

LIMITED WARRANTY AGREEMENT

Builder: CHAD E. DAVIS CONSTRUCTION, LLC
2420 Pacific Ave
Forest Grove, OR 97116

Buyer: _____

House address: _____

As part of the sale agreement between Builder and Buyer, Builder provides to Buyer a limited warranty regarding construction of the house. The terms of the Limited Warranty are set forth in the following agreement between Builder and Buyer. Buyer may consult an attorney before signing this agreement.

1. **Term of Limited Warranty:** The term of this Limited Warranty begins on the date of closing of sale of the house to Buyer. This Limited Warranty has a duration of one year.

2. **Coverage of Limited Warranty.** Builder warrants that by the relevant standards of construction for Portland, Oregon:

- a. For a period of one year, the floors, ceilings, walls, and other internal structural components of the home not covered by other portions of this Limited Warranty will be free of defects in materials or workmanship, but will not include the painting over of such work.
- b. For a period of one year, the plumbing, heating and electrical wiring systems and the septic tank (if installed by Builder) will be free of defects in materials or workmanship.
- c. For a period of one year, the roof will be free of leaks caused by defects in materials or workmanship.
- d. For a period of one year, the doors, hardware, windows, electric switches, receptacles, light fixtures, plumbing fixtures, and cabinet work will be free of defects.

3. **Manufacturer's Warranties Assigned to Buyer.** Builder assigns and passes through to Buyer, to the extent they are assignable, the manufacturer's warranties on all appliances and equipment. The following are examples of such appliances and

equipment though not every home includes all of these items and some homes may include appliances or equipment not on this list:

Refrigerator, range, dishwasher, garbage disposal, ventilating fan, heating and cooling equipment, water heater and light fixtures.

Builder provides no warranty of its own regarding appliances, equipment, and any other consumer products (as defined under the Magnuson-Moss Warranty Act).

4. **Exclusions from Coverage under the Limited Warranty.** Builder does not assume responsibility for any of the following, all of which are excluded from the coverage of this Limited Warranty:

- a. Consequential or incidental damages.
- b. Defects in appliances and equipment covered by manufacturers' warranties. (Builder has assigned these manufacturers' warranties to Buyer, to the extent they are assignable, and Buyer should follow the procedures in these warranties if defects appear in these items).
- c. Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance. Such things as siding maintenance, ceramic tile grout maintenance, caulking maintenance, painting maintenance, rain gutter clean-outs and maintenance, roofing maintenance and other maintenance items are the responsibility of Buyer. Builder does not seal ceramic tile grout, and it is suggested to the homeowner that the grout maintenance efforts are improved by the homeowners' application of sealer prior to use of grouted ceramic tile surfaces.
- d. Defects that are the results of characteristics common to the materials used, such as (but not limited to) warping and deflections of wood (except for a one time minor sheetrock repair due to shrinkage of framing lumber); cedar bleed through; fading chalking, and cracking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather-stripping.
- e. Damage, loss or injury due to the elements.
- f. Any defects in the house or land not described in Section 2 above.
- g. Any conditions in the house or land described in Section 12 below.

- h. Problems caused by modifications, substitutions, repairs or other work done by the Buyer or caused to be performed by the Buyer.

5(A) No other Express Warranties: This Limited Warranty is the only express warranty given by Builder. There are no other express warranties relating to construction of the house and land.

5(8) Implied Warranties Limited to One Year: Implied warranties of merchantability, fitness for a particular purpose, habitability, and workmanship are limited to the warranty term of one year.

6(A) Claims procedure: If a defect appears that Buyer believes is covered by this Limited Warranty or any applicable implied warranty, Buyer must notify the Builder in writing during the term of the Limited Warranty. Buyer will describe the claim in writing and mail the letter to: Chad E. Davis Construction, **LLC**, 2420 Pacific Ave, Forest Grove, OR 97116.

6(8) Written notice of Claims is Required. Buyer must specify in the letter what times during the day Buyer will be at home so that service calls can be scheduled appropriately. Buyer will provide their home and work telephone numbers, as well as the lot number and address. **If delay will cause extra damage (e.g., if a pipe has burst), Buyer will immediately report by telephone to 503-701-0305 or fax to 503-992-2301.** Only emergency reports will be taken by telephone. It is the responsibility of Buyer to minimize damage caused by such incidents such as leaking pipes. Builder will schedule the dates for repairs. Builder will schedule most repairs in the 12th month of the warranty term.

