2-10 HOME BUYERS WARRANTY

NATIONAL

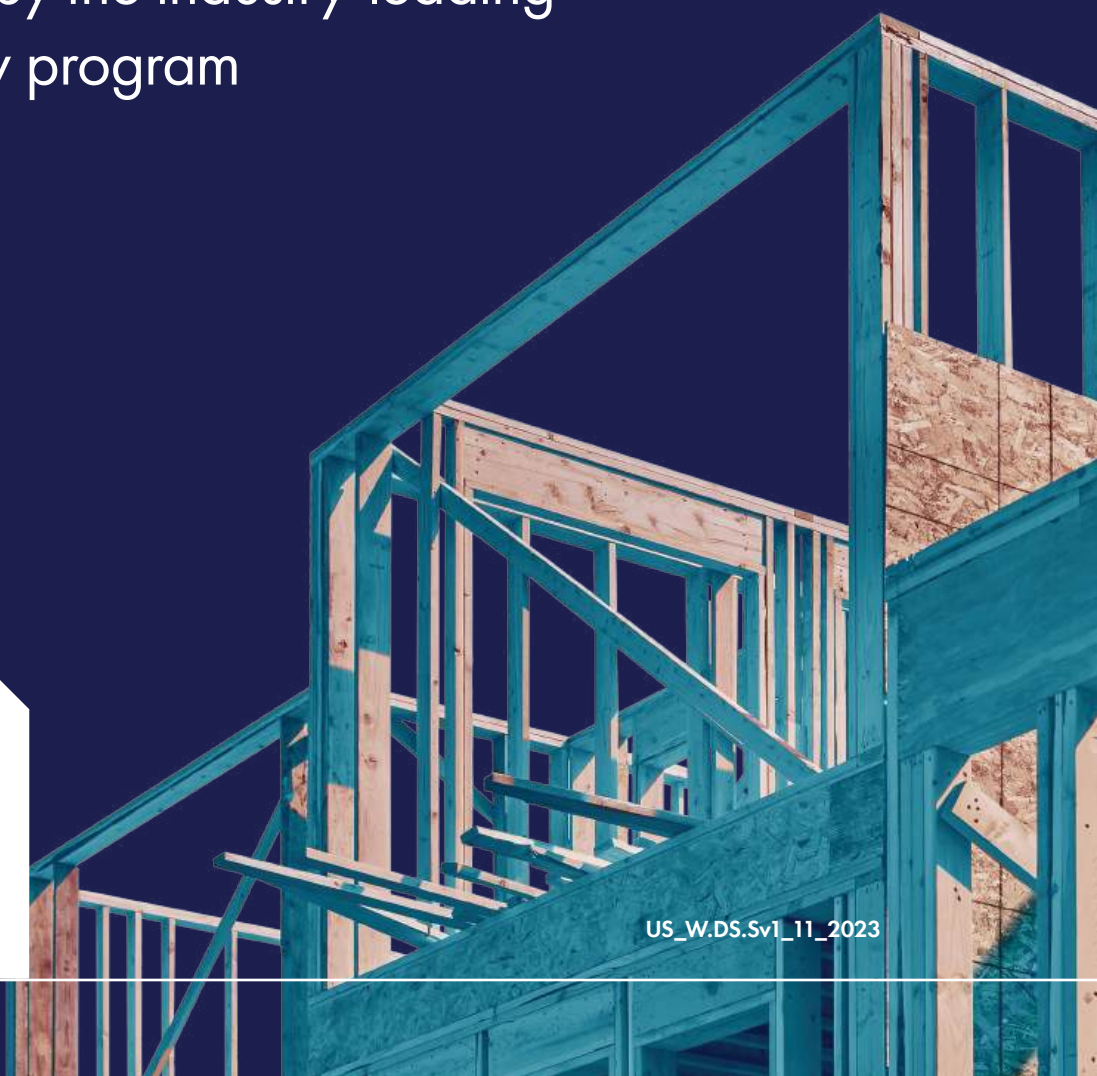
- Workmanship
- Distribution Systems
- Structural

NEW HOME WARRANTY PROGRAM

2-10 HOME BUYERS WARRANTY®

Quality built by your builder

Backed by the industry-leading warranty program



Lancia HOMES
LanciaHomes.com

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2-10 HOME BUYERS WARRANTY®

Congratulations

on your new home and the warranty provided by your builder.

6 Million+
homes covered

40+ Years
in the industry

1 in 5 New Homes
enrolled in the 2-10 HBW New Home Warranty Program

2-10 HBW is here to enhance your homeownership journey

Purchasing a home is a big accomplishment. And it gets even better because your builder chose to provide you with the industry-leading new home express warranty.

In addition to being your warranty administrator, 2-10 Home Buyers Warranty (2-10 HBW) offers valuable tips and advice, alongside optional products and services, to homeowners like you. Our goal is to provide you with greater peace of mind about the experience of owning your home.

