

American West™

New Home Limited
WARRANTY
and
**PERFORMANCE
STANDARDS**

AmericanWestHomes.com

Congratulations on
Your New Home



You've made the right decision by purchasing an American West home. As a new American West homeowner, you can be proud to own a home that's built for reliability and intelligently designed to meet your needs.

This book provides you with all the details of your home's limited warranty. We're certain that years from now you'll be just as pleased to own an American West home as you are today.

A superior product is only as good as the name behind it. With your American West home, you can count on outstanding customer service during the sale, throughout construction, and through the warranty period.

That's why American West is among the most admired names in the industry and why American West homeowners confidently recommend us to friends, family and acquaintances.

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Overview



This section provides a general overview of the PulteGroup (Pulte Homes, Centex, Fox & Jacobs, DiVosta, Del Webb, American West and John Wieland Homes and Neighborhoods, as applicable) Home Protection Plan, which consists of the Limited Warranty and the Performance Standards (collective referred to herein as the "Limited Warranty") provided by PulteGroup (Pulte Homes, Centex, Fox & Jacobs, DiVosta, Del Webb, American West and John Wieland Homes and Neighborhoods, as applicable) through the building subsidiary identified in your purchase agreement for the home (the "Builder"). The specific details, limitations, and conditions of the Limited Warranty are provided to you (the "Homeowner") in this book. If your home is financed through FHA/VA, please see the HUD Addendum.

This Limited Warranty includes procedures for informal settlement of disputes, such as arbitration, which will be binding on the Homeowner and the Builder. Additional information on the binding arbitration procedure can be found in the "Resolving Disputes" section of this Limited Warranty.

In general, the Limited Warranty is a commitment that materials and workmanship are warranted for one year from the time of closing. The heating, air conditioning, electrical, and plumbing systems are warranted for two years from closing. Certain kinds of water infiltration and internal leaks are warranted for a period of five years from the time of closing. Defects in materials and workmanship in the structural elements of the home are warranted for ten years from closing. Elevators, Solar Systems, Smart Home Components (as defined in Section 3 below) and Consumer Products (as defined in Section 3 below) included in the home are not warranted by the Builder, but are covered by separate warranties provided by the manufacturer or supplier. These warranties are assigned to the Homeowner by the Builder at the time of closing. In the event that a timely claim is made under one of these warranties without response, the Builder will assist the Homeowner in attempting to resolve the problem with the manufacturer or supplier. During the first year, the Builder will correct the malfunction of an elevator, Solar System, Smart Home Component or Consumer Product installed by the Builder if the malfunction is due to damage during installation or improper installation.

The Spirit of the Warranty

Our Limited Warranty commitment is easy to understand and is based on COMMON SENSE. We believe the Homeowner has a right to expect a clean home complete and free of defects at the time of closing. Things should work. If there are problems because of defects in materials and workmanship, as outlined above and described in more detail later, the Builder will arrange for their repair or replacement. If a problem results from actions by occupants of the home or others, or from ordinary wear and tear, the Builder is not responsible for the resulting repair or replacement.

The Rights of Your Home

We view your Limited Warranty in terms of what you, as our customer, have a right to expect. We view the issue of preventative maintenance in terms of what your home has a right to expect from you. None of the materials used in the construction of your home will last forever; however, most will last for a long time if properly maintained. It is our desire to help you understand how to prolong the life of your home through regular maintenance that is appropriate for the types of material used in your home.

The following pages describe, in general terms, what the Homeowner has a right to expect from the Builder and what your home has a right to expect from you. Following that are sections on the Limited Warranty, Limited Warranty Exclusions, Limitation of Liability, Requesting a Home Repair, Waiver of Any Other Warranty's Exclusive Warranty, Resolving Disputes, Attached Homes, Insurer's Responsibility, and the Builder's Performance Standards.

Your Rights and the Rights of Your Home

These sections discuss, in general terms, what you can expect from the Builder in the construction of your home, and what your home should expect from you in ongoing maintenance and care. The actual coverage is described in the Limited Warranty provided in this book. The "Home Care Guide" will provide most of the information you need to provide your home with the appropriate level of preventative maintenance.

SECTION 1:

What the Homeowner Has a Right to Expect From the Builder

1.1 Soil Drainage

Your home has been placed on soil engineered to withstand the anticipated settlement based on soil conditions found in your area. It should not settle in such a way as to create structural problems during the Limited Warranty period.

1.2 Concrete Surfaces

The concrete surfaces in your home should fulfill the functions for which they were intended without excessive settlement, cracking, or secondary damage such as leaking. Since concrete is likely to crack, standards are defined in the detailed Performance Standards which follow.

1.3 Structural Integrity

Since homes are constructed by human beings using a variety of materials, small tolerances are normal. What we consider unacceptable tolerances are defined in the detailed Performance Standards which follow.

1.4 Intrusion of the Elements

Your home should not leak. Exceptions might occur such as when a driving rain forces water into vents, windows, or under doors. Under normal circumstances, your home should protect you from the intrusion of the elements.

1.5 Mechanical Systems

Those systems installed in your home to provide power, water, treated air, ventilation, and waste disposal should work.

1.6 Finished Surfaces

Finished surfaces should maintain uniform or characteristic appearances for a reasonable period of time. Cracks or surface deterioration should be repaired as provided in the Limited Warranty.

1.7 Care and Maintenance

Although things wear out, components in your home should last a reasonable length of time (assuming you give them appropriate care and maintenance). This time will vary with geographical regions, the types of materials involved, and usage. As time goes on, adjustments will be required.

1.8 Common Elements

If your new home is part of a multifamily development, the common elements should be in the same clean and completed condition as your unit. This includes entries, common hallways, and common utility and service areas.

SECTION 2:

What Your Home Has a Right to Expect From You

2.1 Your home and lot were designed with a particular drainage pattern, which should carry rainwater away from the foundation. Water should not be directed to the edge of the foundation, either in the form of lot drainage or the watering of flowers.

2.2 Concrete surfaces should be free of salts (for ice), other deicing chemicals, and excessive weight such as a moving van. Yard drainage should be maintained to divert water away from concrete surfaces, if possible, to eliminate the chance it will undermine the surface and erode the bearing soil.

2.3 Structural alterations to the home must be performed by professionals who understand the load-bearing requirements of the change. The reason that local municipalities require permits for building alterations is to make sure that the structural integrity of the home is maintained.

2.4 In many cases, the seal around doors and windows is caulk. This material will require annual inspection and any necessary replacement after one to two years. Water from yard and lawn watering devices should not come in contact with the structure.

2.5 Since the mechanical systems of your home were designed for normal usage, placing unreasonable demands upon them will present problems. Plugging several electrical devices into one circuit may cause it to overload. Loading materials into a drain may cause it to clog. Undue weight should not be placed on pipes or showerheads because they can break. Some devices must be cleaned periodically (e.g., furnace filters so that they can do what they were designed to do.

2.6 Wood requires cleaning and sealing to prevent problems associated with water penetration and continual exposure to the elements. Painted or sealed surfaces must be cleaned and refinished according to the requirements of your geographic area. If this is not done, the surface will deteriorate.

2.7 Instructions for care and maintenance are included with many components of your home, including finished flooring, appliances, and air handling equipment. By following these instructions you will extend the life of these components.

2.8 The common areas require the same care and maintenance as your home. Although your homeowner or condo association is responsible for maintenance, all residents should strive to keep these areas clean and usable.

TWO

The Limited Warranty



The Homeowner should read the Limited Warranty in its entirety, including any addenda attached at the end of this Limited Warranty booklet, in order to understand the protection it provides, exclusions that apply, and the performance standards which determine coverage in each case. FHA/VA Homeowners refer to those sections of this Limited Warranty as noted by a dagger (†) indicating the applicability of the HUD Addendum.

SECTION 3:

The Limited Warranty

The Builder's Limited Warranty relates only to "Covered Defects," which are defined as defects in material and workmanship that are either part of the structure or are elements of the home as supplied by the Builder at the date of closing. The existence of a Covered Defect does not constitute a breach of this Limited Warranty; however, the Builder is obligated to repair or replace the item to conform to the Performance Standards. This is not an insurance policy, nor a maintenance agreement, but a definition of what the Homeowner has a right to expect in terms of warranties.

This Limited Warranty is provided to the original purchaser of the home and to all subsequent owners who take title within the Limited Warranty period identified in the Performance Standards, and use the home for their residence only.

IMPORTANT NOTE:

One-year Coverage

The Builder warrants the construction of the home will conform to the tolerances for materials and workmanship, as defined in the Performance Standards, for a period of one year after the closing date.[†]

Two-year Coverage

The Builder warrants the workability of the plumbing, electrical, heating, ventilating, air conditioning, and other mechanical systems, as defined in the Performance Standards, for a period of two years after the closing date.

Five-year Coverage

The Builder warrants against various types of water infiltration and internal leaks, as specifically defined in the Performance Standards, for a period of five years after the closing date.

Ten-year Coverage

The Builder warrants the construction of the home will conform to the tolerances set forth in the following Performance Standards for Structural Elements for a period of ten years after the closing date, subject to the limitations set forth below. Structural Elements are footings, bearing walls, beams, girders, trusses, rafters, bearing columns, lintels, posts, structural fasteners, subfloors, and roof sheathing. Floating slabs and partition walls that do not carry any load other than their own weight are not Structural Elements. A Structural Element will not be deemed defective, and no action will be required of the Builder, unless there is actual physical damage that diminishes the ability of the Structural Element to perform its load-bearing function such that the home is unsafe.

[†]See the HUD Addendum for modifications to this section.

Limitation of Liability

It is understood and agreed that the Builder's liability, whether in contract, tort, statute, negligence, or otherwise, is limited to the remedy provided in this Limited Warranty. The Builder's obligations under this Limited Warranty, and under the purchase agreement, are limited to repair and replacement. Under no circumstances shall the Builder be liable for any special, indirect, or consequential damages, including without limitation any damages based on a claimed decrease in the value of the home, even if the Builder has been advised of the possibility of such damages. This Limited Warranty is the only warranty applicable to this purchase. To the extent permitted by law, all other warranties, expressed or implied, including, but not limited to, all implied warranties of fitness, merchantability, or habitability, are disclaimed and excluded.

In the event of any inconsistency between this Limited Warranty and the Performance Standards, the terms of this Limited Warranty shall control. Notwithstanding anything to the contrary set forth above, the Limited Warranty on common elements associated with a multifamily condominium building begins to run on the closing date of the first unit sold in each building. For a definition of common elements, see your condominium or other relevant documents.

If a defect occurs in an item covered by this Limited Warranty, the Builder will repair or replace it to conform to the Performance Standards. In the case of defects in Structural Elements, the Builder will repair or replace the Structural Element to restore the load-bearing function, as designed, and make such other repairs as are necessary to return the home to a safe status. The repair of a defect will include the correction, replacement, or refinishing of only those surfaces, finishes, and coverings that were damaged by the defect and that were a part of the home when the title was first transferred by the Builder. The Builder will repair or replace surfaces, finishes, and coverings that require removal in order for the Builder to repair or replace a defect. The extent of the repair or replacement of these surfaces, finishes, and coverings will be to approximately the same condition they were in prior to the defect, but not necessarily to a "like new" condition. The Builder cannot guarantee, nor does it warrant, exact color matches with the original surrounding area due to factors such as fading, aging, or unavailability of the original materials.

