

WARRANTY FOREWORD

Thank you for purchasing your new home from Napolitano Homes, where “Our mission is to provide every customer with the absolute best new home buying experience”.

This mission is not just from purchase to closing, it extends through the warranty period and beyond. That is why we have designed this Warranty Manual to help provide you an understanding of the warranty on your home and how it works.

We also want to establish between us an understanding that your new home is a handmade product, which is not perfect.

We are proud of the homes we build and we are personally involved in building each one of them. It is important to understand that a new home is more akin to a painting with brush strokes rather than a photograph with a perfect plastic finish. Napolitano Homes will honor all legitimate and responsible warranty service requests, but understandably, **we will not undertake a maintenance program for the homeowner.**

OUR COMMITMENT TO YOU IS AS FOLLOWS

- FIRST:** Napolitano Homes has built your new home to meet, or in many cases exceed, local building codes. Workmanship, materials, type of construction and finish to the interior of the structure of the home will be in accordance with the relative model home.
- SECOND:** Napolitano Homes has provided you with a written warranty backed by our approved warranty insurance carrier 2-10 Home Buyers Warranty. This warranty consists of a contract between (1) you, the buyer, (2) Napolitano Homes, the seller or contractor, and (3) the approved insurance carrier 2-10, whereby all parties agree to be governed by the written standards in the contract and, when necessary, by the procedures for the remedy of grievances as spelled out by the warranty program. Please note that the warranty literature contains a booklet of standards which you should examine in order to gain an understanding of acceptable construction practices and tolerances. As a reminder please refer to these standards as a guide prior to making a service request.
- THIRD:** Many of the products in your home are warranted by their manufacturers. Please register these products properly and follow the service procedures specified for each of them. As in the case of any limited warranty, your new home limited warranty requires that you follow normal maintenance procedures, and make minor adjustments, which are reasonably within a homeowner's capabilities.

IMPORTANT NOTE ABOUT YOUR MANUAL

IN THE EVENT ANY VARIATION OR CONFLICT EXISTS BETWEEN THE INFORMATION AND MATERIALS CONTAINED IN YOUR WARRANTY MANUAL AND THE RECOMMENDATIONS OR WARRANTY PROVISIONS CONTAINED IN THE BUILDERS LIMITED WARRANTY CONTRACT, APPROVED STANDARDS OR THE MANUFACTURER'S PRINTED LITERATURE, THE MATERIALS PROVIDED BY THE INSURANCE CARRIER OR THE MANUFACTURER WILL CONTROL.

NAPOLITANO HOMES LIMITED WARRANTY GUIDELINES

Your home has been constructed using natural materials, and we realize that in some cases the materials used in your home may not perform as intended. When this does occur, we will make any necessary corrections as are required. In support of this commitment, Napolitano Homes provides you with a limited warranty through **2-10 Home Buyers Warranty** and the accompanying booklet at Orientation. The purpose of this booklet is to let you know what our quality standard is for the typical concerns that come up in a new home. The booklet describes standards for the typical items and what needs to be done to remedy the items that do not meet industry standards. It is important to remember that the **one-year material and workmanship warranty starts the day of closing or day of possession, whichever occurs first.**

As a purchaser of one of our homes, you are protected by the **2-10 Home Buyers Warranty**. As your builder we are required to meet certain standards of performance, which insures the quality and integrity of our dealings with you. This program provides you with a written warranty, plus extends warranty coverage on major structural defects should they occur. **2-10 Home Buyers Warranty** provides you with one-year materials and workmanship warranty, 2-year major systems and 10-year structural warranty. Please read your specified warranty thoroughly, as it will outline the warranty guidelines Napolitano Homes will follow. If the 2-10 Home Buyers Warranty does not specifically address or exclude a particular item, then the guidelines contained in the **“Residential Construction Performance Guidelines”** published by the National Association of Homebuilders shall dictate the criteria under which a particular item’s workmanship or performance is acceptable, and how the item will be repaired. Please note, we reserve the right to exceed these guidelines if common sense or individual circumstances dictate, without being obligated to exceed all guidelines to a similar degree.

Please make sure to read the 2-10 warranty book. This will give you very good knowledge of what to expect from your new home. This book will let you know what a warranted item is and what it is **not**.

How the Warranty Works

With the exception of a true emergency (see emergency service) our warranty program consists of three milestones during your first year that we will provide warranty service for your new home. The first is the Orientation Conference when you learned about your new home and inspected its quality. The second time is the 12 Week Conference after you have closed or taken possession. We wait 12 weeks to give you an opportunity to settle into your new home and utilize its functions, and the home has had a chance to acclimate to a steady environment. The third time will be at the Year End Conference, so we may take care of any final adjustments needed prior to the end of your first year workmanship and materials warranty. **At your orientation you received a bright colored card that explains each of these milestones. Please put this card some place where you will be able to refer to it often.**

ALL Warranty Service Requests (other than emergency requests) that are NOT in writing, shall not be processed. We cannot schedule warranty requests from your telephone call or from a personal visit to our construction office. We have several options available for submitting your list. Please use one of the following:

E-mail ~ service@napolitanohomes.com

Fax ~ 757-474-0868

Mail ~ Napolitano Homes Attention: Warranty 1492 S Independence Blvd. Suite 101 Virginia Beach, VA 23462

When sending us correspondence, you can help us to serve you better by providing complete information, such as your ***name, address, email address and phone numbers where you can be reached during business hours***. Provide a complete description of the problem, for example, "Bedroom 2—window hard to open," rather than "window problem." Miscellaneous service issues will need to wait until your next service milestone, unless it is an emergency or the issue impedes the living conditions of the home.

Phone number sticker in the cabinet: Not all warranty requests have to go through our office, and you should not wait to have something repaired when you can contact a vendor yourself. At your orientation your Site Builder pointed out a sticker located in your cabinet with key vendor contact information. If you experience an issue and want to call the vendor directly please feel free to do so. All we ask is that when you do this and the vendor has responded to the issue please send us a detailed email of the facts so we may put it in your file. We like to keep complete files so we all have documentation to refer back to if needed.

Warranty Milestones

Orientation: Your orientation was conducted between you and one of our Site Builders. At the orientation the Site Builder familiarized you with the operations of your new home, and answered any questions you may have had concerning the construction. The orientation also allowed you an opportunity to ensure that the quality of your new home matched the quality that we represented in our model home, and point out any issues that may need to be addressed. We will address any issue not meeting the standards with the exception of any drywall blemishes and paint, caulk and grout touch ups. You will have an opportunity to address these at a later time (see 12 week review procedures). At the

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PHONE 757-474-0888 ♦ FAX 474-0868

conclusion of your orientation, your Site Builder discussed the procedure for taking care of any issue(s) noted.

Welcome to Warranty Letter: Shortly after your closing you will receive a welcome to warranty letter. While the warranty will be explained by your Site Builder at orientation, it is a lot to remember. The purpose of this letter is to give you a broad outline of the warranty for a quick reference. So be on the lookout for this letter.

12-Week Review: Drywall blemishes, paint, caulk and grout touch ups are done one time during the first year. At Napolitano Homes we do a one-time touch up of all four at the 12 week warranty period.

While you or your movers were bringing the furniture into your new home, or while you were setting things up there may have been an occasion that a wall got nicked or marked. Remember we did not address any minor point up (drywall blemishes) or touch up at your orientation so now is the time we will do that and we will be happy to take care of a few extras that the movers or you may have caused. We will also touch up any caulk and grout issues at this time. After this all four become a home owner maintenance responsibility.

12 weeks is also an adequate amount of time for what is known as the “Break in Period”. During this interval, you should become familiar with your new home. Should you have any warranted issues to report at this time, list them on the 12 Week Review Form. Please use the Drywall Blemishes, Paint, Caulk and Grout Touch Up Form for those specific items. These forms are provided for you in your Orientation Package. **Remember to review the 2-10 warranty book when making your list to ensure that an item is a warranted item.**

Upon receipt of your written 12 Week Review Form, our warranty processor will forward your review to your Site Builder who will contact you to discuss the items submitted. If your Site Builder feels an inspection is needed (s)he will make that appointment with you. If you are unable to attend a scheduled appointment, please try to notify our warranty processor 48 hours in advance so we may reschedule.

Once the Site Builder has identified the items to correct and the appropriate vendors to correct them, (s)he will send the list and the details to the warranty processor who will prepare the work orders. The work orders will be sent to the vendors and a copy sent to you. It will then be between **YOU AND THE VENDORS** to schedule the repairs.

Tip: Schedule your drywall point up before the paint touch up appointment and after all other work has been completed.

If a vendor is not responding to you or you are having a difficult time getting an appointment set up please email our warranty processor at the email listed above, and they will assist you in getting a resolution.

Please note any warranted items not listed or submitted on the 12-Week list will need to be addressed at the Year End review, unless classified as an emergency or impedes the living conditions of the home.

Year End Review: At the END of your 11th month of your materials and workmanship warranty, should you have any items, you will need to submit a “year-end” written review and submit via email, fax or

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mail. Please review your 2-10 warranty book again to ensure the items you are reporting are warranted. **Your Year End review must be completed before your warranty expiration date!** So please notate your warranty expiration date.

When we receive your Year End Review warranty service request, we will contact you to schedule an inspection appointment. We will inspect the items listed in your written request to confirm warranty coverage and determine appropriate action. From the time of that meeting on we will follow the 12 week review procedures with the exception of drywall blemishes and paint, caulk and grout touch ups.

PLEASE NOTE! Vendors provide a one year warranty on the products/services they provide. Their warranty expires on the one year anniversary date of the closing or your possession of your home, thus the importance of receiving your Year End review. Once the warranty period has expired, the vendor has the right to be reimbursed for services rendered. In addition, vendors require a two week lead time to schedule appointments. Therefore, it is imperative that your year-end list is submitted at the end of the 11th month to allow time for scheduling and repairs. Thank you for your attention to this detail.

EMERGENCY GUIDELINES

What is an Emergency: In many cases such as fire, theft or the like, it's easy to recognize an emergency. For our purposes, we define an emergency as an unexpected and quickly developing, continuing condition that if not immediately repaired will promptly cause further and continuing damage to the residence. Roof leaks are considered an emergency but cannot be repaired until weather conditions permit such.

During business hours please email or call our office at 757-474-0888 ext. 22. If after hours, call the same number, 757-474-0888, and follow the prompts to report an emergency.

Remember: Items reported as emergencies that, in fact, are non-emergencies will result in a service charge from the appropriate sub-contractor plus the cost of repair for any non-emergency item after 5:00 p.m., Monday through Friday, and all day on Saturdays, Sundays and Holidays.

THE FOUR KEY RULES FOR THE FASTEST POSSIBLE EMERGENCY SERVICE

1. Read and be familiar with all the information from the appropriate emergency service page.
2. **Do not call your Sales Representative.** They are not equipped to handle your emergency. They do not have the emergency service telephone numbers and are unfamiliar with the people whose help you need. They will simply direct you to the procedures outlined in this booklet. Such calls waste valuable time.
3. If you see a suspicious or puzzling condition, report it immediately during normal business hours. Don't wait until later and then decide to call. The people you need to get help are always harder to locate after normal business hours.
4. If such an emergency arises after hours, weekends, or holidays, call the appropriate vendor directly.

HEATING EMERGENCY:**EMERGENCY # IN EFFECT FOR HEATING PROBLEMS DURING WINTER MONTHS ONLY.**

The following **IS** a heating emergency:

- a. No heat in residence
- b. No heat in more than 50% of the rooms.

AIR CONDITIONING PROBLEMS ARE NOT CONSIDERED EMERGENCIES.**ELECTRICAL EMERGENCY:**

The following **IS** an electrical emergency:

Note: If you have no electricity, check the breakers first.

- a. No electricity to cooking appliances.
- b. No electricity throughout house. **(Be sure electricity is not off throughout neighborhood).**

PLUMBING EMERGENCY:

The following **IS** a plumbing emergency:

- a. Sewer blockages affecting all drain lines.
- b. Water leak on supply line (not fixture)
- c. No hot water
- d. Clogged main sewer line causing back up of flow in fixtures.
- e. Smell of gas within your home

NOTE: Please remember that Electrical, Plumbing, and Heating/Air issues can be phoned directly to the vendors that performed the original work.

Please refer to your Vendor Sticker placed on the inside of your upper kitchen cabinet nearest the sink for a listing of contractors for your home. Please remember to notify Napolitano of such service calls in writing, via email or fax. This will allow us to record the service in your permanent file.

REMINDER: The vendor will charge a service fee plus costs for any non-emergency issues incorrectly reported as an emergency.

NON-WARRANTY ITEMS:

Your Homeowner's Warranty specifically applies to items constructed on your property by your builder. Certain items and conditions do not fall under the full term and conditions of your home warranty. For instance; trees, shrubbery, landscaping, seeding and grading are items where approval is certified at the time of final inspection (unless noted otherwise on your Orientation form). We are not responsible for the results of acts of God such as wind damage, rain or storm erosion causing gullies or washouts that may alter the landscaped surface. **In addition, any home issues that arise post the result of a hurricane, tropical storm, tornado, high winds, or other extreme weather events are non-warranted and should be reported to your home owner's insurance for follow up.**

Concrete is a non-warranted item. Concrete products normally have some cracking and shrinkage. Minor cracking is normal. Cracking can be caused by elements outside the contractor's control.

Additionally, there are other areas not covered by your warranty. Please consult your **2-10 Home Buyers Warranty** booklet for specific "exclusions".

Garage Door Openers: If you should install an opener yourself or have another company install an opener during your one-year workmanship warranty period, **you will void the warranty** on the garage door and no adjustments will be made by Napolitano Homes or our garage door vendor.

Vinyl Floors: Protect the finish of your resilient floor coverings by attaching furniture rests to the bottom of the furniture legs to distribute furniture weight evenly over resilient surfaces. **CAUTION: Certain footwear such as high heels and sport cleats etc. can be damaging to floors.** Seams may show in resilient flooring joints. When corrections are required, Napolitano Homes will adhere to the warranty you were provided.

Note: The tile installed in your home does not come sealed. If you desire your tile to be sealed that is a homeowner task after closing.

Cracks and Squeaks: The reaction of wood to humidity is an inherent characteristic of all wood and cannot be totally avoided. From the constant expansion and contraction in your wood floor caused by change in seasons you can expect some minor chipping, splintering, cracking and squeaks. If you experience a problem area not addressed in the information above, or if you are unsure of a proper repair, please contact your hardwood flooring subcontractor.