Expanded protection from the name you can trust

2-10 HBW wants to help you reduce the overall cost of owning a home. Expensive system and appliance breakdowns that occur from normal wear and tear are not covered by this new home express warranty or homeowners insurance. An optional 2-10 HBW Home Service Plan* protects against unexpected breakdowns, such as to your air conditioner, washer and dryer, or water heater.

Benefits from your builder and 2-10 HBW

WELCOME TO THE 2-10 FAMILY!

What you have today

- New Home Warranty Program
- Homeowner Portal Access
- Maintenance Tips & Tricks

Exclusive access with 2-10 HBW

- Systems & Appliances Home Service Plan
- Appliance Discounts

Because your builder provided you with this industry-leading warranty, you now have access to these exclusive benefits.

*Home Service Plans are provided by an affiliate of your warranty administrator, and may not be available in all states or locations. Images shown for illustration purposes only.

2-10.com/protect

Getting started

This booklet will help:

1. Present the types of coverage
2. Provide simple language to understand what's covered
3. Explain how to report a claim

Words with special meaning

Words in this booklet that have specific and consistent meanings, which may not reflect everyday use, are defined in Section VIII. For readability purposes we have not bolded, capitalized, or otherwise denoted these words. Nevertheless, when a word with a special meaning appears in this booklet, that word will have the meaning assigned to it in Section VIII, unless the booklet expressly indicates a different or generic meaning for the word in a specific sentence or paragraph.

This booklet and your Certificate of Warranty Coverage

This booklet and the Certificate of Warranty Coverage are legal documents that define all procedures, terms, conditions, and remedies for the express, limited warranties your builder/seller is providing you.

The effective date of warranty and each warranty term are identified on the Certificate of Warranty Coverage. Please keep this booklet and the Certificate of Warranty Coverage with other legal documents that are important to you.

Important provisions concerning your legal rights and remedies are contained in Section X, and for the use of final and binding arbitration to resolve disputes are contained in Section VII.E.

Register your home

Register your home with 2-10 HBW. When you register, you can view and review your coverage details; confirm your contact info; and get access to additional troubleshooting advice, exclusive appliance discounts, and home maintenance tips through our newsletters and blogs. Register at **2-10.com/homeowner**.

2-10 HBW is your warranty administrator

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

Contact the warranty administrator for questions about this booklet or if you have lost your Certificate of Warranty Coverage.

855.429.2109

warrantyadministration@2-10.com

2-10.com/homeowner

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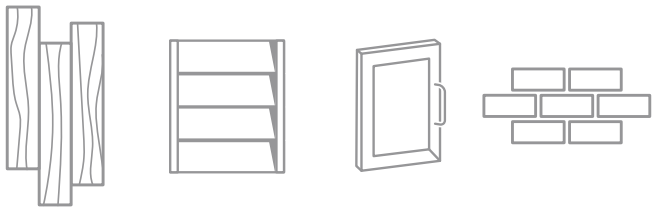
SECTION I.
OVERVIEW OF YOUR WARRANTIES*

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 III.



OVERVIEW OF WORKMANSHIP 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

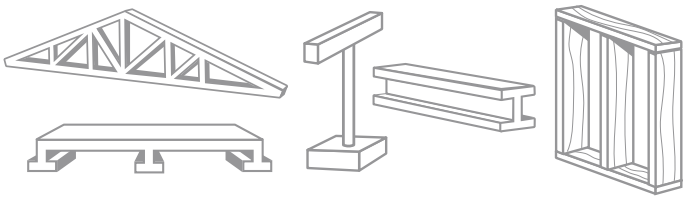
You will rarely see behind the walls of your new home, but essential functions such as electrical, plumbing, and mechanical systems are working behind the walls. Your distribution systems warranty establishes the standards for your home's electrical, plumbing, and mechanical systems. The wiring, piping,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

OVERVIEW OF DISTRIBUTION SYSTEMS ITEMS COVERED*

Supply piping, waste piping, ductwork, and electrical wiring

STRUCTURAL WARRANTY

While your home was carefully constructed and inspected, unforeseen problems occasionally 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 V.



STRUCTURAL ITEMS COVERED*

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

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 that affects their load-bearing functions to the extent that your home becomes unsafe, unsanitary, or otherwise unlivable.

UNSAFE **UNSANITARY** **UNLIVABLE**

*Images and items are for illustrative purposes only.