The Builder assigns the Homeowner warranties furnished by the manufacturer to the Builder for Consumer Products, and, if installed in the home, Elevators, Solar Systems, and Smart Home Components. The term "Consumer Products" means all appliances, pieces of equipment or other items within the home that are a consumer product for the purposes of the Magnuson-Moss Warranty Act (15 U.S.C § 2301 et seq.), including without limitation, a refrigerator, freezer, trash compactor, range, oven, kitchen center, dishwasher, oven hood, microwave oven, clothes washer and dryer, air-conditioning system, boiler, heat pump, space heater, furnace, central vacuum system, smoke detector, fire alarm, humidifier, ice maker, garage door opener, chimes, waterpump, intercom, burglar alarm, whirlpool bath, garbage disposal, water heater, electronic air cleaner, exhaust fan, thermostat, fire extinguisher, electric meter, gas or electronic barbecue grill, water softener and sump pump. The term "Solar System" means all components of the solar energy system, including without limitation, the solar power electrical inverter, wiring, mounting hardware and other related equipment. The term "Smart Home Components" includes all hardware, software and other components of any computer network, data network or telecommunications network within the home, whether wired or wireless, including, without limitation, modems, routers, access points and extenders, and any home automation devices, smart devices, remote controls, connected devices or other components connected to any such network (which may include, by way of example, but not limitation, smart thermostats, or other climate control devices, lighting controls, garage door controllers, door locks, security systems interfaces or controllers, speakers, smart speakers, voice controls and intelligent personal assistants). The Builder provides no warranty on any of those items except where the malfunction is due to damage during installation or improper installation. If it is necessary to request warranty service in such a case, the Homeowner must make a request directly to the manufacturer. In the unlikely event that the manufacturer is not responsive to the request, the Builder will assist the Homeowner in attempting to obtain the necessary repairs or replacements from the manufacturer.

The benefits included in this Limited Warranty are only available when service is requested according to the procedures established by the Builder and included in your Limited Warranty material. In addition, the Homeowner's failure to reasonably provide access to the home during normal working hours for making repairs will relieve the Builder from its obligations under this Limited Warranty. The Builder's aggregate total liability shall not exceed the original contract price of the home.

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

SECTION 4: Limited Warranty Exclusions

This Limited Warranty excludes any loss or damage which is not a Covered Defect, including:

4.1 LOSS OF, OR DAMAGE TO, ANY REAL PROPERTY WHICH IS NOT PART OF THE HOME COVERED BY THIS LIMITED WARRANTY AND WHICH IS NOT INCLUDED IN THE ORIGINAL PURCHASE PRICE OF THE HOME AS STATED IN THE CLOSING DOCUMENTS.

4.2 Any damage to the extent it is caused or made worse by:

(A) Negligence, improper maintenance, or intentional or improper operation by anyone other than the Builder or its agents or subcontractors, including, but not limited to, damage resulting from rot, corrosion, or rust.

(B) Failure by the Homeowner or anyone other than the Builder or its agents or subcontractors to comply with the warranty requirements of manufacturers of elevators, Solar Systems, Smart Home Components and Consumer Products included in the home.

(C) Failure by the Homeowner to give timely notice to the Builder of any defects.

(D) Changes in the grading of the ground by anyone other than the Builder or its agents or subcontractors.

(E) Changes, alterations, or additions made to the home by anyone other than the Builder or its agents or subcontractors after the Limited Warranty commencement date.

(F) Dampness or condensation due to the Homeowner's failure to maintain adequate ventilation.

4.3 Loss or damage that the Homeowner has not taken timely action to minimize.

4.4 Any defect caused by, or resulting from, materials or work supplied by someone other than the Builder or its agents or subcontractors.

4.5 Normal wear and tear or normal deterioration.

4.6 Loss or damage not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the home by the Builder or its agents or subcontractors.

4.7 Loss or damage caused by, or resulting either directly or indirectly from, accidents, riots and civil commotion, theft, vandalism, fire, explosion, power surges or failures, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, tornado, hurricane, mudslide, earthquake, and volcanic eruption.

4.8 Loss or damage caused directly or indirectly by flood, wind-driven water, surface water, waves, tidal waves, overflow of a body of water, or spray from any of these (whether or not driven by wind); water which backs up from sewers or drains; changes in the water table which were not reasonably foreseeable at the time of construction, or water below the surface of the ground (including water which exerts pressure on, or seeps or leaks through, a building, sidewalk, driveway, foundation, swimming pool, or other structure); wetlands, springs, or aquifers.

4.9 Loss or damage caused by soil movement, including subsidence, expansion, or lateral movement of the soil (excluding flood and earthquake), which is covered by any other insurance or for which compensation is granted by state or federal legislation.

4.10 Loss or damage to the home, persons, or property directly or indirectly caused by termites, other insects, birds, vermin, rodents, or other wild or domestic animals.

4.11 Loss or damage resulting from the use of the home for nonresidential purposes.

4.12 Loss or damage caused by failure to maintain proper temperatures (heating and cooling) within the home.

4.13 Loss or damage to utility services that were not installed by the Builder.

4.14 Any condition which does not result in actual damage to the home, including, but not limited to, uninhabitability or health risk due to the presence or consequence of electromagnetic fields (EMFs), radon gas, mold, formaldehyde, or other pollutants and contaminants; or the presence of hazardous or toxic materials.

4.15 Bodily injury or damage to personal property.

4.16 Loss or damage caused by, or resulting from, abnormal loading of Structural Elements by the Homeowner, which exceeds design loads as mandated by codes.

4.17 Consequential damages including, but not limited to, costs of shelter, food, and transportation; moving and storage; any other expenses related to inconvenience or relocation during repairs to the home; and any diminution of the market value of the home.

4.18 Loss or damage to elevators, Solar Systems, Smart Home Components and Consumer Products which may be included within the home.

SECTION 5:

Requesting a Home Repair

5.1 Procedure

If you believe there is a construction defect covered by this Limited Warranty, you must take these steps:

(A) **Step 1 - Contact us.** Contact us with details of your concerns as soon as possible. Conditions that could cause additional damage, such as water leaks, should be reported immediately. Do not communicate your request to any person that is not our employee, such as a contractor. Please contact our local office and ask to speak with a Limited Warranty or customer service representative. If you do not know the contact information for our local office, please visit our Web site at www.americanwesthomes.com.

Our goal is to promptly respond to all warranty-related requests, so if you do not receive an acknowledgment within a reasonable time, please follow up to make sure your message was not misdirected. Except as otherwise required by law, all Limited Warranty claims must be received by us no later than 30 days after the expiration of the applicable warranty coverage period. Please note this provision does not extend the Limited Warranty coverage period.

(B) **Step 2 - Allow us to investigate.** We will review the information you give us and investigate your concerns. Our investigation may involve sending employees or consultants to your home to inspect the component or to perform tests or other analysis. If that is necessary, we will need your cooperation, which will often include, but not be limited to, meeting us or our representatives at your home during normal working hours.

(C) **Step 3 - Our response.** After investigating, we will inform you whether there is a construction defect covered under this Limited Warranty. If there is a covered construction defect, we will repair or at our option replace it as provided in this Limited Warranty. Alternatively, instead of correcting the construction defect, we may decide at our option to pay you the reasonable cost of correction.

(D) **Step 4 - Repair process.** We will need access to your home during our normal working hours to perform the repair work. We prefer not to be in your home when you are not there, so we may ask you to be at home when the work is performed. We will start and complete the work as soon as possible based on your schedule, our work schedule, and the availability of the contractors and materials required to do the work. Your cooperation and flexibility are needed for us to complete the work promptly.

5.2 Failure To Allow Us To Make Repairs

We are not responsible for any damage that occurs because you failed to allow us to timely make repairs. Additionally, if you make or pay for repairs without first notifying us of the problem and allowing us to investigate and repair it as required by this Limited Warranty, then we will not reimburse you for those repairs.

5.3 Emergency Repairs

If an emergency condition exists that requires immediate repairs to protect the safety of occupants of your home or to prevent imminent serious damage to your home, you may make the repairs and we will reimburse you the reasonable cost of those required repairs that would otherwise be covered by this Limited Warranty. You are still obligated to give us notice as soon as possible, even in an emergency situation.

5.4 Repairs by or Payment From Insurance Company – Waiver of Claims

Coverage for construction defects is provided by this Limited Warranty, and we encourage you to submit construction defect claims to us. This Limited Warranty, however, is not a homeowner’s insurance policy, which typically provides coverage for certain property damages and casualty losses. If you receive from an insurance company or any other party payment or repairs relating to or arising from a construction defect, then to the extent permitted by law you hereby waive for yourself and on behalf of anyone acquiring rights through you, including, but not limited to, any insurance company, all subrogation claims, and other claims against us or such payments or repairs received by you.

SECTION 6:

Waiver of Any Other Warranty’s Exclusive Warranty

To the fullest extent permitted by law, all warranties regarding your home and any building common element, including, but not limited to, statutory and implied warranties, are hereby disclaimed by us and waived by you. This Limited Warranty is substituted in place of all such warranties. This means that this Limited Warranty is the only warranty that applies and governs your and our rights and obligations related to your home and that there are no other warranties except as may be required by law.

6.1 Examples of Disclaimed Warranties

Examples of warranties that are disclaimed by us and waived by you include, but are not limited to, statutory warranties, implied warranties, implied warranty of quality or fitness for use or a particular purpose, a warranty of construction in a good and workmanlike manner, warranty of habitability, and warranty of merchantability.

6.2 Non-waivable Warranties

You are entitled to (and nothing in this section reduces) any warranty coverage provided by law that may not by law be waived, disclaimed, or reduced by this Limited Warranty or substituted with the terms of this Limited Warranty. If an arbitrator or court determines that a warranty cannot be waived, disclaimed, or reduced by this Limited Warranty or substituted with the terms of this Limited Warranty by law, then the specific term in this Limited Warranty that conflicts with the warranty term that may not be waived, disclaimed, reduced, or substituted will not apply, but all other terms will remain applicable to the extent permitted by law.

SECTION 7: Resolving Disputes[†]

7.1 Overview

Our preferred method of resolving Limited Warranty claims is to address them directly with you. That is why we require the procedure described in Section 5. If we, however, are unable to resolve your concerns, you have the option of requesting mediation as provided in Section 7.2 below. If you elect not to pursue mediation or if mediation does not resolve the dispute, then the dispute must be resolved by binding arbitration as provided in Section 7.4.

7.2 Mediation by PWSC

If you are not satisfied with our response to your Limited Warranty request, you have the option of requesting mediation of your Limited Warranty request by providing written notice to Professional Warranty Service Corporation ("PWSC"). PWSC's contact information is:

Professional Warranty Service Corporation,
P.O. Box 800, Annandale, VA 22003-0800
(4443 Brookfield Corporate Drive, Suite 300,
Chantilly, VA 20151).

Confirm the physical address before sending hand-delivered materials by calling 800.850.2799. Mediation is not arbitration. It is simply the process of a third party trying to help other parties resolve a dispute. If PWSC is unable to successfully mediate your Limited Warranty request within 45 days after PWSC's receipt of the mediation request, or at any earlier time that PWSC determines that you and American West are at an impasse, PWSC will notify you that your Limited Warranty request remains unresolved. At any time you may terminate the mediation process. Your election to mediate a dispute regarding your Limited Warranty request does not eliminate your obligation to comply with state procedures as described in this section.

7.3 State Procedures - Prior to Arbitration

Some states require parties to take preliminary steps before an arbitration or legal action may proceed. Those steps may include, but are not limited to, a notice of alleged defects by the Homeowner to a specific person or by specific means (such as certified mail or personal delivery) using particular notice language. Any response by us to a notice that does not comply with the applicable state's requirements will not be a waiver of our rights under the applicable state law.