Remember different species of wood have different densities and therefore will react differently to the elements. Soft woods such as pine can have impressions left in it from high heel shoes or sports cleats etc. you should treat your hardwood floors like the vinyl floor referenced above.

Remember: Granite is a natural product that is mined and therefore it is not a perfect product. When the granite is prepared for your home it is cut and smoothed. The patterns in the granite are not necessarily uniform and Napolitano Homes cannot be responsible for the natural product formation. Granite tops are not warranted after the orientation.

In Ground Sprinklers Systems: If your home is on crawl space foundation there is a blanket of sand under your home covered by a plastic vapor barrier. This is here for the purpose to control moisture issues from arising in your crawl space. Many sprinkler contractors will run the sprinkler piping under the crawl space to minimize the cost of piping around your home keeping the job affordable. This is okay, however one thing we have seen many times is they will lay that pipe on the ground on top of the plastic vapor barrier. In the summer with the hot humid air under the home and the cold water running through the pipes condensation will be created. When this happens it will form puddles on top of the plastic and you will eventually have a moisture issue under your home. Make sure when contracting to have a sprinkler system installed that you insist they run the piping under the vapor barrier and re-install the barrier properly.

****Napolitano Homes will not warranty any moisture issue in a crawl space if there are sprinkler pipes laid on top of the vapor barrier.**

Make sure to remember and winterize your sprinklers come the winter and have them turned back on in the spring.

**IF YOU'RE NOT GETTING THE SERVICE WE'VE PROMISED, BE SURE
YOU ARE DOING THE FOLLOWING:**

1. Please read this booklet carefully and be sure you are familiar with its contents.
2. Be sure all requests for service are properly submitted to our warranty department and that you keep a copy for your records and reference. Keep track of what you have reported.
3. Always inquire promptly in writing if service is in any way different from what we have promised.
4. Please don't ask a repairman to do work on an item not on his work order.

ALWAYS SEND YOUR SERVICE REQUESTS DIRECTLY TO OUR WARRANTY DEPARTMENT. NEVER RELAY A REQUEST THROUGH OUR SITE BUILDER, YOUR SALES REPRESENTATIVE OR A PASSING WORKMAN. WE CANNOT ASSUME RESPONSIBILITY FOR REQUESTS MADE TO ANYONE OTHER THAN OUR WARRANTY DEPARTMENT.

KITCHEN APPLIANCE WARRANTIES

The manufacturers of kitchen appliances will work directly with you if any repairs are needed for these products:

GE Customer Service can be contacted at 1-800-432-2737 or at geappliances.com/service.

Kenmore Customer Service can be contacted at 1-888-507-9312, option #3.

Be prepared to provide the model and serial number of the item and the closing date on your home. Appliance warranties are generally for one year; refer to the literature provided by the manufacturer for complete information. *It is recommended to register your appliances shortly after closing. This can be done on-line. This ensures a much quicker and easier process if a request for service is needed.*

Disputes

Napolitano Homes stands behind its products and will take responsibility for warranted items according to the 2-10 Home Buyers Warranty. However, on occasion, we may interpret the warranty differently from our customer. We will always work hard to remedy any disagreement you may have with us. However, on those occasions where we cannot reach a remedy to an issue; we will follow the terms of our original contract with you, as well as, the terms of the 2-10 Home Buyers Warranty. Both refer to binding arbitration in lieu of court. This is a much faster and less expensive way of settling a dispute should one arise.

In Closing

We have assembled this guide to help you transition into your new home and help you navigate through your warranty. Our hope is that you will utilize this information throughout the warranty period of your new home. Everyone in our company would like to WELCOME you as you move into your new community and we want to extend to you a sincere Thank You for choosing us to build your home. Please let us know if you have any questions or if we can help in any way.

WANTED

**INFORMATION ON ANYONE STEALING
OR DAMAGING MATERIALS FROM
NAPOLITANO HOMES**

**★ \$500 ★
REWARD**

Reward will be granted for information leading to the arrest and conviction of anyone stealing or damaging materials from Napolitano Homes. Please call 757-474-0888 to report such activities.



NATIONAL
New Home Warranty Program



QUALITY BUILT by Your Builder.
BACKED by the Industry-Leading Warranty.



Workmanship



Distribution Systems



Structural

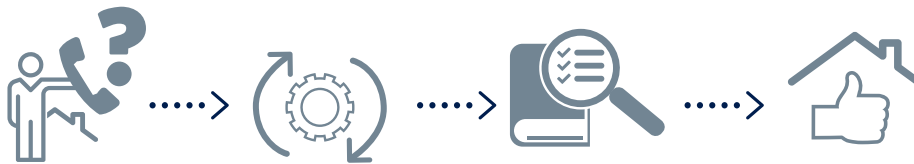
Congratulations on your **new home**

and the warranty provided by your builder.

Who is **2-10 Home Buyers Warranty**?

2-10 Home Buyers Warranty (2-10 HBW) is your warranty administrator. Since 1980, warranties from 2-10 HBW have protected over 5.8 million new and pre-owned homes. Focused on reducing the financial risks of thousands of home builders and millions of homeowners nationwide, 2-10 HBW partners with real estate professionals, service contractors and home builders who consider their coverage the industry's most comprehensive protection available.

HOW DOES YOUR WARRANTY COVERAGE WORK?



Think you have a problem? This booklet will help:

- Easily navigate the types of coverage
- Provide simple language to understand what's covered
- Explain how to report a claim

The **warranty administrator** is available to provide guidance and assistance for the 2-10 HBW New Home Warranty Program.

Once you receive your **Certificate of Warranty Coverage**, register your new home at 2-10.com/registerhome.

For questions about this booklet, or if you have lost your **Certificate of Warranty Coverage**, contact the **warranty administrator**:

- 855.429.2109 (Phone)
- warrantyadministration@2-10.com (Email)
- 2-10.com/homeowner (Homeowner Portal)

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THIS BOOKLET AND CERTIFICATE OF WARRANTY COVERAGE

This booklet defines your remedies for any **defect** and **structural defect** based on the terms and conditions contained within this booklet for the duration of the **warranty term**. The **warranty term** is found on the **Certificate of Warranty Coverage**. This booklet and the **Certificate of Warranty Coverage** are legal documents that define the scope of all the express limited warranties provided to you by your **builder/seller** related to your home. Please keep this booklet and the **Certificate of Warranty Coverage** with other legal documents that are important to you.

WORDS WITH SPECIAL MEANING

The words used in this booklet have their normal everyday meaning. Except when, in some cases, a word used in this booklet will have a specific meaning or definition. In those cases, the word will be bolded and the bolded word will always have the same meaning

or definition, except that, for readability purposes, “you,” “your,” “home” and “warranty” are each words with special meaning but are not bolded. The words with special meaning are defined in *Section VII*.

SPECIAL CONDITIONS APPLY TO HOMES WITH FHA OR VA FINANCING, PLEASE SEE SECTION VI.D FOR ADDITIONAL INFORMATION.

IMPORTANT PROVISIONS FOR THE USE OF FINAL AND BINDING ARBITRATION TO RESOLVE DISPUTES ABOUT THIS BOOKLET, THE WARRANTIES, YOUR HOME, THE 2-10 HBW NEW HOME WARRANTY PROGRAM OR ANY OTHER DISPUTES AMONG YOU, YOUR BUILDER/SELLER, THE WARRANTY ADMINISTRATOR AND/OR THE WARRANTY INSURER ARE CONTAINED IN SECTION VI.G.

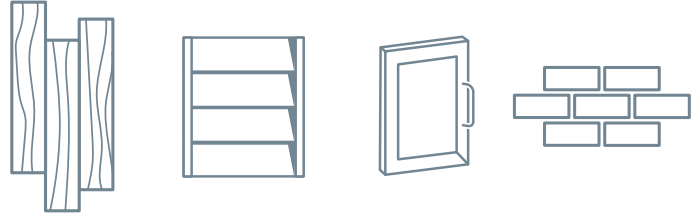
IMPORTANT PROVISIONS CONCERNING YOUR LEGAL RIGHTS AND REMEDIES ARE CONTAINED IN SECTION IX.

SECTION I. OVERVIEW OF YOUR WARRANTIES*



WORKMANSHIP WARRANTY

Quality is important, especially in your new home. Your workmanship warranty establishes the standards applicable to the fit, finish and materials used in the construction of your home. Commonly used across industries, fit refers to how well the parts of the finished product come together and finish refers to the completeness of work. For more information about your workmanship warranty, please review *Section II*.



Overview of items covered:

Roof covering, cabinets, countertops, door panels, exterior siding, hardwood floors, basement floor, ceramic tile, drywall, interior trim, carpet, paint and fireplace



DISTRIBUTION SYSTEMS WARRANTY

You will rarely see behind the walls of your new home, but essential functions such as electrical, plumbing and mechanical systems are working behind the walls. Your distribution systems warranty establishes the standards for your home's electrical, plumbing and mechanical systems. The wiring, piping and ductwork of your new home are addressed under this warranty. For more information about your distribution systems warranty, please review *Section III*.



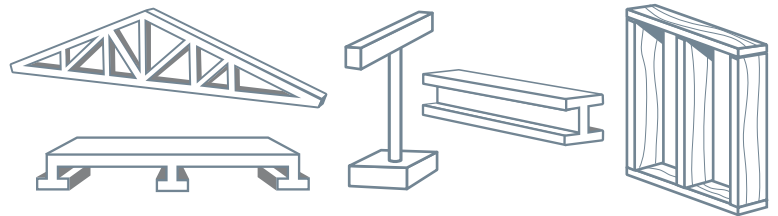
Overview of items covered:

Supply piping, waste piping, ductwork and electrical wiring



STRUCTURAL WARRANTY

While your home was carefully constructed and inspected, occasionally unforeseen problems arise, even in the best-built homes. Your structural warranty addresses the **designated load-bearing elements** of your home. For more information about your structural warranty, please review *Section IV*.



Items covered:

Roof framing systems, load-bearing walls and partitions, beams, columns, footings and foundation systems, floor framing systems, girders, lintels and masonry arches



SOIL MOVEMENT

Your structural warranty addresses **structural defects** including those caused by certain types of **soil movement**. A **structural defect** is **actual physical damage to designated load-bearing elements** caused by failure of the load-bearing elements which affects their load-bearing functions to the extent that your home becomes **unsafe, unsanitary** or otherwise **unlivable**.



UNSAFE



UNSANITARY



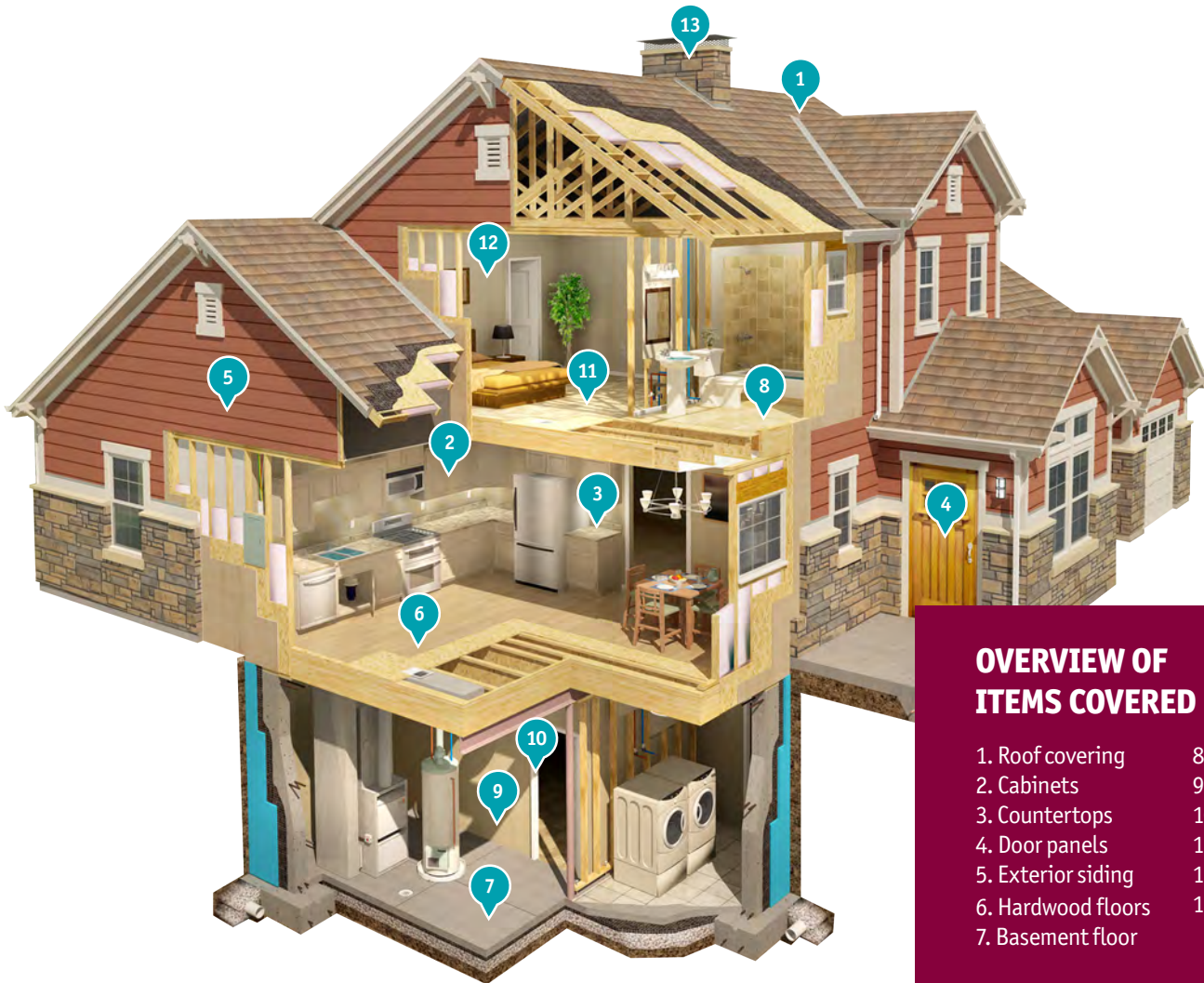
UNLIVABLE

*Images shown for illustration purposes only

SECTION II. YOUR WORKMANSHIP WARRANTY



Your workmanship warranty addresses the fit, finish and materials used in the construction of your home and provides protection against **defects** throughout the **warranty term**. An overview of the items covered by your workmanship warranty is illustrated below. For additional information about your workmanship warranty, please review *Section VIII – Construction Performance Guidelines*.