SECTION II.
IMPORTANT NEW HOME MAINTENANCE

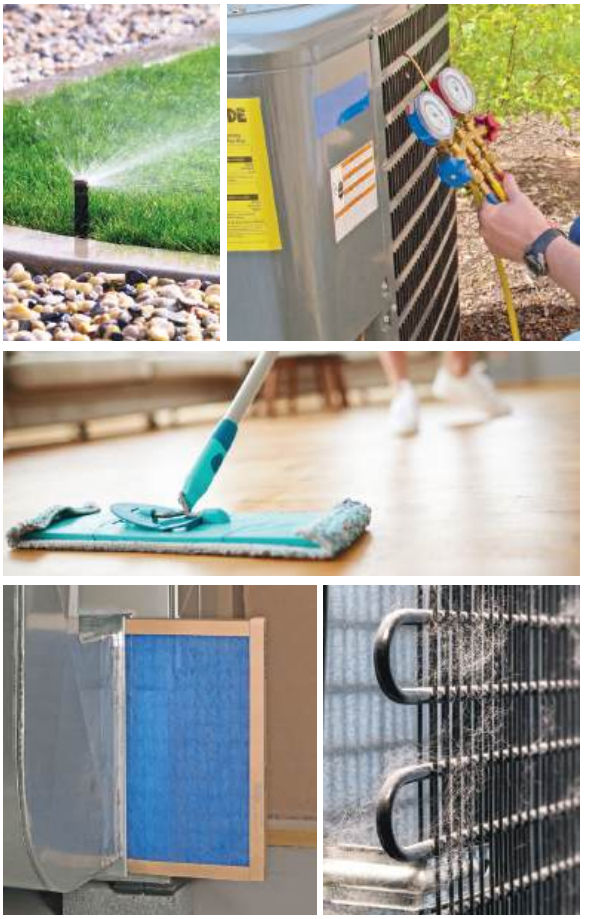
Maintenance is a key part of homeownership and can reduce defects and breakdowns, which can help you avoid unexpected costs.

This guide will give you a baseline for some of the most common and important home maintenance tasks you'll need to tackle. However, this list is not fully inclusive and may vary based on your geography and manufacturer recommendations.

It's important to remember that you are responsible for proper maintenance of your home. Your builder/seller and the warranty insurer (as applicable) are not responsible for problems that arise from or relate to the failure to perform normal maintenance on your home.

A few of the most important maintenance tips

- **HVAC filters:** Change them according to the manufacturer's recommended schedule.
- **HVAC system:** Have it inspected annually, either in spring or fall.
- **Windows and doors:** Inspect for cracks and gaps in summer and winter.
- **Grading:** Maintain the grading your builder/seller established to ensure water drains away from the foundation of the home.
- **Toilets, sinks, dishwashers, and tubs:** Check for leaks. Caulk or repair as needed.
- **Wood floors and wall finishes:** Clean and preserve.
- **Irrigation systems:** In cold climates, drain, blow out, and disconnect all hoses before the first freeze.
- **Landscape:** Plant trees and shrubs at the proper distance from your home and conform to generally accepted landscape practice for your region.



Get additional maintenance tips, checklists, and troubleshooting advice by visiting:

2-10.com/maintain-my-home

Protect More, Pay Less with 2-10 HBW

An optional Home Service Plan* could help you reduce the overall cost of owning a home. This optional coverage provides protection against unexpected system and appliance breakdowns, such as to your air conditioner or water heater.

For more information, please visit **2-10.com/protect**

*Home Service Plans are provided by an affiliate of your warranty administrator, and may not be available in all states or locations.

SECTION III.
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 IX – Construction Performance Guidelines.

Note: Your home may not have a basement.

OVERVIEW OF ITEMS COVERED

1. Cabinets and countertops
2. Carpentry and framing
3. Windows
4. Flooring finishes
5. Exterior finishes
6. Paint
7. Roof and flashing
8. Basement floor
9. Doors
10. Trim
11. Tile

REPORTING A WORKMANSHIP DEFECT

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

You must provide notice to your builder/seller prior to the expiration of the workmanship warranty term. If you have questions related to your coverage or if your builder/seller fails to remedy reported defects within a reasonable time, you may contact the warranty administrator at warrantyadministration@2-10.com or call 855.429.2109.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE WORKMANSHIP WARRANTY IF DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS. IT IS YOUR RESPONSIBILITY TO MAINTAIN ADEQUATE PROOF THAT YOU REPORTED EACH CLAIMED DEFECT WITHIN THE TIME LIMITATION.

SECTION IV.
YOUR DISTRIBUTION SYSTEMS WARRANTY

Your distribution systems warranty provides protection against defects to how 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 IX – 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. They will investigate and remedy all covered defects pursuant to the Construction Performance Guidelines.

You must provide notice to your builder/seller prior to the expiration of the distribution systems warranty term. If you have questions related to your coverage or if your builder/seller fails to remedy reported defects within a reasonable time, you may contact the warranty administrator at warrantyadministration@2-10.com or call 855.429.2109.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE DISTRIBUTION SYSTEMS WARRANTY IF DEFECTS ARE NOT REPORTED WITHIN THE TIME LIMITATIONS. IT IS YOUR RESPONSIBILITY TO MAINTAIN ADEQUATE PROOF THAT YOU REPORTED EACH CLAIMED DEFECT WITHIN THE TIME LIMITATION.