7. **Repairs or Replacement as Exclusive Remedy.** Upon receipt of Buyer's written report of a defect, if the defective item is covered by this Limited Warranty, Builder will repair or replace it at no charge within sixty (60) days (longer if weather conditions, labor problems or material shortages cause delay). The work will be done by Builder or subcontractors chosen by Builder. The choice between repair and replacement will be made by Builder. This is the exclusive remedy to Buyer for breach of this Limited Warranty. All other remedies are excluded.

8. **Limitation of Time to Sue.** Any legal proceedings by Buyer to enforce the terms of this Limited Warranty or any implied warranty must be commenced within one (1) year after date when this Limited Warranty commences.

9. **Time is of the Essence.** Time is of the essence in regard to notifying Builder by letter and filing legal proceedings. If Buyer does not provide written notice of a claim within the one-year term of the Limited Warranty, the claim will be barred. If Buyer does not file legal proceedings to enforce a claim under the express warranty or any implied warranty within one year after the date the Limited Warranty commences, then the claim will be barred.

10. **Not Transferable.** This Limited Warranty applies only to Buyer. This Limited Warranty may not be transferred to subsequent purchasers of the home.

11. **Severability.** If any part of this agreement is held by a court to be unenforceable, the remainder of this agreement shall remain in effect.

12. **Conditions that are Excluded from this Limited Warranty.** The following are some of the conditions that are excluded from this Limited Warranty:

- a. **Concrete.** Concrete foundations, walks, drives and patios can develop hairline cracks not affecting the structural integrity of the building. There is no known method of elimination of this condition, which is caused by characteristics of expansion and contraction. It does not affect the strength of the building and is not a condition covered by any warranty.
- b. **Masonry.** Masonry and mortar can develop cracks due to shrinkage in either the mortar or brick. This is normal and should not be considered a defect. It is not covered by any warranty.
- c. **Wooden Components:** Wood will sometimes crack or "spread apart" as a result of the drying process. This is most often caused by the heat inside the house or the exposure to the sun on the outside. This is normal and considered a maintenance item to be cared for by the homeowner. Likewise, caulking at the corners and interior seams of exterior wood siding may need renewal due to weather exposure. This is also normal and considered a maintenance item to be cared for by the homeowner. It is not covered by any warranty.
- d. **Drywall.** Drywall (sheetrock) will sometimes develop nail pops or settlement cracks. This is a normal part of the drying out process. Builder will make a one-time sheetrock repair as you near the end of your one-year warranty period if you advise Builder in writing well enough in advance. These repairs will not include paint touch-up.
- e. **Floor Squeaks:** Floor squeaks are not covered by the Builder's warranties. Squeaks will sometimes appear and disappear over time with changes in weather, but in no event will such occurrences be Builder's responsibility.
- f. **Flooring.** Your floors are not warranted for damage caused by neglect or the incidents of use. Wood, tile and carpet all require maintenance. Floor casters are recommended to prevent scratching or chipping of wood or tile. Stains on carpets, wood or tile must be

cleaned immediately to prevent discoloration. Carpet has a tendency to loosen up in damp weather and will generally stretch tight again in drier weather, but in any event such incidents will not be Builder's responsibility.

- g. **Caulking and Grout.** Exterior caulking and interior caulking or grouting in bathtubs, shower stalls, and ceramic tile surfaces will crack or bleed somewhat in the months after installation. Such occurrences are normal and should not be considered a constructional problem. Separations or cracking in grouting are homeowner's maintenance items and are not covered by Builder's warranty.
- h. **Brick Discoloration.** Most bricks may discolor due to the elements, rain run-off, weathering, or bleaching. Thus, the color of the bricks is not a warranty item.
- 1. **Broken Glass.** Any broken glass or mirrors, which are not noted on the Builder's walk-thru, are not covered by any warranty.
- J. **Frozen Pipes.** Buyer must take precautions to prevent freezing during severe cold weather, such as removing outside hoses from sillcocks, leaving faucets with a slight drip, and turning off the water system if the house is to be left for extended periods during cold weather. No frozen pipes or sillcocks will be considered for warranty.
- k. **Stained Wood.** All items that are stained will normally have a variation of colors, due to the different textures of woods. Doors that have panels will sometimes dry out and leave a small crack of bare wood. This is due to weather changes. None of these is a warrantable condition.
- l. **Paint.** Good quality painting has been used internally and externally on your home. Nevertheless, exterior paint can sometimes crack or chip. This is not a defect of the paint, but is most often caused by other circumstances. Buyer should avoid allowing lawn sprinklers to hit painted areas or washing walls, and be aware of the newly painted walls as you are moving furniture. The best paint will be stained or chipped if it is not cared for properly. Any defects in painting that are not noticed at the time of the Buyer's walk-thru are non-warrantable conditions.
- m. **Cosmetic Items.** The upkeep of cosmetic aspects of the house is the responsibility of Buyer. You have not contracted with the Builder to cover ordinary wear and tear or other occurrences

