

## JCB URBAN HOMEOWNER'S HANDBOOK

In Consideration of the Homeowner's purchase of the Home from JCB Urban and subject to the provisions of this limited home warranty ("Limited Warranty"), Builder agrees to the terms and conditions that follow. All capitalized terms used herein shall have the meanings set forth in Section VI – Definitions.

### SECTION I. – COVERAGE

#### One-Year Limited Warranty:

Except for the exclusions listed in Section IV, Builder warrants to the Homeowner that the Home will be free from defects in workmanship or materials in accordance with the Performance Standards for a period of one (1) year after the Original Closing Date. These defects must first become evident within such one-year period and must be reported to Builder within such one-year period.

### SECTION II. – WHAT THE BUILDER WILL DO

If a defect covered by this Limited Warranty occurs, Builder will repair or replace it in accordance with the Performance Standards. The choice to repair or replace any defective item shall be made solely by Builder. The method and manner of repair or replacement will be selected by Builder in its sole discretion. Any repair or replacement procedure shall not extend the Limited Warranty period therefore, except that the repair or replacement itself will be warranted for ninety (90) days. The Homeowner's failure to provide reasonable access to the Home during normal working hours for inspecting warranty claims and making repairs or replacements will relieve Builder from its obligations under this Limited Warranty. Builder's total cumulative liability under this Limited Warranty is limited to the original purchase price paid to Builder by Homeowner for the Home.

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. Builder cannot guarantee, nor does it warrant, exact color matches in situations where materials are replaced repainted or original materials are discontinued.

Appliances, equipment and fixtures included in the Home are not warranted by Builder but are covered by separate warranties provided by the manufacturer or supplier, which warranties are assigned by Builder to the Homeowner on the original Closing Date. If it is necessary to request warranty service on such items, the Homeowner must make a request directly to the manufacturer or supplier.

Any work performed by Builder to satisfy its obligations under this Limited Warranty will also be warranted until the later of: (1) the expiration of the Limited Warranty period for that element of the home; or (2) ninety days after the warranty work is completed.

### SECTION III. – WHAT THE HOMEOWNER MUST DO

If the Homeowner believes he or she has a warranty claim which is covered under Section I of this Limited Warranty, the Homeowner must provide written notice to Builder which clearly and specifically states the nature of the claimed defect and the date on which the claimed defect occurred. This written notice must be received by Builder within the applicable Limited Warranty period for such claim. If such written notice is not received by Builder within the applicable Limited Warranty period, any claim or complaint for the defect will be waived by the Homeowner and the claim or complaint will be rejected. In case of an emergency problem, the Homeowner must notify Builder immediately in order that further damages can be mitigated. Builder will evaluate the claim and notify the Homeowner of its evaluation.

The homeowner must cooperate with Builder's efforts in both evaluating claims and repairing defects, including giving to Builder and its contractors reasonable access to the Home. Homeowner's failure to cooperate with Builder will void this Limited Warranty.

Sometimes the cause of a problem cannot be determined by visual inspection. In such cases the Homeowner may be asked to consent to tests, intrusive or destructive examination, and to commencement of repairs. If the Homeowner consents, Builder will perform such tests, examinations and repairs with the understanding that if the cause of the problem is ultimately determined not to be covered by this Limited Warranty, then the Homeowner will pay for all of the Builder's costs of tests, examinations and repairs. If the Homeowner does not consent to such tests, examinations and repairs, then Builder will be released from all responsibility for that warranty claim.

#### **SECTION IV. – EXCLUSIONS**

The following are excluded from coverage under this Limited Warranty:

1. Normal wear and tear or deterioration of the Home;
2. Loss, damage or other condition which does not result directly from or is not a defect of workmanship or materials;
3. Loss or damage to any property or improvement which is not part of the Home or which is not included in the purchase price paid to Builder for the Home;
4. Defects in landscaping (including, without limitation, sod, seeding, shrubs, trees and plants which are damaged from either too much or too little watering);
5. Defects in, or caused by, materials or work supplied or installed by anyone other than the Builder, its employees, agents or subcontractors;
6. Workmanship and materials complying with the Performance Standards;
7. Changes of grading of the ground by anyone other than Builder or any of its employees, agents or subcontractors working under the direction of Builder;
8. Defects, losses injuries, or damages caused by the Homeowner, acts of God, or other circumstances not in Builder's control, including, without limitation, loss or damage resulting from accidents, riot, civil

commotion, fire, explosion, blasting, smoke, windstorm, hail, hurricane, sinkhole, tornados, lightning, falling trees, aircraft, vehicles, flood, mudslide, erosion or subsidence of soils (due to any reason other than for defective workmanship by Builder or its contractors), earthquake, volcanic eruption and changes in the level of underground water table;