SECTION V.
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 identified in this Section V. 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 below.

Note: Your home may not have a basement.

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)

EXAMPLES OF NON-LOAD-BEARING ELEMENTS

Damage to these items is not considered a qualifying structural defect.

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

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 VIII, 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.

REPORTING A STRUCTURAL DEFECT CLAIM

All structural defects must be reported to the warranty administrator as soon as possible, but no later than 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. IT IS YOUR RESPONSIBILITY TO MAINTAIN ADEQUATE PROOF THAT YOU REPORTED EACH CLAIMED STRUCTURAL DEFECT WITHIN THE TIME LIMITATION.

SECTION VI.
YOUR RESPONSIBILITIES

To ensure your builder/seller, the warranty insurer, and the warranty administrator can effectively carry out their obligations under this booklet, you must also perform all your obligations throughout this booklet. This Section VI lists requirements that you must perform in addition to your other responsibilities stated elsewhere in this booklet, for example, timely reporting of claims, performing maintenance, and adhering to the dispute resolution procedures. Your builder/seller, the warranty administrator, and/or the warranty insurer are not responsible for any claims, losses, delays, or damages that arise from or relate to your failure to fulfill any of your obligations under this booklet, and they shall have no responsibility to take any action in connection with any defect or structural defect unless and until you have fulfilled all your relevant obligations in this booklet.

A. ACCESS TO YOUR HOME

The builder/seller, warranty insurer, and their respective agents require access to and within your home to perform their responsibilities under this booklet. You agree, upon receipt of advance reasonable notice, to allow such access 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, you waive such notice. When addressing a defect, the builder/seller has reasonable discretion regarding the individual(s) who will have access to your home to evaluate and conduct appropriate repairs (if any) regarding such defect.

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 last inspection was greater than 45 days prior to the arbitration hearing.

If you do not provide access to your home as required in this Section VI.A, you hereby waive any obligations of the builder/seller and warranty insurer to proceed with any of their obligations to investigate, repair, pay for, or otherwise address any potential defect or structural defect under this warranty.

B. SUCCESSIVE OWNERS OF YOUR HOME

Your obligations and rights provided in this booklet stay with your home and shall transfer 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 a copy 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 agreement in Section VII.E.

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 binding arbitration agreement in Section VII.E of this booklet. To register the Certificate of Warranty Coverage in your name, please visit www.2-10.com/SHRForm to complete the Successive Homeowner Registration and Arbitration Acceptance Form, or you can request the form from the warranty administrator at warrantyadministration@2-10.com.

C. EMERGENCY REPAIRS

For the purposes of this booklet, the need for an emergency repair exists when there is an immediate 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. Before you attempt an emergency repair, you must make reasonable efforts to contact your builder/seller or warranty administrator immediately for authorization to make the emergency repair. 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

After any repair of (or before receiving any payment in lieu of repairs 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 all related conditions. Your builder/seller or warranty insurer shall have all rights of subrogation to any rights you may have against any other person with respect to a defect or structural defect, to the full extent of all costs the builder/seller or warranty insurer incurred in addressing 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 VII.
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 address any defect or structural defect will be deducted from your warranty limit.

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

The builder/seller (or the warranty insurer if surety coverage applies) shall have the right to repair or pay you the reasonable cost of repair of any defect. The warranty insurer shall have the right to repair 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 or pay, shall be within the sole and absolute discretion of: (a) the builder/seller in respect of a defect (or the warranty insurer if surety coverage applies) or (b) the warranty insurer in respect of a structural defect. If the builder/seller is addressing any defect, they shall have reasonable discretion to select any contractor to evaluate and repair such defect (as applicable).

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 generally intended to restore the home to approximately the condition just prior to the structural defect but not necessarily to a like-new condition. However, at the warranty insurer's sole discretion, repairs may include permanent alterations to architectural or design features in order to complete the repair. 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 (e.g., 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. MULTI-FAMILY BUILDINGS

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

1. Common elements warranty term. The common elements for your multi-family building will comply with the Construction Performance Guidelines for the applicable workmanship warranty term and distribution systems warranty term and be free from structural defects for the applicable structural warranty term. Each warranty term applicable to the common elements begins on the common element effective date of warranty, and the length of each warranty term shall be the same as the warranty term stated on your Certificate 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. Common element claims. Potential defects and structural defects in common elements must be filed by the entity governing your multi-family building (e.g., a Homeowners Association). All such issues must be reported in accordance with the same procedures and timelines for the warranties described in this booklet applicable to a home, but within the warranty term that is applicable to the respective common elements. All provisions of this booklet, including without limitations the arbitration provisions agreement in Section VII.E, shall apply to any common element claims.
3. Access. 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, you waive such notice.
4. Common element warranty limit. 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 that multi-family building with an unexpired warranty term, and shall be reduced pro-rata based upon the ratio of the aggregate original sale price of all dwellings that do not have 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. Detached structures. If your community is served by a detached structure, then your builder/seller agrees that the detached structure shall be treated as a common element under this Section VII.C, but any determination of the applicable common element effective date of warranty and pro-rating of coverage shall be exercised across all dwellings in all multi-family buildings with a valid Certificate of Warranty Coverage that are served by that detached structure.