subsequent to construction that affect the appearance condition of features in your home. Chips, scratches, or mars in such things as tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, marble and Formica tops, lighting fixtures, kitchen and other appliances, door paneling, siding, screens, windows, carpet, vinyl floors, and cabinets, which are not recognized and noted at the time of the Buyer's walk-thru are non-warrantable conditions.

- n. **Plumbing.** Dripping faucets, toilet adjustments, and toilet seats are covered by the Builder's warranty for a 30-day period only. After that, they are the responsibility of Buyer. If the plumbing is "stopped up" during the warranty period and the person servicing the plumbing finds foreign materials in the line, Buyer will be billed for the call.
- o. **Alteration to Grading.** The lot has been graded to insure proper drainage away from your home. Should Buyer wish to change the drainage pattern for landscaping, installation of patio or service walks, or other reasons, Buyer should be sure to inquire at the City or County office whether your plans are appropriate, and ensure that a proper drainage slope is retained. Builder assumes no responsibility for the grading or subsequent flooding or stagnant pool formation if the pattern established by the Builder is altered.
- p. **Lawn and Shrubs.** Builder accepts no responsibility for the growth of grass or shrubs. Once Builder grades, seeds and/or sod and fertilizes, it is the responsibility of Buyer to water and spread ground cover to enhance growth and prevent erosion. Builder will not regrade a yard, and will not remove or replace any shrubs or trees, except for those which are noted as diseased at the time of the Buyer's walk-thru.
- q. **Roof Drainage.** The manufacturer's warranty on a composition roof is for material only and is prorated over the period of the lifetime use of the roof. The Buyer will handle warranty claims for any defects in materials exclusively with the manufacturer, with our assistance. The Builder will not be responsible for any damages caused by walking on the roof or by installing a TV antenna or other items on a roof. The Builder does not warrant the roofing materials in any respect except as noted in Paragraph 2.c, above.
- r. **Mold.** Builder and Buyer agree that it may be difficult to determine when any leak or other condition may develop that causes environmental conditions conducive to growth of mold. Therefore, Buyer assumes responsibility to be vigilant for any

symptom of moisture or mold, such as smells, discoloration, humidity, dampness, etc. Buyer further agrees that if there is any such symptom of water, moisture, or similar intrusion or damage to Buyer's residence, Buyer will remove the mold, mildew or fungus.

13. **Warranty Standards.** The standards by which all warranty claims and repair work will be evaluated are set out in the attached document. The terms of that document are incorporated herein.

14. Notice to Owner. OREGON LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY COMMENCE ARBITRATION OR A COURT ACTION AGAINST ANY CONTRACTOR, SUBCONTRACTOR, OR SUPPLIER FOR CONSTRUCTION DEFECTS. BEFORE YOU COMMENCE ARBITRATION OR A COURT ACTION YOU MUST DELIVER A WRITTEN NOTICE OF ANY CONDITIONS YOU ALLEGE ARE DEFECTIVE TO THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER YOU BELIEVE IS RESPONSIBLE FOR THE ALLEGED DEFECT AND PROVIDE THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER. THERE ARE STRICT DEADLINES AND PROCEDURE UNDER STATE LAW. FAILURE TO MEET THOSE DEADLINES OR FOLLOW THOSE PROCEDURES WILL AFFECT YOUR ABILITY TO COMMENCE ARBITRATION OR A COURT ACTION.

WE ACKNOWLEDGE HAVING RECEIVED A COPY AND HAVING READ THE ABOVE LIMITED WARRANTY AGREEMENT. BY SIGNING BELOW, WE AGREE TO ALL TERMS OF THE LIMITED WARRANTY AGREEMENT.

Date of closing/Final Settlement: _ _ _ _ _ . This is the date that the Limited Warranty commences.

