

We constantly strive to construct and deliver a quality home. Realizing that a new home contains several thousand components and is constructed by numerous individual trade partners, there is the possibility that there will be situations that might require correction. Our commitment to you is to expeditiously and professionally correct “construction defects” in accordance with the terms and conditions of our HOME BUILDER’S LIMITED WARRANTY (referred to hereinafter in this Homeowner’s Manual as the “Limited Warranty”), a copy of which was given to you when you signed your Purchase Contract and which may be found within this document. Please note that the Limited Warranty Validation Form, referred to in the sixth paragraph of page 2 of the Limited Warranty, will be sent to you shortly after your closing. Additionally, during the first year, under our Customer Care Program, we will evaluate and, if we determine that it is appropriate, repair minor problems in your home that might not rise to the level of a construction defect under the Limited Warranty.

In support of our commitment, this document explains our Customer Care Program, which consists of five elements: our New Home Customer Service Program – Section 1; our First Year Customer Care Program – Section 2; our HOME BUILDER’S LIMITED WARRANTY – Section 3; our Standards of Performance – Section 4; Residential Construction Performance Guidelines – Section 5 and New Home Care and Maintenance – Section 6. Throughout this document the term Warranty Commencement Date means the date title to your home was first transferred to you by us as the developer, except as noted below in Subsection B) of this Section 1.

A) First Year Customer Care Program

We are very proud of our Customer Care Program. This program provides customer service assistance during the first year of your ownership. Under our Customer Care Program, we will evaluate and, if we determine that it is appropriate, repair minor problems in your home that might not rise to the level of a construction defect under the Limited Warranty.

B) HOME BUILDER’S LIMITED WARRANTY (the Limited Warranty)

The Limited Warranty provides coverage for construction defects for 10 years from the date title to your home was transferred to you by us as the developer (the “Warranty Commencement Date”); provided, however, if you have purchased a model home or completed but previously unoccupied spec home the Warranty Commencement Date for your home is the date of the issuance of the County of Maui Building Permit Final Inspection Approval for your home (“Final Permit Date”). The foregoing 10-year period is also hereinafter described as the “Warranty Period.”

Please Note and for greater certainty, a few examples follow: If you purchased a model or a completed but previously unoccupied spec home from us, then a portion of the 10-Year Warranty Period may have already elapsed. For example, if the Final Permit Date for the model or spec home was January 1, 2020 and you took title to your model or spec home on June 30, 2020, your Warranty Period is 9-1/2 years (“Applicable Limited Warranty Period”) and

your first year Customer Care Program is for 1 year from June 30, 2020. If you took title to your home on June 30, 2020 and your home was neither a model or completed but previously unoccupied spec home then your Applicable Limited Warranty Period is 10 years from June 30, 2019 and your 1-Year Customer Care Program is for 1 year from June 30, 2020.

When you signed your Purchase Contract, you received a copy of our Limited Warranty and signed a form agreeing to read the Limited Warranty in full prior to the title transfer of the home. The Limited Warranty is reproduced in Section 3 of this Homeowner's Manual for your ease of reference. We suggest that you carefully read through this information as well as the service procedures that are included in this section.

To comply with the terms of the Limited Warranty, as well as for reasons of accuracy, all non-emergency items for which you request service must be submitted in writing to **Towne Realty of Hawaii, Inc.** The "Request for Customer Care or Limited Warranty Service" form is provided for your convenience.

You may also submit a request electronically by visiting our website at www.townehawaii.com. In order to assure quality service, we do not accept non-emergency warranty service requests over the phone.

C) Standards of Performance

The Standards of Performance are set forth in Section 4 of this Homeowner's Manual. They describe the guidelines and tolerances for certain workmanship and materials within which we believe your new home should perform during the first year of the Warranty Period. They are designed to help all parties, including any arbitrator assigned to rule on the presence of a construction defect, determine the validity of any request for warranty performance made under the Limited Warranty. Please note that these standards are our building standards for your home and specifically relate to the one-year Customer Care Program, not the entire ten-year Warranty Period of the Limited Warranty.

