: _____

Address: _____

Email: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, _____
by _____ (Owner).

Notary Public, State of Texas

My Commission Expires: _____

Notary's Printed/Typed Name

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____,
by _____ [*Builder representative name*], _____ [*Builder representative title*] of _____
_____, [*Builder*], on behalf of said entity.

Notary Public, State of Texas

My Commission Expires: _____

Notary's Printed/Typed Name

This Contract and its printed addenda are promulgated by the Texas Association of Builders (TAB) for the voluntary use of its members. TAB makes no representation or warranty that any party using this form is a member of TAB.

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY, ADEQUACY, SUFFICIENCY OR TAX CONSEQUENCES OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

IT IS THE USER'S RESPONSIBILITY TO OBTAIN AND USE THE MOST RECENT VERSION OF THIS DOCUMENT. ANY CHANGES SHOULD BE MADE ONLY AFTER CONSULTATION WITH LEGAL COUNSEL.

Additional Terms and Conditions

1. Entire Agreement.

The Agreement Documents contain the entire agreement of the parties with respect to the matters contained herein. All provisions of the Agreement Documents shall be strictly complied with and conformed to by the Bloomfield/Builder, and no amendment to the Agreement Documents shall be made except upon the written agreement of the parties, which shall not be construed to release either party from any obligation of the Agreement Documents except as specifically provided for in such amendment.

2. Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

3. INDEMNIFICATION.

BLOOMFIELD/BUILDER, ITS OFFICERS, DIRECTORS, OWNERS, BLOOMFIELD/BUILDERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES (COLLECTIVELY REFERRED TO AS "BLOOMFIELD/BUILDER" FOR PURPOSES OF THIS SECTION), AGREE TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE OWNER AND ITS OFFICERS, COUNCIL MEMBERS, REPRESENTATIVES, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "OWNER" FOR PURPOSES OF THIS SECTION) FROM ANY AND ALL CLAIMS, DEMANDS, DAMAGES, INJURIES (INCLUDING DEATH) LIABILITIES AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF DEFENSE) ARISING DIRECTLY OR INDIRECTLY OUT OF THE OPERATION OR PERFORMANCE OF BLOOMFIELD/BUILDER UNDER THIS AGREEMENT. THE OWNER WILL NOT ACCEPT LIABILITY FOR INJURIES THAT ARE THE RESULT OF THE NEGLIGENCE, MALFEASANCE, ACTION OR OMISSION OF BLOOMFIELD/BUILDER. BLOOMFIELD/BUILDER AGREES TO ACCEPT LIABILITY FOR INJURIES TO ITSELF OR OTHERS CAUSED BY ITS OWN NEGLIGENCE, MALFEASANCE, ACTION OR OMISSION.

IN ITS SOLE DISCRETION, OWNER SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY BLOOMFIELD/BUILDER IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY OWNER, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY OWNER IN WRITING. OWNER RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, OWNER IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY OWNER IS NOT TO BE CONSTRUED AS A WAIVER OF OWNER'S OBLIGATION TO DEFEND OWNER OR AS A WAIVER OF OWNER'S OBLIGATION TO INDEMNIFY OWNER PURSUANT TO THIS AGREEMENT. BLOOMFIELD/BUILDER SHALL RETAIN OWNER-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF OWNER'S WRITTEN NOTICE THAT OWNER IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF BLOOMFIELD/BUILDER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, OWNER SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND OWNER SHALL BE LIABLE FOR ALL COSTS INCURRED BY OWNER.

THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

4. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.

5. Ordinances.
Except as specifically provided in the Agreement Documents, the parties agree that Bloomfield/Builder shall be subject to all Ordinances of the Owner, whether now existing or in the future arising.
6. Authority to Execute.
The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.
7. Assignment.
This Agreement may not be assigned without the written agreement of both parties.
8. Sovereign Immunity.
The parties agree that the Owner has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.
9. Miscellaneous Drafting Provisions.
This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply.

CITY OF LAVON, TEXAS
CONTRACTOR INSURANCE REQUIREMENTS & AGREEMENT

REQUIREMENTS

Contractors performing work on CITY OF LAVON property or public right-of-way shall provide the CITY OF LAVON a certificate of insurance or a copy of their insurance policy(s) (and including a copy of the endorsements necessary to meet the requirements and instructions contained herein) evidencing the coverages and coverage provisions identified herein within ten (10) days of request from CITY OF LAVON. Contractors shall provide CITY OF LAVON evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. Work shall not commence until insurance has been approved by CITY OF LAVON.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must have a A.M. Best's rating A-:VII or greater.

Listed below are the types and minimum amounts of insurances required and which must be maintained during the term of the contract. CITY OF LAVON reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

TYPE OF INSURANCE	AMOUNT OF INSURANCE	PROVISIONS
1. Workers' Compensation Employers' Liability to include: (a) each accident (b) Disease Policy Limits (c) Disease each employee	Statutory Limits per occurrence Each accident \$1,000,000 Disease Policy Limits \$1,000,000 Disease each employee \$1,000,000	CITY OF LAVON to be provided a <u>WAIVER OF SUBROGATION AND 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A-:VII rated or above.
2. Commercial General (Public) Liability to include coverage for: a) Bodily Injury b) Property damage c) Independent Contractors d) Personal Injury e) Contractual Liability	Bodily Injury/Property Damage per occurrence \$1,000,000, General Aggregate \$2,000,000 Products/Completed Aggregate \$2,000,000, Personal Advertising Injury per occurrence \$1,000,000, Medical Expense 5,000	<u>CITY OF LAVON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A-:VII rated or above.
3. Business Auto Liability to include coverage for: a) Owned/Leased vehicles b) Non-owned vehicles c) Hired vehicles	Combined Single Limit \$1,000,000	<u>CITY OF LAVON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION</u> or material change in coverage. Insurance company must be A:VII-rated or above.

With respect to the foregoing insurance,

1. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Lavon.

2. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Lavon, Texas of any material change in the insurance coverage.
3. All insurance policies shall be endorsed to the effect that the City of Lavon, Texas will receive at least thirty (30) days' notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name the City of Lavon, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
5. Insurance must be purchased from insurers that are financially acceptable to the City of Lavon and licensed to do business in the State of Texas.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Upon request, Contractor shall furnish the City of Lavon with complete copies of all insurance policies certified to be true and correct by the insurance carrier.

This form must be signed and returned with your quotation. You are stating that you do have the required insurance and if selected to perform work for CITY OF LAVON, will provide the certificates of insurance (and endorsements) with the above requirements to CITY OF LAVON within 10 working days.

A CONTRACT/PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE AND APPROVAL OF INSURANCE.

AGREEMENT

I agree to provide the above described insurance coverages within 10 working days if selected to perform work for CITY OF LAVON. I also agree to require any subcontractor(s) to maintain insurance coverage equal to that required by the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

Project/Bid# _____

Company: _____

Printed Name: _____

Signature: _____ **Date:** _____

ADDENDUM

(New Residence Construction Contract – Contract of Sale)

NOTICE REGARDING EXPANSIVE SOILS IN NORTH TEXAS

Soils conditions vary greatly throughout all of the different cities, towns, areas and communities located in and around North Texas. Cracks appear in all foundations to a varying degree as a result of the concrete curing process and the movement of the slab caused by seasonal moisture changes in the soil adjacent to the foundation.

It is important for homeowners like you to keep consistent moisture levels around the foundation and the soil beneath it. To do this, certain people suggest some or all of the following as maintenance procedures to be followed:

- Check the ground around the foundation during rains; no puddles should exist. Fill in low spots with dirt so that water drains away from your home.
- Do not change the grade of the soil around your foundation by building planters, raised beds, or other blocking construction which changes the drainage around the house.
- Be certain that all paving or patio slabs abutting your home slope away from the foundation. Check seasonally that they remain that way.
- Be cautious in your planting of trees, shrubs and plants. Trees, in particular, can cause foundation problems if they are too close to the house.
- Do not water your foundation. Water your yard as needed to maintain a proper moisture level.
- Do not allow water or sewer leaks of any type to continue. Check often for those kinds of problems.
- Maintain adequate drainage around the perimeter of your home at all times.