D. 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. A defect or structural defect that was not reported to the builder/seller, warranty administrator, or warranty insurer within any time limitations set forth in this booklet.
    c. Any condition that has not resulted in observable or measurable physical damage to your home.
    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. The diminished market value of your home resulting from a defect, structural defect, or the repair of a defect or structural defect.
    f. Shelter, transportation, food, moving, storage, or any other costs due to loss of use, loss of rental income, inconvenience, or annoyance arising from any defect, structural defect, or the repair of a defect or structural defect.
    g. 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.
    h. Removal, repair, or replacement of landscaping, including but not limited to grass, sod, shrubs, trees, or lawn irrigation systems.
    i. 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.
    j. Except for legitimate emergency repairs, any repair of a defect that was not expressly authorized in writing by the builder/seller (or if surety coverage applies, the warranty insurer) or any repair of a structural defect that was not expressly authorized in writing by the warranty insurer.
    k. Any and all consequential water damage resulting from any defect.
    l. Bodily injury, death, 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.
    m. 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. Negligence, defective material, or work supplied by anyone other than your builder/seller or its employees, agents, or subcontractors.
    e. Additions or alterations to your home not included with the original sale of your home by the builder/seller.
    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, plate tectonics, or mudflow.

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, or 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. Specific to your structural warranty, any damage, loss, or costs incurred by you in connection with any of the following:

   a. Boundary walls, retaining walls or bulkheads; except to the extent that repairs to such structures are necessary to remedy a structural defect but only if such structure was originally constructed by your builder/seller.

   b. 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.

4. 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.

E. ARBITRATION CONTRACT FOR RESOLUTION WITH BINDING ARBITRATION AND CLASS ACTION WAIVER

1. Arbitration Contract Proceedings. 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 between/among two or more Arbitration Parties that arises out of, relates to, or otherwise concerns this booklet, the Certificate of Warranty Coverage, your workmanship warranty, your distribution system warranty, your structural warranty, an actual or alleged defect, an actual or alleged structural defect, the warranty insurer or its agents or employees, the warranty administrator or its agents or employees, or the 2-10 HBW New Home Warranty Program (a "Dispute") shall exclusively be resolved by binding arbitration and not by a judge or jury. Each arbitration shall be conducted by Demars & Associates or Arbitration Resolution Services, Inc., or if neither are available or not willing to provide arbitration services, another arbitration service mutually agreed to by the Arbitration Parties that are involved in the Dispute, or, if said Arbitration Parties are unable to come to an agreement, the warranty administrator shall select the arbitration service. On your request, the warranty administrator will provide you with applicable form(s) and information for initiating arbitration. 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, except where such rules conflict with this arbitration contract, in which case this arbitration contract shall control. 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 or the nature of the Dispute does not necessitate the arbitration occur in your home. All administrative fees of the arbitration service and fees of the arbitrator shall be allocated equally among the arbitrating parties. The arbitrator shall have the right to reallocate such fees in accordance with the applicable rules and as warranted under the substantive law governing the parties' controversy.

The arbitration contract provision of this Section VII.E covers Disputes based upon contract, tort, consumer rights, claim practices, fraud, and other intentional torts, negligence, constitution, statute, regulation, ordinance, common law, and equity. A demand for arbitration shall be made within 1 year after the defect or structural defect was first observed 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 agree that the provisions of this Section VII.E involve and concern interstate commerce and that the interpretation of this Section VII.E 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. In addition to rendering an award in accordance with this booklet and the applicable law, the arbitrator shall have the sole and exclusive power to rule upon (a) his or her own jurisdiction, including without limitation with respect to the existence, scope, or validity of this arbitration provision; (b) the scope of arbitral issues; and (c) any defense based upon waiver, estoppel, or laches. All arbitral proceedings and documents issued in connection therewith, including without limitation any awards, shall be strictly confidential, and shall not be disclosed by any of the Arbitration Parties, except as may be required to enforce such award, by order of a government authority, or to obtain legal or financial advice (but solely to the extent necessary to obtain such advice). Any such disclosure shall not alter the confidentiality of the disclosed materials. This arbitration contract is self-executing.