9. Claims which are normally covered by standard homeowner insurance policies, whether covered by the Homeowner's insurance policies or not;
10. Loss, injury, or damage, including, without limitation, uninhabitability or health risk resulting from the presence of radon, formaldehyde, mold, mildew, fungus, vermin, or animals;
11. Cost of transportation, food, storage, moving, lodging, shelter or other incidental expenses, including, without limitation, any such costs related to Homeowner relocation during repair;
12. Broken roof and floor tiles and normal settlement cracks;
13. A Home for which someone other than Builder or its Affiliates applies for its building permit or certificate of occupancy;
14. Loss, damage or other condition which is caused by Homeowner's failure to comply with or follow guidelines in any Homeowner Service Manual Or Home Care Guide provided by Builder;
15. Loss, damage or other condition which is caused by Homeowner's failure to give notice to Builder of any defects within a reasonable time (note: signs of water intrusion and leaks must be reported to Builder immediately);
16. Defects which are not reported to Builder within the applicable Limited Warranty period for such item in accordance with Section III;
17. Loss, damage or other condition which Homeowner fails to mitigate, minimize or prevent;
18. Dampness or condensation due to the failure of the Homeowner to maintain adequate cooling or ventilation within the Home which is not directly attributable to defective insulation or an identified leak;
19. Loss or damage caused by or resulting from abnormal loading or structural elements by Homeowner which exceeds design loads for the Home;
20. Negligence in proper maintenance or operation by anyone other than Builder or its contractors acting under the direction of Builder;
21. Any loss or damage which may arise because the Home is being used for a non-residential purpose;
22. Any loss or damage to the Home caused by failure of the Homeowner to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures (it being understood that the foregoing items are specifically excluded from coverage under this Limited Warranty); and

23. Any modifications and non-emergency repairs (other than routine maintenance) to the roof made after the Original Closing Date (which will not be covered by, and will void, any warranty of the roof under this Limited Warranty).

## SECTION V. – GENERAL CONDITIONS

1. **Mortgagee Clause:** The Mortgagee will be bound by the adjustment of any claim made with the Homeowner.
2. **Delay:** If Builder's performance of any of its obligations is delayed by any event not resulting from its own conduct, it will be excused from performing until the defects of that event are remedied. Examples of such events are acts of God or common enemy, war, riot, civil commotion, sovereign conduct, or dilatory acts of Homeowner.
3. **Other Insurance and/or Warranties:** If Builder repairs or replaces, or pays the cost of repairing or replacing, any defect covered by this Limited Warranty (subject to Section IV hereof) for which Homeowner is covered by other insurance or warranties, Homeowner must, upon request by Builder, assign the proceeds of such covered or insured repair, replacement or payment.
4. **OTHER RIGHTS LIMITED AND SUPERSEDED:** **THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS. THIS LIMITED WARRANTY LIMITS AND SUPERSEDES ALL OTHER RIGHTS YOU MAY HAVE HAD, EITHER EXPRESS OR IMPLIED.** This Limited Warranty is independent of the contract between the Homeowner and Builder for the construction of the Home or the sale of the Home to the Homeowner. Nothing contained in any other contract between the Homeowner and Builder can restrict or override the provisions of this Limited Warranty.
5. **Access to Premises:** By accepting or relying on this Limited Warranty, Homeowner agrees to and understands that access to, on, through or within the Home and its surrounding premises during reasonable workday hours will be available to Builder so that any defect may be inspected and corrected and the Limited Warranty service performed.
6. **Notices:** Any notices to Builder that are required by this Limited Warranty must be sent to the Construction Manager at the address noted for Seller on the written agreement signed by the Homeowner to purchase the Home from Builder.
7. **Validation:** This Limited Warranty is void and will not be valid unless (a) the Homeowner's name and the Home's address are clearly indicated on the first page, (b) it is validated by the signature of Builder's authorized representative, and (c) the Home is actually sold by Builder to the Homeowner.
8. **General:** Should any provisions of this Limited Warranty be deemed by an arbitrator or a court of competent jurisdiction to be unenforceable, that determination will not affect the enforceability of the remaining provisions. Use of one gender in this Limited Warranty includes all other genders; and use of the plural includes the singular as may be appropriate. This Limited Warranty shall be construed and governed exclusively in accordance with the laws of the state in which the Home is located.