OVERVIEW OF ITEMS COVERED

- | | |
|--------------------|-------------------|
| 1. Roof covering | 8. Ceramic tile |
| 2. Cabinets | 9. Drywall |
| 3. Countertops | 10. Interior trim |
| 4. Door panels | 11. Carpet |
| 5. Exterior siding | 12. Paint |
| 6. Hardwood floors | 13. Fireplace |
| 7. Basement floor | |

Note: Your home may not have a basement

REPORTING A WORKMANSHIP DEFECT

To report a claim for items covered under your workmanship warranty, contact your **builder/seller** who will investigate and remedy all covered **defects** pursuant to the **Construction Performance Guidelines**.

You must provide notice to your **builder/seller** no later than 15 days after expiration of the workmanship **warranty term**. If your **builder/seller** fails to remedy reported **defects** within

a **reasonable time**, or before the **warranty term** expires, email warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109 no later than 15 days after the expiration of the workmanship **warranty term**.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE WORKMANSHIP WARRANTY IF DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

SECTION III. YOUR DISTRIBUTION SYSTEMS WARRANTY



Your distribution systems warranty provides protection against **defects** to the means by which electrical, plumbing and mechanical functions are delivered throughout your home during the **warranty term**. An overview of the items covered by your distribution systems warranty is illustrated below. For additional information about your distribution systems warranty, please review *Section VIII – Construction Performance Guidelines*.



OVERVIEW OF ITEMS COVERED

1. Supply piping
2. Waste piping
3. Ductwork
4. Electrical wiring

Note: Your home may not have a basement

REPORTING A DISTRIBUTION SYSTEMS DEFECT

To report a claim for items covered under your distribution systems warranty, contact your **builder/seller** who will investigate and remedy all covered **defects** pursuant to the **Construction Performance Guidelines**.

You must provide notice to your **builder/seller** no later than 15 days after expiration of the distribution systems **warranty term**. If your **builder/seller** fails to remedy reported **defects**

within a **reasonable time**, or before the **warranty term** expires, email warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109 no later than 15 days after the expiration of the distribution systems **warranty term**.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE DISTRIBUTION SYSTEMS WARRANTY IF DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

SECTION IV. YOUR STRUCTURAL WARRANTY



Your structural warranty provides protection during the **warranty term** against **structural defects** to the **designated load-bearing elements** of your home. The **designated load-bearing elements** that are covered under this warranty are limited to the items illustrated below. Damage to the non-load-bearing elements of your home is not a **structural defect**. A non-exclusive list of non-load-bearing elements that are not covered under this warranty is listed in this *Section IV*.



Note: Your home may not have a basement

EXAMPLES OF NON-LOAD-BEARING ELEMENTS

- Roof shingles, roof tiles, sheathing and underlayment
- Non-load-bearing walls, drywall and plaster
- Flooring and underlayment material
- Any type of exterior siding, stucco, brick and stone veneer, including but not limited to veneer attached to arches supported by internal framework
- Plumbing, electrical and mechanical systems
- Basement, garage and other interior floating ground-supported concrete slabs

DESIGNATED LOAD-BEARING ELEMENTS

1. Roof framing systems
2. Load-bearing walls and partitions
3. Beams
4. Columns
5. Footings and foundation systems
6. Floor framing systems
7. Girders
8. Lintels (Not pictured)
9. Masonry arches (Not pictured)

Your structural warranty is for catastrophic failure of the **designated load-bearing elements**. Your structural warranty addresses **structural defects** caused by **soil movement** to the extent not otherwise excluded in this booklet. As set forth in *Section VII*, all of the following are required to qualify as a **structural defect**:

1. There must be **actual physical damage** to one or more of the **designated load-bearing elements** of your home.
2. The **actual physical damage** must be caused by the failure of a **designated load-bearing element**.
3. The failure of the designated load-bearing function of the element renders your home **unsafe, unsanitary** or otherwise **unlivable**.

SPECIFIC EXCLUSIONS THAT APPLY TO YOUR STRUCTURAL WARRANTY

In addition to the exclusions found in *Section VI.F*, your structural warranty does not cover loss or damage to:

1. Boundary walls, retaining walls or bulkheads, except to the extent such structures are necessary for the structural stability of the home.
2. Driveways, decks or porches, detached carports, outbuildings, fences, exterior recreational facilities, such as tennis courts or swimming pools or any other appurtenant structure or attachment to your home.



REPORTING A STRUCTURAL DEFECT CLAIM

All **structural defects** must be reported to the **warranty administrator** as soon as possible, but no later than 30 days after the expiration of the **warranty term** for your structural warranty. To report a **structural defect**, email warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109. In addition, you must submit a \$250 investigation fee (payable to the **warranty insurer**) to the **warranty administrator**. After you provide the **warranty administrator** with notice of your claim and the investigation fee, the **warranty administrator** will submit the claim to the **warranty insurer**. The investigation fee will be refunded to you if the **warranty insurer** determines you have a covered **structural defect**.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE STRUCTURAL WARRANTY IF STRUCTURAL DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

SECTION V. YOUR RESPONSIBILITIES

As a condition precedent to the obligations of your **builder/seller** and/or the **warranty insurer** to address a **defect** or **structural defect**, you must perform all obligations required of you in this booklet, including but not limited to your obligations under this *Section V*. Your **builder/seller** and the **warranty insurer** are not responsible for any claims, losses or damages that arise from or relate to your failure to fulfill your obligations under this booklet.

A. ACCESS TO YOUR HOME

The **builder/seller**, **warranty insurer** and their respective agents will require access to your home in order to carry out their respective responsibilities under this booklet. You agree, upon receipt of advanced reasonable notice, to allow reasonable access to or within your home during normal business hours, to inspect, repair or conduct tests on your home as may be required to evaluate or repair a **defect** or **structural defect**. If emergency repairs are necessary and you cannot be reached within a **reasonable time** period, you waive such notice. If you do not provide access to your home during normal business hours, you hereby waive any obligations of the **builder/seller** and **warranty insurer** to make repairs, replace or pay for any **defect** or **structural defect** under this warranty.

Additionally, the **builder/seller**, **warranty insurer** and their respective agents shall have the right, in advance of any arbitration concerning your home, to re-inspect your home if the request for arbitration is made more than 60 days after the last claim decision concerning the claim that is the subject of the arbitration.

B. SUCCESSIVE OWNERS OF YOUR HOME

Your obligations and benefits provided in this booklet stay with your home and may be transferred to each subsequent owner of your home for the remainder of the applicable **warranty term**, if any. This means all of your rights and obligations under this booklet, up to the remaining amount of the **warranty limit**, if any, will transfer to a purchaser of your home, or any person who otherwise obtains title to your home, including any mortgagee in possession.

When you transfer your home, you agree to give copies of this booklet and the **Certificate of Warranty Coverage** to the acquirer of your home before the transfer of your home is completed, such that the new owner has a reasonable opportunity to understand the rights and obligations under this booklet. Each successive owner of the home is bound by all of the terms and conditions of this booklet, including but not limited to, the binding arbitration required by this warranty.

If you are a successive owner of the home, you will benefit from the express limited warranties set forth in this booklet, but in return, you are bound by all of the terms, conditions and exclusions in this booklet, including but not limited to, the procedures that must be followed to make a claim and the obligation to participate in arbitration set out in this warranty. To register the warranty in your name, please complete and mail the *Successive Homeowner Registration and Arbitration Acceptance Form* found in the back of this booklet to the **warranty administrator**.

C. EMERGENCY REPAIRS

For the purposes of this booklet, an emergency exists when there is a substantial risk of serious physical damage to the home or a substantial risk of bodily injury to its occupants if a **defect** or **structural defect** is not immediately repaired. If you have an emergency involving a **defect** or a **structural defect**, you must make reasonable efforts to contact your **builder/seller** or **warranty administrator** immediately for authorization to make emergency repairs. If you are unable to contact these parties, you must only take the reasonable and necessary steps to mitigate the emergency until authorization for more extensive repairs has been approved by your **builder/seller** or **warranty administrator**. Reasonable and necessary action may include temporary shoring, bracing or covering with protective material. After taking reasonable and necessary steps to mitigate the risk, report the emergency to your **builder/seller** or **warranty administrator** on the next business day.

D. SUBROGATION RIGHTS AND RELEASE OF LEGAL OBLIGATION FOLLOWING REPAIR

After the repair, replacement or payment for the repair of any **defect** or **structural defect**, you must provide a full and unconditional written release of the **builder/seller**, **warranty administrator**, **warranty insurer** and related parties, in recordable form, of all legal obligations with respect to the **defect** or **structural defect** and conditions arising from such **defect** or **structural defect**. Your **builder/seller** or **warranty insurer** shall have all subrogation rights to the extent of the costs related to any repair, replacement or payment under this booklet, to any rights you may have against any other person, with respect to the **defect** or **structural defect**, except there shall be no subrogation to or assignment of any rights that you may have against the **warranty insurer** and/or **warranty administrator**. You agree to perform any acts and execute any applicable documents that may be necessary for the **builder/seller**, **warranty administrator**, **warranty insurer** and/or related parties to secure and effectively enforce these rights of subrogation. You agree to refrain from taking any action that may prejudice these rights.

SECTION VI. IMPORTANT TERMS AND CONDITIONS THAT APPLY TO YOUR WARRANTY

A. THE LIMITS OF YOUR WARRANTY

Your **warranty limit** is the combined total aggregate financial obligation and liability of the **builder/seller** and **warranty insurer** for all claims, warranties and liability arising out of or otherwise relating to this booklet, including but not limited to liability related to **defects** and **structural defects**. All costs incurred by your **builder/seller** and/or the **warranty insurer** to repair or replace any **defect** or **structural defect** will be deducted from your **warranty limit**.

Coverage under this express limited warranty shall be excess of any other valid and collectible insurance available to you or your **builder/seller**, whether primary, pro-rata or excess.

B. THE RIGHT TO REPAIR, REPLACE OR PAY FOR DEFECTS AND/OR STRUCTURAL DEFECTS

The **builder/seller** (or if the **builder/seller** is unable or unwilling, then the **warranty insurer**) shall have the right to repair, replace or pay you the reasonable cost of repair of any **defect**. The **warranty insurer** shall have the right to repair, replace or pay you the reasonable cost of repair of any **structural defect**. The design, method and manner of such repair, and the option to repair, replace or pay, shall be within the sole and absolute discretion of: (a) the **builder/seller** in respect of a **defect** (or if the **builder/seller** is unable or unwilling to address a **defect**, then the **warranty insurer**), or (b) **warranty insurer** in respect of a **structural defect**. No repair shall extend any **warranty term**, including without limitation, the **warranty term** applicable to the **defect** or **structural defect** that was the subject of the repair.

Repairs of a **structural defect** are intended to restore the home to approximately the condition just prior to the **structural defect**, but not necessarily to a like-new condition. The repair of a **structural defect** is limited to:

1. The repair of damage to **designated load-bearing elements** of the home to the extent necessary to restore their load-bearing ability.
2. The repair of non-**designated load-bearing elements**, items or systems of the home to the extent such items were damaged by the **structural defect** and make the home **unsafe**, **unsanitary** or otherwise **unlivable** (such as the repair of inoperable windows and doors and the restoration of functionality of damaged electrical, plumbing, heating, cooling and ventilating systems).
3. The repair and cosmetic correction of only those surfaces, finishes and coverings that are original with the home and were (a) damaged by the **structural defect**, or (b) displaced or damaged in connection with repairs related to the **structural defect**.

C. INDIANA RESIDENTS

If your home is located in the State of Indiana, then the workmanship warranty set forth in *Section II* is hereby amended so that: (a) the **warranty term** for the workmanship warranty (excluding the roof on your home) is 2 years, and (b) the **warranty term** for the workmanship warranty for the roof on your home is 4 years. All other provisions of this booklet remain the same.

D. HOMES WITH ORIGINAL FHA/VA FINANCING

If you are the original owner of your home and you still have the original FHA or VA financing you used to purchase your home, then the provisions of this booklet are hereby amended as follows:

1. Roof sheathing is a **designated load-bearing element** under your structural warranty.
2. If the **warranty insurer** makes a cash payment to you, then the **warranty insurer** will make such payment jointly to you and your mortgagee. You must provide the name and address of your mortgagee, the FHA or VA case number and

the loan number when you file a claim with respect to a home with an FHA/VA financed mortgage.

3. Termite damage shall be covered for 1 year from the **effective date of warranty**.
4. The **effective date of warranty** is the date of closing of the original FHA or VA financing used to purchase your home.