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

2. Class Action Waiver. 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.
3. Special Terms for Workmanship/Distribution Systems Coverage Disputes. If you timely report a defect to your builder/seller, and the builder/seller fails to remedy the defect within a reasonable time, then before filing arbitration you must first report the issue to the warranty administrator and provide the warranty administrator with a reasonable opportunity to facilitate a conciliation between you and the builder/seller. If you and the builder/seller are still unable to come to an agreement or otherwise take reasonable steps to remedy the defect, then you may commence arbitration against the builder/seller pursuant to the arbitration contract stated in Section VII.E and promptly notify the warranty administrator of the arbitration. The arbitrator will review the Construction Performance Guidelines and then render a decision as to whether each alleged defect is covered or not covered. If the builder/seller fails to address, within a reasonable time, a defect determined to be covered by the arbitrator, then you must inform the warranty administrator that the builder is unable or unwilling to remedy the defect. The warranty administrator will then report the matter to the warranty insurer to determine whether the builder/seller's surety coverage applies. If the warranty insurer determines that surety coverage is applicable, then the warranty insurer will, on behalf of the builder/seller, address the covered defect to the extent of the surety coverage. The warranty insurer's sole liability to you and your exclusive remedy from the warranty insurer is limited to remedying the covered defect within the scope of the builder/seller's surety coverage, and you are not entitled to receive any additional coverage or remedies for the covered defect that are not expressly defined in this booklet. If you settle a dispute concerning a defect with your builder/seller, you shall not be entitled to any remedy from the warranty insurer for such defect.

SECTION VIII.
WORDS WITH SPECIAL MEANING

Actual physical damage means observable or measurable damage to a designated load-bearing element as a result of bending, cracking, buckling, crushing, dislocation, or distortion of such designated 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. The 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 constructed by your builder/seller 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 constructed by your builder/seller within a multi-family building that is used primarily for a non-residential purpose.

Construction Performance Guidelines means the performance standard(s) set forth in Section IX, 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 IX of this booklet.

Detached structure is a building constructed by your builder/seller that is not attached to the multi- family building—such as club houses, daycares, 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 foundation 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 as indicated on the Certificate of Warranty Coverage.

Home means the dwelling unit and garage (if any) or the commercial space (if any) constructed by your builder/seller and located at the address shown on the Certificate of Warranty Coverage.

Multi-family building is a building constructed by your builder/seller in a common-interest community that may consist of dwelling units, shared parking spaces, commercial space, and common elements.

Reasonable time is the time frame 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 elements of the home caused by failure of such load-bearing elements that affects their load-bearing functions to the extent your home becomes unsafe, unsanitary, or otherwise unlivable.

Surety coverage is coverage obtained by the builder/seller from the warranty insurer to address a defect that the builder/seller is unable or unwilling to remedy in accordance with the provisions of this booklet. The warranty insurer maintains the sole right to determine if the builder/seller is unable or unwilling to remedy a defect. For avoidance of doubt, surety coverage does not apply where you and the builder/seller disagree about an interpretation or application of this booklet to a particular situation (any such disagreement is a Dispute that must be submitted to arbitration under Section VII. E).

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 that pose a significant threat of bodily injury to an average person.

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

- Deflection greater than 1 inch in 30 feet 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 edge-to-edge distance used for determining deflection is 20 feet; or
- Tilt exceeding 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 edge-to-edge distance used for determining tilt is 20 feet. Unless there is an authoritative as-built elevation survey of your home, the calculation of tilt will allow for an additional 1/2 inch of tilt.
- Unless there is an authoritative as-built elevation survey of your home, the calculation of deflection and tilt will allow for an additional 1/2 inch of deflection or tilt in the habitable areas of your home. Habitable areas include spaces for living, sleeping, eating, or cooking, but do not include garages.

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

Warranty administrator or **2-10 HBW** 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. The warranty administrator has no authority to make any decision regarding whether a defect is covered; determine the design, method, or manner of repair for any qualifying defect; or take any specific actions to remediate any potential defects.

Warranty insurer provides your builder/seller with insurance coverage for its obligations under the structural warranty, and surety coverage for its obligations under the workmanship warranty and systems warranty. Your builder/seller's warranty insurer is identified on the Certificate of Warranty Coverage.

Warranty limit is the dollar amount stated on your Certificate of Warranty Coverage as the warranty limit.

Warranty term means the time frame 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 mean the person or persons who are the legal owners of the home covered by the express limited warranties described in this booklet.

SECTION IX.
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, Sixth (6^{th}) Edition*.

B. ONE TIME ONLY

All new homes are constructed of dissimilar materials, which have different rates of expansion and contraction due to temperature and humidity. Your home will go through a period of settlement and movement, and may experience some minor material shrinkage, cracking, and other events that are normal and customary. Examples include small cracks in drywall and paint, and separation where dissimilar materials meet each other (e.g., where moldings meet drywall, or where tile grout meets a sink). In most cases, paint and caulking are all that is necessary to conceal these types of blemishes that result from the natural expansion and contraction of construction materials.