7.4 Arbitration

If a claim relating to your home or this Limited Warranty is not resolved, we believe it is best to have a fair and efficient way to resolve that claim. Accordingly, either party must submit any unresolved claim or dispute concerning your home or this Limited Warranty, whether based on statute, in tort, contract, or other applicable law (including, but not limited to, any and all claims, cross- or counterclaims, defenses, and/or affirmative defenses related to the purchase and sale of your home, disputes regarding whether a defect is covered by this Limited Warranty, and claims for personal injury) to binding arbitration, except that either party may bring any claim to a small-claims court if the claim is within the small-claims court's geographic and monetary jurisdiction. Binding arbitration means that we each give up the right to go to court or jury to assert or defend rights (except for matters that may be taken to small-claims court). That does not mean, however, that you give up any claims simply by presenting those claims to an arbitrator. The parties' rights will be determined by a neutral arbitrator and not by a judge or jury. An arbitrator's decision is final and binding, subject to appeal as provided later in this Limited Warranty. If a party uses litigation to enforce the requirement to arbitrate, the court will award such party its court costs and reasonable attorneys' fees.

[†]See the HUD Addendum for modifications to this section.

7.5 Applicable Law

This Limited Warranty, including, but not limited to, the arbitration provision, will be governed by the Federal Arbitration Act ("FAA") which overrides and preempts certain state, local, or other laws concerning arbitration, including, but not limited to, laws that have the purpose of defeating or restricting arbitration.

7.6 Appointment of Arbitrator

The arbitration will be conducted before an arbitrator appointed by the American Arbitration Association (the "AAA"). If the AAA declines to arbitrate a dispute, or if the AAA is not available, the parties will agree to an alternative arbitrator or have a court appoint a new arbitrator whose experience and training in construction arbitration is similar to that of an AAA-trained arbitrator. Any disputes concerning the interpretation, the enforceability, or the unconscionability of this arbitration agreement, including, without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense, including, without limitation, defenses based upon waiver, estoppel, or laches, shall be decided solely by the arbitrator.

7.7 Construction Arbitration Rules

The arbitration will proceed in accordance with the AAA's rules applicable to the dispute. With respect to any portion of the dispute pertaining to a construction issue, the arbitration will proceed in accordance with the AAA's Home Construction Arbitration Rules. If those rules have been repealed or replaced at the time the arbitration claim is filed, the AAA's rules then most applicable to residential construction will apply. However, we will be entitled to visually inspect and perform testing on any component claimed to have a construction defect, and no AAA rule shall apply if it is inconsistent with the provisions of this Limited Warranty.

7.8 Joinder of Additional Parties to Arbitration

We both agree that:

(A) Any dispute covered by Section 7.4 that involves claims against our officers, directors, agents, employees, representatives, and parent, subsidiary, affiliate, or successor entities or affiliated companies also will be resolved through binding arbitration as set forth herein. Both parties agree that this arbitration agreement inures to the benefit of those parties.

(B) Either party may join as a party to the arbitration any third-party consultant, contractor, subcontractor, or supplier (including, but not limited to, any contractor, vendor, engineer, architect, or design professional) involved in the dispute.

7.9 Initiating Arbitration

Either party may begin the arbitration process by filing a demand for arbitration with the AAA and serving a copy of the demand on the other party. To the extent not consistent with the FAA, all of the provisions of this paragraph are subject to the general qualification that state laws, requirements, and rules, including, but not limited to, state filing limitations (such as statutes of limitation and statutes of repose), may affect how and when arbitration may be initiated and administered. The following is a brief description of the steps to initiate arbitration and the arbitration process:

(A) **Step 1 - Filing a request.** The party initiating arbitration must notify the AAA in writing of the request for arbitration under the terms of this Limited Warranty. If we initiate arbitration, we will pay the AAA's filing fee and any other administrative fee or cost charged by the AAA to initiate the arbitration. If you initiate arbitration, you will pay the lesser of half of those costs and fees or the amount provided by the AAA rules and we will pay the other half or remainder. Any other costs or fees shall be paid in accordance with the AAA rules. Except as otherwise required by law, your arbitration request must be received by the AAA no later than 90 days after the expiration of the applicable Limited Warranty coverage period. Please note this provision does not extend the Limited Warranty coverage period.

(B) **Step 2 - Hearing.** The arbitration will probably be held at a location agreed to by the parties, usually in the metropolitan area where the home is located. The hearing typically will be scheduled by the arbitrator or the arbitration organization at a time mutually agreeable to all parties. At the hearing, the arbitrator will hear and consider evidence presented by all parties. If a party timely notifies the AAA of a request for a record of the hearing prior to the earlier of the hearing date or the date, if specified, in the AAA's rules, the arbitrator will preserve all evidence presented at the arbitration. Oral evidence will be preserved in a manner that it can be converted into a written transcript. The costs of the record will be paid by the party requesting the record or shared equally among the parties requesting a copy.

(C) **Step 3 - Award.** The arbitrator's award will decide whether there is a construction defect covered by this Limited Warranty and, if requested by a party, the scope and manner of correction. The arbitrator's award will be based on applicable law, except to the extent the FAA overrides and preempts state, local, or other law, and will include findings of fact and conclusions of law. If permitted by the AAA rules, either party may request a written explanation of the award. Each party will bear its own attorneys' fees and costs.

(i) **Right to appeal award.** Each party has the right to appeal the arbitrator's award to the AAA by filing a written notice with the AAA (with a copy to the other party) within 30 days of the date of the arbitrator's award. The party appealing the award shall pay the fees necessary to initiate the appeal. If both sides appeal, the fees shall be split 50/50. The notice of appeal must include the specific items the party seeks to change in the award and the supporting facts and law. The appeal will be heard by a panel of three arbitrators from the AAA. The appeal will be conducted in accordance with the applicable rules of the AAA and provisions of this Limited Warranty as if the claim was being initially filed with the AAA, except that: (1) the only issues to be determined on appeal are the issues described in the notice of appeal and any issues raised by the non-appealing party in response to the issues in the notice of appeal, (2) the arbitrator's award on appeal will be final, binding, and non-appealable, and (3) no new evidence will be accepted or considered by the arbitrators if a record of the initial arbitration was made.

(ii) **Award final.** The award of the arbitrator will be final, subject to appeal as provided above. If a notice of appeal from the initial hearing is not received by the AAA within 30 days after the date of the initial award, then the initial award will be final. Once the award is final, it will be binding on and enforceable against all parties, except as modified, corrected, or vacated according to the applicable arbitration rules and procedures or to the extent not consistent with the FAA or applicable state law. Either party may present the final award to any court having jurisdiction over the dispute to enter that award as a judgment of the court.

7.10 Step 4 - Repairs. Unless designated otherwise in the award (and unless appealed), we will, within ten days after a final award, elect to either perform the correction awarded by the arbitrator or, at our option, pay you the reasonable cost of such correction. If we elect to perform a correction under an award, we will complete the correction within 60 days after a final award or as may be specified by the arbitrator. If the correction cannot be reasonably completed in that time, the arbitrator must grant reasonable additional time to make the correction. If you believe that the correction was not performed satisfactorily or in a timely manner, you may have these issues determined in a later arbitration. If the cost of the correction is not specified in the award and we elect to pay you the reasonable cost of the correction, you may have the amount of that payment reviewed in a later arbitration.

SECTION 8:

Attached Homes

8.1 Scope of Limited Warranty for Attached Homes

For homes that are physically attached to other homes, this Limited Warranty includes coverage for both the portion of the home owned exclusively by you and the building common elements. Building common elements are those elements and property that are part of the building or structure in which the home is located, and (2) either owned in common by all of the owners in the building or owned, insured, or maintained by an owner's association. Building common elements may, but do not always, include items such as walls, foundations, and roofs.

However, building common elements do not include items such as clubhouses, exterior walkways, streets, swimming pools, and recreational buildings.

8.2 Limited Warranty Coverage Period Commencement Date for Building Common Elements

Unless otherwise required by law, the Limited Warranty coverage period commencement date for building common elements will begin on the date title to the first home in the building is transferred to the first homeowner in that building and end on the expiration date of the applicable Limited Warranty coverage period.

8.3 Filing a Limited Warranty Claim

(A) Component other than building common element. You may make a Limited Warranty claim for construction defects in a component of your home that is owned exclusively by you and not maintained or insured by the owner's association.

(B) Building common elements. Unless otherwise required by law, claims that a building common element has a construction defect must be made by the owner's association, and may not be made by an individual Homeowner. If you believe a building common element has a construction defect, you should inform your association. Although you may contact us to report a construction defect, this does not change the fact that the association, through its board of directors or a validly elected or appointed officer, is the appropriate party to submit, process, or settle claims related to building common elements.

SECTION 9:

Insurer's Responsibility

In certain situations as required by HUD, VA, or other laws or regulations, this Limited Warranty is backed by an insurance policy, as further described in the HUD Addendum. In those situations, in the event the Builder is unable to meet its obligations under this Limited Warranty and a Limited Warranty claim must be resolved by the Insurer, the following conditions shall apply:

9.1 The decision of whether to repair or replace a defective item, or pay the Homeowner the reasonable cost of doing so, is the Insurer's.

9.2 The total liability of the Insurer under this Limited Warranty is limited to, and shall not exceed, the lesser of the following:

(A) The contract price of the home;

(B) The reasonable cost of that part of the home damaged for like construction and use on the same premises;

(C) The necessary amount to repair or replace the portion of the building damaged by a Structural Element defect, less all amounts paid by, or on behalf of, the Builder or the Insurer under this Limited Warranty.

9.3 Actions taken to cure defects will not extend the period of coverage specified in this Limited Warranty.

9.4 When the Insurer finishes repairing or replacing, or pays the Homeowner the actual cost for repairing or replacing a claim under this Limited Warranty, the Homeowner must execute a full and unconditional release of all Insurers' obligations with respect to the claim. The Insurer shall be subrogated to all the Homeowner's rights including, but not limited to, assignment of the proceeds of any other insurance or warranties to the Insurer. The Homeowner shall do nothing to prejudice such rights of subrogation.

9.5 The Insurer's Warranty coverage is in excess of coverage provided under other warranties or insurance, whether collectible or not

9.6 Any claim involving a common element in a condominium must be made by an authorized representative of the condominium association.

9.7 If the Insurer decides to pay the reasonable costs of repairing a claim, the payment shall be made to, or on behalf of, the Homeowner and any mortgagee or their successors, as each interest may appear, provided the Insurer shall not have any obligation to make payment jointly to the Homeowner and mortgagee where the mortgagee has not notified the Insurer in writing of its security interest in the home prior to such payment. Any mortgagee shall be completely bound by any conciliation or arbitration relating to a claim between the Homeowner and the Insurer.[†]

9.8 Any dispute between the Homeowner and the Insurer related to, or arising from, this Limited Warranty will be resolved by binding arbitration.[†] Any such binding arbitration will be initiated by contacting the Plan Administrator to obtain a Binding Arbitration Request Form. The process for such arbitration will be conducted in the same manner as outlined in Section 7 of this Limited Warranty.

[†]See the HUD Addendum for modifications to this section.