## SECTION VI. – DEFINITIONS

1. “Affiliate” of a specified person or entity for the purposes of this Limited Warranty, means a person or entity which (either directly or indirectly, through one or more intermediaries) controls, is under common control with or is controlled by, the specified person or entity. For purposes of this definition, control of a specified person or entity (including the correlative terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the specified person or entity, whether through ownership of voting securities, the ability to appoint one or more of the entity’s officers, trustees, directors or persons in a similar capacity, by contract or otherwise.
2. JCB Urban Company, Inc. or “Builder”: The entity names as the “Seller” in the written agreement signed by the Homeowner to purchase the Home.
3. “Home”: The residential dwelling located at the address set forth on the front page of this Limited Warranty, and that is constructed by Builder and conveyed by Builder to the Homeowner.
4. “Homeowner”: Person who receives, directly from Builder, record title of the Home that is the subject of this specific Limited Warranty, and is named on the front page of this Limited Warranty.
5. “Original Closing Date”: The date that record title of the Home was conveyed from Builder to the Homeowner.
6. “Original Building Code”: Building code requirements applicable to the Home and in effect at the time of the issuance of the building permit for the Home.
7. “Performance Standards”: The “Performance Standards” set forth in Section VIII hereof.

## SECTION VII – LIMITATION OF LIABILITY; DISCLAIMER

**IT IS UNDERSTOOD AND AGREED THAT BUILDER’S LIABILITY UNDER THIS LIMITED WARRANTY WHETHER IN CONTRACT, IN TORT, IN NEGLIGENCE OR OTHERWISE, IS LIMITED TO THE REMEDY PROVIDED IN THIS LIMITED WARRANTY. BUILDER’S OBLIGATIONS UNDER THIS LIMITED WARRANTY ARE LIMITED TO REPAIR OR REPLACEMENT OF A DEFECT. UNDER NO CIRCUMSTANCES SHALL 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 BUILDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

**THIS LIMITED WARRANTY IS THE ONLY WARRANTY APPLICABLE TO THIS PURCHASE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY, ARE DISCLAIMED AND EXCLUDED.**

## SECTION VIII

## **PERFORMANCE STANDARDS**

The standards described in this Section VIII are the “Performance Standards: which establish minimum standards relating to specific defects which apply during the applicable Limited Warranty period. To the extent that minimal performance standards for workmanship and materials have not been listed in this Section VIII, the Performance Standards for such workmanship and materials shall be established by the Original Building Code, or, if the Original Building Code is silent, by common industry practice for the area where the Home is located. Any investigation or arbitration of such complaints shall be conducted accordingly. Repairs or replacement under this Limited Warranty shall be in conformance with these Performance Standards and the Original Building Code.

**Only the most frequent items of concern to the Homeowner(s) are listed in this Section VIII. The standards are in an easy-to-read format listing:**

**\*”OBSERVATION” – a brief statement of the problem to be considered.**

**“ACTION REQUIRED” – a statement of the corrective action to be taken by the Builder to correct the problem.**

### **I. SITE WORK**

#### **A. GRADING:**

OBSERVATION: Ground is settling around foundation, utility trenches, or other areas which interferes with water draining away from unit.

ACTION REQUIRED: Builder shall fill those areas where property drainage has been affected. This shall be done one time only during the Limited Warranty period and the Homeowner shall be responsible for replacement of all grass, shrubs, and landscaping in the affected area.

#### **B. DRAINAGE:**

OBSERVATION: Improper drainage of the site resulting in standing or ponding water for extended periods (generally exceeding more than 24 hours) in the immediate area after a rain, except swales which drain longer than other areas, or where sump pumps discharge, where a longer period for draining can usually be anticipated (generally not exceeding 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. Grading determination shall not be made while there is frost or snow on the ground, or while the ground is saturated.

ACTION REQUIRED: The necessary grades and swales will be completed by Builder to insure proper drainage away from the unit. The Homeowner is responsible for maintaining grades and swales once they have been properly completed.

### **II. CONCRETE**

#### **A. EXPANSION AND CONTRACTION OF JOINTS:**

**OBSERVATION:** Separation or movement of concrete slab within the structure at expansion and contraction joints.

**ACTION REQUIRED:** No action is required as concrete slabs within the structure are designed to move at expansion and contraction joints and this is not considered a deficiency.

**B. CAST-IN-PLACE CONCRETE:**

**OBSERVATION:** Basement or foundation wall cracks.

**ACTION REQUIRED:** Builder will repair cracks in excess of 1/8 inch in width by surface patching. Inconsistencies in color and appearance may result and shall be considered acceptable.

**OBSERVATION:** Garage slab cracks.

**ACTION REQUIRED:** Builder will repair cracks in excess of 1/4 inch in width or 1/4 inch in vertical displacement by surface patching. Inconsistencies in color and appearance may result and shall be considered acceptable.