THE FOREGOING LIST CONSTITUTES NOTHING MORE THAN SOME SUGGESTIONS TO KEEP IN MIND WITH RESPECT TO YOUR NEW HOME, AND IS NOT INTENDED AS A WARRANTY, REPRESENTATION OR ADVICE FROM BUILDER OF ANY KIND WITH RESPECT TO ANY OF THE MATTERS SET FORTH ABOVE. BUILDER STRONGLY URGES AND RECOMMENDS THAT YOU ENGAGE APPROPRIATE AND COMPETENT PROFESSIONALS TO CONSULT WITH YOU REGARDING ALL OF THE MATTERS SET FORTH ABOVE.

Purchaser

Purchaser

Date

Date

INSULATION ADDENDUM
(to New Residence Construction Contract)

Dated _____, 20____

Between Bloomfield Homes, L.P. (Seller) and _____
(Purchaser).

Listed below is certain information regarding the insulation installed or to be installed in each part of the improvements located on the Property. This information was furnished to Purchaser by the installer and/or manufacturer of the insulation.

INSULATION			
Location	Type	Thickness	Thermal Value
Flat Ceilings	Blown Fiberglass or Blown Cellulose		R-38
Walls	Kraft Batts	3 ½ inches	R-13
Sloped Ceilings	Kraft Batts	5 ½ inches	R-22

(Thermal value means resistance to heat flow; the higher the thermal value, the greater the insulating power.)

If this contract is executed before the Seller knows what type of insulation will be installed in the improvements located on the Property, or if there is a change in any of the information listed above by agreement between Seller and Purchaser, Seller will furnish to Purchaser a written statement of such information.

Seller: _____

Purchaser: _____

By: _____

Its: _____



10 Year Limited Warranty for New Homes

1 Year Workmanship/Materials

2 Years System

10 Years Major Structural Components

For

Homeowner's Name

This Warranty is an expressed written Limited Warranty provided by Builder. To the extent permitted by law, all implied warranties are waived except the limited statutory warranty and the warranty of habitability as described in the Texas Property Code Section 430.007.

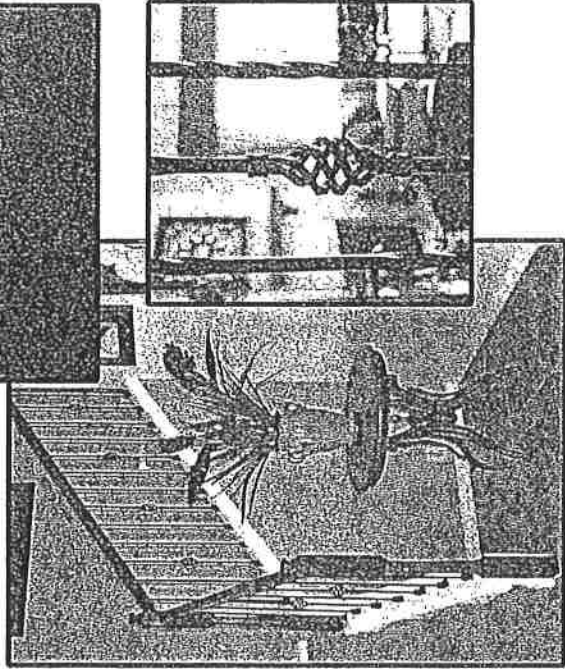
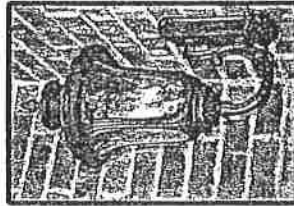
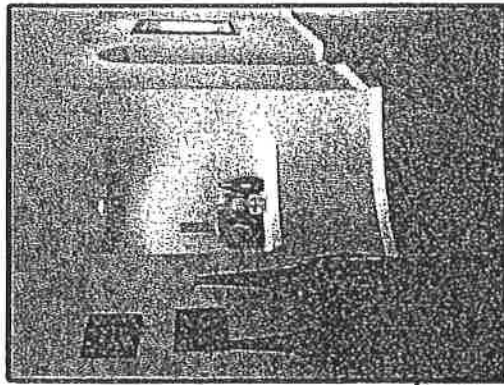
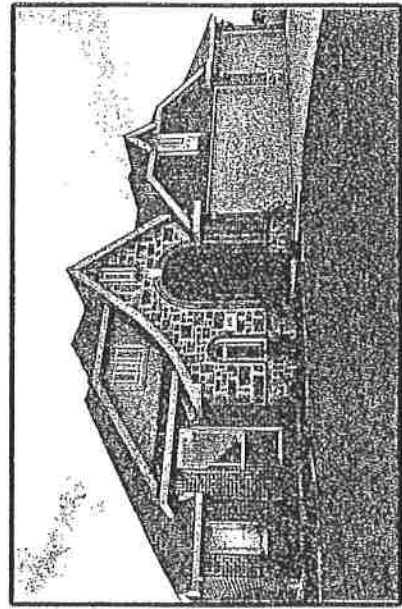
BLOOMFIELD HOMES

Simply put, our goal is to provide you with the most home for your money. Bloomfield homes are packed with trendsetting features that radiate beauty and distinction. Throughout every room in your new Bloomfield home you will find quality materials and excellent craftsmanship. Features such as granite countertops in your gourmet kitchen, wrought iron balusters on your stairwell and numerous energy saving features are included in your new home at no additional cost.

The Builder Who's Got it ALL...INCLUDED

Dramatic roof pitches and high quality shingles
 Covered front and rear porches to enjoy year round (per plan)
 Your choice of paint or stain on your elegant front door
 Ribbed bronze finish coach lights on your garage
 American made, clay-fired Boral Brick provides a lifetime of low maintenance protection for you and your family
 Your color choice of durable Kelly-Moore paint
 Beautifully designed landscaping with stone edging
 All-encircling lawns including front, side and rear
 6' privacy wood fence with gate
 Multizone programmable sprinkler system with rain sensor
 Two garden hose connections
 Personalized address block set in brick (per community)
 Several choices of natural stone accents (per plan)

Stylish rounded corners and dramatic archways
 Oversized baseboards
 Wireless security system
 Carpet with 1/2 inch carpet pad
 Designer rocker light switches
 Oil-rubbed bronze finish lever door handles and hardware
 UL-approved smoke detectors with backup batteries
 Designer 4-panel interior doors
 Decorative window designs with built-in shelving (per plan)
 Walk-in closets in secondary bedrooms (per plan)



3 outlets for cable/dish and 3 CAT 5 phone outlets
 Artic access with pull down stairs (per plan)
 Splatter-drag ceilings and walls throughout
 Garage interior textured and painted
 Insulated garage door with opener
 Bronze finished ceiling fans in all bedrooms and family room
 GFCI safety electrical outlets in all baths, kitchen, garage and exterior
 Wrought-iron balusters on stairs (per plan)
 Built-in Tech centers (per plan)

3cm sealed and polished natural granite countertops
 Whirlpool Stainless Steel Appliances:
 * Gas range with steel grates and convection cooking system or electric range with smooth top dual radiant element (per community)

* Built in Microwave Hood Combination with sensor cooking (per plan/per community)
 * Energy Star® Quiet Partner II Dishwasher