Generally, a home needs to go through seasonal changes to determine the extent of material expansion or contraction. For this reason, many of the Construction Performance Guidelines, such as drywall cracks, require your builder/seller to make repairs that exceed these Guidelines one time only. In these cases, it is recommended conditions be reported one month prior to the expiration of your workmanship warranty term. Consult with your builder/seller to determine whether their procedures allow for earlier or more frequent reporting.

C. 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

OBSERVATION	Settling of ground around foundation, utility trenches, or other areas on the property where excavation and backfill have taken place that affects drainage away from the home
CONSTRUCTION PERFORMANCE GUIDELINE	Settling of ground around foundations that exceeds a maximum of 6 inches within 10 feet of the foundation of the home is a deficiency. Settled ground more than 10 feet from the foundation that is over utility trenches or other filled areas shall not interfere with proper drainage of water away from the home.
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

OBSERVATION	Improper surface drainage
CONSTRUCTION PERFORMANCE GUIDELINE	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, plantings, irrigation systems, fencing, or any other obstructions by you is excluded from limited warranty coverage.

OBSERVATION	Soil erosion
CONSTRUCTION PERFORMANCE GUIDELINE	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 your failure to maintain the properly established grades, drainage structures, and swales; stabilized soil; and sodded, seeded, and landscaped areas are excluded from limited warranty coverage.

OBSERVATION	Existing trees, shrubs, or other vegetation that existed at the time the home was constructed subsequently die
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	The survival of vegetation is not guaranteed, and it is your responsibility to maintain existing landscaping.

1.2 DRAINAGE CONTINUED

OBSERVATION	Fences that existed at the time the home was constructed do not operate properly
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	The operation of fences and gates is your maintenance responsibility.

OBSERVATION	Irrigation system does not operate properly
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	You are responsible for maintaining the irrigation system.

2. FOUNDATION AND CONCRETE

2.1 CAST-IN-PLACE CONCRETE

OBSERVATION	Basement or foundation wall cracks, other than expansion or control joints
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Cracking of basement floor
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Cracking of attached garage floor slab
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline. 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.

OBSERVATION	Settlement, heave, or separation of garage floor slab
CONSTRUCTION PERFORMANCE GUIDELINE	Concrete garage floor should not settle, heave, or separate more than 1 inch from the structure.
BUILDER/SELLER RESPONSIBILITY	Make a reasonable and cost-effective effort to meet the Construction Performance Guideline.
EXCLUSIONS	None.

2.1 CAST-IN-PLACE CONCRETE CONTINUED

OBSERVATION	Cracks in concrete slab-on-grade floors with finish flooring
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Uneven concrete floor slabs
CONSTRUCTION PERFORMANCE GUIDELINE	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 areas of unevenness exceeding 3/8 inch in 32 inches.
BUILDER/SELLER RESPONSIBILITY	Repair to meet the Construction Performance Guideline. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
EXCLUSIONS	None.

OBSERVATION	Interior concrete work is pitting, scaling, or spalling
CONSTRUCTION PERFORMANCE GUIDELINE	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 to meet the Construction Performance Guideline. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
EXCLUSIONS	None.

OBSERVATION	Efflorescence is present on surface of basement floor
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None. This is a normal condition.
EXCLUSIONS	None.

OBSERVATION	Separation of brick or masonry edging from concrete slab or step
CONSTRUCTION PERFORMANCE GUIDELINE	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks more than 1/4 inch are deficiencies.
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.

OBSERVATION	Settling, heaving, or separation of stoops and steps
CONSTRUCTION PERFORMANCE GUIDELINE	Stoops and steps that have settled, heaved, or separated more than 1 inch from the home are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Make a reasonable and cost-effective effort to meet the Construction Performance Guideline.
EXCLUSIONS	None.

OBSERVATION	Concrete driveway, sidewalk, or patio is cracked
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	Minor concrete cracking is normal and to be expected.

2.2 CONSTRUCTION AND CONTROL JOINTS

OBSERVATION	Separation or movement of concrete slabs within the structure at construction and control joints
CONSTRUCTION PERFORMANCE GUIDELINE	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 to encourage cracking at the joints instead of random locations.

3. MASONRY

3.1 UNIT MASONRY (BRICK, BLOCK, AND STONE)

OBSERVATION	Cracks in masonry, brick, or stone veneer
CONSTRUCTION PERFORMANCE GUIDELINE	Small hairline cracks resulting from shrinkage are common in mortar joints of masonry construction. Cracks greater than 1/4 inch in width or that are visible from a distance of more than 20 feet are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Repair cracks that exceed 1/4 inch by tuckpointing and patching. These repairs should be made toward the end of the first year of limited warranty coverage to permit the home to stabilize and normal settlement to occur. Builder/seller is not responsible for color variations between existing and new mortar.
EXCLUSIONS	None.

