

The Arbitration Fee Schedule

ADMINISTRATION CASE FEES

Cases filed with DeMars & Associates, Ltd. may be:

- Single award cases, or
- Combined award cases **

Either type of case can be "complex" based on the issues, number of parties, or other considerations. The Administrator makes the determination on which cases will be deemed "Complex".

- Single Arbitration Case Fee \$1500*
- Combined Arbitration Case Fee \$1750*
- Contractual Case Fee \$2000

These fees include arbitrator compensation except as provided in Section 2. Any and all additional arbitrator fees will be addressed in the final decision letter, and the parties will be billed appropriately.

- Complex cases may involve additional administrative services which will be billed at an hourly rate of \$125/hour from the parties' advanced deposit of \$2,500.00 each, less any initial filing fee. Complex cases operate under the "complex" case rules.
- Refund of arbitration case fees will be made on a case-by-case bases. Arbitration case fees are due and payable when the request for arbitration is filed with DeMars & Associates, Ltd.

ADDITIONAL FEES

The arbitrating parties pay \$500* for each additional day of hearing scheduled after the first day. Additional fees are due if the number of items to be arbitrated are excessive.

MODIFICATION AND/OR CLARIFICATION FEE

The party advances an Administrative fee of \$150 when applying for Modification and/or Clarification, which is paid to DeMars & Associates, Ltd. (New Jersey Homeowner's fee is \$75 to be paid by the Warranty Administrator).

APPEAL FEE

The party advances an arbitration fee of \$1500 when applying for the appeal, which is paid to DeMars & Associates, Ltd.

COMPLIANCE INSPECTION FEE

The requesting party pays \$1500 per case to DeMars & Associates, Ltd. The request for a compliance inspection must be received within one year of the date of the arbitrator's decision.

CLIMATIC DEFERRAL FEE

The requesting party pays \$200* per case to DeMars & Associates, Ltd

ADJOURNMENT FEES

Any party causing an adjournment of any scheduled hearing is responsible for an adjournment fee payable to DeMars & Associates, Ltd. The fee increases if the adjournment occurs at or less than 48 hours prior to a scheduled hearing

The requesting party shall also pay any reasonably incurred expenses of the arbitrator in connection with the scheduled hearing.

**Certain fees mentioned above are not applicable to New Jersey Homeowners in accordance with State Statute, please contact CAPHome with questions.

**Appellate arbitrations are not available to New Jersey Homeowners with warranties starting after January 1, 2006, per Governor's Executive Order 33.

The Administrator reserves the right to charge the parties additional administration fees and postpone a hearing if any retainer invoices have not been paid by the outlined deadline. *Additional retainer or administrative fees will be billed in accordance with the needs of each case.



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DeMars & Associates, Ltd.

CAP HOME

CONSUMER ARBITRATION PROGRAM

Administered by DeMars & Associates, Ltd.

Please note: This brochure is not all-inclusive. A full version of the CAP-Home Program Rules may be obtained by contacting DeMars & Associates, Ltd.



Construction Arbitration Program

FOR HOME WARRANTY DISPUTES

PROGRAM RULES

Updated July 2023

AGREEMENT OF THE PARTIES

These rules shall apply whenever the parties agree to utilize them, or under any warranty, insurance, or similar dispute settlement program administered by DeMars & Associates, Ltd ("Administrator"). The rules shall be applied as provided in the application for home enrollment, certificate of participation, insurance policy, or other applicable warranty documents.

INITIATING THE PROCESS

Arbitration is initiated by the filing of a request for arbitration with the Administrator, in accordance with the applicable warranty documents or as provided under the application for home enrollment, certificate of participation, insurance policy, or other applicable warranty documents.

APPOINTMENT OF ARBITRATOR

The Administrator will appoint an arbitrator or a panel of arbitrators, who are knowledgeable to render a final decision based on the submitted claims. For example:

- An attorney arbitrator if the claims involve contractual or legal questions.
- A structural engineer if the claims involve questions of structural integrity.
- A home inspector if the claims involve questions of workmanship, installation, and other non-structural components.
- An architect if the claims involve issues involving the design and build of the home.

If the claims involved need a different type of professional than listed above, the Administrator will make the appropriate determination.

QUALIFICATIONS OF AN ARBITRATOR

A person appointed as an arbitrator must demonstrate the ability to remain impartial and must comply with all disclosure requirements. The arbitrator is responsible for notifying the Administrator of any other issues that may cause a party to reasonably consider that he/she cannot be impartial. If a party objects to the service of an arbitrator, the Administrator determines if the arbitrator should be disqualified. If an arbitrator is disqualified, if a vacancy occurs, or if an appointed arbitrator is unable to complete their duties in a timely manner, the Administrator appoints a replacement arbitrator.

WAIVER OF RULES

Any party who proceeds to arbitration with knowledge that any provision or requirement of these rules has not been complied with, and who fails to state his or her objections in writing to the Administrator prior to the hearing, waives his or her right to object.

SERVING OF NOTICE

Unless the Administrator is notified otherwise, the parties agree that any notices or documents required to start or continue arbitration under these rules will be served to the parties at the last known address of record. Acceptable forms of communication include facsimile, letter, or other written forms of electronic communication.