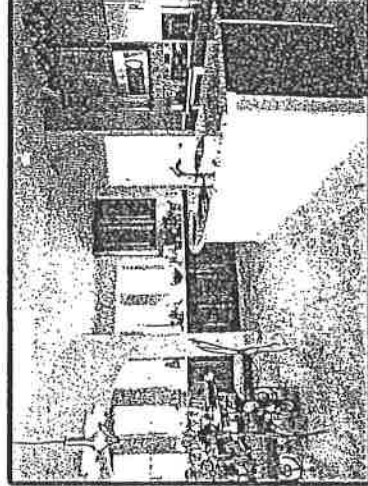
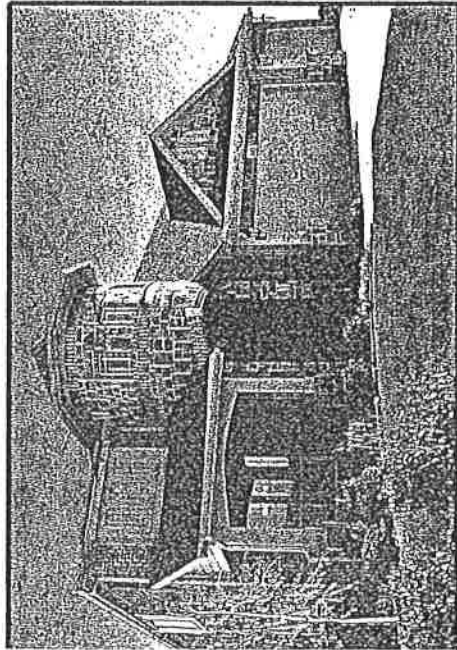
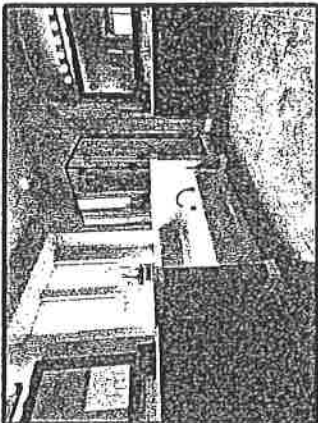
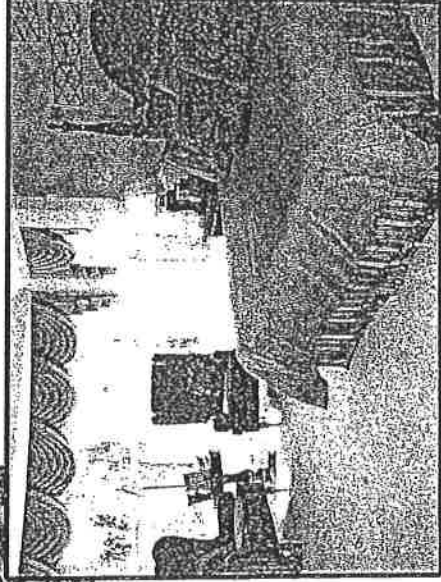
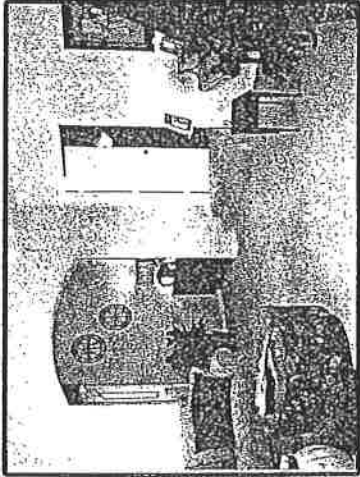
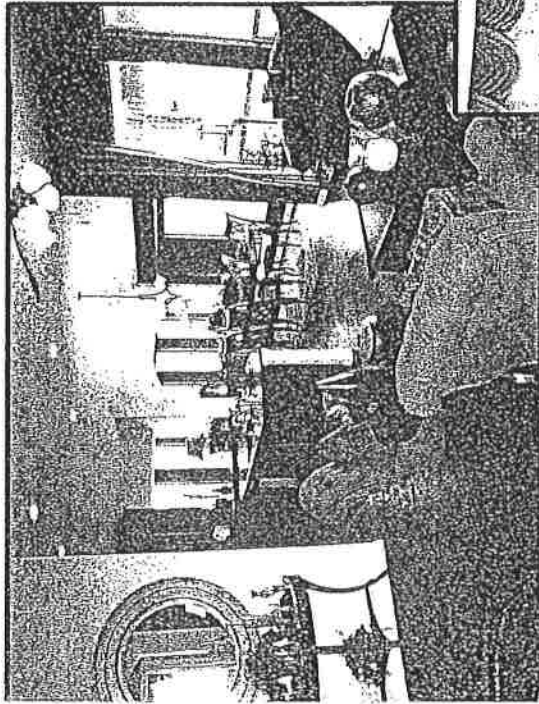
Oversized kitchen island (per plan)
 Oil-rubbed bronze retractable sprayer faucet
 Attractive ceramic tile backsplash
 42" raised panel maple cabinets

Staggered height cabinets above microwave (per plan)
 Adjustable cabinet shelving (per plan)
 Decorative top crown molding on cabinets
 Recessed can-lighting

Ceramic tile floor in kitchen and entry
 Extra deep stainless steel 60/40 under mount sink
 Large pantry (per plan)
 High capacity 1/3 HP disposal
 Recessed ice maker connection

Spacious master with oversized windows and window seats (per plan)
 Venetian bronze lighting fixtures
 Oversized walk-in closets with wood shelving
 Large master bath with dramatic garden windows (per plan)
 Elegant four panel, double doors with privacy lock (per plan)
 Ceramic tile floor in master bath
 Separate walk-in shower with ceramic tile, bronze framed glass enclosures and oil-rubbed bronze Delta shower head
 Luxurious garden soaker tub with bronze roman style faucet
 Raised His and Hers vanities with recessed edge sink
 Delta dual lever faucets in Venetian bronze
 Framed gallery vanity mirrors
 Separate privacy water closet (per plan)
 Elongated toilets
 Externally vented exhaust fans





Ceramic tile
 Dual sinks with oil-rubbed bronze faucets (per plan)
 Elongated toilets
 Low maintenance tub surround
 Oil-rubbed bronze Delta shower head

Professionally engineered post tension foundations
 PEX plumbing system with copper plumbing at fixtures
 Exterior walls and base plates bolted to foundation for additional strength
 Engineered flooring system on 2-stories to reduce floor noise and increase strength

Steel reinforcement in entry walk, public walk, driveway and patio
 Combined 15 SEER rated York heating and air conditioning system
 Dual zoned HVAC systems on all 2-story homes with Honeywell digital programmable thermostats
 Insulated HVAC ducts sealed with Mastik Jump ducts/equalized ducts for balanced air pressure and temperature

Radiant barrier roof decking to reduce attic temperature
 R-13 insulation in exterior air conditioned walls
 R-38 attic insulation in air conditioned flat ceilings
 R-30 attic insulation in air conditioned sloped ceilings
 Thermoply sheathing on exterior walls
 Perforated soffit vents for better air circulation in attic
 Polyfoam sealant at all windows, doors, upper and lower plates, mechanicals and plumbing
 Dual paned, vinyl, Low E, Energy Star® windows
 50 gallon quick recovery water heater in garage

2-year mechanical coverage on plumbing, electrical systems, air conditioning and heating systems
 1-year construction coverage on materials and workmanship
 10-year limited warranty transferable upon resale of home

Corporate Office: (972) 877-1508

bloomfieldhomes.net

GRANITE COUNTERTOP DO's and DON'Ts

Congratulations on your granite countertop investment! Your countertops will bring you many years of durability and satisfaction; however, like any other stone product, they will require maintenance from time to time. Listed below are do's and don'ts to help maximize the life of your new countertops.

DO:

- Your new countertops will be sealed at installation. This will help resist stains. It is recommended that you reseal them every six months. Granite sealant can be purchased at most home improvement centers and will typically take you less than fifteen minutes to complete.
- Do clean up spills off the granite immediately. Blot the liquid (don't wipe).
- Do clean your granite with mild soap and warm water.
- The joint where the sink meets the granite has been sealed with silicone to prevent water from getting in there. Check the joint every three months or so. If the silicone needs replacing, it can be purchased at most home improvement centers; and the task can be completed in about ten minutes.