THREE

HUD Addendum



SECTION 10:

HUD Addendum

The following language is added to Section 3 of the Limited Warranty

The effective date will be the date on which closing or settlement occurs in connection with the initial sale of the home. In no event will the effective date be later than the date of FHA endorsement of your mortgage on the home. Notwithstanding anything to the contrary herein contained, during the first year of coverage, the Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the home to comply with the standards of quality as measured by acceptable trade practices. Construction Deficiencies are defects (not of a structural nature) in the home that are attributable to poor workmanship or to the use of inferior materials, which result in the impaired functioning of the home or some part thereof. Defects resulting from abuse by the Homeowner or someone else or from normal wear and tear are not considered Construction Deficiencies. The Homeowner may ask for a review and resolution of a disputed claim by HUD prior to engaging in arbitration.

TEN-YEAR COVERAGE

Structural defect is actual physical damage to the designed load-bearing portions of a home caused by failure of such load-bearing portions that affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary, or otherwise unlivable. Load-bearing components, for the purpose of defining structural defects, are defined as follows: footing and foundation systems; beams; girders; lintels; columns; load-bearing walls and partitions; roof framing systems; and floor systems, including basement slabs for the first through fourth years where the home is located in an area designated by HUD regulations on the effective date of this Limited Warranty as containing expansive or collapsible soils (HUD has designated the State of Colorado as such an area).

In those situations where HUD, VA, or other applicable laws or regulations require insurance backing, the Builder is insured by a member of the Zurich-American Insurance Group ("Insurer") for its obligations arising from this Limited Warranty to benefit the Homeowner should the Builder not perform its obligations as contained in this Limited Warranty.

The Limited Warranty coverage for basement floor slabs in the State of Colorado is extended from the first through the fourth year.

The following language is added to Section 7 of the Limited Warranty

The Homeowner of a home with original FHA/VA financing is not required to submit disputes related to or arising out of this Limited Warranty to the Binding Arbitration procedure available here; however, if the Homeowner elects to pursue the dispute to a final resolution, including judicial resolution of disputes, such election shall bar the Homeowner from pursuing the same dispute against this Limited Warranty through the Binding Arbitration procedure provided herein.

The following language is added to Section 9 of the Limited Warranty

If the Insurer of this Limited Warranty decides to pay the reasonable costs of repairing a claim:

1. The Homeowner will have ten (10) days to respond to the offer to make payment.
2. If the payment offer is in excess of \$5,000.00, the offer must have been made pursuant to a binding bid by an independent third-party contractor that the Homeowner may contract to perform the repairs, except where:
 - a. The payment offer is made in settlement of a legal action; or
 - b. The Homeowner is represented by legal counsel; or
 - c. The payment offer has been reviewed on-site by a HUD-approved fee inspector.
3. The payment will be made jointly to the Homeowner and the Homeowner's mortgagee. The Homeowner is required, if requested, to identify the mortgagee to the party making the payment.

FOUR

Performance Standards



SECTION 11:

Interior Concrete and Foundation

11.1 Concrete Floor Uneven

Interior concrete floors should not vary from flat exceeding $\frac{1}{4}$ inch per 4 feet, provided that the deviation is gradual. If these conditions exist, the Builder will repair the floor for a period of two years. Appropriate corrective actions could include filling, grinding, or use of a floor-leveling compound. Color and texture may vary from original finish.

11.2 Concrete Appearance/Finish

The Builder will repair disintegration of the surface resulting in the appearance of coarse aggregate below the surface for a period of two years, unless salt or chemicals caused the disintegration of the floor. The Builder will repair the surface by patching or surface coating. Nonstructural cosmetic surface flaws will be repaired or replaced at the Builder's discretion. Color variations are not covered by the Limited Warranty.

11.3 Concrete Cracks

Cracks in garage floors, walkways, driveways, patios, and steps that exceed $\frac{1}{4}$ inch in width or $\frac{1}{4}$ inch in vertical offset will be repaired, at the Builder's discretion, for a period of two years by filling and patching. The texture and color of concrete cannot be matched due to varying conditions and, therefore, the matching of concrete color or texture is not covered by the Limited Warranty.

11.4 Concrete Slab-on-grade Floor Cracks

Concrete slab-on-grade floors cannot be expected to be crack-free. Most cracking is minor and is the result of large areas of concrete shrinking as the concrete cures. These cracks do not affect the structural integrity of the home. Since slab-on-grade floors are quite large, shrinkage cracks can be expected to occur randomly. Cracks in slab-on-grade floors measuring $\frac{1}{4}$ inch in width or vertical displacement will be repaired by the Builder for a period of two years. Repair may include filling, grinding, or use of a floor-leveling compound.

11.5 Expansion and Control Joints

Expansion joints are intentionally placed in some concrete surfaces to allow sections of concrete to expand and contract with changes in temperature, and control joints are intentionally placed in concrete to control cracking as concrete cures. Expansion and control joints often have inserted plastic barriers or have been grooved/notched during concrete placement and will have a tendency to move or crack in the joint area. Movement at a control joint in excess of $\frac{1}{4}$ inch in width or vertical displacement will be repaired. The Builder will repair excessive movement by filling, grinding, or use of a floor-leveling compound for a period of two years.

11.6 Footings and Foundation Wall Cracks

Appropriate measures will be taken to correct serious cracks and/or deterioration in the foundation footings or foundation walls that cause the home to be unsafe or uninhabitable. The Builder will make the necessary repairs and/or provide replacement to the structural elements and related damage, except for areas not constructed by the Builder, for up to ten years. For a period of two years, the Builder will patch the voids in walls caused by any cracks in the foundation that exceed $\frac{1}{8}$ inch in width or vertical displacement.

11.7 Chalky Deposits (Efflorescence)

Efflorescence is the white powder that can appear on the surface of a masonry wall. It is caused when water seeps through the wall, dissolving salts inside of the structure. The water then evaporates, leaving the salt on the surface. This is a normal condition; therefore, the Builder is not responsible for efflorescence. The Homeowner may remove efflorescence by cleaning with a trisodium phosphate (TSP) solution and water. TSP is available at most hardware or paint stores.

HOME TIP

To keep your crawl space dry, don't change the drainage pattern on homesites designed for water retention. Always maintain a 6-inch minimum vertical space between the earth and any siding or stucco. If you don't, water can enter the joint between the footing and the wall material, or deteriorate the siding, brick, or stucco. Keep drainage ditches and swales free of leaves, debris, plants, and other elements that may interfere with water flow. Reestablish the original grade of your homesite if the soil settles over time. Delay any major landscaping projects until your home is at least one year old. Most soil settlement occurs during the first year. Hire a licensed landscaper to install or modify your landscaping. Don't plant new plants or grass too close to the house. Watering plants near the house can cause leaks into the interior and other water problems.

11.8 Water in Crawl Space

The Builder covers any leaks in the crawl space of the home for a period of five years. The Builder will eliminate the cause of the leaks. The Builder will establish positive flow within the crawl space to prevent ponding of water. If positive flow was not established, the Builder will take corrective action for a period of one year to create positive flow within the crawl space to discharge to the exterior of the structure. The Homeowner must not obstruct drainage and must maintain established grades. Dampness and condensation in the crawl space are common, often temporary, conditions which cannot be entirely eliminated and are not covered by the Limited Warranty.

11.9 Basement Wall Bowed or Out of Plumb

Basement walls should not bow or be out of plumb greater than 1 inch per 8 feet when measured from the base of the wall to the top of the wall. In situations where bowing or out-of-plumb walls exceed these parameters, the Builder will make corrections for a period of one year by floating the wall.

11.10 Basement Leaks

The Builder will eliminate the cause of leaks in the basement or crawl space for five years. Basement leaks caused by landscaping or downspouts installed by the Homeowner, failure of the Homeowner to maintain proper grades, unusual storms, and acts of God or other excluded events as provided in the Limited Warranty section are not covered by the Limited Warranty.

SECTION 12:

Framing

12.1 Wood or Metal Framed Walls Out of Plumb

Interior walls should be straight and plumb within $\frac{1}{4}$ inch per 4 feet. Under the Limited Warranty, the Builder will repair, for a period of one year, any interior wall that is more than $\frac{1}{4}$ inch per 4 feet out of plumb.

HOME TIP

To ensure your basement stays dry, don't change the drainage pattern on homesites designed for water retention. Always maintain a 6-inch minimum vertical space between the earth and any siding or stucco. If you don't, water can enter the joint between the footing and the wall material, or deteriorate the siding, brick, or stucco. Keep drainage ditches and swales free of leaves, debris, plants, and other elements that may interfere with water flow. Reestablish the original grade of your homesite if the soil settles over time. Delay any major landscaping projects until your home is at least one year old. Most soil settlement occurs during the first year. Hire a licensed landscaper to install or modify your landscaping. Don't plant new plants or grass too close to the house. Watering plants near the house can cause leaks into the interior and other water problems. Proper grading near window wells must be maintained by the Homeowner to prevent lateral pressure from water collecting in the area. Failure of a window well due to lack of Homeowner maintenance is not covered

12.2 Column or Post Bowed

Columns and posts should not bow or be out of plumb in excess of $\frac{1}{4}$ inch per 4 feet. Tapered columns and posts should be plumb as measured from the centerline, not to exceed $\frac{1}{4}$ inch per 4 feet, and the tolerance for columns and posts made of rough-sawn lumber should be $\frac{1}{4}$ inch per 4 feet. Under the Limited Warranty, the Builder will straighten columns and posts that exceed the $\frac{1}{4}$ -inch-per-4-foot standard for a period of ten years (structural). In cases where the defect is cosmetic, the Builder will repair for a period of one year.

12.3 Wood Beam Twisted or Bowed

Subsequent to construction, beams, joists, and posts will sometimes twist or bow as they dry. Twisting or bowing of wood may be cosmetically unacceptable when visible in habitable spaces, but is rarely a structural problem. Bows and twists exceeding $\frac{1}{4}$ inch out of plane within a 4-foot section will be repaired for a period of one year if located within habitable space.

Acceptable repair may include shimming, trimming, or grinding the wood beam or post. When located in garages, basements, attics, or crawl spaces, such bowing or cupping will not be repaired unless it causes unevenness to floors or roofs in excess of the Limited Warranty's specifications.

12.4 Wood Beam Split

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

SECTION 13:

Roof

13.1 Roof Deflection or Bowing

All structural members of the home are sized according to the type of roofing product and the loads they may support to include wind, ice, and snow during normal weather patterns. The Builder will stiffen a structural member of the roof, for a period of ten years, if deflection exceeds 1 inch per 20 feet, or more than ½ inch between two structural members.

13.2 Asphalt Shingle Buckled or Curled

Asphalt shingle surfaces need not be perfectly flat. For a period of two years the Builder will repair or replace asphalt shingles which lift or curl during normal weather conditions.

13.3 Shingles Blown Off by High Winds

Under proper maintenance and normal/expected weather conditions, shingles should not blow off the roof. In the event that shingles are blown off the roof, the Builder, for a period of two years, will take necessary actions to repair shingles that have been blown off, unless caused by wind velocities exceeding the manufacturer's tolerances. Damage caused by severe weather is not covered by the Limited Warranty.

13.4 Water Trapped Under Roofing Membrane

The Builder will repair, for a period of two years, any blister larger than 12 inches by slitting through the roofing membrane and repairing with appropriate materials.

13.5 Gutter or Downspout Leaks

The Builder will repair leaks, for a period of two years, in gutters and downspouts provided proper care is taken by the Homeowner to clear debris, snow, and ice.

HOME TIP

To maintain gutters and downspouts, inspect the gutters and downspouts

on your home at least twice a year, preferably at the start of spring and during the fall. The following guidelines will help you maintain the gutters and downspouts.