E. MULTI-FAMILY BUILDINGS

If your home is located in a **multi-family building**, then these additional provisions apply:

1. The **common elements** of your **multi-family building** will be free from: (a) **defects** in workmanship during the **common elements warranty term** for workmanship; (b) **defects** in the electrical, plumbing and mechanical distribution systems during the **common elements warranty term** for distribution systems; and (c) **structural defects** in **designated load-bearing elements** during the **common elements warranty term** for **structural defects**. Each **warranty term** applicable to the **common elements** begins on the **common element effective date of warranty**. As such, the **warranty term** applicable to **defects** or **structural defects** concerning **common elements** may expire before the **warranty term** applicable to **defects** or **structural defects** concerning your home.
2. Claims for **defects** or **structural defects** concerning **common elements** must be filed by the entity governing the **multi-family building** containing your home. To file a claim, send an email to warrantyadministration@2-10.com or call the **warranty administrator** at 855.429.2109. Under the structural warranty, the maximum claim investigation fee is \$250 per unit in the building or \$5,000 per building, whichever is less. If the **structural defect** claim is accepted by the **warranty insurer**, the claim investigation fee will be refunded.
3. You agree, upon reasonable notice from the **builder/seller**, **warranty insurer** or their respective representatives, to allow reasonable access to or within your home during normal business hours so repairs can be made to any adjacent space, residence or **common element**. If emergency repairs are necessary and you cannot be reached within a **reasonable time** period, you waive such notice.
4. The aggregate **warranty limit** for all **common elements** in a **multi-family building** is equal to the aggregate remaining **warranty limit** for all dwellings in the **multi-family building** that have a valid **Certificate of Warranty Coverage** with an unexpired **warranty term**. In the event that one or more dwellings in the **multi-family building** do not have a **Certificate of Warranty Coverage** or do not have a **Certificate of Warranty Coverage** with an unexpired **warranty term**, then the aggregate **warranty limit** for all **common elements** shall be reduced pro-rata, based upon the ratio of the aggregate original sale price of all dwellings having a **Certificate of Warranty Coverage** with an unexpired **warranty term**, divided by the total original sales price of all dwellings in the **multi-family building**. All costs incurred by the **builder/seller** and/or the **warranty insurer** to repair or replace any **defect** or **structural defect** concerning a **common element** will be deducted on a pro-rata basis from the remaining **warranty limit** for each

dwelling in the **multi-family building** with **Certificate of Warranty Coverage** with an unexpired **warranty term**, based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

5. If your home is in a **multi-family building** served by a **detached structure**, and if all dwellings within each **multi-family building** served by that **detached structure** was issued a **Certificate of Warranty Coverage**, then your **builder/seller** agrees that each such **detached structure** will be free from: (a) **defects** in workmanship during **warranty term** for workmanship; (b) **defects** in the electrical, plumbing and mechanical distribution systems during **warranty term** for distribution systems; and (c) **structural defects** in **designated load-bearing elements** during the **warranty term** for **structural defects**. The aggregate **warranty limit** for each **detached structure** is equal to the aggregate remaining **warranty limit** for all dwellings that have a valid **Certificate of Warranty Coverage** with an unexpired **warranty term** in each **multi-family building** served by the **detached structure**, divided by the total number of **detached structures** serving each **multi-family building**. The **effective date of warranty** for a **detached structure** is the earliest of the date the **detached structure** was first put into use or the date that the certificate of occupancy was issued. All costs incurred by the **builder/seller** and/or the **warranty insurer** to repair or replace any **defect** or **structural defect** concerning a **detached structure** will be deducted on a pro-rata basis from the remaining **warranty limit** for each dwelling with **Certificate of Warranty Coverage** with an unexpired **warranty term** in the **multi-family buildings** served by the **detached structure**, based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

F. EXCLUSIONS

Your **builder/seller** and the **warranty insurer** shall have no liability, obligation or responsibility relating to, arising from or in any way concerning any of the following items, each of which are specifically excluded under this booklet:

1. Any damage, loss or costs incurred by you in connection with any of the following:
 - a. A **defect** or **structural defect** that first occurs outside of the applicable **warranty term**, including but not limited to "walk-through" or "punch list" items that were identified prior to the **effective date of warranty**.
 - b. Any condition that has not resulted in observable or measurable physical damage to your home.
 - c. The diminished market value of your home resulting from a **defect**, **structural defect** or the repair of a **defect** or **structural defect**.
 - d. Shelter, transportation, food, moving, storage or any other costs due to loss of use, inconvenience or annoyance arising from any **defect**, **structural defect** or the repair of a **defect** or **structural defect**.

- e. Land, personal property, additions or alterations to your home not included with the original sale of the home to you by the **builder/seller**, or any real or personal property that you do not own.
 - f. Removal, repair or replacement of landscaping, including but not limited to grass, sod, shrubs, trees or lawn irrigation systems.
 - g. Removal, repair or replacement of an improvement, fixture or property not constructed or provided to you by the **builder/seller** that is required to complete the repair of a **defect** or **structural defect**.
 - h. Except for legitimate emergency repairs, any repair of a **defect** that was not expressly authorized in writing by the **builder/seller** (or if the **builder/seller** is unable or unwilling to repair a **defect** any repair of a **defect** that was not expressly authorized in writing by the **warranty insurer**), or any repair of a **structural defect** that was not expressly authorized in writing by the **warranty insurer**.
 - i. Bodily injury or personal injury of any kind, including but not limited to physical or mental pain and suffering and emotional distress and any medical or hospital expenses.
 - j. Attorney fees, cost of investigations, witness fees, testimony or any other related costs or expenses you incur as a result of a **defect**, **structural defect** or the repair of a **defect** or **structural defect**.
2. Any damage, loss or cost that is caused or made worse by any of the following causes (whether acting alone or in sequence or concurrence with any other cause whatsoever):
- a. Your failure to give any notice required in this booklet.
 - b. Your failure to minimize or mitigate any defect, condition, loss or damage.
 - c. Improper maintenance, abuse or use of your home for non-residential purposes.
 - d. Any failure of your **builder/seller** to: (i) complete the construction of your home; (ii) construct your home in a manner that is compliant with the plans and specifications for your home; or (iii) comply with all local or national building codes, ordinances or standards applicable to the construction of your home.
 - e. Negligence, defective material or work supplied by anyone other than your **builder/seller** or its employees, agents or subcontractors.
 - f. Change of the grading of the ground around or near your home when such change does not comply with the accepted grading practices in your area, or the failure to maintain the original grade around your home.
 - g. Any peril or occurrence for which compensation is available to you from any local, state or federal governing body or public fund.
 - h. Earth or **soil movement** caused by earthquake, volcanic eruption, sinkhole, mineshaft, avalanche, landslide, mudflow or other geological phenomena involving subsurface slope instability.
 - i. Buried debris, underground spring or any other subsurface anomaly in a building site you provided.
 - j. Changes in the level of the underground water table below or near your home due to aquifer depletion on a region-wide basis.
 - k. Continuous, prolonged or repeated contact with water, moisture or other liquids resulting in mold, mildew, fungi, rot, decay, corrosion or other gradual deterioration, delamination, adhesive or cohesive failure, weakening or deformation of wood products or any other material.
 - l. Discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal pollutant, irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste, including any claim of health risk or inhabitability based on any of the foregoing.
 - m. War, terrorism, riot or civil commotion, vandalism or governmental action such as the destruction, confiscation or seizure of covered property by any governmental or public authority.
 - n. A weather event, such as a hurricane, tornado, windstorm, rainstorm, tidal wave, flood, hail, snow, ice storm or lightning.
 - o. Birds, vermin, rodents, animals, pets, plants or insects, including but not limited to termites.
 - p. Fire, smoke, explosion or blasting.
 - q. Falling trees or other falling or moving objects, including but not limited to aircraft or vehicles.
 - r. Flooding caused by sudden water escape from pipes, vessels or fixtures.
3. Appliances and manufactured items, including but not limited to, heating, ventilation and mechanical equipment (except to the extent specifically addressed in the **Construction Performance Guidelines**) or any other item covered by a manufacturer's warranty, and a deficiency in any distribution system caused by the failure of any such appliance or manufactured item. Your **builder/seller** hereby assigns to you any rights of the **builder/seller** under the manufacturer's warranties provided to the **builder/seller** (if any), with respect to any of the appliances and items of equipment included in your home.

G. DISPUTE RESOLUTION WITH BINDING ARBITRATION AND CLASS ACTION WAIVER

You, the **builder/seller**, the **warranty insurer** and the **warranty administrator** (each an "Arbitration Party" and collectively the "Arbitration Parties") each hereby agree that every claim, complaint, controversy or dispute among two or more Arbitration Parties that arises out of, relates to or otherwise concerns this booklet or the home (a "Dispute") shall exclusively be resolved by binding arbitration and not by a judge or jury. Each arbitration shall be conducted by DeMars & Associates, Ltd. ("DeMars") or Construction Dispute Resolution Services, LLC ("CDRS"). The choice of DeMars or CDRS shall be made by the Arbitration Party who files the Dispute with DeMars or CDRS. In the event DeMars and CDRS are unavailable or unwilling to conduct the arbitration, then the Arbitration Parties agree that the **warranty administrator** shall select the arbitration service provider. The Arbitration Parties each agree to be bound by any and all rules published by the arbitration service provider conducting the arbitration that apply to the Dispute. If you are involved in the arbitration, then the arbitration hearing shall take

place in your home, unless the arbitrator agrees to an alternative location. All administrative fees of the arbitration service conducting the arbitration and the fees of the arbitrator shall be allocated to the Arbitration Parties as provided in the rules the arbitration service, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice. If the rules of the arbitration service conducting the arbitration do not allocate such fees, then the administrative and initial filing fees of the arbitration service shall be paid by the Arbitration Party who files the Dispute, with any additional fees being allocated among the Arbitration Parties at the arbitrator's discretion.

The arbitration provision of this *Section VI.G* covers Disputes based upon contract, tort, consumer rights, fraud and other intentional torts, negligence, constitution, statute, regulation, ordinance, common law and equity. A demand for arbitration shall be made within a **reasonable time** after the Dispute has arisen, but in no event after the date when institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. The Arbitration Parties each agree that the provisions of this *Section VI.G* involves and concerns interstate commerce and that the interpretation of this *Section VI.G*

shall be governed by the Federal Arbitration Act (9 U.S.C. § 1, et seq.), to the exclusion of any different or inconsistent federal, state or local law, ordinance or judicial rule. The arbitration provision in this *Section VI.G* is self-executing. Any disputes concerning the interpretation or enforceability of this *Section VI.G*, including without limitation, its revocability or voidability for any cause, the scope of arbitral issues and any defense based upon waiver, estoppel or laches shall be decided solely by the arbitrator.

The prevailing party in any court action brought for the enforcement or interpretation of the arbitration provision of this *Section VI.G* shall be entitled to receive from the losing party a reasonable sum for its attorneys' fees and costs, in addition to any other relief to which it may be entitled.

You hereby agree that you will only bring a Dispute in your individual capacity, and not as a plaintiff or class member in any purported class, multiple plaintiff, collective, representative or similar proceeding (each a "Class Action"). You expressly agree to not maintain any Class Action in any forum. Instead you agree to have each and every Dispute decided individually through arbitration. Claims cannot be consolidated in arbitration unless the Arbitrating Parties agree in writing.

SECTION VII. WORDS WITH SPECIAL MEANING

"Actual physical damage" means observable or measurable damage to a load-bearing element as a result of bending, cracking, buckling, crushing, dislocation or distortion of such load-bearing element. Damage that is not seen but is supposed, inferred or predicted is not **actual physical damage**.

"Associated symptoms of distress" means your home has one or more of the following conditions of distress: doors or windows that stick, bind or will not operate as intended; noticeable floor slopes; slope in cabinets, countertops, tubs, showers or other horizontal surfaces; separation of building materials or framing members; buckling of attached finish materials.

"Builder/Seller" means the home builder or seller listed on the **Certificate of Warranty Coverage**, and is the person or entity providing you with the express limited warranties described in this booklet. **Builder/Seller** is responsible for all obligations related to your workmanship warranty and distribution systems warranty.

"Certificate of Warranty Coverage" is the document issued by the **warranty administrator** confirming that your **builder/seller** took all steps required to enroll your home into the 2-10 HBW New Home Warranty Program and confirms your eligibility to receive the benefits of the express limited warranties described in this booklet during the applicable **warranty term**.

"Common element" means all parts of a condominium or common interest building other than the interior of your home. **Common elements** may include fitness facilities, hallways, lobbies, stairways and shared electrical, plumbing and mechanical distribution systems.

"Common element effective date of warranty" means the earlier of the date a certificate of occupancy is issued for the **multi-family building** or the date a dwelling unit in the building was first occupied.

"Commercial space" means any unit within a **multi-family building** that is used primarily for a non-residential purpose.

"Construction Performance Guidelines" mean the performance standard(s) set forth in *Section VIII*, which the home, element or component must satisfy.

"Defect" means a failure to meet the **Construction Performance Guidelines** for workmanship and distribution systems set forth in *Section VIII* of this booklet.

"Detached structure" is a building that is not attached to the **multi-family building**, such as club houses, daycare, fitness centers or parking structures, but is still owned in common by the **multi-family building** association or unit owners and is designated for common use by the owners of the dwellings within the **multi-family building**.

"Designated load-bearing elements" are load-bearing walls and partitions, footings and foundations systems, beams, girders, lintels, masonry arches, columns, roof framing systems and floor framing systems.

"Effective date of warranty" means the date the express limited warranties described in this booklet each goes into effect. The date will be the earliest of either (1) the closing date on which you obtained ownership of the home, or (2) the date anyone first began living in the home if before your closing date.

“Home” means the dwelling unit and garage (if any) or the **commercial space** (if any) located at the address shown on the **Certificate of Warranty Coverage**.

“Multi-family building” is a building in a common interest community that may consist of dwelling units, shared parking spaces, **commercial space** and **common elements**.

“Reasonable time” is the amount that is fairly necessary to do whatever is required to be done, as soon as circumstances permit. Circumstances include, but are not limited to weather, material availability, nature of deficiency and **builder/seller’s** service policies.

“Soil movement” means subsidence or expansion of soil caused by shrinkage, swelling or consolidation.

“Structural defect” is defined as **actual physical damage** to one or more **designated load-bearing element** of the home caused by failure of such load-bearing element that affects their load-bearing functions to the extent your home becomes **unsafe, unsanitary** or otherwise **unlivable**.

“Unsafe” means **actual physical damage** that results in a structural hazard wherein one or more **designated load-bearing elements** can no longer safely carry design loads.

“Unsanitary” means **actual physical damage** that results in your home being unfit for occupancy due to the intrusion of harmful environmental elements.

“Unlivable” means **actual physical damage** with one or more **associated symptom of distress** caused by post-construction movement resulting in either:

- Deflection greater than 1 inch in 30 feet (also expressed as deflection greater than 0.28%) when measured over the entire length, width or diagonal of your home. Deflection is the vertical displacement of the foundation or floor framing system due to bending either upward or downward. It is calculated as the vertical distance between a point on the deflected surface and a straight line that connects the end points. The minimum length used for determining deflection along a diagonal line is 20 feet. Unless there is an authoritative as-built elevation survey of your home, the calculation of deflection will allow for an additional half inch of deflection in the deflecting span; or
- Tilt in excess of 1% when measured over the entire length, width or diagonal of your home. Tilt is a slope in intended level foundation and floor surfaces. It is calculated as the difference in elevation of opposite end points of a horizontal span, divided by the distance between the points. The minimum length used for determining tilt along a diagonal line is 20 feet.

“Warranty” or collectively **“Warranties”** means the express limited workmanship, distribution systems and structural warranties set forth in this booklet provided to you by the **builder/seller**.

“Warranty administrator” means Home Buyers Warranty Corporation. The **warranty administrator** is the creator and administrator of the 2-10 HBW New Home Warranty Program and is available to answer any questions you may have about the express limited warranties provided to you by your **builder/seller** under this booklet.