DON'T:

- Do not use your countertop as a cutting board. It is porous stone; bacteria from meats, poultry and fish can be absorbed into the stone. You will also dull your knife and potentially scratch the surface.
- Do not use abrasive cleaner on your granite – it can scratch the surface.
- Do not use Windex, Formula 409, or products that contain lemon or vinegar to clean your granite countertops. It will break down the sealer and may etch or scratch the surface.
- Be extra careful not to spill citrus juice, tomato sauce, ketchup, red wine (or many common food and drink which contain acids) on your granite countertops. It will break down the sealer and may etch or dull the surface of your granite.
- Do not sit or stand on your granite countertops. If it cracks, you will have to replace it.
- Do not put hot items directly on the countertops as it may ruin the sealed surface. Always use a trivet, cork, mat, etc.

initials

initials

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Agreement by and between the City of Lavon, Texas
and Bloomfield Homes LP for Construction Services
(Fire Station Addition Project)

THIS DOCUMENT CREATES IMPORTANT LEGAL OBLIGATIONS THAT YOU SHOULD UNDERSTAND PRIOR TO SIGNING. YOU SHOULD READ IT THOROUGHLY AND IF YOU ARE UNCERTAIN OR HAVE QUESTIONS ABOUT YOUR RIGHTS, OBLIGATIONS OR RESPONSIBILITIES UNDER THIS AGREEMENT, CONSULT AN ATTORNEY.

Whereas, the City Council of the City of Lavon, Texas ("City Council") has investigated and determined an immediate need exists for fire station barracks or housing in order to provide for and ensure the public health and safety of the citizens of the City of Lavon ("Lavon"); and

Whereas, Bloomfield Homes LP is a prominent developer within Lavon and has established itself as a good member of the community; and

Whereas, considering the immediacy of the need for fire station barracks or housing, Bloomfield Homes LP approached Lavon about the construction of the same at a greatly reduced rate; and

Whereas, Bloomfield Homes LP proposed that Lavon pay for the construction by way of a cash payment and through the waiver of certain future development fees for Bloomfield Homes LP; and

Whereas, the City Council has investigated and determined that it is in the best interest of the citizens of Lavon and that a public purpose is accomplished by entering into an agreement with Bloomfield Homes LP for the construction of fire station barracks or housing, whereby the same is paid with a cash payment and through the waiver of certain future development fees for Bloomfield Homes LP according to the terms to this Agreement.

NOW, THEREFORE, in mutual consideration of the terms and conditions set forth herein, the parties agree as follows:

1. **PARTIES:** Bloomfield Homes LP (Builder) agrees to construct the Improvements (as defined below) for the City of Lavon, Texas (sometimes referred to as Owner) on the Property (as defined below) ("Agreement").
2. **PROPERTY:** Lot _____, Block _____, _____ Addition, City of Lavon, Collin County, Texas, known commonly as 501 Lincoln, Lavon, Texas, or as described on the attached exhibit, together with all improvements constructed or to be constructed on the Property, including the Improvements described below (the foregoing collectively referred to as the Property). The legal depiction and description of the Property, including a depiction of the completed construction, are attached hereto and incorporated herein for all purposes.
3. **IMPROVEMENTS:**
 - A. **CONSTRUCTION DOCUMENTS** – The Construction Documents shall consist of the following:
 - 1) Complete plans as may be hereafter amended, dated 5/20/16, prepared by Bloomfield Homes LP, attached hereto and incorporated herein for all purposes (Plans) and provided by or through with prior written approval from Owner: (check appropriate box) Owner Builder;
 - 2) Specifications as may be hereafter amended, dated 5/20/16, prepared by Bloomfield Homes LP, attached hereto and incorporated herein for all purposes, (Specifications) and provided by or through with prior written approval from Owner: (check appropriate box) Owner Builder; and
 - 3) all attached addenda and exhibits.

B. WORK - Builder shall provide all labor and materials for the construction (Work) of the following improvements (Improvements): the City of Lavon Fire Station Addition in accordance with the Construction Documents ("Project"). Any inconsistencies or conflicts within the Construction Documents shall be resolved by the Owner and Builder in their reasonable discretion. If a detail of the construction is not specified within the Construction Documents, or should an alternative building practice be available in lieu of a specified procedure, the Builder may, in conjunction with the Owner, select a construction procedure that complies with applicable building codes, but not without prior written approval from the owner. Unless otherwise specified in writing, materials used by the Builder in the construction of the Improvements shall be as prescribed in the Construction Documents.

4. **AGREEMENT PRICE:** Owner agrees to pay Builder for the Work and Improvements described above, subject to adjustment and any offset as allowed by this Agreement, a total Agreement price (Total Agreement Price) in accordance with the following provisions:

A. The Improvements are to be constructed by Builder on a cost plus basis. Owner agrees to pay Builder a Total Agreement Price equal to the sum of the "Construction Costs" (as defined below), plus a fee (Builder Fee) to cover the services of Builder in an amount not to exceed (check one of the following):

- \$ 112,590.00, or less.
- _____ % of the actual Construction Costs (as defined below)
- Builder Fee of \$ _____ plus _____ % of the Construction Costs (as defined below) which exceeds \$ _____.

B. For this Agreement, "Construction Costs" are defined as those costs incurred for each of the categories listed in the attached Schedule of Estimated Construction Costs, and incorporated herein for all purposes. The amounts shown on the Schedule of Estimated Construction Costs are estimates only and do not guarantee or set the actual cost of any listed category. In the absence of a Schedule of Estimated Construction Costs, Construction Costs are defined as all costs incurred by the Builder as a result of the Work, except for the costs specifically enumerated in subparagraph "C" below. Construction Costs may not include credits, rebates, or other incentives Builder may receive from a supplier or vendor that is allocated to Builder after Final Completion based on program participation or agreement.

C. This Agreement may be hereafter amended upon the mutual, written agreement of the parties.

5. **PAYMENTS:**

A. INITIAL CASH PAYMENT – No initial cash payment shall be due. The parties agree that the cash payment of \$49,000.00 shall not be due to Builder from the owner until Final Completion.

B. DISASTER REMEDIATION - The following, bold text only applies if 1) the Builder is performing disaster remediation services on the Property with construction of the Improvements, 2) after the Governor or county judge has issued a disaster declaration for the county in which the Property is located, and 3) Builder has not maintained a physical business address in the subject county or adjacent county for at least one year prior to the execution of this Agreement. **This Agreement is subject to Chapter 57, Business & Commerce Code. A contractor may not require a full or partial payment before the contractor begins work and may not require partial payments in an amount that exceeds an amount reasonably proportionate to the work performed, including any materials delivered.** If applicable, this statutorily prescribed provision may affect the Initial Cash Payment amount in Paragraph A above.

C. SUBCONTRACTOR PAYMENT RELEASES – Builder shall prove proof of payment of all subcontractors within three (3) days of request from Owner.

D. FINAL PAYMENT - The cash payment of **\$49,000.00** shall be due upon Final Completion. The remaining amount of **\$63,590.00** shall be made in the form of building/development fee waivers by the Owner, from time to time on lots in Grand Heritage owned by Bloomfield Homes in a total amount not to exceed **\$63,590.00**. The Owner shall waive

the building/development fees in the amount not to exceed \$6000 per platted lot, subject to any offset by the Owner.