1. Remove all debris from gutters and downspouts as needed. Keeping gutters and downspouts clean will help slow down the deterioration process, a major problem that eventually causes leaks.
2. Check the elbow where the gutter connects to the downspout. Remove and check the elbow, and clear any obstructions.
3. Look for the source of any leaks in the gutters and downspouts. Look for cracked caulk at the end caps and between the elbow and the gutter.

13.6 Water Remaining in Gutters

When a gutter installed by the Builder is unobstructed by debris, snow, and ice, the water level should not exceed ½ inch in depth 24 hours after the rain ceases. Pultrim® gutters are excluded. The Builder, for a period of two years, will adjust the gutter to minimize such ponding. Ponding caused by debris, snow, or ice accumulation is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

13.7 Water Standing on Low-sloped Roof Area

Water ponding on a low-sloped roof area should not exceed ¼ inch in depth more than 24 hours after the rain ceases. Under the Limited Warranty, the Builder, for a period of five years, will repair ponded areas by adding additional roofing materials. Ponding caused by debris accumulation is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

13.8 Roof or Flashing Leaks

When properly maintained, the roof and flashing should not leak under normal weather conditions. The Builder, for a period of five years, will repair roof or flashing leaks that occur during normal weather. Roof vents and louvers are designed to keep out excessive wind-driven rain and snow under normal conditions. Leaks caused by debris or ice accumulation are considered part of routine Homeowner maintenance and are not covered by the Limited Warranty.

13.9 Roofing Shingles or Tiles Not Aligned

Shingles and tiles are installed to withstand a maximum exposure to the weather as recommended by the manufacturer. Often, tiles and shingles must be adjusted to compensate for differing roof conditions. This is not considered a defect. Tiles within any course should be aligned within 2 inches. The Builder, for a period of one year, will realign tiles and shingles that are not aligned within 2 inches, as well as framing components that vary more than ¼ inch per 4 feet. Minor telegraphing of roof sheathing seams and tissues is normal and will vary with weather conditions.

13.10 Shading or Shadowing Pattern

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

13.11 Roof Tile Color Variations

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

13.12 New Roofing Products Do Not Match Existing

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

13.13 Interior Water Damage From Ice Damming

In some conditions, snow buildup on roofs due to freeze/thaw cycles can result in ice damming at the gutters. Sometimes this causes water to back up under shingles and to enter the home. In cases where ice damming causes leaks into living areas because of incorrectly installed insulation, the Builder, for a period of five years, will make appropriate repairs. However, no action is required if the condition is caused by swings of freezing and thawing in the weather.

HOME TIP

To prevent melting ice from entering the home, snow and ice should be removed from overhangs. Heavy snow loads may also increase the risk of ice damming by blocking the ventilation system for the roof. Roofs should be maintained to prevent blockage of the roof ventilation system.

13.14 Loose or Cracked Tiles or Shingles

Loose, cracked, or chipped tiles/shingles exceeding ½ inch will be repaired by the Builder for a period of one year.

13.15 Broken or Defective Roof Tile

Unless the result of foot traffic, golf balls, hurricanes, tornadoes, or acts of God, the Builder will repair broken or defective roof tiles for a period of one year.

13.16 Mildew, Algae, and Moss on Roofs

The growth of mildew, algae, and moss on roof surfaces is caused by the accumulation of dust and considered the responsibility of the Homeowner to conduct proper routine maintenance. The growth of mildew, algae, and moss on roof surfaces is not covered under the Limited Warranty.

13.17 Roof Tile Efflorescence

Efflorescence is a temporary surface condition that causes a white chalky substance to form on concrete products. It is not uncommon for efflorescence to form on roof tiles, as it is a common condition for all concrete products. This is a normal condition; therefore, the Builder is not responsible for efflorescence.

SECTION 14:

Exterior Siding and Trim

14.1 Siding Delaminated

The Builder, for a period of one year, will repair or replace any hardwood or composite siding that has delaminated (separated into layers). The effects of improper Homeowner maintenance, negligent damage caused by objects striking the siding, and weathering are not covered by the Limited Warranty.

14.2 Siding Bowed/Buckled

The Builder, for a period of one year, will repair any bowed wood, lap siding, or cementitious composite lap siding exceeding ¼ inch per 4 feet. Bowed or sagging vinyl siding due to a source of direct heat (BBQ grill) is not warranted.

14.3 Siding Joints Separated

The Builder, for a period of one year, will repair joint separations in siding exceeding 3/16 inch by filling them with sealant.

14.4 Gaps Between Siding and Trim

Gaps between siding and moldings at trim pieces, miter joints, or openings should not exceed ¼ inch. The Builder, for a period of one year, will correct this condition by caulking/repairing the trim or siding.

14.5 Siding Nails Expose Interior Fiber

Siding nails should not be countersunk to expose the interior fibers of hardboard or cementitious composite siding. The Builder, for a period of one year, will repair such exposure by sealing nail holes with appropriate caulking and repainting.

14.6 Splits or Knotholes in Siding or Trim

The Builder, for a period of one year, will repair knotholes that expose the underlying sheathing or building paper, splits in exterior siding, or trim wider than 1/8 inch by replacing or filling the knotholes, siding, or trim.

14.7 Siding Color or Texture Mismatch

The Builder will try to match the texture and color of the existing siding as closely as possible for any repair or replacement of siding, but a perfect match is not guaranteed by the Limited Warranty.

14.8 Siding Finish Faded

Any colored siding will fade when exposed to the sun. This is a normal condition. The Builder will repair or replace a particular piece of siding that becomes excessively faded in contrast to similarly exposed siding for a period of one year.

14.9 Siding/Trim Wood Rot

Some warping, cupping, splitting, or rotting of wood can be expected. In cases where excess warping, cupping, splitting, or rotting of wooden members exists, the Builder, for a period of one year, will repair or replace as necessary.

14.10 Exterior Walls/Siding Material Loose

The Builder will correct siding materials that become loose or detached for a period of one year unless the problem is a result of an act of God or unusually high winds that exceed the manufacturer's wind limits. Vinyl siding is not installed "tight" and is slightly loose by design. Noise from vinyl siding movement in the wind or noise from expansion and contraction is not warranted. Same applies to vinyl waviness.

14.11 "Bleeding" Through Siding Paint

Cedar or redwood siding or shingles occasionally "bleed" through the original paint. The Builder will repair resins and extractives "bleeding" through the paint. The Limited Warranty will not apply if stains or clear wood protectants are used, since they do not cover up the natural extractives of wood. For all bleed-through areas in painted surfaces, the Builder will clean and repaint the area for a period of one year. The effects of improper Homeowner maintenance, negligence, physical damage, or weathering are not covered by the Limited Warranty.

14.12 Siding Stained by Nails

The Builder, for a period of one year, will touch up or remove siding stains that extend more than ½ inch from the nail and are readily visible from a distance of 20 feet. The Limited Warranty does not cover semitransparent stain or "natural weathering" used on the siding.

14.13 Loose Exterior Trim

The Builder, for a period of one year, will repair trim that has separated from the home by more than ¼ inch. In cases where trim separation exceeds ¼ inch, the Builder will reinstall trim, add fasteners, or caulk separations. However, the Limited Warranty does not cover trim separation caused by acts of God or unusually high winds that exceed the manufacturer's wind limits.

14.14 Exterior Trim Board Cupped

The Builder, for a period of one year, will repair cups in trim board exceeding ¼ inch per 6 inches.

14.15 Exterior Trim Board Twisted

The Builder, for a period of one year, will repair bows and twists in trim board exceeding ¾ inch per 8 feet by adjusting or replacing the trim board.

SECTION 15:

Stucco, Cementitious Finish, Above Grade Block, and Concrete Walls

15.1 Cracks in Stucco/Cementitious Finish/Block/Concrete Walls

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

HOME TIP

Minor cracking of stucco finishes is a normal occurrence. Homeowners should regularly inspect and repair minor cracks in stucco finishes.

15.2 Stucco/Texture/Cementitious Finish Loss

Texture may become separated from the base stucco layer. The Builder will repair missing stucco texture greater than 1/8 inch for a period of one year. Texture loss beneath the horizontal weep or drainage screed is normal and is not covered by the Limited Warranty.

15.3 Texture Mismatch

Texture is applied by hand, which varies with the technique of the installer. Where tall walls exist, it is necessary to install in several passes. Breaks between application phases occur in all homes and sometimes are more visible due to the method of application. Inherent inconsistency is to be expected as with all hand-applied troweled finishes. The Builder will repair deviations, bumps, or voids measuring over ¼ inch per 4 feet, which are not part of the intended texture, for a period of one year. During repair, the Builder will try to match the original texture as closely as possible, but a perfect match is not covered by the Limited Warranty.

15.4 Stucco Color Mismatch

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

15.5 Surface Staining

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

15.6 Chalky Deposits (Efflorescence)

Efflorescence is the white powder that can appear on the surface of stucco. It is caused when water seeps through the wall, dissolving salts inside of the structure. The water then evaporates, leaving the salt on the surface. This is a normal condition; therefore, the Builder is not responsible for efflorescence. The Homeowner may remove efflorescence by cleaning with a trisodium phosphate (TSP) solution and water. TSP is available at most hardware or paint stores.

15.7 Stucco/Cementitious Finish Appears Wet

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

HOME TIP

To maintain the masonry veneer of your home, remove any plants or vines growing on brick walls with a commercial weed killer. Be sure to read the weed killer's instructions first. Plants or vines hold moisture and may cause damage to your home's exterior. Check the caulking between the brick and the windows and doors once a year. Remove and re-caulk as needed. Make sure nothing obstructs the weep holes, which keep moisture from being trapped between the drainage plan and the brick. Check once a year. Check mortar joints every three years for deterioration. Check the transition from brick to stucco for cracking once a year. If there are cracks, caulk and paint them as necessary.

15.8 Cracks in Masonry or Veneer

Cracks in masonry or veneer greater than ¼ inch in width will be repaired by tuck-pointing, patching, or painting. Unless these cracks are controlled with expansion joints, the Builder will repair this condition for a period of one year. Color variations in mortar or brick products are normal, and a perfect match is not covered by the Limited Warranty. Cracks less than ¼ inch in width within mortar joints and in brick products are also a normal condition and are not covered by the Limited Warranty.

15.9 Course of Masonry or Veneer Not Straight

Courses of masonry or veneer brick should not vary more than ¼ inch per 8 feet. In cases where variation is more than ¼ inch per 8 feet, the Builder, for a period of one year, will replace necessary portions of masonry or veneer brick.

15.10 Exterior Caulking Joint Separation

Exterior caulking joints occasionally shrink or open up, causing water intrusion. Joints and cracks in exterior wall surfaces and around openings should be properly caulked to prevent the entry of water. New homes exhibit significant movement at caulking joints during the first few years after construction due to normal shrinkage and drying of components. If water intrusion occurs, the Builder, for a period of two years, will repair caulking joints in exterior wall surfaces. Any subsequent repair or replacement of caulking is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

SECTION 16:

Exterior Paint and Finishes

16.1 Clear Finish Deterioration

Clear finishes on exterior surfaces, such as wood entry doors, diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6 -18 months, depending on outside exposure. The Builder will correct deterioration of clear finishes on exterior surfaces once for a period of one year. Any subsequent deterioration is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

16.2 Paint or Stain Fading

All exterior paints and stains exhibit fading when exposed to weather, and fading is a normal condition. Semitransparent stains diminish with age and should be reapplied as part of routine Homeowner maintenance every 6 -18 months, depending on outside exposure. The Builder will correct excessive fading of exterior paints or stains once for a period of one year. Any subsequent fading is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

16.3 Exterior Paint, Stain, or Caulking Peeling/Deterioration

Exterior paints, stains, and caulking should not peel or deteriorate for a period of two years. If exterior paint, stain, or caulking has peeled or deteriorated, the Builder, for a period of two years, will refinish or repair affected areas.