“Warranty insurer” is the third-party insurance provider for your warranty and is responsible for all obligations related to your structural warranty. The **warranty insurer** is also responsible for the obligations related to your workmanship and distribution systems warranties, but only in the event that your **builder/seller** is unable or unwilling to perform these obligations.

“Warranty limit” is equal to the final sales price of the home, as identified on the *Application for Home Enrollment* on record with the **warranty administrator** when the final sales price includes land. If the land was provided by you, the **warranty limit** is equal to the final sales price of the home, multiplied by a factor of 1.25, provided the calculation was performed on the *Application for Home Enrollment*. The dollar amount of your **warranty limit** will be stated on your **Certificate of Warranty Coverage**.

“Warranty term” means the period of time during which the workmanship, distribution systems and structural warranties are effective. Each **warranty term** starts on the **effective date of warranty** or **common element effective date of warranty**. The duration of each **warranty term** for each of the workmanship, distribution systems and structural warranties is indicated on your **Certificate of Warranty Coverage**.

“You,” “your” and similar words means the person or persons who are the legal owners of the home covered by the express limited warranties described in this booklet.

SECTION VIII. CONSTRUCTION PERFORMANCE GUIDELINES

A. WORKMANSHIP AND DISTRIBUTION SYSTEMS WARRANTIES

The following **Construction Performance Guidelines** apply only to the workmanship and distribution systems warranties and represent the standards of construction quality your home should meet. Items that fail to meet these **Construction Performance Guidelines** require corrective action by your **builder/seller**. Your **builder/seller** will make a good faith effort to match and replace with your original choice of colors and materials, except where you custom-ordered the items. Your **builder/seller** cannot be responsible for discontinued items, changes in dye lots, colors or patterns, items ordered outside of the original construction or normal wear and deterioration.

The **Construction Performance Guidelines** in this booklet are based on the *National Association of Home Builders Residential Construction Performance Guidelines, Fifth (5th) Edition*.

B. MEASUREMENTS

To determine whether cracks, open joints, separations or gaps are within the **Construction Performance Guidelines**, you can use a steel rule or tape measure. The edges of U.S. coins can also be used for approximate measurements as follows:

Dime = approximately 1/32 inch

Quarter = approximately 1/16 inch

To measure bow, out of plumb and levelness, you can use either a 32 inch level or adapt the more common 48 inch carpenter's level.

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ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



1. SITEWORK

1.1 GRADING

Deficiency	Settling of ground around foundation, utility trenches or other areas on the property where excavation and backfill have taken place that affect drainage away from home.
Construction Performance Guidelines	Settling of ground around foundation walls, utility trenches or other filled areas that exceeds a maximum of 6 inches from finished grade established by builder/seller .
Builder/Seller Responsibility	If builder/seller has provided final grading, builder/seller shall fill settled areas affecting proper drainage, one time only, during the workmanship warranty term . You are responsible for removal and replacement of shrubs and other landscaping affected by placement of the fill.
Exclusions	None.

1.2 DRAINAGE

Deficiency	Improper surface drainage.
Construction Performance Guidelines	Necessary grades and swales shall be established to provide proper drainage away from the home. Site drainage, under the limited warranty, is limited to grades and swales within 10 feet of the foundation of the home. Standing or ponding water shall not remain in these areas for a period longer than 24 hours after a rain, except in swales that drain from adjoining properties or where a sump pump discharges. In these areas, an extended period of 48 hours is to be allowed for water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.
Builder/Seller Responsibility	Initially establish the proper grades, swales and drainage away from home. You are responsible for maintaining such grades and swales once constructed by the builder/seller . Builder/Seller is not responsible for drainage deficiencies attributable to grading requirements imposed by state, county or local governing agencies.
Exclusions	Standing or ponding water outside of defined swales and beyond 10 feet from the foundation of the home, or that is within 10 feet but is caused by unusual grade conditions, or retention of tree areas, is not considered a deficiency. Standing or ponding water caused by changes in the grade or placement of sod, fencing or any other obstructions by you are excluded from limited warranty coverage.
Deficiency	Soil Erosion.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None. Builder/Seller is not responsible for soil erosion due to acts of God, weather conditions, property alterations by you, construction on adjacent properties, utility company's work or other conditions beyond the builder/seller's control.
Exclusions	Soil erosion and runoff caused by failure of you to maintain the properly established grades, drainage structures and swales; stabilized soil, sodded, seeded and landscaped areas; are excluded from limited warranty coverage.
Deficiency	Grassed or landscaped areas that are disturbed or damaged due to work performed by builder/seller on the property in correcting a deficiency.
Construction Performance Guidelines	Landscaped areas that are disturbed during repair work are deficiencies.
Builder/Seller Responsibility	Restore grades, seed and landscape to meet original condition. Builder/Seller is not responsible for grassed or landscaped areas that are damaged by others, including any work performed by public or private utility companies.
Exclusions	Replacement of trees and large bushes that existed at the time home was constructed or those added by you after occupancy or those that subsequently die are excluded from limited warranty coverage.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

2. FOUNDATION AND CONCRETE

2.1 CAST-IN-PLACE CONCRETE

Deficiency	Basement or foundation wall cracks, other than expansion or control joints.
Construction Performance Guidelines	Concrete cracks greater than 1/4 inch in width, or that allow exterior water to leak into basement, are deficiencies.
Builder/Seller Responsibility	Repair non-structural cracks by surface patching. These repairs should be made toward the end of the first year of limited warranty coverage to permit normal stabilizing of the home by settling.
Exclusions	Shrinkage cracks are not unusual and are inherent in the concrete curing process.
Deficiency	Cracking of basement floor.
Construction Performance Guidelines	Minor cracks in concrete basement floors are common. Cracks exceeding 1/4 inch in width or 3/16 inch in vertical displacement are deficiencies.
Builder/Seller Responsibility	Repair cracks exceeding maximum tolerance by surface patching, or other methods, as required.
Exclusions	None.
Deficiency	Cracking of attached garage floor slab.
Construction Performance Guidelines	Cracks in concrete garage floor greater than 3/16 inch in width or 3/16 inch in vertical displacement are deficiencies.
Builder/Seller Responsibility	Repair excessive cracks in the slab by filling, chipping out and surface patching or other suitable method to meet the Construction Performance Guidelines . Repaired area may not match the existing floor in color and texture.
Exclusions	Builder/Seller is not responsible for failure to match existing floor in color and texture due to the nature of the material.
Deficiency	Settlement, heave or separation of garage floor slab.
Construction Performance Guidelines	Concrete garage floor should not settle, heave or separate in excess of 1 inch from the structure.
Builder/Seller Responsibility	Make a reasonable and cost effective effort to meet the Construction Performance Guidelines .
Exclusions	None.
Deficiency	Cracks in concrete slab-on-grade floors, with finish flooring.
Construction Performance Guidelines	Cracks that rupture or significantly impair the appearance or performance of the finish flooring material are deficiencies.
Builder/Seller Responsibility	Repair cracks as required so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring.
Exclusions	None.
Deficiency	Uneven concrete floor slabs.
Construction Performance Guidelines	Except for basement floors, or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms finished for habitability by builder/seller shall not have pits, depressions or area of unevenness exceeding 3/8 inch in 32 inches.
Builder/Seller Responsibility	Repair/replace to meet the Construction Performance Guidelines . Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



2.1 CAST-IN-PLACE CONCRETE CONTINUED

Deficiency	Interior concrete work is pitting, scaling or spalling.
Construction Performance Guidelines	Interior concrete surfaces that disintegrate to the extent that aggregate is exposed and loosened under normal conditions of use are deficiencies.
Builder/Seller Responsibility	Repair/replace to meet the Construction Performance Guidelines . Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
Exclusions	None.
Deficiency	Efflorescence is present on surface of basement floor.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None. This is a normal condition.
Exclusions	None.
Deficiency	Separation of brick or masonry edging from concrete slab or step.
Construction Performance Guidelines	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of 1/4 inch are a deficiency.
Builder/Seller Responsibility	Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as closely as possible.
Exclusions	None.
Deficiency	Settling, heaving or separation of stoops and steps.
Construction Performance Guidelines	Stoops and steps that have settled, heaved or separated in excess of 1 inch from home are a deficiency.
Builder/Seller Responsibility	Make a reasonable and cost effective effort to meet the Construction Performance Guidelines .
Exclusions	None.

2.2 CONSTRUCTION AND CONTROL JOINTS

Deficiency	Separation or movement of concrete slabs within the structure at construction and control joints.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Concrete slabs are designed to move at construction and control joints. Control joints are placed in concrete for the purpose of encouraging cracking to take place at the joints instead of random locations.

3. MASONRY

3.1 UNIT MASONRY (BRICK, BLOCK AND STONE)

Deficiency	Cracks in masonry, brick or stone veneer.
Construction Performance Guidelines	Small hairline cracks resulting from shrinkage are common in mortar joints of masonry construction. Cracks greater than 1/4 inch in width or are visible from a distance in excess of 20 feet are deficiencies.
Builder/Seller Responsibility	Repair cracks that exceed 1/4 inch by tuck pointing and patching. These repairs should be made toward the end of the first year of limited warranty coverage to permit home to stabilize and normal settlement to occur. Builder/Seller is not responsible for color variations between existing and new mortar.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

3.1 UNIT MASONRY (BRICK, BLOCK AND STONE) CONTINUED

Deficiency	Cracks in concrete block basement walls.
Construction Performance Guidelines	Small shrinkage cracks that do not affect the structural ability of masonry foundation walls are not unusual. Cracks 1/4 inch or greater in width are deficiencies.
Builder/Seller Responsibility	Investigate to determine cause. Builder/Seller shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.
Exclusions	None.
Deficiency	Concrete block basement wall is bowed.
Construction Performance Guidelines	Block concrete walls shall not bow in excess of 1 inch in 8 feet when measured from the base to the top of the wall.
Builder/Seller Responsibility	Repair basement walls that are bowed in excess of 1 inch in 8 feet.
Exclusions	None.

3.2 STUCCO AND CEMENT PLASTER

Deficiency	Cracking or spalling of stucco and cement plaster.
Construction Performance Guidelines	Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry backup. Cracks greater than 1/8 inch in width or spalling of the finish surfaces are deficiencies.
Builder/Seller Responsibility	Scrape out cracks and spalled areas, one time only, during the workmanship warranty term . Fill with cement plaster or stucco to match finish and color as close as possible.
Exclusions	Builder/Seller is not responsible for failure to match color or texture due to the nature of material.
Deficiency	Separation of coating from base on exterior stucco wall.
Construction Performance Guidelines	The coating shall not separate from the base on an exterior stucco wall.
Builder/Seller Responsibility	Repair areas where the coating has separated from the base.
Exclusions	Builder/Seller is not responsible for failure to match color or texture due to the nature of the material.

4. CARPENTRY AND FRAMING

4.1 PLYWOOD AND JOISTS

Deficiency	Wood subfloor squeaks or seems loose.
Construction Performance Guidelines	Loud and objectionable squeaks caused by improper installation or loose subfloor are deficiencies, but a totally squeak-proof floor cannot be guaranteed.
Builder/Seller Responsibility	Refasten any loose subfloor or take other corrective action to reduce squeaking to the extent possible within reasonable repair capability, without removing floor and ceiling finishes.
Exclusions	Floor squeaks may occur when a subfloor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. Squeaks may also occur when one joist is deflected while the other members remain stationary. The Construction Performance Guidelines require the builder/seller to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose subflooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.
Deficiency	Uneven wood framed floors.
Construction Performance Guidelines	Wood floors shall not have more than a 1/4 inch ridge or depression within any 32 inch measurement.
Builder/Seller Responsibility	Correct or repair to meet the Construction Performance Guidelines .
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



4.1 PLYWOOD AND JOISTS CONTINUED

Deficiency	Bowed stud walls or ceilings.
Construction Performance Guidelines	All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Walls or ceilings that are bowed more than 1/2 inch within a 32 inch horizontal measurement or 1/2 inch within any 8 foot vertical measurement are deficiencies.
Builder/Seller Responsibility	Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the Construction Performance Guidelines .
Exclusions	None.
Deficiency	Wood frame walls out of plumb.
Construction Performance Guidelines	Wood frame walls that are more than 3/8 inch out of plumb for any 32 inch vertical measurement are a deficiency.
Builder/Seller Responsibility	Make necessary repairs to meet the Construction Performance Guidelines .
Exclusions	None.
Deficiency	Wood beam or post is split.
Construction Performance Guidelines	Beams or posts, especially those 2 1/2 inches or greater in thickness, will sometimes split as they dry subsequent to construction. Splits exceeding 3/8 inch in width and more than 4 inches in length are deficiencies.
Builder/Seller Responsibility	Repair or replace as required. Filling splits is acceptable to have structural members meet the guideline.
Exclusions	Some characteristics of drying wood are beyond the control of the builder/seller and cannot be prevented.
Deficiency	Exterior sheathing and subflooring that delaminates or swells.
Construction Performance Guidelines	Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied is a deficiency.
Builder/Seller Responsibility	Repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible.
Exclusions	None.
Deficiency	Wood floor is out of square.
Construction Performance Guidelines	The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor shall be 20 feet plus or minus 1/2 inch.
Builder/Seller Responsibility	Make necessary modifications to any floor not complying with the Construction Performance Guidelines .
Exclusions	None.

4.2 FINISH CARPENTRY

Deficiency	Unsatisfactory quality of finished exterior trim and workmanship.
Construction Performance Guidelines	Joints in excess of 1/4 inch between exterior trim elements and siding or masonry are deficiencies. In all cases, the exterior trim abutting masonry siding shall be capable of performing its function to exclude the elements.
Builder/Seller Responsibility	Repair open joints and touch up finish coating, where required, to match existing as closely as possible. Caulk open joints between dissimilar materials.
Exclusions	None.
Deficiency	Unsatisfactory quality of finished interior trim and workmanship.
Construction Performance Guidelines	Joints between moldings and adjacent surfaces that exceed 1/8 inch in width are deficiencies.
Builder/Seller Responsibility	Repair defective joints and touch up finish coating, where required, to match as closely as possible. Caulking is acceptable.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

4.2 FINISH CARPENTRY CONTINUED

Deficiency	Interior trim is split.
Construction Performance Guidelines	Splits, cracks and checking greater than 1/8 inch in width are deficiencies.
Builder/Seller Responsibility	Repair the affected area to meet the Construction Performance Guidelines , one time only, during the workmanship warranty term . Refinished or replaced areas may not match surrounding surfaces exactly.
Exclusions	None.
Deficiency	Hammer marks visible on interior trim.
Construction Performance Guidelines	Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.
Builder/Seller Responsibility	Fill hammer marks and refinish or replace affected trim to meet the Construction Performance Guidelines . Refinished or replaced areas may not match surrounding areas exactly.
Exclusions	None.
Deficiency	Exposed nail heads in woodwork.
Construction Performance Guidelines	Setting nails and filling nail holes are considered part of painting and finishing. After painting or finishing, nails and nail holes shall not be readily visible from a distance of 6 feet under normal lighting conditions.
Builder/Seller Responsibility	Fill nail holes, where required, and if necessary touch up paint, stain or varnish to match as closely as possible.
Exclusions	Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product. Nail holes in base and trim in unfinished rooms, or closets, do not have to be filled.