CHAD DAVIS CONSTRUCTION, LLC,
An Oregon Limited Liability Company

By: - - - - -
Chad Davis, Member
"Builder" CCB#154184

"Buyer"

CHAD DAVIS CONSTRUCTION, LLC
WARRANTY STANDARDS
Quality Standard List - Workmanship and Materials
FIRST YEAR ONLY

SITE WORK

SIDE GRADING

Possible Deficiency	<u>Settling of ground around foundation, utility trenches or other areas.</u>
Performance Standard	Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from home.
Responsibility	Builder shall fill settled areas affecting proper drainage, one time only, during the first year of Warranty period.

SITE DRAINAGE

Possible Deficiency	<u>Improper drainage of the site.</u>
Performance Standard	The necessary grades and swales shall have been established by the Builder to ensure proper drainage away from the home. Standing water shall not remain against the house. The possibility of standing water after an unusually heavy rainfall should be anticipated by the Homeowner. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.
Responsibility	Builder is responsible only for initially establishing proper grades and swales. Owner is responsible for maintaining such grades and swales once they have been properly established by Builder.

CONCRETE

EXPANSION AND CONTRACTION OF JOINTS

Possible Deficiency	<u>Separation or movement of concrete slabs within structure at expansion and contraction of joints.</u>
Performance Standard	Concrete slabs within the structure are designed to move at expansion and contraction joints.
Responsibility	None.

CAST IN PLACE CONCRETE

Possible Deficiency	<u>Basement or foundation wall cracks.</u>
Performance Standard	Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.
Responsibility	Builder will repair cracks in excess of 1/8 inch in width by surface patching or other method as required.
Possible Deficiency	<u>Cracking of Basement floor.</u>
Performance Standard	Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.
Responsibility	Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.
Possible Deficiency	<u>Cracking of slab in attached garage.</u>
Performance Standard	Small cracks can be expected, however, cracks in garage slabs in excess of ¼ inch in width and ¼ inch vertical displacement shall be repaired.
Responsibility	Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required .

Possible Deficiency	<u>Uneven concrete foot/slabs.</u>
Performance Standard	Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or areas of unevenness exceeding ¼ inch in 32 inches.
Responsibility	Builder will correct or repair to meet Performance Standard.
Possible Deficiency	<u>Cracks in concrete slab-on- grade with finish flooring materials.</u>
Performance Standard	Cracks, which rupture the finish flooring materials, shall be repaired.
Responsibility	Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place (See also "Finishes").
Possible Deficiency	<u>Pitting, sealing or spalling of concrete work covered by Warranty.</u>
Performance Standard	Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.
Responsibility	Builder will take whatever corrective action necessary to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.
Possible Deficiency	<u>Settling, heaving or separating of stoops, steps or garage floors.</u>
Performance Standard	Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structure.
Responsibility	Builder will take whatever corrective action is required to meet the Performance Standard.

Possible Deficiency	<u>Standing water on stoops.</u>
Performance Standard	Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.
Responsibility	Builder shall take corrective action to assure drainage of steps and stoops.

MASONRY

UNIT MASONRY

Possible Deficiency	<u>Cracks in masonry walls or veneer.</u>
Performance Standard	Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
Responsibility	Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year Warranty period one time only. Builder will not be responsible for color variation between old and new mortar. Sealing of masonry fireplaces may be required during periods of heavy long rains; this is the responsibility of the homeowner.

WOOD AND PLASTIC

ROUGH CARPENTRY

Possible Deficiency	<u>Floor squeaks or subfloor appears loose.</u>
Performance Standard	Floor squeaks and loose subfloor are often temporary conditions common to new home construction, and a squeak-proof floor cannot be guaranteed.
Responsibility	Builder will correct the problem only if caused by an underlying construction defect. Some squeaks may be stopped by driving nail through carpet. This may not stop the squeak. Floor squeaks are not considered a construction deficiency.

Possible Deficiency Uneven wood floors.

Performance Standard Floors shall not have more than ½ inch ridge or depression within any 32-inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the approved building codes.

Responsibility Builder will correct or repair to meet Performance Standard.

Possible Deficiency Bowed walls.

Performance Standard All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the wall's finished surface. Walls should not bow more than ¼ inch off line within any 32-inch horizontal or vertical measurement.

Responsibility Builder will repair to meet Performance Standard.

Possible Deficiency Out-of-plumb walls.

Performance Standard Walls should not be more than ½ inch out of plumb for any 32-inch vertical measurement.

Responsibility Builder will repair to meet Performance Standard.