16.4 Mildew or Fungus

Exterior painted or stained surfaces should be free of mildew and fungus. However, mildew or fungus may form on surfaces over time because of moisture. The Builder will correct any visible mildew or fungus growth problems once during the first 30 days of the Limited Warranty. Any subsequent removal of mildew or fungus is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

16.5 Repainting After Repair Work

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

SECTION 17:

Wood Decks

HOME TIP

Decks are constantly exposed to weather conditions. Moisture, sunlight, and temperature changes will cause wood planks to warp, split, and cut over time. These conditions are not construction defects and are not covered under the Limited Warranty. Homeowners can substantially reduce these effects by applying wood deck sealants within six months after the deck is completed.

17.1 Wood Deck Out of Level

The Builder, for a period of one year, will repair wood decking that is out of level more than ¼ inch per 4 feet.

17.2 Imperfections in Wood for Exterior Railings, Decks or Stairs

Wood for exterior railings, decks, or stairs will include imperfections such as knots and checks. The Builder, for a period of one year, will repair or replace wood for exterior railings, decks, and stairs that fail to meet intended use because of a structural defect. Knots, cupping, twisting, unsanded saw cuts, shrinkage gaps, discoloration from aging, and minor checking are normal, and removal of such imperfections is not covered by the Limited Warranty. Any wood replaced will not exactly match existing decking. Sealing of the deck will be the Homeowner's responsibility.

SECTION 18:

Site Drainage

18.1 Site Drainage

Grades and swales have been established by the Builder to ensure proper drainage away from the home. If the Homeowner modifies these areas with additional grading, plantings, concrete, or any other obstructions, the Homeowner will thereafter be responsible for drainage. Improper drainage of the site occurs when there is standing or ponding water within 10 feet of the foundation beyond a 24-hour period (48 hours on swales). If proper grades were not established initially, the Builder will regrade the yard or swales for a period of one year. Ultimately, the Homeowner is responsible for maintaining drainage and swales of the lot. No grading determination can be made during frost or snow conditions. If the Homeowner adds a pool, the Builder will no longer be responsible for drainage. In some cases, moist, soggy soil without standing water may be normal in the overall drainage plane and is not covered by the Limited Warranty.

18.2 Ground Settling

Settling of the ground around the home, utility trenches, or other filled areas should not interfere with water drainage. If interference does occur, the Builder will fill settled areas affecting proper drainage for a period of one year. The Builder will reinstall displaced plant material and sod that was originally installed by the Builder. Landscape altered by the Homeowner voids the Limited Warranty on settlement.

18.3 Soil Erosion

The Builder is responsible for protecting slopes and graded hillsides during construction from soil erosion per the "Soils Report" or "Local Jurisdiction." The Builder is not responsible for soil erosion after the close of escrow. Proper erosion protection requires the Homeowner to install landscaping ground covers and deep-rooted plantings to reduce erosion. For steeply graded hills, the installation of erosion-control matting, such as jute and straw, will help reduce erosion until plantings have been established. Soil erosion is not covered by the Limited Warranty.

SECTION 19:

Doors

19.1 Door Panel Split

Split door panels should not allow light to be visible through the door. The Builder, for a period of one year, will repair splits in door panels by filling them with wood fillers and refinishing.

19.2 Door Warped

Warping on doors should not exceed $\frac{1}{4}$ inch as measured diagonally from corner to corner. If the door has been properly maintained and is not physically damaged, the Builder, for a period of one year, will replace the door with a comparable product if warping exceeds the $\frac{1}{4}$ -inch standard. Warping that occurs to stain- or lacquer-finished doors that are improperly maintained is the Homeowner's responsibility and is not covered by the Limited Warranty.

HOME TIP

To maintain your entrance doors, inspect all exterior doors each spring and fall to confirm that the weatherstripping is fastened tightly. Use aerosol lubricant on squeaky hinges and sticking locks. Apply silicone to door hinges to minimize any grinding. Wood doors, jambs, and trim should be scraped, sanded, and sealed if the paint begins to peel. Caulk any cracks with elastomeric caulking. Inspect the transition between the jamb and the threshold every three months, and caulk it as needed. Check the seal base of the door for rips, tears, and excess wear. Check the screws on the threshold. Tighten them if they stick up, so they don't damage the door seal. If you see the black residue of iron around door hinges, you can remove the iron residue with a magnet behind a cloth or by lightly wiping with a damp sponge or clean cloth. This residue is a by-product of the friction created when the hinges open and close.

19.3 Raw Wood Showing on Door Panel

Wooden door panels will shrink and expand because of temperature and humidity changes and may expose unpainted surfaces at the edges of the inset panel on the door. The Builder, once during a period of one year, will touch up door panel edges that expose more than $\frac{1}{16}$ inch of raw wood. Any subsequent touch-up is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

19.4 Doors Not Operating Properly

The Builder, for a period of one year, will make necessary corrections to doors that fail to operate properly due to binding, sticking, not latching, rubbing, or sealing.

19.5 Bifold and Pocket Doors

Bifold and pocket doors should slide without rubbing or coming off their tracks during normal operation. The Builder, for a period of one year, will adjust bifold and pocket doors that fail to slide, are rubbing, or are coming off their tracks during normal operation.

19.6 Sliding Patio Doors and Screens

Sliding patio doors and screens should slide without coming off their tracks during normal operation. The Builder, once during a period of one year, will adjust sliding patio doors that do not slide properly. Some entrance of the elements can be expected under windy conditions.

HOME TIP

To maintain your sliding glass doors, always keep the tracks clean of debris. Apply a very small amount of oil periodically at both the bottom of the door and at the lock mechanism. Apply silicone lubricant to the tracks. It's important to take special care of the tracks of aluminum sliding glass doors. Make adjustments to the threshold if the door doesn't slide properly, such as if it drags on the sill or is difficult to open.

19.7 Garage Door Operates Improperly

The Homeowner can expect the garage door to function properly. In the case that the garage door does not operate properly, the Builder, for a period of one year, will correct or adjust the door as required. Noise from moving parts is not covered by the Limited Warranty.

HOME TIP

To maintain your garage door, inspect the door and opener at regular intervals for signs of wear and improper alignment. Check cables, rollers, and hinges for signs of wear every three months. Tighten any loose hinge screws. Lubricate all hinges, rollers, and moving parts every month with light oil or spray lubricant to reduce noise and add to their life span. Never lubricate the chain or screw drive. It is lubricated by the manufacturer; aftermarket lubricants can cause it to slip.

19.8 Leak Through/Under Garage Door

Garage doors are not intended to provide a weather-tight seal. Under high wind conditions and storms, it is normal for some elements to leak through, around, or under the garage door. The Builder, for a period of one year, will make needed adjustments.

SECTION 20: Windows

20.1 Window Is Difficult to Open or Close

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

HOME TIP

To maintain your windows, check all hardware on the window. Check the opening and closing mechanism, including the hinges, locking mechanism, jambs, and sliders. Make sure screws are tight and that the rest of the hardware, such as the locks, operates smoothly. Inspect the weatherstripping to make sure it's effective. Check the condition of the gaskets holding the glass. Window weep holes channel water to the exterior of your home. They can become clogged by dust and bugs, making regular maintenance necessary. Follow these suggestions to maintain the weep holes: Vacuum or dust window tracks monthly to keep them free of dirt and debris. Spray silicone on the track after cleaning. Roll the window back and forth to lubricate the rollers.

20.2 Window or Skylight Leaks

Water leaking through or around windows or skylights as a result of improper installation will be repaired for a period of five years by the Builder. Water leaks at windows or skylights resulting from Homeowner damage, extreme weather, or improper Homeowner maintenance are not covered by the Limited Warranty. Water may become visible in window tracks and sliding glass door tracks during heavy rain and should drain to the outside of the home.

20.3 Condensation or Frost on Window or Skylight

Windows and skylights will collect condensation on their interior surfaces when high humidity within the home turns into water on the colder window or skylight surface. The Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. Draperies and blinds should be left open to encourage air circulation and even temperatures during periods of cold weather and high interior humidity. Large temperature variations from interior to exterior may cause condensation even with low interior humidity. Under the Limited Warranty, no action on the part of the Builder is required.

20.4 Window Scratches and Imperfections

The Builder follows ASTM specifications, a well-known set of published performance standards, which state that imperfections in glass can be determined by visual inspection. The viewer will look through the window in daylight without direct sunlight. The potential imperfection must be in the view plane 90° to the window surface. Imperfections must be detectable from a distance of over 10 feet to be considered for repair. These kinds of imperfections will be repaired for a period of 30 days after closing.

20.5 Defects

The Builder, for a period of one year, will replace defective glass when defects, including stress cracks or failed seals in insulated windows, occur.

20.6 Air Infiltration

Some infiltration around windows is normal, especially during high winds. The Builder, for a period of one year, will take necessary corrective action by adjusting windows or weatherstripping if infiltration is excessive.

SECTION 21: Electrical

21.1 Fuses Blow or Circuit Breakers Trip

Fuses should not be blown and circuit breakers should not be tripped under normal use. The Builder, for a period of two years, will correct circuit breakers that trip excessively under normal use.

21.2 Electrical Outlets, Switches, or Fixtures Malfunction

The Builder, for a period of two years, will correct outlets, switches, or fixtures that malfunction. In situations where lights dim and flicker, please note that voltage entering the home is controlled by the local utility transmission service and may fluctuate based on variances in power generation and usage.

21.3 Ground Fault Circuit Interrupter (GFCI) Trips Frequently

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

HOME TIP

TESTING GFCIS

A faulty GFCI can result in serious harm to you or your family if an accident occurs. Test each GFCI outlet once a month by following these steps:

1. Push the TEST button on the GFCI outlet. The GFCI should trip, resulting in power loss to the outlet.
2. Reset the GFCI, which should restore power to the outlet.
3. If the GFCI doesn't reset, try using a can of compressed air to blow out any excess dust. If it still doesn't reset or it doesn't trip, have it replaced by a professional electrician.

21.4 Malfunction of Low-voltage Wiring System

In the event of a low-voltage wiring system malfunction, the Builder, for a period of two years, will take corrective action.

21.5 Ceiling Fan Vibrates

The Builder will install ceiling fans in accordance with the manufacturer's specifications, including blade balances. The Builder will repair any defect due to installation for a period of one year. Some minor fan wobble cannot be eliminated; therefore, complete elimination of fan wobble is not covered by the Limited Warranty.

21.6 Communication Wiring

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

SECTION 22:

Comfort Control

22.1 Cooling System

In cases where the cooling system is not working properly, the Builder, for a period of two years, will take corrective action if the ASHRAE* standards (a published set of industry standards relating to airflow and other heating system issues) are not met.

**With regard to 22.1 and 22.2, basic ASHRAE standards relate the house air temperature to the thermostat setting and the variation of interior setting to the exterior temperature. It is the Homeowner's responsibility to balance the system as the seasons change.*

HOME TIP

Air filters are required to be changed monthly to maintain indoor air quality, comfort, and airflow, and to prevent premature failure of heating, cooling, and ventilation equipment. To ensure proper operations of the HVAC system, Homeowners should avoid blocking air intake and discharge vents. Air filter maintenance is not covered under the Limited Warranty.