**OBSERVATION:** Uneven concrete floors/slab, or areas of depression, pits or unevenness.

**ACTION REQUIRED:** Except where a floor or portion of a floor has been designed for specific drainage purposes, Builder shall correct and repair pits, depressions or areas of unevenness exceeding 1/4 inch in 36 inches in the concrete floors of rooms designed for habitability. Inconsistencies in color and appearance may result and shall be considered acceptable.

**OBSERVATION:** Cracks in concrete slab-on-grade floors with finish flooring.

**ACTION REQUIRED:** Builder shall repair cracks which rupture finish floor material. Inconsistencies in color and appearance may result and shall be considered acceptable.

**OBSERVATION:** Concrete surfaces have disintegrated to the extent that the aggregate is exposed and loosened as a result of normal conditions of weathering and use.

**ACTION REQUIRED:** Builder shall repair stoops, steps or garage floors which have settled, heaved or separated in excess of 1 inch from the house structures. Caulking where appropriate shall be considered acceptable.

**OBSERVATION:** Settling, heaving, or separating of stoops, steps or garage floors structurally attached to the unit.

**ACTION REQUIRED:** Builder shall repair stoops, steps or garage floors which have settled, heaved or separated in excess of 1 inch from the house structures. Caulking where appropriate shall be considered acceptable.

**OBSERVATION:** Standing water on stoops, steps and concrete slabs; provided that “minor” water standing on stoops for a short period of time is not considered a defect. “Minor” is to be defined as an area of water less than ¼ inch deep and covering a maximum of 10% of the surface area.

**ACTION REQUIRED:** Builder shall provide proper drainage of steps and stoops. Inconsistencies in color and appearance may result and shall be considered acceptable.

**OBSERVATION:** Stress cracks (fractures) in concrete on patios, pool decks and driveways.

**ACTION REQUIRED:** Builder will repair cracks exceeding ¼ inch in vertical displacement by surface patching. Inconsistencies in color and appearance may result and shall be acceptable.

### **III. MASONRY**

**OBSERVATION:** Non-structural foundation wall cracks.

**ACTION REQUIRED:** Builder will repair cracks in excess of 1/8 inch in width by pointing or patching, in Builder’s sole discretion. Inconsistencies in color and appearance may result and shall be acceptable. Small cracks not affecting structural stability (less than 1/8 inch in width) are not unusual in mortar joints of masonry foundation walls and are not considered a defect.

**OBSERVATION:** Cracks in masonry walls or veneer.

**ACTION REQUIRED:** Builder shall repair cracks in excess of 3/8 inch in width by pointing or patching in Builder’s sole discretion. Builder will not be responsible for color variation between old and new mortar. Small cracks (less than 3/8 inch in width) due to shrinkage are common in mortar joints in masonry construction and are not considered a defect.

### **III. WOOD AND METAL**

#### **A. ROUGH CARPENTRY:**

**OBSERVATION:** Floors squeak or subfloor seems loose.

**ACTION REQUIRED:** Floor squeaks and loose subfloor are often temporary conditions common in new construction, and a squeak-proof floor cannot be guaranteed. Builder will correct the problem only if caused by an underlying construction defect.

**OBSERVATION:** Uneven wood floors.

**ACTION REQUIRED:** Builder shall repair uneven wood floors that are more than ¼ inch out of level within any 48 inch horizontal measurement. Allowable floor and ceiling joist deflections are governed by the Original Building Code.

**OBSERVATION:** Bowed walls.

**ACTION REQUIRED:** All interior and exterior walls have slight variances on finished surfaces. Builder will correct or repair bowed walls greater than ¼ inch within 48 inches. Any allowable structural deflections shall be governed by the Original Building Code.

**OBSERVATION:** Out of plumb walls.

**ACTION REQUIRED:** Builder will repair all walls which are out of plumb by more than ¼ inch for any 48 inch vertical measurement.

**B. FINISH CARPENTRY (INTERIOR):**

**OBSERVATION:** Poor quality of interior trim workmanship.

**ACTION REQUIRED:** Builder will repair joints in moldings or joints between moldings and adjacent surfaces resulting in open joints exceeding 1/8 inch in width. Caulking is considered acceptable. Inconsistencies in color and appearance may result and shall be acceptable.

**C. FINISH CARPENTRY (EXTERIOR):**

**OBSERVATION:** Poor quality of exterior trim workmanship.

**ACTION REQUIRED:** Builder will repair any joints between exterior trim elements, including fascia, siding and masonry, resulting in open joints in excess of 3/8 inch or resulting in the exterior trim, masonry and siding being incapable of performing its function to exclude the elements. Caulking is considered acceptable. Inconsistencies in color and appearance may result and shall be acceptable.