- 6. TIME:**
- A. **COMMENCEMENT OF WORK** - Builder shall commence the Work within two (2) weeks of the execution of this Agreement and the completion of the following:
 - 1) The complete Construction Documents have been approved and initialed by both Owner and Builder;
 - 2) Owner has all necessary approvals; and
 - 3) All appropriate building permits and regulatory approvals have been issued.
 - B. **COMPLETION OF IMPROVEMENTS** - After Work begins, construction activities shall then be continued in accordance with Builder's normal construction schedule until the Improvements reach Final Completion (as defined below). Builder will make reasonable efforts to finally complete the Improvements within sixteen (16) weeks of the commencement of work (Projected Completion Date), subject to Permitted Delays (as defined below). **PERMITTED DELAYS** - The Projected Completion Date may be extended for one or more of the following causes:
 - 1) Changes by Owner or Owner's representatives to the Construction Documents.
 - 2) Prohibitive inclement weather or acts of God.
 - 3) Fire or casualty loss.
 - 4) Delays caused by a change in laws or ordinances or delays in issuing necessary permits or conducting inspections or testing by any governmental entity or regulatory authority.
 - 5) Delays caused by Change Orders.
 - 6) Civil unrest, strikes, lockouts, acts of public authorities, war.
 - 7) Other events or causes beyond the Builder's reasonable control, as determined by Owner.
 - C. **NO WORK PERFORMED** - Builder and Owner, by their signatures to this Agreement, acknowledge and agree that this Agreement has been executed and delivered before Builder has performed any labor on the Property and before Builder has furnished any materials in connection with the construction of the Improvements.
- 7. FINAL COMPLETION, INSPECTION, RELEASE AND OCCUPANCY:** The Improvements are finally completed (Final Completion) when a certificate of occupancy is issued by the Owner. At the time of Final Completion, Owner will conduct a walk-thru inspection of the Improvements with Builder and will execute and deliver to Builder a "Final Customer Walk-Thru Approval and Punch List" in the form attached hereto that confirms Owner's inspection and acceptance of the Improvements, and Owner's acknowledgment that all construction Work has been completed in accordance with the Construction Documents. Upon Final Completion of the Improvements and payment to the Builder of the \$49,000.00, Owner will be given possession of the Improvements.
- 8. ALLOWANCES:** For the purposes of this Agreement, Allowances, if applicable include budgets for certain Work components shown in the Construction Documents to be incorporated into the Improvements. The sums allocable to each listed Allowance **are included in the Total Agreement Price**. Unless otherwise noted in the Construction Documents, each Allowance listed includes, without limitation, the component costs of material and labor, any appropriate sales tax, shipping charges, or other costs associated with procurement. Selections of Allowance items will be made at suppliers typically used by Builder to limit the possibility of unusual costs or delays. Owner will verify all selections with the supplier and provide Builder with the information for ordering. Owner understands that some materials selected will have a wide variation in color, pattern, and texture. The additional material or labor cost for any waste, spoilage, breakage, or culling shall be applied to the Allowance for that item.
- 9. CHANGES:**
- A. **CHANGE ORDER PROCEDURE** – Except as otherwise stated in this Agreement, no alterations, additions or deletions will be made in the Work unless agreed to in writing by Owner and Builder. To approve a proposed

change, both Owner and Builder shall sign a written agreement (Change Order) in the form attached and incorporated herein for all purposes. Upon receiving from Owner a written request for any change, Builder will present Owner with a proposal for the changes including any additional price of construction, additional Builder's Fee and any extensions to the Projected Completion Date. If Owner accepts Builder's proposal for changes, the Change Order will become a binding attachment to the Construction Documents, and to the extent a conflict between a Change Order and the Construction Documents exists, the terms of the Change Order shall control. A written change order may only be approved in writing by the Lavon City Council. Failure of Owner to approve Builder's proposal for changes within three (3) days after receipt shall constitute a rejection of the proposal. Unless otherwise specified in agreed upon Change Orders, Owner shall pay for all agreed upon Change Orders including the additional Builder's Fee to Builder in cash or waiver of development fees. Builder will not be obliged to proceed with any Work until all amounts have been paid or development fees waived as agreed and Builder has no obligation to stop Work while Change Orders are being discussed.

- 10. BUILDER'S RESPONSIBILITIES:** Builder, in the performance of the Work, does so as an independent contractor. Nothing contained in or inferable from this Agreement should be construed to make Builder the agent, servant or employee of Owner, or create any partnership, joint venture or other association between Owner and Builder. Builder accepts responsibility for the performance of all duties reasonably necessary to complete the Work and agrees that:
- A. PERMITS - Builder shall obtain all necessary licenses, permits, and similar authorizations required by any applicable governmental authorities. Builder shall have no liability for any failure to obtain any such items, in which case either party may terminate this Agreement without further liability to the other party and, in such event, Owner will receive a refund of the Initial Cash Payment.
 - B. PAYMENT OF COSTS - Builder shall pay all costs related to the Work, except for costs associated with Change Orders and Allowance overages as described above.
 - C. MATERIALS - Builder shall use all new materials in connection with the Work that are of a suitable quality for the intended purpose, except as otherwise specified in the Construction Documents.
 - D. LIENS - Builder shall deliver the Improvements to the Owner free of all liens, claims, security interests or encumbrances that might have arisen from the performance of the Work.
 - E. CODES AND STANDARDS - Builder shall perform the Work in accordance with the Express Limited Home Warranty (Paragraph 12), and attached to the Agreement as Addendum 14 except where such standards have been modified by local building codes. Builder shall have sole control over the scheduling and progress of the Work, including the superior right to select and arrange for all labor in any way related to the Work. Builder shall exercise exclusive control over the selection of subcontractors and shall not be obligated to employ subcontractors solely on the basis of cost savings that might be achieved. All subcontractors shall perform their work independently, and not as an agent or employee, servant or representative of Builder.
 - F. OTHER – Builder shall perform all other obligations as provided in this Agreement.
 - G. Builder shall provide owner an affidavit of Final Completion and Payment, in form provided by the Owner, certifying that all work is completed and payment to all vendors and subcontractors has been fulfilled.

- 11. INSURANCE:** Before beginning the Work, Builder shall obtain: (check the appropriate box(es))
- All insurance requirements as stipulated by the Owner in the document attached hereto and incorporated herein for all purposes, including Builder's risk insurance covering all insurable risks, with respect to the Improvements, in an amount equal to or greater than the Total Agreement Price.
 - Comprehensive general liability insurance.
 - Workers Compensation Insurance or waivers covering all individuals who assist in the Work.
- The cost for all required insurance is included in the Total Agreement Price.

12. WARRANTY AND OFFSET: Builder shall provide warranty under the American E Warranty, attached hereto and incorporated herein for all purposes. Builder agrees to strike: (i) Section 4, Paragraph (b) from the American E Warranty; and (ii) any reference to or requirement of binding arbitration.

- A. Builder will will not also provide a third-party warranty (Third-Party Warranty) provided through a third-party warranty company. If a Third-Party Warranty is provided, Owner shall first file and pursue any claim that may be covered by the Third-Party Warranty with the third-party warranty company prior to making any warranty claim against Builder under the Express Limited Home Warranty.
- B. Any Manufactured Product warranties will be assigned, without recourse, to Owner upon payment of the Initial Agreement Price. This assignment shall be evidenced by Builder's execution and delivery to Owner of the "Assignment of Manufactured Product Warranties" addendum. Owner understands and agrees that proper maintenance of the Improvements is required to ensure (i) the Express Limited Home Warranty and Third-Party Warranty, if applicable, remains in effect, and (ii) the proper performance of the Improvements.
- C. If there is any defect in workmanship, materials, services of the Improvements, Owner is entitled to offset the cost of repair or replacement by not waiving development fees and by seeking development fees.

13. DEFAULT BY BUILDER:

- A. EVENTS OF DEFAULT (each is a Builder Event of Default) -
 - 1) Builder's failure, without cause, to make payment to any material supplier, laborer or subcontractor for which Builder has received payment from Owner.
 - 2) A breach by Builder of any material provision contained in this Agreement.
 - 3) Builder's filing of a voluntary petition in bankruptcy, making an assignment for the benefit of any creditor, being adjudicated as bankrupt or insolvent, or applying for or consenting to the appointment of a receiver, trustee or liquidator of all or a substantial part of Builder's assets.
 - 4) Abandonment of the Work by Builder for a period of fifteen (15) or more consecutive days provided that the inactivity is not caused, at least in part, by weather, shortage of labor or materials, other matters beyond the control of Builder, or a Permitted Delay.
- B. NOTICE OF DEFAULT TO BUILDER - If Builder commits a Builder Event of Default, prior to exercising any remedy granted by this Agreement or by law, Owner shall deliver written notice of such default to Builder. If the Builder Event of Default is not cured within fifteen (15) days after delivery of the written notice (Builder's Cure Period), Owner may exercise any remedy available at law or equity, up to and including termination of this Agreement.
- C. REMEDIES OF OWNER - Upon the occurrence of any Builder Event of Default and the expiration of Builder's Cure Period, Owner may (but shall not be obligated to) terminate this Agreement and recover monetary damages as allowed by law. If Owner receives notice of any lien or claim for labor or materials furnished to Builder for which Owner of the Property might become liable, though primarily chargeable to Builder, Owner shall have the right to retain or offset out of the Total Agreement Price, an amount sufficient to indemnify owner against such lien or claim. However, Builder shall have the right to contest in good faith the validity of such lien or claim. If Builder fails to discharge any such lien or claim, all amounts expended by Owner for the payment of any liens or claims shall be credited against the Total Agreement Price.