22.2 Heating System

In cases where the heating system is not working properly, the Builder, for a period of two years, will take corrective action if the ASHRAE* standards (a published set of industry standards relating to airflow and other heating system issues) are not met.

**With regard to 22.1 and 22.2, basic ASHRAE standards relate the house air temperature to the thermostat setting and the variation of interior setting to the exterior temperature. It is the Homeowner's responsibility to balance the system as the seasons change.*

The heating and cooling system should meet the Performance Standards described below.

The cooling system should maintain an interior temperature of 78 degrees or lower when outdoor temperatures do not exceed 95 degrees. When outdoor temperatures exceed 95 degrees, the cooling system should maintain an indoor temperature that is at least 15 degrees below the outdoor temperature.

The heating system should be capable of producing an indoor temperature of 70 degrees.

Temperature variations between rooms and between floors should not exceed 4 degrees. All temperatures should be measured from 5 feet above the floor in the center of any room.

22.3 Condensation Line Clogs

The Homeowner is responsible for annual cleaning of the condensation lines that extend from the air conditioning coil. Under the Limited Warranty, the Builder, for a period of one year, will correct condensation lines that clog.

HOME TIP

To prevent condensate lines from becoming clogged, Homeowners should follow the manufacturer's instruction for maintenance and keep mulch, leaves, and other debris away from condensate lines' outflow. As part of regular HVAC maintenance, the condensate lines and evaporator coil should be inspected by a professional HVAC contractor.

22.4 Refrigerant Line Leaks

The Builder, for a period of one year, will repair refrigerant lines that leak during normal operation and recharge the air conditioning unit.

22.5 Insulation Uneven or Missing

Thermal insulation is dictated by local codes or state energy guidelines, and the Builder will install insulation in accordance with these applicable guidelines. The Builder, for a period of one year, will take appropriate action to correct insufficient insulation installation.

22.6 Ductwork Noise

When metal is heated and cooled, it expands and contracts. The resulting "ticking" or "crackling" sounds cannot be avoided. A booming noise caused by sheet metal billowing in or out ("oil canning") will be repaired by the Builder for a period of one year.

22.7 Vibration From Heating or Cooling Equipment

It is normal for heating and air conditioning equipment to generate some noise and vibration. Under the Limited Warranty, no corrective action is required.

22.8 Metal Rattling at Registers, Grilles, or Ducts

Air moving through registers, grilles, and ducts makes noise and is normal. Duct systems are not designed to be noise-free. However, metal rattling from the registers, grilles, or ducts is not normal and will be repaired by the Builder for a period of one year.

22.9 Ductwork Separated or Detached

The Builder, for a period of two years, will reattach any separated or detached ductwork not caused by the Homeowner.

SECTION 23:

Plumbing

23.1 Drainage Problems

The Builder, for a period of two years, will assume the responsibility for clogged sewers, fixtures, and drains where clogged sewers, fixtures, and drains are the result of defective construction or workmanship.

23.2 Water in Pipe Freezes

The Builder, for a period of two years, will make necessary corrections to ensure that plumbing pipes are adequately protected against normal anticipated cold weather (except undrained exterior faucets). Faucets will break if hoses are left attached in freezing weather, and are not warranted. The Homeowner is responsible for maintaining the house temperature at a minimum of 65°F during cold weather and draining exterior pipes and faucets for protection.

23.3 Water Pipe Noise

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

23.4 Plumbing Leaks

In the event that water leaks are found in any supply lines, drain lines, piping, faucets, bathtubs, or showers that will cause damage to the home if not corrected, the Builder, for a period of five years, will repair as necessary. Exterior piping and undrained exterior water faucets are not covered under the Limited Warranty. Exterior faucets will break if hoses are left attached in freezing weather, and are not warranted. The maintenance of caulking and grout to prevent leaks is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty. Leaks at toilet wax rings will be repaired for one year due to the potential for toilet movement during normal use.

23.5 Shower Enclosure Flexes

Excessive flexing in a shower base occurs when the drain assembly moves up or down with normal weight. The Builder, for a period of one year, will repair excessive flexing in a shower base by installing support materials beneath the enclosure base. Composite shower walls will flex when pushed inward. Such flexing is not considered a defect.

HOME TIP

Homeowners are required to properly maintain shower and tub surrounds and enclosures to prevent leaks. Enclosure panels and doors are not designed to have water sprayed directly at them. Damage that results from this action is not covered by the Limited Warranty.

23.6 In-ground Wells

In situations of low water yield (as defined by local code), the Builder, for a period of five years, will correct the problem using standard industry practices deemed necessary and as allowed by local jurisdictions, provided the location of the home is not in a declared drought area. The determination of adequate water yield will be based on the local code requirement and in-house usage. A two-year warranty is provided on the well pump, storage tank, and well electrical components. The installation of another well on the property will void the Limited Warranty on the well and its components.

23.7 Septic System

The Builder, for a period of two years, will repair or replace faulty workmanship and materials, and will conform with the local code requirements per design and installation only. Freezing, soil saturation, underground springs, water runoff, excessive use, and increased water table are among the potential septic system issues not covered by the Limited Warranty.

23.8 Sump Pump

The Homeowner is responsible for maintaining the sump pump. The Builder, for a period of two years, will repair or replace the pump if it fails to operate. Sump pumps that operate frequently are normal. There is no industry standard for frequency of operation.

HOME TIP

Homeowners should ensure that the sump pump is plugged in and operating properly and that the sump pit is clear of debris. Homeowners should check to ensure that sump systems are operating properly during periods of heavy rain.

SECTION 24:

Interior Paint and Finishes

24.1 Blemishes on Walls or Ceilings

Blemishes include nail pops, cracking, or blistering visible on finished walls or ceilings. The Builder, once during a period of one year, will repair blemishes, excessive waviness, or seams visible in normal light in finished areas that are readily visible from a distance of 5 feet. Cracks that occur adjacent to windows from expansion and contraction will be repaired using flexible latex caulking. Under the Limited Warranty, the Builder, for a period of one year, will also repaint the affected areas.

24.2 Repainting after Repair Work

Repainting, staining, or refinishing may be required because of repair work. Repairs required under the Limited Warranty should be finished to match the immediate surrounding areas as closely as practical.

Due to fading and normal weathering, a perfect match cannot be achieved, and a perfect match is not covered by the Limited Warranty. Where repairs affect more than 50% of a wall or ceiling area, the Builder, for a period of one year, will repaint the entire wall or ceiling surface from corner to corner. Where custom paints and wall coverings have been installed, the Builder will not warrant the match of any necessary repairs. All blemishes should be noted and repaired prior to custom paints and wall coverings being applied.

24.3 Drywall Texture

Drywall texture is applied by hand and varies with the technique of the installer. Where tall walls exist, it is necessary to install the drywall texture in several passes. Breaks between application phases occur in all homes and sometimes are more visible due to the method of application. The inherent inconsistency of drywall texture is to be expected, as with all hand-applied, troweled finishes. The Builder, once during a period of one year, will repair deviations, bumps, or voids measuring over ¼ inch per 4 feet, which are not part of the intended texture. During repair, the Builder will try to match the original texture as closely as possible, but a perfect match is not covered by the Limited Warranty.

SECTION 25:

Interior Trim and Moldings

25.1 Interior Trim Split

Splits, cracks, raised grain, swelling of finger joints, and checking are inherent characteristics of all wood and cannot be avoided. However, the Builder, for a period of one year, will fill any such condition in interior trim with wood putty.

25.2 Nails Not Set or Holes Not Filled in Interior Trim

Nails and nail holes in interior trim should be set and filled. The Builder, for a period of one year, will set and fill nails and nail holes in interior trim within finished areas.

25.3 Gaps at Joints on Molding and Casing

All joints on molding and casing should fit and be securely attached, as well as filled and sanded. The Builder, for a period of one year, will repair defective joints and gaps. Acceptable repair includes filling joints and gaps with wood putty.

SECTION 26:

Flooring

26.1 Subfloor Uneven

The Builder, for a period of one year, will correct uneven wood subflooring exceeding ¼ inch within any 4-foot measurement. Correction may include application of a flexible floor-fill underlayment.

Note: For concrete subflooring, see Section 11.4.

26.2 Floor Squeaks or Pops

The Builder will take corrective action to eliminate loose flooring and minimize squeaks on a onetime basis within the first year of the Limited Warranty. However, absence of squeaks is not guaranteed.

26.3 Cracked or Loosened Tile, Brick, Marble, or Stone

The Builder, for a period of one year, will replace cracked tiles, bricks, marble, or stone flooring and will attach tiles, bricks, marble, or stone which have detached from a surface, unless the defects were caused by Homeowner's negligence. The Builder is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, stone flooring, or grout. Hollow tiles occasionally occur and are not covered by the Limited Warranty.

26.4 Tile Edges Not Even

When adjacent marble or ceramic tile edges are not even with each other, they cause a deviation called "lippage." The Builder, for a period of one year, will repair lippage greater than 1/8 inch. Irregular tiles such as limestone, adoquin, and Mexican pavers are not covered by the Limited Warranty.

26.5 Hardwood Flooring Gaps

Gaps between hardwood floorboards normally fluctuate in areas where relative humidity varies substantially. The Homeowner is responsible for maintaining proper humidity levels in the home to minimize gaps between hardwood floorboards. Where gaps exceed 1/8 inch, the Builder will repair for a period of one year.

HOME TIP

Homeowners should only use cleaning products recommended by the manufacturers. To prevent damage, Homeowners should avoid walking on hardwood floors with spiked-heel shoes or sliding furniture and other heavy items over the floor.

26.6 Vinyl Flooring Loosened or Bubbled

Vinyl flooring should not lift, bubble, detach, or shrink from the perimeter. The Builder, for a period of one year, will reattach loose or bubbled floor areas or replace floors where shrinkage occurs at the perimeter.

26.7 Vinyl Flooring Depressions or Ridges

Depressions or ridges may appear in vinyl flooring because of subfloor irregularities. The Builder will repair subflooring that causes depressions or ridges exceeding ¼ inch per 4 feet for a period of one year.

HOME TIP

Heavy objects, such as appliances, should not be dragged or slid across vinyl or resilient tile surfaces as they may cause damage to the flooring. Damage to floor coverings caused by such actions is not covered under the Limited Warranty.

26.8 Gaps in Vinyl Flooring Seams

Gaps in vinyl flooring seams should not be visible from a standing position. The Builder, for a period of one year, will repair gaps in seams (sheet goods) or gaps in seams that exceed 1/8 inch (resilient block tile).

26.9 Vinyl Flooring Nail Pops

The Builder, for a period of one year, will repair nail pops on vinyl flooring that are readily visible from a standing position.

26.10 Vinyl Flooring Patterns Misaligned

Vinyl flooring patterns at seams between adjoining pieces should align. Under the Limited Warranty, the Builder, for a period of one year, will correct misaligned flooring.

26.11 Vinyl Flooring Stains

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

26.12 Carpeting Loose or Wrinkled

The Builder, for a period of one year, will re-stretch or resecure wall-to-wall carpeting that has detached or loosened from the point of attachment.

26.13 Gaps in Carpet Seams

It is normal for carpet seams to show. However, the Builder, for a period of one year, will repair gaps in carpet seams that are readily visible from a standing position.