It is not possible to list every component of a home in these standards, so only the most frequent types of conditions which can occur in a home during the first year are addressed in these Standards of Performance. When a guideline or tolerance is not addressed in these Standards of Performance for a condition that occurs during the first year, we will evaluate the flaw or imperfection reported to determine whether the condition is a construction defect due to the fact that it: (1) materially affects the structural integrity of the home or common elements; or (2) has an obvious and material negative impact on the appearance of the home or common elements due to a structural component failure in the home (this amends the second bullet point referenced at Section 11.A.2 at page 4 and Section IX at page 12 of the Limited Warranty); or (3) jeopardizes the life or safety of the occupants of the home or the users of the

common elements; or (4) results in the inability of the home or a common element to provide the functions that can reasonably be expected in such a home or common element. The terms and conditions of our Limited Warranty, including (1) through (4) immediately above, except as noted in Subsection D) of this Section 1 below, become the Standards of Performance in years two through ten of your Limited Warranty. Other considerations in determining in years two through ten whether a condition is a construction defect are found at Section II.A.3 through 7 and Section V of the Limited Warranty.

For convenience and ease of understanding, the Standards of Performance have been expressed in terms of performance standards, which set forth the acceptable tolerances for each area of concern. During the First Year Customer Care Program, non-compliance with the performance standards beyond the acceptable tolerances should be brought to our attention for inspection, and if it is determined to be a construction defect, it will be handled in accordance with the terms of the Limited Warranty.

All new homes go through a period of settlement and movement as the home reaches equilibrium. During the period, the home may experience some minor material shrinkage, cracking and other events, which are unavoidable and are considered normal. You should also be aware that you, as the homeowner, are responsible for proper home maintenance, such as preserving Builder-set drainage around the house, regular caulking of interior and exterior surfaces, and caring for grout on interior surfaces. Damage caused by you as the homeowner, improper maintenance or changes, alterations or additions performed by anyone other than our employees, or subcontractors is excluded from the Limited Warranty. Please refer to Subsection E) of this Section, to Section 6 of this Homeowner's Manual, and to Section III of the Limited Warranty relative to homeowner maintenance obligations.

D) Exclusion from Standards of Performance

Subsection II.A.1 of the Limited Warranty refers to the Residential Construction Performance Guidelines published by the National Association of Home Builders, "NAHB Guidelines", which is set forth in Section 5 of this Homeowner's Manual. Notwithstanding the provisions of Subsection II.A.1 of the Limited Warranty, the NAHB Guidelines which are attached as Section 5 of this Homeowner's Manual shall only be used as performance standards during the one-year customer care program and then only in accordance with the provisions of Section 4 hereof. We specifically disclaim use of the NAHB Guidelines in determining the existence of a construction defect after the first year of your Limited Warranty.

E) Homeowner Maintenance

Routine maintenance of the home is the homeowner's responsibility. This includes being aware of and applying the recommended procedures for using and maintaining all components of your home. Information included in Section 6 of this Homeowner's Manual, "New Home Care and Maintenance", is provided as a convenience to our homeowner(s) to deal with commonly asked

questions and is not intended to constitute a comprehensive discussion of all maintenance that is required to properly care for your new home.

Under the terms of the Limited Warranty, neglect of normal maintenance items may deprive your home of warranty coverage on the item(s) involved. Damage to the home which is a result of homeowner(s) negligence, abuse, misuse or inaction must be repaired by the homeowner(s) at their expense. Particularly in regard to landscaping and protection of the foundation and the concrete flat work, the homeowner's knowledge and maintenance are vital in protecting the home and maintaining the coverage under the Limited Warranty.

F) Coverage Limitations and Exclusions

Subsections IV and V of the Limited Warranty contain provisions relating to Limited Warranty coverage limitations and exclusions.