***FINISHED CARPENTRY
(INTERIOR)***

Possible Deficiency Quality of interior trim workmanship.

Performance Standard Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width.

Responsibility Builder will repair defective joints, as defined. Caulking is acceptable.

***FINISHED CARPENTRY
(EXTERIOR)***

Possible Deficiency	<u>Quality of exterior trim workmanship.</u>
Performance Standard	Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases, the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
Responsibility	Builder will repair open joints, as defined. Caulking is acceptable.

THERMAL & MOISTURE PROTECTION

WATERPROOFING

Possible Deficiency	<u>Leaks in finished basement.</u>
Performance Standard	Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping or failure to maintain proper grades are not covered by this limited warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.
Responsibility	Builder will take such action as necessary to correct basement leaks, except where the cause is determined to result from homeowner action or negligence.

INSULATION

Possible Deficiency	<u>Insufficient insulation.</u>
Performance Standard	Insulation shall be installed in accordance with applicable energy and building code requirements.
Responsibility	Builder will install insulation according to the insulation disclosure statement signed by homeowner, which meets Performance Standard.

ROOFING AND SIDING

Possible Deficiency Ice build-up on roof.

Performance Standard During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.

Responsibility Prevention of ice build-up on the roof is a homeowner maintenance item and is not the responsibility of the Builder.

Possible Deficiency Roof or flashing leaks.

Performance Standard Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or homeowner action or negligence.

Responsibility Builder will repair any verified roof or flashing leaks not caused by ice build-up or homeowner action or neglect.

Possible Deficiency Standing water on flat roof.

Performance Standard Water shall drain from flat roof, except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.

Responsibility Builder will take corrective action to assure proper drainage of roof.

Possible Deficiency Delamination of veneer siding or joint separation.

Performance Standard All siding shall be installed according to the manufacturer and industry's accepted standards. Separations and delaminations shall be repaired or replaced.

Responsibility Builder will repair or replace siding as needed unless caused by homeowner's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The homeowner can expect that the newly painted surface may not match original surface in color.

SHEET METAL

Possible Deficiency	<u>Gutters and/or downspouts leak.</u>
Performance Standard	Gutters and downspouts shall not leak but gutters may overflow during heavy rain.
Responsibility	Builder will repair leaks. It is the homeowner's responsibility to keep gutters and downspouts free of leaves and debris, which could cause overflow.
Possible Deficiency	<u>Water standing in gutters.</u>
Performance Standard	When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth, industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.
Responsibility	Builder will correct to meet Performance Standard.

SEALANTS

Possible Deficiency	<u>Leaks in exterior walls due to the separation of caulking.</u>
Performance Standard	Joints and seams in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.
Responsibility	Builder will warrant the sealing of the exterior wall surfaces for a period of 120 days. Even properly installed caulking will shrink and must be maintained during the life of the home. We recommend twice annually inspecting the caulking around the house, once during the Fall to prepare for Winter and again in the Spring.

DOORS AND WINDOWS

WOOD AND PLASTIC DOORS

Possible Deficiency	<u>Warpage of exterior doors.</u>
Performance Standard	Exterior doors will warp to some degree due to temperature differential on inside and outside surface. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner.)
Responsibility	Builder will correct or replace and refinish defective doors during first year of the Limited Warranty period.
Possible Deficiency	<u>Warpage of interior passage and closet doors.</u>
Performance Standard	Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standard (1/4 inch, measured diagonally from corner to corner).
Responsibility	Builder will correct or replace and refinish defective doors to match existing doors as nearly as possible during the first year of the Limited Warranty period.
Possible Deficiency	<u>Shrinkage of insert panels show raw wood edges.</u>
Performance Standard	Panels will shrink and expand and may expose unpainted surface.
Responsibility	None.
Possible Deficiency	<u>Split in door panel.</u>
Performance Standard	Split panels shall not allow light to be visible through the door.
Responsibility	Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Warranty period. Cracking of paint on exterior doors shall be covered in the one-year warranty.

GLASS

Possible Deficiency	<u>Broken glass.</u>
Performance Standard	None.
Responsibility	Broken glass not reported to Builder, prior to the closing is the homeowner's responsibility.

GARAGE DOORS ON ATTACHED GARAGES

Possible Deficiency	<u>Garage doors fail to operate properly under normal use.</u>
Performance Standard	Garage doors shall operate properly.
Responsibility	Builder will correct or adjust garage doors as required, except where the cause is determined to result from homeowner action or negligence.