**IV. THERMAL AND MOISTURE PROTECTION**

**A. WATERPROOFING:**

**OBSERVATION:** Leaks in basement.

**ACTION REQUIRED:** Builder will repair any leaks resulting in actual trickling of water, except where the cause is determined to result from Homeowner action or negligence. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

**B. INSULATION:**

**OBSERVATION:** Insufficient insulation.

**ACTION REQUIRED:** Builder shall provide sufficient insulation to comply with applicable energy and building code requirements except where the cause is determined to result from Homeowner action or negligence.

**C. LOUERS AND VENTS:**

**OBSERVATION:** Leaks due to snow or rain driven into the attic through louvers or vents.

**ACTION REQUIRED:** No action is required as attic vents and/or louvers must be provided for proper ventilation of the attic space or the structure and this is not considered a deficiency.

**D. SHEET METAL:**

**OBSERVATION:** Gutters and/or downspouts leak.

**ACTION REQUIRED:** Builder will repair leaks to gutters and/or downspouts once during the Limited Warranty period (provided that gutters may still overflow [not leak] during heavy rain). Caulking is acceptable. It is a Homeowner responsibility to keep gutters and downspouts free from leaves and debris which could cause overflow.

**OBSERVATION:** Water standing in gutters.

**ACTION REQUIRED:** Where gutter is unobstructed by debris, Builder will correct so that water stands no greater than one (1) inch. Note: Industry practice is to install gutters approximately level. Consequently, it is possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

**V. DOORS AND WINDOWS**

**A. DOORS:**

**OBSERVATION:** Warpage of exterior doors.

**ACTION REQUIRED:** Exterior doors may warp to some degree due to temperature differential on inside and outside surfaces. Builder will correct or replace and refinish doors with warpage in excess of National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner) or doors that have become inoperable or cease to be weather resistant. Repairs or replacements may not match the original door, but will match as closely as possible. Builder will not be responsible for discontinued materials, patterns or lots (color variations).

**OBSERVATION:** Warpage of interior passage and closet doors.

**ACTION REQUIRED:** Builder will correct or replace and refinish doors with warpage in excess of National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner) to match existing doors as nearly as possible. Repairs or replacements may not match the original doors, but will match as closely as possible.

**OBSERVATION:** Shrinkage of insert panels reveals raw wood edges.

**ACTION REQUIRED:** No action is required as panels will naturally shrink and expand and may expose unpainted surface and this is not considered a deficiency.

**OBSERVATION:** Split in door panel.

**ACTION REQUIRED:** If light is visible through door, Builder will fill split and match paint or stain as closely as possible, one time in the Limited Warranty period.

**B. GLASS:**

**OBSERVATION:** Glass broken or scratched.

**ACTION REQUIRED:** No action is required as Builder is only responsible for broken or scratched glass which is visible a minimum of five (5) feet away at the time of the inspection/walk-through and is reported to Builder prior to closing.

**C. GARAGE DOORS ON ATTACHED GARAGES:**

**OBSERVATION:** Garage doors fail to operate, under normal use.

**ACTION REQUIRED:** Builder shall correct or adjust garage doors as required, except where the cause is determined to result from improper installation by the Homeowner or Homeowner negligence.

**OBSERVATION:** Garage doors allow intrusion of water or snow.

**ACTION REQUIRED:** Builder shall adjust or correct garage doors in accordance with the manufacturer's recommendations for installation. Some intrusion of the elements can be expected under abnormal conditions and shall be considered acceptable.

**D. WINDOWS:**

**OBSERVATION:** Windows not operating with reasonable ease, as designed.

**ACTION REQUIRED:** Builder shall correct or repair as required, except where the cause is determined to result from Homeowner action or negligence.

**OBSERVATION:** Condensation and/or frost on windows:

**ACTION REQUIRED:** Unless attributed to improper installation (which Builder will repair), window condensation is normally a result of conditions beyond Builder's control and not considered a deficiency.

**OBSERVATION:** Window screen loose fitting.

**ACTION REQUIRED:** No action is required as depending on style and manufacturer, small gaps can appear on some sides of screens and this is not considered a deficiency.

**E. WEATERSTRIPPING AND SEALS:**

OBSERVATION: Air infiltration around doors and windows.

ACTION REQUIRED: Infiltration is normally noticeable around doors and windows, especially during high winds. Builder will adjust or correct improperly fitted doors, windows and weatherstripping. Note: It may be necessary for the Homeowner to have storm doors and windows installed at Homeowner's expense to provide satisfactory solutions in high wind areas.

**VI. FINISHES**

**A. GYPSUM WALLBOARD (DRYWALL):**

OBSERVATION: Nail pops, blisters in tape or other blemishes.