14. OWNER'S RESPONSIBILITIES: Owner agrees to the following:

- A. PAYMENTS - Owner shall make all payments to Builder in accordance with this Agreement, subject to any offset.
- B. TITLE AND POSSESSION - Owner shall protect the title and possession of the Property and pay all taxes and assessments prior to delinquency.
- C. APPROVALS - Owner shall obtain all consents and approvals required from any governmental authority, architectural review committee, homeowners association or similar entity having the right to review and approve plans and specifications for any residence or improvements proposed to be constructed on the Property.

- D. OBJECTIONS TO WORK - Owner agrees to promptly notify Builder of any objections to any Work not in compliance with the Construction Documents.
- E. UTILITIES - Owner is solely responsible for providing Builder, prior to commencement of construction, with water, gas, storm and sanitary sewer, and electricity at the lot line required for construction of the Improvements.
- F. EXISTING ITEMS - Owner shall remove or protect all of Owner's existing items of property at the Property that could be affected by the contemplated construction. Builder shall not be unreasonably responsible for damaged driveways, walks, lawns, trees, shrubs, flowers, and items of personal property or the release of confined pets. SUBCONTRACTORS - Owner agrees not to instruct, direct or otherwise communicate with the subcontractors retained by Builder as to the scheduling of or details about the Work (including additions to or deletions from the Work). Furthermore, Owner shall not do or cause any work to be done, or alter or cause the alteration of any portion of the Improvements, whether complete or incomplete, prior to Owner's occupancy of the Improvements without Builder's prior written consent.
- G. OTHER - Owner shall perform all other obligations as provided in this Agreement.

15. DEFAULT BY OWNER:

- A. EVENTS OF DEFAULT BY OWNER – (each is an Owner Event of Default):
 - 1) Owner or Owner's agents or representatives fail to make any payments due under this Agreement, including payment for any Change Orders.
 - 2) Owner or Owner's agents or representatives unreasonably delay or unreasonably interfere with the Builder in the execution of the Work.
 - 3) Owner fails to participate in the Final Customer Walk-Thru Approval and Punch List inspection.
 - 4) Owner or Owner's agents or representatives fails to perform any material agreement contained in this Agreement.
 - 5) Owner, or any person liable for the payment or performance under this Agreement, files a petition in bankruptcy, makes an assignment for the benefit of any creditor, is adjudicated as bankrupt or insolvent, or applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their or its assets.
- B. NOTICE OF DEFAULT TO OWNER - If Owner commits an Owner Event of Default, prior to exercising any remedy granted by this Agreement or by law, Builder shall deliver written notice of such default to Owner. If the Owner Event of Default is not cured within fifteen (15) days after delivery of such written notice (Owner's Cure Period), Builder may exercise any remedy subject to the terms of this Agreement.
- C. REMEDIES OF BUILDER - - Upon the occurrence of any Builder Event of Default and the expiration of Builder's Cure Period, Owner may (but shall not be obligated to) terminate this Agreement and recover monetary damages as allowed by law. The remedy of specific performance is hereby waived by Builder and shall not be available in any action concerning this Agreement. If Owner refuses to accept the completed Improvements and/or pay the Total Agreement Price to Builder as specified in this Agreement, Builder not being in default, Builder will be entitled to pursue all remedies provided by Texas law, save and except specific performance.

16. OWNER(S)' AND BUILDER'S JOINT AGREEMENTS:

- A. INSULATION – As required by Federal Trade Commission regulations, the information relating to the insulation installed or to be installed in the Improvements at the Property is: (check only one box below)
 - 1) as shown in the Specifications.
 - 2) as follows:
 - a) Exterior walls of improved living areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
 - b) Walls in other areas of the home: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.

- c) Ceilings on improved living areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
- d) Floors of improved living areas not applied to a slab foundation insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.
- e) Other insulated areas: insulated with _____ insulation to a thickness of _____ inches that yields an R-Value of _____.

All stated R-Values are based on information provided by the manufacturer of this insulation.

- B. DOCUMENT RELIANCE - Owner is advised that the Builder may have contracted with one or more independent professional architects, engineers, surveyors, designers, or other professional third parties (Builder's Professionals) to perform services and/or prepare certain documents or reports for completion of the Construction Documents and/or use in constructing the Improvements. Owner, at Owner's option, may also elect to obtain soil and sub-soil tests, flood plain maps and any other data or documents that may impact the performance of the completed Improvements from experts knowledgeable of such matters and hired by Owner (Owner's Professionals). If Owner elects to obtain such data and/or documents, Owner shall direct Owner's Professionals to furnish all such data and/or documents to Builder prior to the design of the foundation and the completion of the Construction Documents. In constructing the Improvements, Builder will rely on documents provided by Builder's Professionals and Owner's Professionals as being complete, adequate, and correct in all respects. Builder shall promptly notify Owner of any errors, conflicts, or inconsistencies discovered with respect to the Owner supplied data or Construction Documents. Builder's reasonable reliance on the data and Construction Documents compiled and/or provided by Owner's Professionals shall relieve Builder from all responsibility for or liability to the Owner for damages to the structural components of the Improvements caused by raising, shifting, heaving or settling of the soil or any other damage to the Improvements, provided Builder constructs the Improvements in substantial compliance with the Construction Documents.
- C. WORK PERFORMED AND MATERIALS PROVIDED DIRECTLY BY OWNER – Upon receipt of Builder's written approval, in the event Owner contracts with other parties to perform work or provide or install materials that are not a part of the Work performable by Builder hereunder, Owner shall keep such other parties from interfering with the progress of the Work. To the extent reasonably practicable, Builder shall cooperate with such other parties, but will not be responsible for coordinating that work or for the quality of their work. Owner agrees that any ACTS OF, OMISSIONS BY, OR LOSSES, DAMAGES OR DELAYS CAUSED BY OWNER, OWNER'S AGENTS OR ANY THIRD PARTY RETAINED BY OWNER SHALL BE THE RESPONSIBILITY OF OWNER, NOT THE BUILDER. FURTHERMORE, OWNER AGREES THAT BUILDER WILL NOT BE REQUIRED TO PAY FOR, WARRANT, REPAIR, INSURE, OR CORRECT ANY WORK PERFORMED OR MATERIALS PROVIDED BY PERSONS OR ENTITIES EMPLOYED BY, OR WHO HAVE CONTRACTED WITH OWNER.
- D. CONFIDENTIALITY OF INFORMATION – Subject to Open Government laws, Owner acknowledges that Owner may receive a list of subcontractors and materialmen utilized by Builder to construct the Improvements, immediately upon request to Builder. Owner acknowledges that Builder regards that information as confidential, proprietary, and trade secret information of Builder's business. Owner agrees that Owner shall not disclose such information to any party except as required by this Agreement, and state law. Prior to Final Completion and payment to Builder of the Total Agreement Price, Owner agrees that Owner will not contract any of Builder's subcontractors for labor or materials to be incorporated into the Improvements except with the express, prior written consent of Builder.
- E. OTHER PARTIES BOUND - Owner and Builder each bind themselves, their respective heirs, executors, administrators, partners, successors, assigns, and legal representatives in all matters related to this Agreement.
- F. NO ASSIGNMENT - Neither party has the right to assign this Agreement without the written consent of the other, which consent shall not be unreasonably withheld.
- G. TIME OF THE ESSENCE – Time is of the essence in this Agreement.