Possible Deficiency	<u>Garage doors allow entrance of snow or water.</u>
Performance Standard	Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.
Responsibility	Builder will adjust or correct garage doors to meet manufacturer's recommendations.

WOOD/VINYL WINDOWS

Possible Deficiency	<u>Malfunction of windows.</u>
Performance Standard	Windows shall operate with reasonable ease, as designed.
Responsibility	Builder will correct as required.

Possible Deficiency	<u>Condensation and/or frost on windows (new windows will have far less condensation than ones 3 years old)</u>
Performance Standard	Windows will collect condensation of interior surfaces when extreme temperature differences and high humidity

levels are present. Condensation is usually the result of climatic/humidity conditions created by the homeowner.

Responsibility

Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

WEATHER-STRIPPING AND SEALS

Possible Deficiency

Air infiltration around doors and windows.

Performance Standard

Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weather-stripping shall be adjusted or replaced. It may be necessary for the homeowners to have storm doors installed to provide satisfactory solutions in high-wind areas.

Responsibility

Builder will adjust or correct poorly fitted doors, windows and poorly fitted weather-stripping.

FINISHES

GYP SUM WALLBOARD

Possible Deficiency

Defects which appear during first year of the Limited Warranty such as nail pops, blisters in tape or ~~or~~ blemishes.

Performance Standard

Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations.

Responsibility

Builder will repair one time only, during the first year of the Limited Warranty period. (See also Performance Standard "Painting".)

CERAMIC TILE

Possible Deficiency

Ceramic tile cracks or becomes loose.

Performance Standard

Ceramic tile shall not crack or become loose.

Responsibility

Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the homeowner action or

negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile.

Possible Deficiency	<u>Cracks appear in grouting or ceramic tile joints or at junctions with other materials such as a bathtub.</u>
Performance Standard	Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.
Responsibility	Builder will repair grouting if necessary one time only, during the first year of the Limited Warranty Period. Builder will not be responsible for color variations or discontinued colored grout. Re-grouting of these cracks is a maintenance responsibility of the homeowner within the life of the home.

FINISHED WOOD FLOORING

Possible Deficiency	<u>Cracks developing between floorboards.</u>
Performance Standard	Cracks in excess of 1/8 inch in width shall be corrected.
Responsibility	Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Warranty period, by filing or replacing at Builder's option.

RESILIENT FLOORING

Possible Deficiency	<u>Nail pops appear on the surface of resilient flooring.</u>
Performance Standard	Readily apparent nail pops shall be repaired.
Responsibility	Builder will correct nail pops, which have broken the surface. Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar materials. (Most often done by patching.) Builder will not be responsible for discontinued patterns or color variations in the floor covering. Owner should keep left over pieces of vinyl).

Possible Deficiency	<u>Depressions or ridges appear in the resilient flooring due to subfloor irregularities.</u>
Performance Standard	Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge placed over the depression or ridge with three inches of the straightedge on one side of the defect, held tightly to the floor.
Responsibility	Builder will take corrective action as necessary to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or color variations in floor covering.
Possible Deficiency	<u>Resilient flooring loses adhesion.</u>
Performance Standard	Resilient flooring shall not lift, bubble or become unglued.
Responsibility	Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variations of floor covering, or for problems caused by homeowner's neglect or abuse.
Possible Deficiency	<u>Seams or shrinkage gaps show at resilient flooring joints.</u>
Performance Standard	Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar material abut, a gap not to exceed 1/8 inch is permissible.
Responsibility	Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by homeowner's neglect or abuse.

PAINTING

Possible Deficiency Exterior paint or stain - peels, deteriorates, fades or bleeds.

Performance Standard Exterior paints or stains should not fail during the first year of the Limited Warranty period. However, fading is normal and the degree is dependent on climatic conditions.

Responsibility If paint or stain is defective, Builder will properly repair and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished. Paint bleeds (acid in wood) will be washed off only one time during the Limited Warranty period .

Possible Deficiency Painting required as corollary repair because of other work.

Performance Standard Repairs required under this Limited Warranty shall be finished to match surrounding areas as closely as practicable.

Responsibility Builder will finish repair areas as indicated.

Possible Deficiency Deterioration of varnish or lacquer finishes.

Performance Standard Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Warranty.

Responsibility Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.

Possible Deficiency Mildew or fungus on painted surface.

Performance Standard Mildew or fungus will form on painted surface if the structure is subject to abnormal exposures (i.e. rainfall, ocean, lake or river front).