ACTION REQUIRED: Builder will repair cracks exceeding 1/8 inch in width, one time only, during the Limited Warranty period. Builder is not responsible for color variations in paint and will not attempt to match colors that were painted after the closing date. Slight blemishes such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable.

OBSERVATION: Texture not uniform around light switches and electrical outlets.

ACTION REQUIRED: No action is required as this condition is common in gypsum wallboard installations and is not considered a deficiency.

**B. CERAMIC AND MARBLE TILE:**

OBSERVATION: Ceramic or marble tile cracks or becomes loose.

ACTION REQUIRED: Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the Homeowner's actions or negligence. Builder will not be responsible for discontinued materials, patterns or color variations in ceramic tile.

OBSERVATION: Cracks appearing in grouting of ceramic tile joints.

ACTION REQUIRED: Builder will repair grouting if necessary one time only, during the Limited Warranty period. Builder will not be responsible for color variations or discontinued colored grout. Regrouting of cracks is a maintenance responsibility of the Homeowner within the life of the Home.

OBSERVATION: Ceramic or marble tile is higher than adjoining tile.

ACTION REQUIRED: Builder will replace tile(s) which are in excess of 1/16" in height of adjoining tile(s). Builder will not be responsible for discontinued materials, patterns or die lots (color variations).

OBSERVATION: Tile grout, not perfectly smooth and variations in color exist.

ACTION REQUIRED: No action is required as minor bumps and slight variations in color are customary and are not considered a deficiency.

**C. FINISHED WOOD FLOORING:**

OBSERVATION: Cracks developing between floor boards.

ACTION REQUIRED: Builder will repair cracks in excess of 1/8 inch in width by filling or replacing, at Builder's sole discretion. Builder will not be responsible for discontinued materials, patterns or color variations.

**D. RESILIENT FLOORING:**

OBSERVATION: Nail pops appearing on the surface of resilient flooring.

ACTION REQUIRED: Builder shall correct readily apparent nail pops which are above the surface. Builder will repair or replace, at Builder's sole discretion, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued materials, patterns or color variations in floor covering.

OBSERVATION: Depressions or ridges appearing in the resilient flooring due to subfloor irregularities.

ACTION REQUIRED: Builder shall repair depressions or ridges exceeding 1/8 inch in the resilient flooring so that the affected area is not readily visible. (The ridge or depression measurement must be taken at the gap created at one end of a six-inch straight edge placed over the depression or ridge with three inches of the straight edge on one side of the defect, while held tightly to the floor). Builder shall not be responsible for discontinued materials, patterns or color variations in floor covering.

OBSERVATION: Seams or shrinkage gaps show at resilient flooring joints.

ACTION REQUIRED: Builder shall repair or replace, at Builder's option, gaps exceeding 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible. Builder shall not be responsible for discontinued materials, patterns or color variation of floor covering, or for problems caused by Homeowner neglect or abuse.

**E. PAINTING:**

OBSERVATION: Exterior paint or stain peels, deteriorates or fades.

ACTION REQUIRED: If paint or stain is defective, Builder will prepare and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of a wall area,

the whole area will be refinished. Fading and light chalking is normal and the degree is dependent on climatic conditions.

**OBSERVATION:** Additional painting required due to other repair work that is Builder's responsibility.

**ACTION REQUIRED:** Builder shall refinish repair area as indicated but will only be responsible for painting the surface the original color as of the closing date.

**OBSERVATION:** Deterioration of interior varnish or lacquer finishes.

**ACTION REQUIRED:** Builder will retouch affected areas of natural finish interior woodwork, attempting to match the color as closely as possible. Builder shall not be responsible for discontinued materials, or color variation, or for problems caused by Homeowner neglect or abuse. Varnish type finishes used on the exterior will deteriorate rapidly and are not covered by this Limited Warranty.

**OBSERVATION:** Mildew or fungus on painted surfaces.

**ACTION REQUIRED:** No action is required as mildew or fungus formation is a condition outside of the Builder's control and is a Homeowner maintenance item.

#### **F. CARPETING:**

**OBSERVATION:** Open carpet seams or stretching occurs.

**ACTION REQUIRED:** Wall to wall carpeting, when stretched, shall not come loose from the point of attachment. Carpet seams may show but Builder will correct separations at seams which exceeds 1/8 inch.

**OBSERVATION:** Spots on carpet, minor fading.

**ACTION REQUIRED:** No action is required as exposure to light can cause spots on carpet and /or minor fading and is not considered a deficiency.