- H. REAL ESTATE BROKERS' FEES – Builder and Owner acknowledge to each other that, unless specified in the Real Estate Broker's Fee Addendum, there has been no contract with any real estate broker or other party in connection with this Agreement, to whom any brokerage, finders, or other fees may be due and payable.
- I. RELEASE OF AND INDEMNIFICATION FOR LOSSES SUSTAINED DURING CONSTRUCTION – Because of potential safety and health hazards present during construction of the Improvements, as well as the practical limitations on the Builder's ability to control the activities of all persons involved in the construction process and thereby limit the risk of personal injury that may arise from construction activities, the parties agree as follows:
 - 1) Personal Safety: To ensure and to protect the personal health and safety of Owner and Owner's licensees and invitees, Owner shall restrict entry by the Owner and Owner's licensees and invitees onto the Property or into the Improvements to a minimum.
 - 2) Risks to Vegetation: Owner also acknowledges that the contemplated construction imposes an inherent risk to the health of the trees and vegetation situated on the Property, and Owner understands that Builder cannot guarantee the viability of those trees and vegetation. Owner acknowledges this risk and agrees to release the Builder from any claims for damages to or loss of trees or vegetation resulting from construction activities.
- J. TERMINATION/STIPULATED DAMAGES PRIOR TO FINAL COMPLETION – In the event a bona fide dispute or material misunderstanding (Dispute) arises between Builder and Owner prior to Final Completion and if such Dispute cannot be resolved to the mutual satisfaction of Builder and Owner, either party, may submit the Dispute to mediation which the parties are required to jointly pay for and attend at a mutually agreeable date.
- K. WARRANTY REQUEST- Owner and Builder agree that a request for warranty performance shall not be construed as a notice of construction defect under the Texas Residential Construction Liability Act (RCLA), and that any notice under RCLA shall be separately sent to Builder in the manner required by RCLA.
- L. ATTORNEY FEES - The prevailing party in any legal proceedings brought in relation to this Agreement may be entitled to recover from the non-prevailing party reasonable and necessary attorney's fees.

17. AGREEMENT OF PARTIES: This Agreement, the Construction Documents, and any Change Orders, constitutes the entire agreement between the parties. No oral or written statements made at or prior to the execution of this Agreement shall be binding upon Owner or Builder. Exhibits and addenda that are part of this Agreement are attached hereto and incorporated herein for all purposes: (check all that apply)

- Legal Description (TAB A-1)
- Schedule of Estimated Construction Costs (TAB A-2)
- Draw Request Form (TAB A-3)
- Notice Regarding Expansive Soils (TAB A-4)
- Final Customer Walk-Thru Approval and Punch List (TAB A-5)
- Selection / Allowance Schedule (TAB A-6)
- Change Order (TAB A-7)
- Real Estate Broker's Fee Addendum (TAB A-8)
- Disclosure Statement (TAB A-9)
- Waiver of the List of Subcontractors & Suppliers (TAB A-10)
- Assignment of Manufactured Product Warranties (TAB A-11)
- Special Provisions Addendum (TAB A-12)
- Green Building Disclosure (TAB A-13)
- Express Limited Home Warranty (TAB A-14)
- Third-Party Warranty Specimen
- Additional Terms and Conditions, and Insurance Requirements

18. CONSULT YOUR ATTORNEY: Builders/Real Estate Licensees cannot give legal advice. This is a legally binding Agreement so read it carefully. If you do not understand the effect of this Agreement, consult your attorney before signing it.

Owner's Attorney:

Builder's Attorney:

19. NOTICES: To the extent not otherwise required by law, notices must be in writing and must be delivered by personal delivery or by certified mail return receipt requested to the location for each party designated below.

Either party may change the location for notice upon written notice, delivered as described above.

NOTICE OF WATER LEVEL FLUCTUATIONS: This section applies only to the sale of residential real property adjoining an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level. The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: 1) an entity lawfully exercising its right to use the water stored in the impoundment; or 2) drought or flood conditions.

20. EXECUTION BY BUILDER: This Agreement shall not be binding upon Builder until accepted and executed by one of its duly authorized officers. No other employee or agent is authorized to enter into any contract for construction of the Improvements on behalf of Builder.

[the rest of this page intentionally left blank]

21. SIGNATURES OF PARTIES:

The Agreement is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

EXECUTED ON _____ 20____.
OWNER(S):

City of Lavon, by it's Mayor

Owner Signature

Address: _____

Email: _____

BUILDER: _____

By: _____

Printed Name: _____

Title: _____

Address: _____

Email: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, _____
by _____ (Owner).

Notary Public, State of Texas

My Commission Expires: _____

Notary's Printed/Typed Name

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____,
by _____ [Builder representative name], _____ [Builder representative title] of _____
_____ [Builder], on behalf of said entity.

Notary Public, State of Texas

My Commission Expires: _____

Notary's Printed/Typed Name

This Contract and its printed addenda are promulgated by the Texas Association of Builders (TAB) for the voluntary use of its members. TAB makes no representation or warranty that any party using this form is a member of TAB.

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY, ADEQUACY, SUFFICIENCY OR TAX CONSEQUENCES OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

IT IS THE USER'S RESPONSIBILITY TO OBTAIN AND USE THE MOST RECENT VERSION OF THIS DOCUMENT. ANY CHANGES SHOULD BE MADE ONLY AFTER CONSULTATION WITH LEGAL COUNSEL.

Additional Terms and Conditions

1. Entire Agreement.

The Agreement Documents contain the entire agreement of the parties with respect to the matters contained herein. All provisions of the Agreement Documents shall be strictly complied with and conformed to by the Bloomfield/Builder, and no amendment to the Agreement Documents shall be made except upon the written agreement of the parties, which shall not be construed to release either party from any obligation of the Agreement Documents except as specifically provided for in such amendment.

2. Counterparts.

This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

3. INDEMNIFICATION.

BLOOMFIELD/BUILDER, ITS OFFICERS, DIRECTORS, OWNERS, BLOOMFIELD/BUILDERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES (COLLECTIVELY REFERRED TO AS "BLOOMFIELD/BUILDER" FOR PURPOSES OF THIS SECTION), AGREE TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE OWNER AND ITS OFFICERS, COUNCIL MEMBERS, REPRESENTATIVES, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO AS "OWNER" FOR PURPOSES OF THIS SECTION) FROM ANY AND ALL CLAIMS, DEMANDS, DAMAGES, INJURIES (INCLUDING DEATH) LIABILITIES AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF DEFENSE) ARISING DIRECTLY OR INDIRECTLY OUT OF THE OPERATION OR PERFORMANCE OF BLOOMFIELD/BUILDER UNDER THIS AGREEMENT. THE OWNER WILL NOT ACCEPT LIABILITY FOR INJURIES THAT ARE THE RESULT OF THE NEGLIGENCE, MALFEASANCE, ACTION OR OMISSION OF BLOOMFIELD/BUILDER. BLOOMFIELD/BUILDER AGREES TO ACCEPT LIABILITY FOR INJURIES TO ITSELF OR OTHERS CAUSED BY ITS OWN NEGLIGENCE, MALFEASANCE, ACTION OR OMISSION.

IN ITS SOLE DISCRETION, OWNER SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY BLOOMFIELD/BUILDER IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY OWNER, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY OWNER IN WRITING. OWNER RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, OWNER IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY OWNER IS NOT TO BE CONSTRUED AS A WAIVER OF OWNER'S OBLIGATION TO DEFEND OWNER OR AS A WAIVER OF OWNER'S OBLIGATION TO INDEMNIFY OWNER PURSUANT TO THIS AGREEMENT. BLOOMFIELD/BUILDER SHALL RETAIN OWNER-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF OWNER'S WRITTEN NOTICE THAT OWNER IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF BLOOMFIELD/BUILDER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, OWNER SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND OWNER SHALL BE LIABLE FOR ALL COSTS INCURRED BY OWNER.

THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

4. Binding Effect.

This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.

5. Ordinances.
Except as specifically provided in the Agreement Documents, the parties agree that Bloomfield/Builder shall be subject to all Ordinances of the Owner, whether now existing or in the future arising.
6. Authority to Execute.
The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.
7. Assignment.
This Agreement may not be assigned without the written agreement of both parties.
8. Sovereign Immunity.
The parties agree that the Owner has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.
9. Miscellaneous Drafting Provisions.
This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply.