Responsibility Mildew or fungus formation is a condition the Builder cannot control and is a homeowner maintenance item

unless it is a result of noncompliance with other sections of the Performance Standard.

Possible Deficiency Edge mismatching in pattern of wall covering.

Performance Standard None.

Responsibility None.

CARPETING

Possible Deficiency Open carpet seams.

Performance Standard Carpet seams will show. However, no visible gap is acceptable.

Responsibility Builder will correct.

Possible Deficiency Carpeting becomes loose, seams separate or stretching occurs.

Performance Standard Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose or separate from its point of attachment.

Responsibility Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by the Builder.

Possible Deficiency Spots on carpet, minor fading.

Performance Standard Exposure to light may cause spots on carpet and/or minor fading.

Responsibility None.

SPECIAL COATINGS

Possible Deficiency	<u>Cracks in exterior stucco wall surfaces.</u>
Performance Standard	Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1 /8 inch in width will be repaired one time only, during the first year of the Limited Warranty period.
Responsibility	Builder is not responsible for color variation in color.

SPECIALTIES

LOUVERS AND VENTS

Possible Deficiency	<u>Inadequate ventilation of attics and crawl spaces.</u>
Performance Standard	Attic and crawl spaces shall be ventilated as required by the approved building code.
Responsibility	Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

FIREPLACES

Possible Deficiency	<u>Fireplace or chimney does not draw properly.</u>
Performance Standard	A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches or trees too close to the chimney. Some homes may need to have a window opened slightly to create an effective draft. The new homes have been insulated and weatherproofed to meet high-energy conservation criteria.
Responsibility	Builder will determine the cause of malfunction and correct if the problem is one of design or construction of the fireplace.

Possible Deficiency	<u>Chimney separation from structure to which it is attached.</u>
Performance Standard	Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed ½ inch from the main structure in any 10-foot vertical measurement.
Responsibility	Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.
Possible Deficiency	<u>Firebox paint changed by fire.</u>
Performance Standard	None. Heat from fires will alter finish.
Possible Deficiency	<u>Cracked firebrick and mortar joints.</u>
Performance Standard	None.
Responsibility	None. Heat and flames from "roaring" fires will cause cracking.

EQUIPMENT

RESIDENTIAL EQUIPMENT

Possible Deficiency	<u>Surface cracks, joint de-laminations and chips in high-pressure laminates on vanity and kitchen cabinet countertops.</u>
Performance Standard	Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.
Possible Deficiency	<u>Kitchen cabinet malfunctions.</u>
Performance Standard	Warpage not to exceed ¼ inch as measured from face frame to point of furthest warpage with door or drawer front in closed position.
Responsibility	Builder will correct or replace doors or drawer fronts.

Possible Deficiency	<u>Gaps between cabinets, ceiling or walls.</u>
Performance Standard	Acceptable tolerance ¼ inch in width.
Responsibility	Builder will correct to meet Performance Standard.

PLUMBING

WATER SUPPLY SYSTEM

Possible Deficiency	<u>Plumbing pipes freeze and burst.</u>
Performance Standard	Drain, waste and vent water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather to prevent freezing.
Responsibility	Builder will correct situations not meeting the code. It is the homeowner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

PLUMBING SYSTEM

Possible Deficiency	<u>Faucet or valve leak.</u>
Performance Standard	No valve or faucet shall leak due to defects in workmanship and materials during the first year of this Limited Warranty.
Responsibility	Builder will repair or replace the leaking faucet or valve.
Possible Deficiency	<u>Defective plumbing fixtures, appliances or trim fittings</u>
Performance Standard	Fixtures, appliances or fittings shall comply with their manufacturer's standard.
Responsibility	Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by the manufacturer.

Possible Deficiency	<u>Noisy water pipes.</u>
Performance Standard	There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.
Responsibility	Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer".
Possible Deficiency	<u>Cracking or chipping of porcelain or fiberglass surfaces.</u>
Performance Standard	Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.
Responsibility	Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.

HEATING AND COOLING

HEATING

Possible Deficiency	<u>Inadequate heating.</u>
Performance Standard	Heating system shall be capable of producing an inside temperature of 70° F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
Responsibility	Builder will correct heating system to provide the required temperatures. However, the homeowner shall be responsible for balancing dampers, registers and other minor adjustments.

REFRIGERATION

Possible Deficiency	<u>Inadequate cooling.</u>
Performance Standard	Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78° F, as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design

conditions. In the case of outside temperature exceeding 95° F, a differential of 13° F from the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

Responsibility Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

CONDENSATION LINES

Possible Deficiency Condensation lines clog up.