TIME AND PLACE OF HEARING

The Administrator sets the date, time and location of the hearing. Whenever possible, the hearing is held at the location of the complaint to allow the arbitrator and the parties the opportunity to view the claimed defects.

REPRESENTATION

Any party may attend the hearing or be represented at the hearing by another person. If a party is represented by an attorney, the party retaining an attorney must notify the Administrator and the other parties of the identity of their representative at least five (5) business days prior to the hearing.



ATTENDANCE

Any person who is a party to the arbitration may attend. Representatives and witnesses are also allowed to attend. The arbitrator may also exclude a non-party or other witness from other witnesses' testimony.

POSTPONMENTS

Hearings shall only be postponed by the arbitrator, and only for good cause. Any requests for postponement must be submitted through the Administrator, who will transmit the request to the arbitrator for a final decision.

CONFIDENTIALITY

The hearing is intended to be confidential. The parties may take appropriate notes during the hearing, but audio or video recordings are strictly prohibited. These are generally informal proceedings, and no stenographic record or transcript is provided.

PROCEEDINGS AND COMMUNICATION WITH THE ARBITRATOR

The arbitrator may conduct the hearing in any manner that the arbitrator considers appropriate for a fair and efficient resolution of the matters in dispute. In most cases the hearing will take no more than one day. There shall be no direct communication between the parties and the arbitrator unless initiated by the arbitrator in keeping with scheduling requirements.

ARBITRATION IN THE ABSENCE OF A PARTY

If a party or a party's representative fails to appear at the hearing after adequate notice, or fails to obtain an adjournment after adequate notice, the arbitrator may proceed with the hearing. There are no default decisions; therefore, the decision cannot be against the absent party simply for failure to appear at the scheduled date and time.

EVIDENCE

To make the determination, the arbitrator reviews all information submitted by the parties and may request that a party provide additional information should the arbitrator feel it necessary for a fair and equitable resolution of the dispute. The arbitrator may also request additional witnesses or documents be provided based on the request of a party. The arbitrator determines the relevance of any information provided and is not required to apply the rules of evidence. Any request pertaining to expanded rules of evidence will be decided upon by the arbitrator, who may request a preliminary conference or scheduling order.

EVIDENCE BY FILING OF DOCUMENTS

The arbitrator receives, and reviews written evidence. Any written evidence must be submitted through the Administrator to be distributed to all parties for review prior to the hearing. The arbitrator has the discretion to determine the scope of review of any evidence submitted at the hearing that was not previously provided for distribution to the other parties. All parties shall be supplied with copies of any additional evidence presented at the hearing.

CLOSE OF HEARING

Prior to ending the hearing, the arbitrator specifically asks the parties if they have any further information, testimony or witnesses to present. Once the parties inform the arbitrator that no more information will be offered, and the arbitrator is satisfied the record is complete; the arbitrator declares the hearing closed.



FORM OF AWARD

The award is in writing and includes an explanation regarding each claim decided by the arbitrator. The award is not final until the arbitrator signs it. The arbitrator's award is transmitted to all parties in writing within fourteen (14) business days of the hearing.

SCOPE OF AWARD

The arbitrator will render a decision that is fair and equitable within the parameters of the warranty or other applicable documents. If applicable, the award determines the existence of an eligible and nonexcluded defect or deficiency covered by the warranty and the time in which the builder or insurer will perform corrective action. If the applicable warranty, contract, or CAP-Home rules so provide, the arbitrator assesses any expenses in favor of any party and any additional arbitrator or administrative fees in the award.

MODIFICATION AND/OR CLARIFICATION

The request must be sent to the Administrator along with the required filing fee within twenty (20) business days of the date the award is transmitted to the parties. The request must specify the portion or portions of the award subject to the request and must be submitted in writing. Requests may be submitted by mail, facsimile or other written forms of electronic communication.

APPEALS

A party has twenty (20) business days from the transmission of the award or the answer to a modification request to request an appeal. The appeal must be submitted to the Administrator in writing via mail, fax or e-mail. Payment for the appeal must be submitted to the Administrator within the twenty (20) business day timeframe. The Administrator will appoint an appellate arbitrator(s). A copy of the appeal is transmitted to both parties along with information regarding the appellate arbitrator.

JUDICIAL PROCEEDINGS AND IMMUNITY

This program is intended as a fair and expeditious means of resolving home warranty disputes. If any party initiates a judicial proceeding before or during the arbitration process, it will not be considered a waiver of any party's right to arbitrate. The Administrator and the arbitrator are not necessary parties in a judicial proceeding related to the arbitration.

Neither the Administrator nor any arbitrator shall be liable to any party for any act or omission in connection with any arbitration conducted under these rules. The parties may not call any arbitrator or employee of DeMars & Associates, Ltd. as a witness or expert in any informal proceeding or legal action involving the parties related to a dispute subject to this program.

INTERPRETATION AND APPLICATION OF RULES

The arbitrator interprets and applies these rules insofar as they relate to the arbitrator's powers and duties. All other rules shall be interpreted and applied by the Administrator.