5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING

Deficiency	Leaks in basement or in foundation/crawl space.
Construction Performance Guidelines	Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies.
Builder/Seller Responsibility	Take such action as is necessary to correct basement and crawl space leaks, except where the cause is determined to be the result of your negligence. Where a sump pit has been installed by builder/seller in the affected area, but the sump pump was not contracted for or installed by builder/seller , no action is required until a properly-sized pump is installed by you in an attempt to correct the condition. Should the condition continue to exist, then builder/seller shall take necessary action to correct the problem.
Exclusions	Leaks caused by landscaping improperly installed by you, or failure by you to maintain proper grades, are excluded from limited warranty coverage. Dampness in basement and foundation walls or in concrete basement and crawl space floors is often common to new construction and is not a deficiency.

5.2 INSULATION

Deficiency	Insufficient insulation.
Construction Performance Guidelines	Insulation that is not installed around all habitable areas as required by prevailing building code is a deficiency.
Builder/Seller Responsibility	Install insulation of sufficient thickness and characteristics to meet the prevailing building code. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by you if it is found that the standard has been met by builder/seller .
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



5.2 INSULATION CONTINUED

Deficiency	Sound transmission between rooms, floor levels, adjoining condominium units in a building or from the street into home.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	None.

5.3 VENTILATION AND MOISTURE CONTROL

Deficiency	Water accumulates in a crawl space.
Construction Performance Guidelines	Crawl spaces should be graded and proper exterior foundation drains installed as required by the prevailing building codes to prevent water from accumulating. Standing water in more than 20 percent of the crawl space or more than 4 inches deep in any contiguous area of 16 square feet, is a deficiency.
Builder/Seller Responsibility	Take corrective measures to meet the Construction Performance Guidelines .
Exclusions	Builder/Seller is not responsible for water accumulation caused by failure by you to maintain the properly established grades, drainage structures and swales or improper landscaping practices by you.
Deficiency	Condensation is evident on the vented crawl space surfaces.
Construction Performance Guidelines	Builder/Seller will install the ventilation and vapor barrier required by the prevailing building code.
Builder/Seller Responsibility	Take corrective actions to meet the Construction Performance Guidelines . If the crawl space is ventilated as required by applicable building codes, then no corrective action is required.
Exclusions	Temporary conditions that cause condensation that cannot be eliminated by ventilation and a vapor barrier. Sealed and conditioned crawl spaces do not require ventilation and are not deficiencies.
Deficiency	Inadequate ventilation or moisture control in attics or roofs.
Construction Performance Guidelines	Attics or roofs shall have adequate ventilation to remove moisture or other approved method of moisture control. Ventilation or other moisture control methods shall be considered inadequate if there is damage to supporting members or insulation due to moisture accumulation.
Builder/Seller Responsibility	Investigate to determine cause and make necessary repairs. Corrective action may include the installation of properly-sized louvers, vents, vapor retarder or other locally-approved method of moisture control.
Exclusions	You are responsible for keeping existing vents unobstructed. Locally-approved and properly constructed "hot roof" or other alternative roof designs may not require ventilation and where there is no evidence of moisture damage to supporting members or insulation, are not deficiencies.
Deficiency	Attic vents or louvers leak.
Construction Performance Guidelines	Attic vents and louvers shall not leak.
Builder/Seller Responsibility	Repair or replace the roof vents as necessary to meet the Construction Performance Guidelines .
Exclusions	Infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the builder/seller .
Deficiency	Bath or kitchen exhaust fans improperly vented into attic.
Construction Performance Guidelines	Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate, resulting in damage to supporting members or insulation, are deficiencies.
Builder/Seller Responsibility	Vent exhaust fans to the outside to correct deficiencies.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

5.4 SEALANTS

Deficiency	Water or air leaks in exterior walls due to inadequate caulking.
Construction Performance Guidelines	Joints and cracks in exterior wall surfaces and around openings that are not properly caulked, to exclude the entry of water or excessive drafts, are a deficiency.
Builder/Seller Responsibility	Repair and/or caulk joints in exterior wall surfaces. Correct one time only during the workmanship warranty term .
Exclusions	You must maintain caulking once the condition is corrected.

5.5 EXTERIOR SIDING

Deficiency	Delamination or splitting of exterior siding.
Construction Performance Guidelines	Exterior siding that delaminates or splits wider than 1/8 inch and longer than 1 inch are deficiencies.
Builder/Seller Responsibility	Repair/replace only the damaged siding. Siding to match the original as closely as possible, however, you should be aware that the new finish may not exactly match the original surface texture or color.
Exclusions	Delaminated or split siding due to your actions or neglect, such as delamination caused by sprinkler system repeatedly wetting siding, is not a deficiency.
Deficiency	Loose or fallen siding.
Construction Performance Guidelines	All siding that is not installed properly, which causes some to come loose or fall off, is a deficiency.
Builder/Seller Responsibility	Reinstall or replace siding and make it secure.
Exclusions	Loose or fallen siding due to your actions or neglect, such as leaning heavy objects against siding, impact or sprinkler systems repeatedly wetting siding is not a deficiency.
Deficiency	Siding is bowed.
Construction Performance Guidelines	Bows exceeding 1/2 inch in 32 inches are deficiencies.
Builder/Seller Responsibility	Repair bowed siding to meet standard. If replacement of siding is required, builder/seller will match original material as closely as possible. You should be aware that the new finish may not exactly match the original surface texture or color.
Exclusions	Bowed siding due to your actions or neglect, such as bowing caused by sprinkler system repeatedly wetting siding is not a deficiency.
Deficiency	Aluminum or vinyl siding is bowed or wavy.
Construction Performance Guidelines	Some waviness in aluminum or vinyl siding is expected. Waves or similar distortions in aluminum or vinyl siding are considered excessive only if they exceed 1/2 inch in 32 inches.
Builder/Seller Responsibility	Correct any waves or distortions to comply with the Construction Performance Guidelines by reinstalling or replacing siding as necessary.
Exclusions	Builder/Seller is not responsible for distorted or melted vinyl siding due to an external heat source, such as a barbeque grill, fire or reflection from glass doors or windows.
Deficiency	Exterior siding is faded.
Construction Performance Guidelines	Any color siding when exposed to ultraviolet rays of the sun will fade. Panels installed on the same wall, and under the same conditions, should fade at the same approximate rate.
Builder/Seller Responsibility	None.
Exclusions	Builder/Seller is not responsible for fading siding. You should contact the manufacturer with questions or claims regarding changes in color of exterior siding. Siding that is shaded differently from the rest of the wall, such as under shutters or behind vegetation, may show color and fade variations.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



5.5 EXTERIOR SIDING CONTINUED

Deficiency	Exterior siding trim is loose.
Construction Performance Guidelines	Trim should not separate from the home by more than 1/4 inch.
Builder/Seller Responsibility	Reinstall trim as necessary to meet the Construction Performance Guidelines .
Exclusions	Vinyl siding and accessories should not be caulked in most circumstances, as caulking could impact the product's contraction and expansion characteristics.
Deficiency	Nails have stained siding.
Construction Performance Guidelines	Nail stains exceeding 1/2 inch in length and visible from a distance of 20 feet are deficiencies.
Builder/Seller Responsibility	Correct by either removing stains, painting or staining the affected area, matching color and finish as closely as possible. Where paint or stain touch up affects the majority of the wall surface, the whole area shall be refinished.
Exclusions	"Natural weathering" or semitransparent stains are excluded from coverage.

5.6 ROOFING

Deficiency	Roof shingles have blown off.
Construction Performance Guidelines	Shingles shall not blow off in winds less than the manufacturer's standards or specifications.
Builder/Seller Responsibility	Replace shingles that blow off in winds less than the manufacturer's standards or specifications only if improper installation is shown to be the cause.
Exclusions	Shingles that blow off in winds less than the manufacturer's standards, or specifications due to a manufacturing defect in the shingles, are the manufacturer's responsibility. Shingles that blow off in hurricanes, tornadoes, hailstorms or winds, including gusts greater than 60 miles per hour, are not deficiencies. You should consult the shingle manufacturer's warranty for specifications, standards and manufacturer's warranty responsibility if shingles blow off in higher wind speeds.
Deficiency	Defective shingles.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Manufacturing defects in shingles are not covered under the limited warranty. You should consult the shingle manufacturer's warranty for specifications, standards and manufacturer's warranty responsibility.
Deficiency	Standing water on built-up roofs.
Construction Performance Guidelines	Water shall drain from a flat or low pitched roof within 24 hours of a rainfall.
Builder/Seller Responsibility	Take corrective action to assure proper drainage of the roof.
Exclusions	Minor ponding or standing of water is not considered a deficiency.

5.7 SHEET METAL

Deficiency	Gutters and downspouts leak.
Construction Performance Guidelines	Gutters and downspouts that leak are deficiencies.
Builder/Seller Responsibility	Repair leaks in gutters and downspouts.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

5.7 SHEET METAL CONTINUED

Deficiency	Water remains in gutters after rain.
Construction Performance Guidelines	Small amounts of water may remain in some sections of the gutter for a short time after a rain. Standing water in gutters shall not exceed 1/2 inch in depth.
Builder/Seller Responsibility	Repair gutters to assure proper drainage.
Exclusions	You are responsible for keeping gutters and downspouts free from debris that would obstruct drainage.

6. DOORS AND WINDOWS

6.1 DOORS: INTERIOR AND EXTERIOR

Deficiency	Warpage of interior or exterior doors.
Construction Performance Guidelines	Interior and exterior doors that warp, so as to prevent normal closing and fit are deficiencies. The maximum allowable warpage of an interior door is 1/4 inch when measured from corner to corner.
Builder/Seller Responsibility	Repair or replace as may be required. New doors to be refinished to match the original as closely as possible.
Exclusions	None.
Deficiency	Door binds against jamb, head of doorframe or does not lock.
Construction Performance Guidelines	Passage doors that do not open and close freely without binding against the doorframe are deficiencies. Lock bolt is to fit the keeper to maintain a closed position.
Builder/Seller Responsibility	Adjust door and keeper to operate freely.
Exclusions	Wood doors may stick during occasional periods of high humidity.
Deficiency	Door panels shrink and expose bare wood.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Door panels will shrink due to the nature of the material, exposing bare wood at the edges and are not deficiencies.
Deficiency	Door panels split.
Construction Performance Guidelines	Door panels that have split to allow light to be visible through the door are deficiencies.
Builder/Seller Responsibility	If light is visible, fill crack and finish panel to match as closely as possible. Correct one time only during the workmanship warranty term .
Exclusions	None.
Deficiency	Bottom of doors drag on carpet surface.
Construction Performance Guidelines	Where it is understood by builder/seller and you that carpet is planned to be installed as floor finish by builder/seller , the bottom of the doors dragging on the carpet are deficiencies.
Builder/Seller Responsibility	Undercut doors as required.
Exclusions	Where carpet selected by you has excessively high pile, you are responsible for any additional door undercutting.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



6.1 DOORS: INTERIOR AND EXTERIOR CONTINUED

Deficiency	Excessive opening at the bottom of interior doors.
Construction Performance Guidelines	Passage doors from room to room that have openings between the bottom of the door and the floor finish material in excess of 1 1/2 inches are deficiencies. Closet doors having an opening in excess of 2 inches are deficiencies.
Builder/Seller Responsibility	Make necessary adjustment or replace door to meet the required tolerance.
Exclusions	None.

6.2 GARAGE DOORS

Deficiency	Garage door fails to operate or fit properly.
Construction Performance Guidelines	Garage door fails to operate, or garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances, are deficiencies. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.
Builder/Seller Responsibility	Make necessary adjustments to meet the manufacturer's installation tolerances.
Exclusions	No adjustment is required when cause is determined to result from anyone but builder/seller's , or builder/seller's subcontractors', installation of an electric door opener.

6.3 WOOD, PLASTIC AND METAL WINDOWS: INTERIOR AND EXTERIOR

Deficiency	Window is difficult to open or close.
Construction Performance Guidelines	Windows should require no greater operating force than that described in the manufacturer's specifications.
Builder/Seller Responsibility	Correct or repair as required to meet manufacturer's specifications.
Exclusions	None.
Deficiency	Double hung windows do not stay in place when open.
Construction Performance Guidelines	Double hung windows are permitted to move within a 2 inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.
Builder/Seller Responsibility	Adjust sash balances one time only during the workmanship warranty term . Where possible, builder/seller will instruct you on the method of adjustment for future repair.
Exclusions	None.
Deficiency	Condensation or frost on window frames and glass.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the home.

6.4 HARDWARE

Deficiency	A doorknob, deadbolt or lockset does not operate smoothly.
Construction Performance Guidelines	A doorknob, deadbolt or lockset should not stick or bind during operation.
Builder/Seller Responsibility	Adjust, repair or replace knobs that are not damaged by abuse, one time only, during the workmanship warranty term .
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

6.5 STORM DOORS, WINDOWS AND SCREENS

Deficiency	Storm doors, windows and screens do not operate or fit properly.
Construction Performance Guidelines	Storm doors, windows and screens, when installed, that do not operate or fit properly to provide the protection for which they are intended, are considered deficiencies.
Builder/Seller Responsibility	Make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.
Exclusions	Missing screens, rips or gouges in the screen mesh.