Performance Standard None.

Responsibility Condensation lines will clog eventually under normal use. This is a homeowner maintenance item. Builder will warrant for one year from clogging.

HEATING AND COOLING

AIR DISTRIBUTION

Possible Deficiency Noisy ductwork.

Performance Standard When metal is heated, it expands and when cooled, it contracts. The result is "tickling" or "cracking" which is generally to be expected.

Responsibility None.

Possible Deficiency Oil canning.

Performance Standard The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oilcan". The booming noise caused by "oil canning" is not acceptable.

Responsibility Builder will correct to eliminate this sound.

ELECTRICAL

ELECTRICAL CONDUCTORS, FUSES AND CIRCUIT BREAKERS

Possible Deficiency	<u>Fuses blow or circuit breakers (excluding ground fault interrupters) "kick out".</u>
Performance Standard	Fuses and circuit breakers shall not activate under normal usage.
Responsibility	Builder will check wiring circuits for conformity with local, state or approved national electrical code requirements. Builder will correct circuitry not conforming to code specifications.

OUTLETS, SWITCHES AND FIXTURES

Possible Deficiency	<u>Drafts from electrical outlets.</u>
Performance Standard	Electrical junction boxes on exterior walls may produce airflow whereby the code air can be drawn through the outlet into a room. The problem is normal in new home construction.
Responsibility	None.
Possible Deficiency	<u>Malfunction of electrical outlets, switches or fixtures.</u>
Performance Standard	All switches, fixtures and outlets shall operate as intended.
Responsibility	Builder will replace defective switches, fixtures and outlets.

SERVICE AND DISTRIBUTION

Possible Deficiency	<u>Ground fault interrupter trips frequently.</u>
Performance Standard	Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.

Responsibility Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect. If the outlet is tripped, push the reset button.

PLUMBING SYSTEM

WATER SUPPLY

Possible Deficiency Water supply system fails to deliver water.

Performance Standard All on-site service connections to municipal water main and private water supply shall be the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Responsibility Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, Builder has no responsibility.

SEPTIC TANK SYSTEM

Possible Deficiency Septic system fails to operate properly.

Performance Standard Septic system shall function adequately during all seasons, under climatic conditions normal or reasonably anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable Code Requirements.

Responsibility Builder will repair, or otherwise correct, if malfunctioning, a non-operating system. If failure is caused by inadequate design, faulty installation or other cause relating to actions of the Builder or contractors or subcontractors hired by Builder. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or owner's contractors, not under the direct control of the Builder including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or

surrounding soil conditions critical to the system's functioning.

PIPING

Possible Deficiency	<u>Leakage from piping.</u>
Performance Standard	No leaks of any kind shall exist in any soil, waste, vent or water pipe. Condensation on piping does not constitute leakage and is not covered.
Responsibility	Builder will make repairs to eliminate leakage.

Possible Deficiency	<u>Stopped up sewers, fixtures and drains.</u>
Performance Standard	Sewers, fixtures and drains shall operate properly.
Responsibility	Builder will not be responsible for sewers, fixtures and drains, which are clogged through the homeowner's negligence. If a problem occurs, the homeowner should consult the Builder for a proper course of action. Where defective construction is shown to be the cause, the Builder will assume the cost of the repair; where the homeowner is shown to be the cause, the homeowner shall assume all repair costs.

Possible Deficiency	<u>Refrigerant lines leak.</u>
Performance Standard	Refrigerant lines should not develop leaks during normal operation.
Responsibility	Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by homeowner.

VENTILATING SYSTEM

AIR DISTRIBUTION

Possible Deficiency	<u>Ductwork separates or becomes unattached.</u>
Performance Standard	Ductwork shall remain intact and securely fastened.

Responsibility Builder will re-attach and re-secure all separated or unattached ductwork.

ELECTRICAL SYSTEM

WIRING

Possible Deficiency Failure of wiring to carry its designated load.

Performance Standard Wiring should be capable of carrying the designed load for normal residential use.

Responsibility Builder will check wiring for conformity with local, state and approved National Electrical Code requirements. Builder will repair wiring not conforming to code specifications.

I HAVE READ THE WARRANTY STANDARDS AND UNDERSTAND MY WARRANTY.

Dated: _ _ _ _ _

BUYER

Dated: _ _ _ _ _

BUYER