#### **G. STUCCO:**

**OBSERVATION:** Cracking occurs in exterior stucco wall surfaces.

**ACTION REQUIRED:** Builder shall surface repair cracks exceeding 1/8 inch in width, one time only, during the Limited Warranty period. Builder shall not be responsible for color variations on the paint touch-ups of these repairs.

#### **H. REAL CEDAR SHAKE SIDING:**

**OBSERVATION:** Cracking, cupping, and fading occurs in exterior real cedar shake siding wall surfaces.

**ACTION REQUIRED:** No action is required as cracking and cupping normally occurs within the first two years after installation. Sun exposure can substantially change the color of the real cedar shake siding and may cause dramatic differences in color on each side of the Home. Homeowner is responsible for reapplying stain to real cedar shake siding every one to two years as part of the normal maintenance. Builder shall repair installation problems only during the Limited Warranty Period.

## **VII. FIREPLACES:**

**OBSERVATION:** Fireplace or chimney does not draw properly.

**ACTION REQUIRED:** If the problem is one of design or construction, Builder shall correct it. It is normal however to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some homes need to have a window opened slightly to create an effective draft, when they have been insulated and weather-proofed to meet energy conservation criteria.

**OBSERVATION:** Chimney separation from structure to which it is attached.

**ACTION REQUIRED:** Builder will correct any separation of chimney from structure to which it is attached which is greater than 3/8 inch from the main structure in a eight (8) foot vertical measurement. Caulking is acceptable.

**OBSERVATION:** Firebox paint discolored by fire or heat.

**ACTION REQUIRED:** No action is required as heat from fires will alter finish and is not considered a deficiency.

**OBSERVATION:** Cracked firebrick and mortar joints.

**ACTION REQUIRED:** No action is required as heat and flames from “roaring” fires will cause cracking and is not considered a deficiency.

## **VIII. CABINETS:**

**OBSERVATION:** High pressure laminates of vanity and kitchen cabinet countertops have surface cracks, delaminations and/or chips.

**ACTION REQUIRED:** Builder shall replace delaminated coverings. However, Builder shall not be responsible to repair or correct delamination or other damages as a result of standing water or Homeowner negligence or abuse. Builder will not be responsible for chips and cracks noted subsequent to occupancy.

**OBSERVATION:** Kitchen cabinet door and drawer malfunctions.

**ACTION REQUIRED:** Builder shall correct or replace doors or drawer fronts with warpage in excess of ¼ inch as measured from face frame to furthestmost point of warpage with door or drawer front in closed position.

**OBSERVATION:** Gaps between cabinets, ceiling or walls in excess of ¼ inch in width.

**ACTION REQUIRED:** Builder shall correct gaps in excess of ¼ inch in width.

**OBSERVATION:** Variations in color, grain and texture of wood cabinet finishes. Minor dings, dents and splits in wood cabinets.

**ACTION REQUIRED:** No action is required as none of the foregoing are considered a deficiency and are not covered under this Limited Warranty.

**OBSERVATION:** Caulking shrinkage causing expansion of counter tops and backsplashes from water damage.

**ACTION REQUIRED:** No action is required as it is the Homeowner's responsibility to keep these areas caulked.

## **XI. PLUMBING:**

**OBSERVATION:** Faucet or valve leaks.

**ACTION REQUIRED:** Builder will repair or replace the leaking faucet or valve when due to defects in workmanship or material. Builder shall not be responsible for discontinued materials, or patterns, or for problems caused by Homeowner neglect or abuse.

**OBSERVATION:** Plumbing fixtures, appliances or trim fittings are defective.

**ACTION REQUIRED:** Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by the manufacturer.

**OBSERVATION:** Cracking or chipping or porcelain or fiberglass.

**ACTION REQUIRED:** Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy and/or listed on the original "punch list".

**OBSERVATION:** Sewers, fixtures and drains are stopped up.

**ACTION REQUIRED:** If a problem occurs, the Homeowner should consult Builder for a proper course of action. Builder shall not be responsible for sewers, fixtures and drains which are clogged through Homeowner negligence or abuse. Where defective construction is shown to be the cause, Builder will assume the cost of the repair. Where Homeowner negligence is shown to be the cause, the Homeowner shall assume all repair costs.

**OBSERVATION:** Septic system does not operate properly.

**ACTION REQUIRED:** Builder shall repair, or correct, malfunctioning or non-operating systems, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of Builder or Builder's contractors, or subcontractors. Builder will not be responsible for system malfunction or damage, which is caused by Homeowner negligence, lack of system maintenance, or other causes attributable to actions of the Homeowner or Homeowner's contractors, not under the control of Builder. These include, but are not necessarily limited to , the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system and damage, or changes, to the septic system installation or surrounding soil conditions that may be critical to the system's functioning. Septic system shall be designed and installed to comply with applicable, approved code requirements.