6.6 WEATHER-STRIPPING AND SEALS

Deficiency	Drafts around doors and windows.
Construction Performance Guidelines	Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around frame when window or exterior door is closed.
Builder/Seller Responsibility	Repair to meet Construction Performance Guidelines .
Exclusions	In high wind areas, you may need to have storm windows and doors installed to eliminate drafts.

6.7 GLASS AND GLAZING

Deficiency	Clouding and condensation on inside surfaces of insulated glass.
Construction Performance Guidelines	Insulated glass that clouds up, or has condensation on the inside surfaces of the glass, is a deficiency.
Builder/Seller Responsibility	Replace glass in accordance with window and glass manufacturer's requirements.
Exclusions	Glass breakage.
Deficiency	Glass surfaces are scratched.
Construction Performance Guidelines	Glass surfaces should not have scratches visible from 10 feet under normal conditions.
Builder/Seller Responsibility	Repair or replace any scratched surfaces.
Exclusions	Scratches in glass must be reported prior to occupancy. Builder/Seller is not responsible for scratches in glass reported after occupancy.

7. FINISHES

7.1 LATH AND PLASTER

Deficiency	Cracks in plaster wall and ceiling surfaces.
Construction Performance Guidelines	Hairline cracks are not unusual. Cracks in plaster wall and ceiling surfaces exceeding 1/16 inch in width are deficiencies.
Builder/Seller Responsibility	Repair cracks that are greater than 1/16 inch in width, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement in home.
Exclusions	None.

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7.2 DRYWALL

Deficiency	Drywall cracks.
Construction Performance Guidelines	Hairline cracks are not unusual. Cracks in interior gypsum board, or other drywall materials exceeding 1/16 inch in width, are deficiencies.
Builder/Seller Responsibility	Repair cracks that are greater than 1/16 inch in width and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement in home.
Exclusions	None.
Deficiency	Nail pops, blisters or other blemishes are visible on finished wall or ceiling.
Construction Performance Guidelines	Nail pops and blisters that are readily visible from a distance of 6 feet under normal lighting conditions are deficiencies.
Builder/Seller Responsibility	Repair such blemishes, and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement of the home.
Exclusions	Depressions or slight mounds at nail heads. Builder/Seller is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper.
Deficiency	Cracked corner bead, excess joint compound, trowel marks or blisters in tape joints.
Construction Performance Guidelines	Cracked or exposed corner bead, excessive joint compound, trowel marks or blisters in drywall tape, are deficiencies.
Builder/Seller Responsibility	Repair to meet Construction Performance Guidelines , and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement of the home.
Exclusions	None.

7.3 HARD SURFACES

Deficiency	Flagstone, marble, quarry tile, slate or other hard surface flooring is broken or loose.
Construction Performance Guidelines	Tile, flagstone or similar hard-surfaced sanitary flooring that cracks or becomes loose is a deficiency. Subfloor and wallboard are required to be structurally sound, rigid and suitable to receive finish.
Builder/Seller Responsibility	Replace cracked tiles, marble or stone and resecure loose tiles, marble or stone flooring.
Exclusions	Cracking and loosening of flooring caused by your negligence is not a deficiency. Builder/Seller is not responsible for color and pattern variations or discontinued patterns of the manufacturer.
Deficiency	Cracks appear in grouting of ceramic tile joints, or at junctions with other material, such as a bathtub, shower or countertop.
Construction Performance Guidelines	Cracks in grouting of ceramic tile joints in excess of 1/16 inch are deficiencies. Regrouting of these cracks is your maintenance responsibility after the builder/seller has regouted once.
Builder/Seller Responsibility	Repair grouting as necessary, one time only, during the workmanship warranty term . The use of an elastic substance such as grout caulk, at junctures between tile and other materials, is often more effective than grout and is considered an acceptable method of repair.
Exclusions	Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub, shower basin or countertop are considered your maintenance responsibility and any resultant damage to other finish surfaces due to leaks, etc. are not considered deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

7.4 RESILIENT FLOORING

Deficiency	Nail pops appear on the surface of resilient flooring.
Construction Performance Guidelines	Readily apparent nail pops are deficiencies.
Builder/Seller Responsibility	Correct nail pops that have caused damage to the floor material, and repair or replace damaged floor covering in the affected area. Builder/Seller is not responsible for color and pattern variations or discontinued patterns of the manufacturer.
Exclusions	None.
Deficiency	Depressions or ridges appear in the resilient flooring due to subfloor irregularities.
Construction Performance Guidelines	Readily apparent depressions or ridges exceeding 1/8 inch are a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6 inch straight edge placed over the depression or ridge with 3 inches on one side of the deficiency held tightly to the floor.
Builder/Seller Responsibility	Take required action to bring the deficiency within acceptable tolerances, so as to not be readily visible. Builder/Seller is not responsible for discontinued patterns or color variations in the floor covering, your neglect or abuse or installations performed by others.
Exclusions	None.
Deficiency	Resilient flooring or base loses adhesion.
Construction Performance Guidelines	Resilient flooring or base that lifts, bubbles or becomes unglued is a deficiency.
Builder/Seller Responsibility	Repair or replace resilient flooring or base as required. Builder/Seller is not responsible for discontinued patterns or color variations.
Exclusions	None.
Deficiency	Seams or shrinkage gaps show at resilient flooring joints.
Construction Performance Guidelines	Gaps in excess of 1/32 inch in width in resilient floor covering joints are deficiencies. Where dissimilar materials abut, a gap in excess of 1/16 inch is a deficiency.
Builder/Seller Responsibility	Repair or replace the resilient flooring to meet the Construction Performance Guidelines . Builder/Seller is not responsible for discontinued patterns or color variations of floor covering. Proper repair can be affected by sealing gap with seam sealer.
Exclusions	None.

7.5 HARDWOOD OR LAMINATE FLOORING

Deficiency	Cupping, open joints or separations in wood and laminate flooring.
Construction Performance Guidelines	Open joints or separations between floorboards of finished flooring shall not exceed 1/8 inch in width. Cups in strip floorboards shall not exceed 1/16 inch in height in a 3 inch maximum distance, when measured perpendicular to the length of the board.
Builder/Seller Responsibility	Determine the cause and if the result of a deficiency in workmanship or material, correct one time only. For repairable deficiencies, repair cracks by filling and refinishing to match the wood surface as closely as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible.
Exclusions	Hardwood floors are subject to shrinkage and swell, due to seasonal variations in the humidity level of home. While boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. You should be familiar with the recommended care and maintenance requirements of your wood floor. Repeated wetting and drying, or wet mopping may damage wood or laminate finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by the limited warranty.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



7.6 PAINTING

Deficiency	Knot and wood stains appear through paint on exterior.
Construction Performance Guidelines	Excessive knot and wood stains that bleed through the paint are considered deficiencies.
Builder/Seller Responsibility	Seal affected areas where excessive bleeding of knots and stains appear, one time only, during the workmanship warranty term . Touch up paint to match as closely as possible.
Exclusions	None.
Deficiency	Exterior paint or stain peels or deteriorates.
Construction Performance Guidelines	Exterior paints or stains that peel or deteriorate during the first year are deficiencies.
Builder/Seller Responsibility	Properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface areas, the whole area should be refinished. The limited warranty on the newly repainted surfaces will not extend beyond the original warranty term .
Exclusions	Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions that may prevail in the area. Fading is not a deficiency.
Deficiency	Painting required as corollary repair because of other work.
Construction Performance Guidelines	Necessary repair of a painted surface under this limited warranty is to be refinished to match surrounding areas as closely as possible.
Builder/Seller Responsibility	Refinish repaired areas to meet the standard as required.
Exclusions	None.
Deficiency	Mildew or fungus forms on painted or factory-finished surfaces.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Mildew or fungus that forms on a painted or factory-finished surface when the surface is subject to various exposures (e.g. ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency.
Deficiency	Deterioration of varnish or lacquer finishes.
Construction Performance Guidelines	Natural finish on interior woodwork that deteriorates during the workmanship warranty term is a deficiency.
Builder/Seller Responsibility	Refinish affected areas of natural-finished interior woodwork, matching the color as closely as possible.
Exclusions	Varnish-type finishes used on exterior surfaces will deteriorate rapidly and are not covered by the limited warranty.
Deficiency	Interior paint coverage.
Construction Performance Guidelines	Wall, ceiling and trim surfaces that are painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions.
Builder/Seller Responsibility	Repaint wall, ceiling or trim surfaces where inadequate paint has been applied, one time only. Where the majority of the wall or ceiling surface is affected, the entire area will be painted from breakline to breakline. Builder/Seller is not required to repaint an entire room unless all walls and ceiling have been affected.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

7.6 PAINTING CONTINUED

Deficiency	Paint splatters and smears on finish surfaces.
Construction Performance Guidelines	Paint splatters on walls, woodwork or other surfaces that are excessive, shall not be readily visible when viewed from a distance of 6 feet under normal lighting conditions.
Builder/Seller Responsibility	Remove paint splatters without affecting the finish of the material or replace the damaged surface if paint cannot be removed.
Exclusions	Minor paint splatter and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be your maintenance and are not deficiencies.

7.7 WALLCOVERING

Deficiency	Peeling of wallcovering installed by builder/seller.
Construction Performance Guidelines	Peeling of wallcovering is a deficiency unless it is due to your abuse or negligence.
Builder/Seller Responsibility	Repair or replace defective wallcovering.
Exclusions	Wallpaper applied in high moisture areas is exempt because the problem results from conditions beyond the builder/seller's control.
Deficiency	Pattern in wallcovering is mismatched at the edges.
Construction Performance Guidelines	Pattern in wallcovering shall match at the edges.
Builder/Seller Responsibility	Remove mismatched wallcovering and replace. Builder/Seller is not responsible for discontinued or variations in color.
Exclusions	Defects in the wallcovering patterns are the manufacturer's responsibility and excluded from limited warranty coverage.
Deficiency	Lumps and ridges and nail pops in wallboard that appear after the homeowner has wallcovering installed by others.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	You shall ensure that the surface to receive wallcovering is suitable and assume full responsibility should lumps, ridges and nail pops occur at a later date.

7.8 CARPETING

Deficiency	Carpet does not meet at the seams.
Construction Performance Guidelines	It is not unusual for carpet seams to show. However, a visible gap or overlapping at the seam due to improper installation is a deficiency.
Builder/Seller Responsibility	Correct to eliminate visible gap or overlapping at the seam.
Exclusions	Carpet material is not covered under the warranty.
Deficiency	Color variations in carpet.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Colors may vary by dye lot and from one end to another in the same roll. Side to side shading may show at most if not all seams, even where the same dye lot is used. Carpet material is not covered under the limited warranty. You should consult carpet manufacturer's warranty for specifications, standards and manufacturer's warranty responsibility for color variations.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



7.8 CARPETING CONTINUED

Deficiency	Carpet loosens or the carpet stretches.
Construction Performance Guidelines	When stretched and secured properly, wall-to-wall carpet installed as the primary floor covering shall not come up, loosen or separate from the points of attachment.
Builder/Seller Responsibility	Restretch or resecure carpet to meet Construction Performance Guidelines , one time only, during the workmanship warranty term .
Exclusions	None.

8. SPECIALTIES

8.1 FIREPLACES

Deficiency	Fireplace or chimney does not draw properly, causing smoke to enter home.
Construction Performance Guidelines	A properly designed and constructed fireplace or chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions, such as tree branches, steep hillsides, adjoining homes and interior furnaces. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary for you to substantiate the problems to the builder/seller by constructing a fire so the condition can be observed.
Builder/Seller Responsibility	When it is determined that the malfunction is based upon improper construction of the fireplace, the builder/seller shall take the necessary steps to correct the problem, one time only, during the workmanship warranty term .
Exclusions	When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond builder/seller's control, builder/seller is not responsible.
Deficiency	Chimney separation from structure to which it is attached.
Construction Performance Guidelines	Newly built fireplaces will often incur slight amounts of separation. Separation that exceeds 1/2 inch from the main structure in any 10 foot vertical measurement is a deficiency.
Builder/Seller Responsibility	Builder/Seller shall correct. Caulking or grouting is acceptable, unless the cause of the separation is due to structural failure of the chimney foundation. In that case, caulking is unacceptable.
Exclusions	None.
Deficiency	Cracks in masonry hearth or facing.
Construction Performance Guidelines	Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Heat and flames from normal fires can cause cracking.
Builder/Seller Responsibility	None.
Exclusions	Heat and flames from normal fires can cause cracking of firebrick and mortar joints. This should be expected and is not covered.

9. CABINETS, VANITIES AND COUNTERTOPS

9.1 KITCHEN CABINETS AND VANITIES

Deficiency	Kitchen and vanity cabinet doors and drawers bind.
Construction Performance Guidelines	Cabinet doors and drawers shall open and close with reasonable ease.
Builder/Seller Responsibility	Adjust or replace doors and drawers as necessary to meet Construction Performance Guidelines .
Exclusions	None.
Deficiency	Warping of kitchen and vanity cabinet doors and drawer fronts.
Construction Performance Guidelines	Warpage that exceeds 1/4 inch as measured from the face of the cabinet frame to the furthestmost point of warpage on the drawer or door front in a closed position is a deficiency.
Builder/Seller Responsibility	Correct or replace door or drawer front as required.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

9.1 KITCHEN CABINETS AND VANITIES CONTINUED

Deficiency	Gaps between cabinets, ceiling and walls.
Construction Performance Guidelines	Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of 1/4 inch between wall and ceiling surfaces are a deficiency.
Builder/Seller Responsibility	Make necessary adjustments of cabinets and countertop or close gap by means of molding, or other acceptable means, suitable to match the cabinet or countertop finish as closely as possible.
Exclusions	None.