CITY OF LAVON, TEXAS
CONTRACTOR INSURANCE REQUIREMENTS & AGREEMENT

REQUIREMENTS

Contractors performing work on CITY OF LAVON property or public right-of-way shall provide the CITY OF LAVON a certificate of insurance or a copy of their insurance policy(s) (and including a copy of the endorsements necessary to meet the requirements and instructions contained herein) evidencing the coverages and coverage provisions identified herein within ten (10) days of request from CITY OF LAVON. Contractors shall provide CITY OF LAVON evidence that all subcontractors performing work on the project have the same types and amounts of coverages as required herein or that the subcontractors are included under the contractor's policy. Work shall not commence until insurance has been approved by CITY OF LAVON.

All insurance companies and coverages must be authorized by the Texas Department of Insurance to transact business in the State of Texas and must have a A.M. Best's rating A-:VII or greater.

Listed below are the types and minimum amounts of insurances required and which must be maintained during the term of the contract. CITY OF LAVON reserves the right to amend or require additional types and amounts of coverages or provisions depending on the nature of the work.

TYPE OF INSURANCE	AMOUNT OF INSURANCE	PROVISIONS
1. Workers' Compensation Employers' Liability to include: (a) each accident (b) Disease Policy Limits (c) Disease each employee	Statutory Limits per occurrence Each accident \$1,000,000 Disease Policy Limits \$1,000,000 Disease each employee \$1,000,000	<u>CITY OF LAVON to be provided a WAIVER OF SUBROGATION AND 30 DAY NOTICE OF CANCELLATION or material change in coverage.</u> Insurance company must be A-:VII rated or above.
2. Commercial General (Public) Liability to include coverage for: a) Bodily Injury b) Property damage c) Independent Contractors d) Personal Injury e) Contractual Liability	Bodily Injury/Property Damage per occurrence \$1,000,000, General Aggregate \$2,000,000 Products/Completed Aggregate \$2,000,000, Personal Advertising Injury per occurrence \$1,000,000, Medical Expense 5,000	<u>CITY OF LAVON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION or material change in coverage.</u> Insurance company must be A-:VII rated or above.
3. Business Auto Liability to include coverage for: a) Owned/Leased vehicles b) Non-owned vehicles c) Hired vehicles	Combined Single Limit \$1,000,000	<u>CITY OF LAVON to be listed as ADDITIONAL INSURED and provided 30 DAY NOTICE OF CANCELLATION or material change in coverage.</u> Insurance company must be A:VII-rated or above.

With respect to the foregoing insurance,

- All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Lavon.

2. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Lavon, Texas of any material change in the insurance coverage.
3. All insurance policies shall be endorsed to the effect that the City of Lavon, Texas will receive at least thirty (30) days' notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name the City of Lavon, Texas as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
5. Insurance must be purchased from insurers that are financially acceptable to the City of Lavon and licensed to do business in the State of Texas.

All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Upon request, Contractor shall furnish the City of Lavon with complete copies of all insurance policies certified to be true and correct by the insurance carrier.

This form must be signed and returned with your quotation. You are stating that you do have the required insurance and if selected to perform work for CITY OF LAVON, will provide the certificates of insurance (and endorsements) with the above requirements to CITY OF LAVON within 10 working days.

A CONTRACT/PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE AND APPROVAL OF INSURANCE.

AGREEMENT

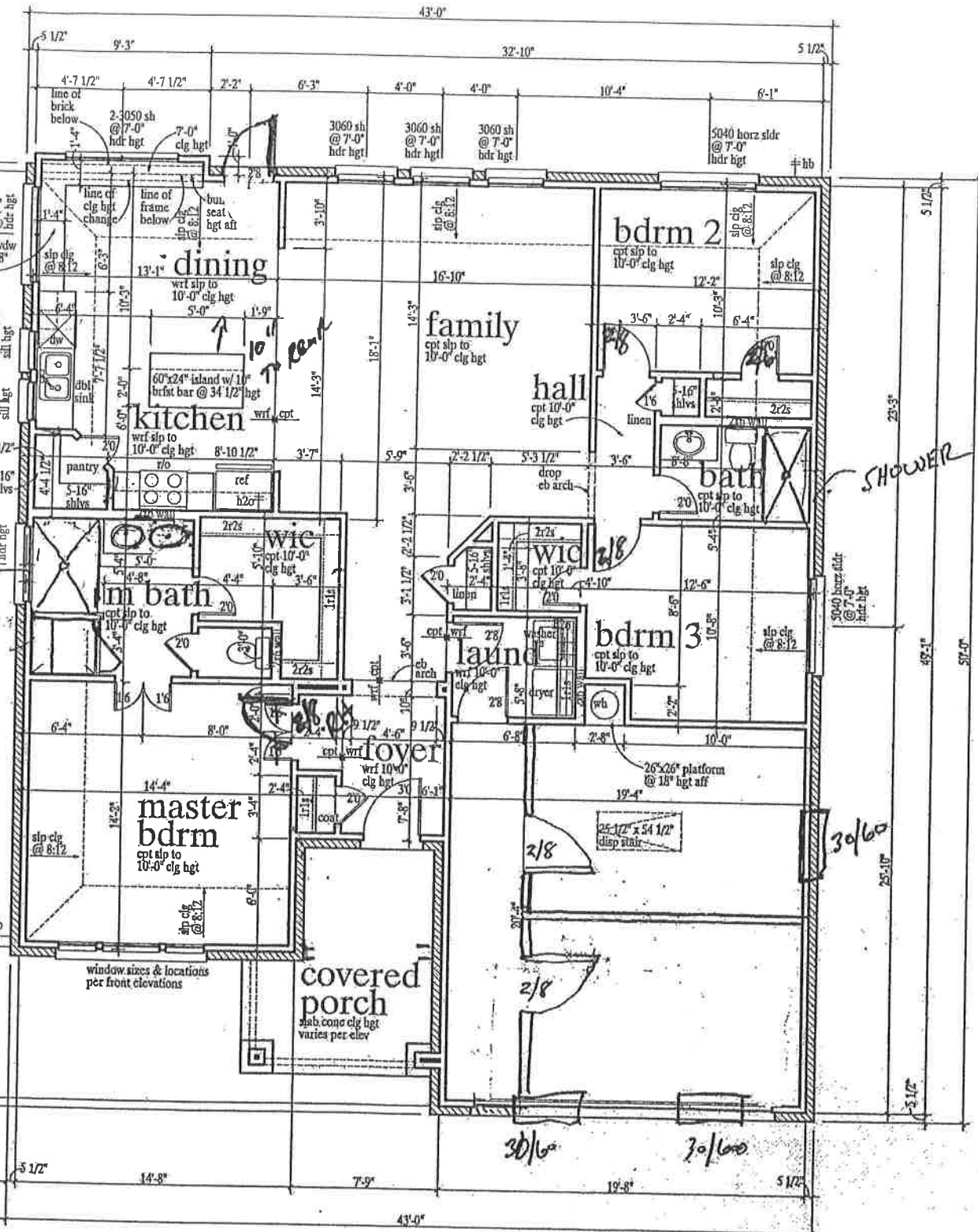
I agree to provide the above described insurance coverages within 10 working days if selected to perform work for CITY OF LAVON. I also agree to require any subcontractor(s) to maintain insurance coverage equal to that required by the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

Project/Bid# _____

Company: _____

Printed Name: _____

Signature: _____ **Date:** _____



floor plan
scale 1/4" = 1'-0"

note:
all frame walls are shown and dimensioned as 4" width
exterior brick walls are shown as 5 1/2" width

note:
refer to partial floor plan on elevation sheet for sizes & locations of doors & windows,
plate heights, lighting fixture locations, and porches, per each elevation

gas/electric per
community standards

the paintbrush

revisions
mech rev 10/27/10
misc rev 1/16/13
misc rev 6/1/14

issue date
2/24/10
drawn by
jme

BLOOMFIELD HOMES
1030 E Hwy. 114, Ste. 210 • Southlake, TX 76092
Office: (817) 416-1372 • Fax: (817) 410-1397

action
greensboro nc
D. Mac 252.744-0497

GARAGE RIGHT
PAINTBRUSH, ELEV. B
LOT 8, BLOCK D
GRAND HERITAGE
\$18 FANNIN DR.
LAVON, TX



cad ref
1507a1
plan number
GV

sheet number
A.1

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