## **XII. ELECTRICAL CONDUCTORS, FUSES AND CIRCUIT BREAKERS:**

**OBSERVATION:** Fuses blow or circuit breaker "kick out" under normal usage.

**ACTION REQUIRED:** Builder shall check wiring circuits (excluding ground fault interrupters) for conformity with local, state, or approved national electrical code requirements. Builder shall correct wiring not conforming to code specifications.

**OBSERVATION:** Ground fault interrupter trips frequently.

**ACTION REQUIRED:** Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to faulty installation. (Note: Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily).

**OBSERVATION:** Drafts originating from electrical outlets.

**ACTION REQUIRED:** No action is required as this occurrence is normal in new home construction and is not considered a deficiency.

**OBSERVATION:** Malfunction of electrical outlets, switches or fixtures.

**ACTION REQUIRED:** Builder shall repair or replace defective switches, fixtures and outlets.

## **XIII. HEATING AND COOLING**

### **A. HEATING:**

**OBSERVATION:** Heating system is incapable of producing an inside temperature of 70 degrees F, as measured in the center of each room at a height of five (5) feet above the floor.

**ACTION REQUIRED:** Builder shall correct heating system to provide the required temperatures. However, Homeowner shall be responsible for "balancing" dampers, registers, and minor

adjustments. (Note: Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted).

**B. AIR CONDITIONING:**

OBSERVATION: Air conditioning is incapable of maintaining summer design conditions as specified in ASHRAE handbook.

**ACTION REQUIRED:** When air conditioning is provided, Builder shall correct cooling system to meet temperature conditions, in accordance with ASHRAE specifications. "Balancing" of the system is a Homeowner responsibility. In the case of outside temperatures exceeding 95 degrees F, a differential of 15 degrees f is acceptable. (Note: Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted).

OBSERVATION: Condensation lines are clogged.

**ACTION REQUIRED:** No action is required as condensation lines will clog eventually under normal use and is not considered a deficiency. However, Builder shall provide unobstructed condensation lines at time of first occupancy. Maintenance is the responsibility of the Homeowner.

OBSERVATION: Equipment does not function properly at temperature standard set.

**ACTION REQUIRED:** Builder shall correct and adjust so that blower and water system operate as it is designed to operate.

**XIV. PLUMBING PIPES**

OBSERVATION: Plumbing pipes have frozen and burst.

**ACTION REQUIRED:** If it is determined that construction was not completed to code as defined in accordance with ASHRAE design temperatures, Builder will repair and correct to meet the code. It is the Homeowner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

OBSERVATION: Water supply system does not deliver water.

**ACTION REQUIRED:** Builder shall repair if failure is the result of defective workmanship or materials. Builder has no responsibility for elimination of the sources of supply when the problem is beyond Builder's control.

**XV. COOLING AND VENTILATION SYSTEM**

OBSERVATION: Cooling lines leak during normal operation.

**ACTION REQUIRED:** Builder shall repair lines leaking refrigerant and re-charge unit, unless damage has been caused by the Homeowner.

OBSERVATION: Separated or unattached ductwork.

ACTION REQUIRED: Builder will re-attach and re-secure all separated ductwork.

OBSERVATION: Noisy ductwork.

ACTION REQUIRED: No action is required. When metal is heated it expands and when it cools it contracts. The result is a cracking sound which is generally to be expected and is not considered a deficiency.

OBSERVATION: A booming noise caused by “oil canning” of the ductwork.

ACTION REQUIRED: Builder will correct to eliminate this noise.

## **XVI. ELECTRICAL WIRING**

OBSERVATION: Wiring does not carry its designed load to the electrical box under normal residential use.

ACTION REQUIRED: Builder shall check wiring for conformity with local, state, or approved national electrical code requirements. Builder shall repair wiring that does not conform to code specifications.

## **XVII. ROOFING**

OBSERVATION: Ice build-up on roof.

ACTION REQUIRED: No action is required as prevention of ice build-up on a roof is a Homeowner maintenance item. During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof and is not considered a deficiency. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

OBSERVATION: Roof or flashing leaks under normally anticipated conditions.

ACTION REQUIRED: Builder will repair any verified roof or flashing leaks not caused by ice build-up or Homeowner action or negligence during the Limited Warranty period.

OBSERVATION: Broken roof shingle.

ACTION REQUIRED: When broken by Builder, employees of Builder, or subcontractors of Builder is repairing a leak covered by this Limited Warranty, Builder shall be responsible for replacing roof shingles that are broken. Otherwise, broken roof shingles are not covered by this Limited Warranty.