9.2 COUNTERTOPS

Deficiency	Surface cracks and delaminations in high-pressure laminates of vanity and kitchen cabinet countertops.
Construction Performance Guidelines	Countertops fabricated with high-pressure laminate coverings that delaminate or have surface cracks exceeding 1/16 inch or joints exceeding 1/16 inch between sheets are deficiencies.
Builder/Seller Responsibility	Repair or replace laminated surface covering having cracks or joints exceeding the allowable width.
Exclusions	You should refrain from leaving any liquids near the countertop seams or allowing the surface to become excessively hot.
Deficiency	Granite, marble, stone or solid surface countertop is cracked.
Construction Performance Guidelines	Cracks greater than 1/32 inch are considered excessive.
Builder/Seller Responsibility	Repair or replace the countertop if the crack is the result of faulty installation or product. Patching is an acceptable repair.
Exclusions	Cracks must be noted during the original walk through or orientation. Builder/Seller is not responsible for cracks after the completion of your home.
Deficiency	Granite, marble, stone or solid surface countertop has texture or color variations.
Construction Performance Guidelines	Color variations in natural surface products are acceptable. Solid surface variations in texture and color may be covered by the manufacturer's warranty.
Builder/Seller Responsibility	None.
Exclusions	None.
Deficiency	Granite, marble, stone or solid surface countertop is chipped.
Construction Performance Guidelines	Chips greater than 1/32 inch are considered excessive.
Builder/Seller Responsibility	Repair or replace affected areas to meet the Construction Performance Guidelines . The use of an appropriate filler is an acceptable repair.
Exclusions	Chips must be noted during the original walk through or orientation. Builder/Seller is not responsible for chips after the completion of your home.
Deficiency	Granite, marble, stone or solid surface countertop has visible seams.
Construction Performance Guidelines	Seams may be visible and especially noticeable within certain countertop materials and darker finishes.
Builder/Seller Responsibility	None.
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



9.2 COUNTERTOPS CONTINUED

Deficiency	Granite, marble, stone or solid surface countertop has excessive lippage between sections.
Construction Performance Guidelines	Lippage greater than 1/32 inch is considered excessive.
Builder/Seller Responsibility	Repair or replace the countertop to meet the Construction Performance Guidelines .
Exclusions	None.

10. MECHANICAL

10.1 PLUMBING

Deficiency	Faucet or valve leak.
Construction Performance Guidelines	A faucet or valve leak due to material or workmanship is a deficiency.
Builder/Seller Responsibility	Repair or replace the leaking faucet or valve.
Exclusions	Leakage caused by worn or defective washers or seals is your maintenance responsibility.
Deficiency	Defective plumbing fixtures, appliances or trim fittings.
Construction Performance Guidelines	Fixtures, appliances or fittings shall comply with their manufacturer's standards as to use and operation.
Builder/Seller Responsibility	None.
Exclusions	Defective plumbing fixtures, appliances and trim fittings are covered under their manufacturer's warranty.
Deficiency	Water flows outside a bathtub or shower.
Construction Performance Guidelines	Bathtubs and showers should be installed properly according to the manufacturer's guidelines.
Builder/Seller Responsibility	Repair bathtub or shower leak as necessary to meet the Construction Performance Guidelines . Proper repair can be achieved by sealing areas around bathtubs and showers.
Exclusions	Builder/Seller is not responsible for leaks related to the use of curtains in bathtubs and showers and for leaks associated with bathtubs and shower doors that have been properly installed. Over time, tub and shower seals may leak because of daily wear and tear and exposure to moisture. You are responsible for maintaining the caulk, shower door sweep and other seals.

10.2 WATER SUPPLY

Deficiency	Staining of plumbing fixtures due to high iron, manganese or other mineral content in water.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None. High iron and manganese content in the water supply system will cause staining of plumbing fixtures.
Exclusions	Maintenance and treatment of the water is your responsibility.
Deficiency	Noisy water pipes.
Construction Performance Guidelines	Some noise can be expected from the water pipe system due to the flow of water. However, the supply pipes should not make the pounding noise called "water hammer."
Builder/Seller Responsibility	Correct to eliminate "water hammer."
Exclusions	Noises due to water flow and pipe expansion are not considered deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

10.3 HEATING AND AIR CONDITIONING

Deficiency	Inadequate heat.
Construction Performance Guidelines	A heating system shall be capable of producing an inside temperature of at least 70 degrees Fahrenheit (F) as measured in the center of the room at a height of 5 feet above the floor, under local outdoor winter design conditions. NOTE FOR HEATING: There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in home.
Builder/Seller Responsibility	Correct heating system as required to provide the required temperatures if a deficiency exists.
Exclusions	Orientation of home and location of room will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. You are responsible for balancing damper and registers and for making other necessary minor adjustments.
Deficiency	Inadequate cooling.
Construction Performance Guidelines	When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78 degrees Fahrenheit (F) as measured in the center of each room at height of 5 feet above the floor, under local outdoor summer design conditions. NOTE FOR AIR CONDITIONING: In the case of outside temperatures exceeding 95 degrees Fahrenheit (F), the system shall keep the inside temperature 15 degrees Fahrenheit (F) cooler than the outside temperature. National, state or local requirements shall supersede this guideline where such requirements have been adopted by the local governing agency.
Builder/Seller Responsibility	Correct cooling system to meet the Construction Performance Guidelines during the workmanship warranty term .
Exclusions	Orientation of home and location of room will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.
Deficiency	Ductwork and heating piping not insulated in uninsulated area.
Construction Performance Guidelines	Ductwork and heating pipes that are run in uninsulated crawl spaces, garages or attics are to be insulated. Basements are not "uninsulated areas" and no insulation is required.
Builder/Seller Responsibility	Install required insulation.
Exclusions	None.
Deficiency	Condensate lines clog up.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	Provide clean and unobstructed lines on effective date of warranty .
Exclusions	Condensate lines will clog under normal conditions. You are responsible for continued operation of drain lines.
Deficiency	Improper mechanical operation of evaporative cooling system.
Construction Performance Guidelines	Equipment that does not function properly at temperature standard set is a deficiency.
Builder/Seller Responsibility	Correct and adjust so that blower and water system operate as designed.
Exclusions	None.
Deficiency	Ductwork makes noises.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and are not deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

10.3 HEATING AND AIR CONDITIONING CONTINUED

Deficiency	Ductwork makes excessively loud noises known as “oil canning.”
Construction Performance Guidelines	The stiffening of the ductwork and the gauge of metal used shall be such that ducts do not “oil can.” The booming noise caused by “oil canning” is a deficiency.
Builder/Seller Responsibility	Take the necessary steps to eliminate noise caused by “oil canning.”
Exclusions	None.

11. ELECTRICAL COMPONENTS

11.1 SWITCHES AND RECEPTACLES

Deficiency	Fuses blow or circuit breakers kick out.
Construction Performance Guidelines	Fuses and circuit breakers that deactivate under normal usage, when reset or replaced, are deficiencies during the workmanship warranty term .
Builder/Seller Responsibility	Check all wiring and replace wiring or breaker if it does not perform adequately or is defective.
Exclusions	None.
Deficiency	Drafts from electrical outlets.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	The electrical junction box on exterior walls may produce a slight air flow, whereby the cold air can be drawn through the outlet into a room. This problem is normal in new home construction.
Deficiency	Malfunction of electrical outlets, switches or fixtures.
Construction Performance Guidelines	All outlets, switches and fixtures that do not operate as intended are considered deficiencies only during the workmanship warranty term .
Builder/Seller Responsibility	Repair or replace defective outlets, switches and fixtures.
Exclusions	None.
Deficiency	Light fixture tarnishes.
Construction Performance Guidelines	None. No coverage.
Builder/Seller Responsibility	None.
Exclusions	Finishes on light fixtures may be covered under their manufacturer’s warranty.

11.2 SERVICE AND DISTRIBUTION

Deficiency	Ground fault interrupter trips frequently.
Construction Performance Guidelines	Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault outlets that do not operate as intended are considered deficiencies.
Builder/Seller Responsibility	Replace defective devices.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

11.3 CABLE, TELEPHONE AND ETHERNET

Deficiency	Wiring or outlets for cable television, telephone or Ethernet are not functioning.
Construction Performance Guidelines	Wiring or outlets for cable television, telephone, Ethernet or other services shall function properly when installed in accordance with the prevailing code and applicable manufacturer's specifications.
Builder/Seller Responsibility	Take corrective action to meet the Construction Performance Guidelines .
Exclusions	Builder/Seller is not responsible for the failure of wiring or other utility service connectors or conduits that begin before the point at which the service enters the home.



ITEMS COVERED UNDER THE DISTRIBUTION SYSTEMS WARRANTY COVERAGE

12. MECHANICAL SYSTEMS

12.1 SEPTIC TANK SYSTEMS

Deficiency	Septic systems fail to operate properly.
Construction Performance Guidelines	Septic systems should be capable of properly handling normal flow of household effluent.
Builder/Seller Responsibility	Take corrective action if it is determined that malfunction is due to a deficiency in workmanship, materials or failure to construct system in accordance with state, county or local requirements. Builder/Seller is not responsible for malfunctions or limitations in the operation of the system attributable to design restrictions imposed by state, county or local governing agencies. Builder/Seller is also not responsible for malfunctions that occur or are caused by conditions beyond builder/seller's control, including your negligence, abuse, freezing, soil saturation, changes in ground water table or other acts of nature.
Exclusions	You are responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency. The following are considered your negligence or abuse and are excluded under the limited warranty: a) excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use; b) connection of sump pump, roof drains or backwash from water conditioner, to the system; c) placing of non-biodegradable items in the system; d) addition of harsh chemicals, greases or cleaning agents and excessive amounts of bleaches or drain cleaners; e) use of a food waste disposer not supplied by builder/seller ; f) placement of impervious surfaces over the disposal area; g) allowing vehicles to drive or park over the disposal area; h) failure to periodically pump out the septic tank when required. Sewage pumps are excluded.

12.2 PLUMBING

Deficiency	Leakage from any piping.
Construction Performance Guidelines	Leaks in any waste, vent and water piping are deficiencies.
Builder/Seller Responsibility	Make necessary repairs to eliminate leakage.
Exclusions	Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.
Deficiency	Sanitary sewers, fixtures, waste or drain lines are clogged.
Construction Performance Guidelines	The builder/seller is not responsible for sewers, fixtures or drains that are clogged because of your actions or negligence. Sanitary sewers, fixtures, waste or drain lines that do not operate or drain properly due to improper construction are deficiencies.
Builder/Seller Responsibility	When defective construction is shown to be the cause, builder/seller shall make necessary repairs. If your actions or negligence is the cause, you are responsible for correcting the problem. You are liable for the entire cost of any sewer and drain cleaning service provided by builder/seller , where clogged drains are caused by your actions or negligence.
Exclusions	Builder/Seller is not responsible for sewer lines that extend beyond the property lines on which the home is constructed.



ITEMS COVERED UNDER THE DISTRIBUTION SYSTEMS WARRANTY COVERAGE

12.2 PLUMBING CONTINUED

Deficiency	Water in plumbing pipes freezes and the pipes burst.
Construction Performance Guidelines	Drain, waste, vent and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather.
Builder/Seller Responsibility	Correct conditions not meeting Construction Performance Guidelines .
Exclusions	Burst pipes due to your neglect and resultant damage are not builder/seller's responsibility. You are responsible for draining exterior faucets and maintaining a suitable temperature in the home to prevent water in pipes from freezing. During periods when the outdoor temperature falls below the design temperature, you are responsible for draining or otherwise protecting pipes. Homes that are periodically occupied, such as summer homes, or where there will be no occupancy for an extended period of time, must be properly winterized or periodically checked to insure that a reasonable temperature is maintained.

12.3 WATER SUPPLY

Deficiency	Water supply system fails to deliver water.
Construction Performance Guidelines	All service connections to municipal water main or private water supply are builder/seller's responsibility when installed by builder/seller .
Builder/Seller Responsibility	Repair as required if failure to supply water is the result of deficiency in workmanship or materials.
Exclusions	If conditions exist that disrupt or eliminate the sources of water supply that are beyond builder/seller's control, then builder/seller is not responsible.

12.4 HEATING AND AIR CONDITIONING

Deficiency	Refrigerant lines leak.
Construction Performance Guidelines	Builder/Seller -installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies.
Builder/Seller Responsibility	Repair leaking lines and recharge the unit as required.
Exclusions	Leaks due to your actions or negligence are excluded.
Deficiency	Ductwork separates or becomes unattached.
Construction Performance Guidelines	Ductwork that is not intact or securely fastened is a deficiency.
Builder/Seller Responsibility	Reattach and resecure all separated or unattached ductwork.
Exclusions	None.

13. ELECTRICAL SYSTEMS

13.1 ELECTRICAL CONDUCTORS

Deficiency	Failure of wiring to carry its designed load.
Construction Performance Guidelines	Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles and equipment is a deficiency.
Builder/Seller Responsibility	Check wiring and replace if it fails to carry the designated load.
Exclusions	None.

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SECTION IX. YOUR LEGAL RIGHTS AND REMEDIES

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SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY. THESE WARRANTIES GIVE YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY AMONG APPLICABLE LAW.

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RETURN TO: WARRANTY ADMINISTRATOR
13900 E Harvard Ave | Aurora, CO 80014

SUCCESSIVE HOMEOWNER REGISTRATION AND ARBITRATION ACCEPTANCE FORM

As the successive homeowner of the home located at _____ (Home)
I/We accept any coverage remaining on the express limited warranty provided by the **builder/seller** that first sold the newly constructed Home. I/We have reviewed and agreed to all the terms in the booklet.

I/We understand that Home Buyers Warranty Corporation ("2-10 HBW") is not the warrantor of the **builder/seller's** express limited warranty, but rather provides services to administer the warranty.

I/We agree to the binding arbitration process described on pages 11 and 12 of the warranty booklet for resolving warranty disputes between us, the **builder/seller**, the **warranty insurer** and/or the **warranty administrator**.

Signature(s) of successive Home Buyer:

Signature

Print

Signature

Print

Phone

Email

Date

In order to process this request, please mail this form and a check in the amount of \$20 payable to 2-10 HBW to:

Warranty Administrator
Warranty Administration Department
13900 E Harvard Ave
Aurora, CO 80014

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ENHANCE your home ownership experience

Additional protection available for your systems and appliances.

The warranty coverage offered in this booklet provides protection for workmanship, distribution systems and structural **defects**.

An optional Home Warranty Service Agreement* could help you reduce the overall cost of owning a home. This optional coverage provides protection against unexpected system and appliance breakdowns, such as your air conditioner or water heater. With this optional coverage, have confidence that your comfort and financial security are covered within your home for many years.

For more information, please visit

2-10.com/protect

*Home Warranty Service Agreements may not be available in all states or locations.



NATIONAL
New Home Warranty Program



For the Best Experience:

- Register your warranty via Homeowner Portal
- Update your contact information
- View your digital warranty book

2-10.com/homeowner

Have Questions?

Contact the warranty administrator

2-10 HOME BUYERS WARRANTY

Warranty Administration Office

13900 E Harvard Ave

Aurora, CO 80014

855.429.2109