26.14 Carpet Spots or Fading

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

HOME TIP

Homeowners should consult the manufacturer's guidelines for carpet care and cleaning instructions

SECTION 27:

Cabinets and Countertops

27.1 Gaps Between Cabinets and Ceilings or Walls

Gaps between cabinets and ceilings or walls should not exceed ¼ inch. The Builder, for a period of one year, will repair the gap with caulking, putty, scribe molding, or by repositioning the cabinets.

27.2 Cabinet Door or Facing Warped

The Builder, for a period of one year, will repair cabinet doors and drawer fronts that are crooked or warped in excess of ¼ inch.

27.3 Cabinet Door Will Not Stay Closed

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

HOME TIP

To maintain your cabinets, check the caulking around sinks and backsplashes to prevent water damage to the cabinets. Use silicone spray lubricant periodically on drawers and hinges to improve operation.

Follow the manufacturer's recommendations to clean and polish the cabinets once or twice a year. Clean spills immediately. Use a clean cloth and soapy water. Wipe the cabinets dry after cleaning. Avoid excessive moisture on wood cabinets. Use a mild soap and warm water to clean cabinet hardware, such as doorknobs and drawer pulls. Dry hardware with a soft cloth. Don't use detergents, soap pads, steel wool, paste wax, or polishes that contain silicone on your wood cabinets.

27.4 Cabinet Door or Drawer Binds

The Builder, once, during a period of one year, will adjust cabinet doors and drawers that do not easily open or close. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty. Issues beyond the one-year period will be covered by the manufacturer's warranty.

27.5 Wood Cabinet Finish Variations

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

27.6 All Solid Surface Tops

The Builder, for a period of one year, will repair cracked vanity tops at drains or along the countertop. Cracks, scratches, or other damage caused by the Homeowner are not covered by the Limited Warranty.

27.7 Countertop Not Level

Countertops should be no more than ¼ inch per 4 feet out of level. If the countertop is more than ¼ inch per 4 feet out of level, the Builder, for a period of one year, will make appropriate adjustments to the countertops.

27.8 Countertop Delaminated

The Builder, for a period of one year, will repair delaminated high-pressure laminate countertops.

SECTION 28:

Fireplace and Chimney

28.1 Firebox Lining Damaged by Fire

The interior firebox area will become discolored and cracked from the heat of fire in the fireplace. This is not covered by the Limited Warranty.

28.2 Fireplace Smoke in Living Area

When fireplaces are used properly, smoke from the fireplace should not escape into living areas. In cases where smoke escapes into living areas because of improper installation or design, the Builder, for a period of one year, will take appropriate corrective action.

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

HOME TIP

The chimney is a space that often attracts animal nesting and related debris which can affect the operation of the fireplace. Fireplaces and chimneys should be inspected annually by a professional to ensure that the chimney is unobstructed.

28.3 Water in Firebox

It is common for water infiltration to occur into the firebox from the flue. A certain amount of rainwater can be expected under certain conditions. Under the Limited Warranty, no action is required on the part of the Builder.

28.4 Prefab Gas Fireplace

The Builder, for a period of two years, will repair any defects per the manufacturer's specifications. Cleaning and replacement of embers will be the responsibility of the Homeowner.

28.5 Cracks in Masonry Chimney Cap or Crown

It is normal for chimney caps to crack due to expansion and contraction. Chimney caps should be installed at least 2 inches thick to minimize cracking. The Builder, for a period of one year, will replace any cracked chimney cap that is less than 2 inches thick and will fill any crack larger than 1/8 inch with grout to minimize water intrusion.

28.6 Chimney Separation

Chimneys should not separate more than 1/2 inch from the attached structure. If a separation exceeding 1/2 inch from the attached structure does occur, the Builder, for a period of one year, will determine the cause and correct the problem. If such movement occurs after the first year and it is determined that the movement is related to or has resulted in a structural issue, the Builder, for a period of ten years, will correct the problem.

SECTION 29:

Retaining Walls

29.1 Definition

A retaining wall is a structure built to provide a barrier to movement of soil or rock. Retaining walls generally are made of steel sheet piles or masonry – stone, brick, or concrete.

29.2 Drainage

By their nature, retaining walls will retain moisture if an adequate drainage system is not provided. The Builder has installed drainage systems to ensure water drains from the retaining wall correctly. The Homeowner should periodically inspect the drainage systems to ensure they are not clogged and that water continues to drain properly. If moisture is not draining properly, it can negatively affect both the aesthetic and structural integrity of the retaining wall.

29.3 Efflorescence

Efflorescence is the white powder that can appear on the surface of a masonry wall. It is caused when water seeps through the wall, dissolving salts inside of the structure. The water then evaporates, leaving the salt on the surface. This is a normal condition; therefore, the Builder is not responsible for efflorescence. If the entire face of a wall is covered with efflorescence, the grade at the top of the wall should be checked to ensure that water is not entering between the wall and the damp-proofing membrane. The Builder has established proper grade at the time of closing. If the Homeowner modifies the grade with additional grading, plantings, or any other obstructions, there may be an increased chance for water intrusion that may lead to efflorescence occurring. For information on cleaning efflorescence, refer to Section 11.7 of the Limited Warranty.

29.4 Foundation/Base

If the retaining wall has a below-ground foundation, the base of a retaining wall should not be visible. This would expose the foundation and the dirt around it to erosion. The Builder has established proper grade at time of closing and is not responsible for erosion after close of escrow. The Homeowner is responsible for ensuring that the foundation is not visible and that the proper grade is maintained at the base of the wall sloping away from the foundation.

29.5 Movement

Poured concrete retaining walls are engineered to allow for small amounts of movement. To allow sections of walls to expand and contract, control joints are placed periodically. In some instances, these might be placed at breaks in the wall such as corners or half turns. In a long, straight run, you should expect to see them periodically (the distance between is determined by the design of the wall). The expected amount of movement should not be noticeable without some type of measuring device. However, if any discernable amount of movement is evidenced in the wall, the movement should be investigated further. If the movement is determined to be structurally significant, the Builder, for a period of ten years, will take the necessary steps to ensure the wall is structurally sound.

29.6 Cracks

Hairline cracks, a normal occurrence in retaining walls, are considered cosmetic. The Builder will repair cracks that exceed $\frac{1}{4}$ inch in width or vertical displacement by filling, patching, or grinding for a period of two years. For cracks greater than $\frac{1}{4}$ inch in walls located immediately adjacent to a foundation, the issue should be investigated further. If the issue is determined to be structurally significant, the Builder, for a period of ten years, will take the necessary steps to ensure the wall is structurally sound.

29.7 Leaks

Block walls are designed to allow water to leak through them to relieve hydrostatic pressure. However, if the wall has been engineered with a designated drainage system, water should not leak through the wall in places other than through the designated system. The Homeowner is responsible to make sure that drainage systems are not clogged to ensure they are kept in working order. The Homeowner is also responsible for maintaining the grade at the top and sides of the wall, so water is diverted away from the wall and the grade does not raise higher than the damp-proofing barrier. If water does leak through the wall other than through a designated system, the Builder, for a period of two years, will take the appropriate action to fix the leak.

SECTION 30:

Landscape

30.1 Landscape

Due to regional variances in temperature and terrain, the Builder does not offer any warranty on landscaping, e.g., sod, trees, shrubs, flowers, etc.

SECTION 31:

Driveways and Exterior Concrete Surfaces

31.1 Asphalt Driveways

For a period of one year, asphalt driveways containing cracks exceeding $\frac{1}{4}$ inch wide will be repaired by the Builder, and the Builder will repair any depression which retains water in excess of 1 inch deep caused by settlement. Extreme heat will cause indentations and surface deterioration if cars or trucks are parked for long periods of time in the same location. These indentations caused by the long-term parking of cars or trucks are not covered by the Limited Warranty. Damage from heavy delivery trucks is not warranted.

Heaving of driveways – of any material – due to frost is a normal condition in cold climates and is not warranted.

HOME TIP

To maintain your driveway, apply a sealcoat mixture every two years to protect the surface, fill in crevices, maintain the appearance of your driveway, and help keep water from penetrating and deteriorating the asphalt. Keep the driveway free from gasoline and motor oil. This will help prevent deterioration of the driveway. Fill any cracks with asphalt filler as soon as they show.

31.2 Masonry (Brick) Driveway Settlement/Shifting

Some settling of the masonry driveway should be expected. In cases where there is ¼-inch or greater settlement or shifting, the Builder, for a period of one year, will repair by resetting pavers.

31.3 Masonry Driveway Color Variation

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

31.4 Cracks/Chips in Masonry Driveway

The Homeowner should expect the masonry driveway to be crack- or chip-free at the final walk-through. Unless noted on the final walk-through, any crack or chip in the masonry driveway is not covered under the Limited Warranty. In cases when cracks and/or chips are noted on the final walk-through, the Builder will take necessary corrective action.

31.5 Pop-outs in Exterior Concrete

Small pop-outs in exterior concrete are related to soft aggregate used in standard residential concrete mixes. Pop-outs are not covered under the Limited Warranty and will not be repaired by the Builder.

31.6 Surface Scaling in Exterior Concrete

Surface scaling in exterior concrete can result from salt and chemicals used to treat roads. Unless more than 50% of the surface is affected, scaling is not covered under the Limited Warranty. In cases where more than 50% of the surface is affected, the Builder, for a period of one year, will repair using applicable methods.

HOME TIP

To prevent damage, Homeowners should remove salt and chemical buildup from concrete surfaces. Damage to concrete surfaces caused by salt and other chemicals is not covered under the Limited Warranty.

31.7 Concrete Settling

Garage floors, concrete walkways, patios, and steps should not settle, heave, or separate from the house structure in excess of 1 inch in freezing climates or 3/8 inch in nonfreezing climates. In cases where this occurs, the Builder will repair damaged portions of the concrete, using methods at the Builder's discretion, for a period of two years.

31.8 Water Ponding on Exterior Concrete Surfaces

After the rain ceases, water ponding should not exist on concrete surfaces for more than 24 hours. In the event that water ponding exists beyond the 24-hour period, the Builder will take discretionary corrective action for a period of one year.

31.9 Common Area Sidewalks

Community sidewalks are not covered by the Limited Warranty. Please refer to the community Governing Documents for details on sidewalk maintenance and repairs.

31.10 Exterior Concrete Paver Surfaces

Surface variances greater than ½ inch per 4 feet will be repaired for a period of one year. Due to the nature of the product, irregularities in the shape, color, texture, size, and finish can be expected and these variances are not covered by the Limited Warranty.

31.11 Cracks in Exterior Concrete

Driveways, sidewalks, stoops, patios, etc., are exposed to the elements year-round and are subject to wear and tear from weather. Cracks are to be expected due to curing, expansion, and contraction. The Builder will repair cracks exceeding ¼ inch in width or vertical displacement by filling, patching, or grinding for a period of two years.

HOME TIP

As part of regular maintenance, home-Homeowners should inspect concrete surfaces and seal cracks to prevent further damage.

SECTION 32:

Outdoor/Indoor Pools

32.1 Pools

Pools have many parts and components and are not warranted by the Builder. Warranty coverage may be available from a third-party pool contractor, if applicable.

32.2 Cracks in Decking

Some cracks and expansion are normal and not covered under the Limited Warranty. Expansion in heat and cold as well as ground movement make cracking inevitable. The Builder, for a period of two years, will repair cracks that exceed ¼ inch in width or ¼ inch in vertical displacement.

SECTION 33:

Appliances

33.1 Chipped or Scratched Appliances

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

33.2 Appliance Fails to Function

Kitchen, laundry, and bar appliances that fail to function per the manufacturer's specifications will be addressed by the manufacturer under the manufacturer's warranty.

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