OBSERVATION	Cracks in concrete block basement walls
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Concrete block basement wall is bowed
CONSTRUCTION PERFORMANCE GUIDELINE	Block concrete walls shall not bow more than 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 more than 1 inch in 8 feet.
EXCLUSIONS	None.

3.2 STUCCO AND CEMENT PLASTER

OBSERVATION	Cracking or spalling of stucco and cement plaster
CONSTRUCTION PERFORMANCE GUIDELINE	The coating shall not separate from the base on an exterior stucco wall.
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 closely as possible.
EXCLUSIONS	Builder/seller is not responsible for failure to match color or texture due to the nature of material.

OBSERVATION	Separation of coating from the base on exterior stucco wall
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Wood subfloor squeaks or seems loose
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline requires 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.

OBSERVATION	Uneven wood framed floors
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline.
EXCLUSIONS	None.

OBSERVATION	Bowed stud walls or ceilings
CONSTRUCTION PERFORMANCE GUIDELINE	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 more than the allowable standard shall be corrected to meet the allowances of the Construction Performance Guideline.
EXCLUSIONS	None.

OBSERVATION	Wood frame walls out of plumb
CONSTRUCTION PERFORMANCE GUIDELINE	Wood frame walls that are more than 3/8 inch out of plumb for any 32-inch vertical measurement are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Make necessary repairs to meet the Construction Performance Guideline.
EXCLUSIONS	None.

OBSERVATION	Wood beam or post is split
CONSTRUCTION PERFORMANCE GUIDELINE	Beams or posts, especially those 2 1/2 inches or greater in thickness, will sometimes split as they dry after 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.

OBSERVATION	Exterior sheathing and subflooring that delaminates or swells
CONSTRUCTION PERFORMANCE GUIDELINE	Sheathing and subflooring delaminating or swelling on the side on which the finish material has been applied are deficiencies.
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.

4.1 PLYWOOD AND JOISTS CONTINUED

OBSERVATION	Wood floor is out of square
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline.
EXCLUSIONS	None.

4.2 FINISH CARPENTRY

OBSERVATION	Unsatisfactory quality of finished exterior trim and workmanship
CONSTRUCTION PERFORMANCE GUIDELINE	Joints more than 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.

OBSERVATION	Unsatisfactory quality of finished interior trim and workmanship
CONSTRUCTION PERFORMANCE GUIDELINE	Joints between moldings and adjacent surfaces that exceed 1/8 inch in width are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Repair open joints and touch up finish coating, where required, to match as closely as possible. Caulking is acceptable.
EXCLUSIONS	None.

OBSERVATION	Interior trim is split
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline, one time only, during the workmanship warranty term. Refinished or replaced areas may not match surrounding surfaces exactly.
EXCLUSIONS	None.

OBSERVATION	Hammer marks visible on interior trim
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline. Refinished or replaced areas may not match surrounding areas exactly.
EXCLUSIONS	None.

OBSERVATION	Exposed nail heads in woodwork
CONSTRUCTION PERFORMANCE GUIDELINE	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 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.

OBSERVATION	Shelving, closet rods, and end supports do not function properly
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	None.

5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING

OBSERVATION	Leaks in basement or in foundation/crawl space
CONSTRUCTION PERFORMANCE GUIDELINE	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 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

OBSERVATION	Insufficient insulation
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Sound transmission between rooms, floor levels, adjoining condominium units in a building, or from the street into the home
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	None.

5.3 VENTILATION AND MOISTURE CONTROL

OBSERVATION	Water accumulates in a crawl space
CONSTRUCTION PERFORMANCE GUIDELINE	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% 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 Guideline.
EXCLUSIONS	Builder/seller is not responsible for water accumulation caused by your failure to maintain the properly established grades, drainage structures, and swales, or improper landscaping practices by you.

OBSERVATION	Condensation is evident on the vented crawl space surfaces
CONSTRUCTION PERFORMANCE GUIDELINE	Builder/seller will install the ventilation and vapor barrier required by the prevailing building code.
BUILDER/SELLER RESPONSIBILITY	Take corrective action to meet the Construction Performance Guideline. 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 lack of ventilation is not a deficiency.

5.3 VENTILATION AND MOISTURE CONTROL CONTINUED

OBSERVATION	Inadequate ventilation or moisture control in attics or roofs
CONSTRUCTION PERFORMANCE GUIDELINE	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. For these designs, if there is no evidence of moisture damage to supporting members or insulation, lack of ventilation is not a deficiency.

OBSERVATION	Attic vents or louvers leak
CONSTRUCTION PERFORMANCE GUIDELINE	Attic vents and louvers shall not leak.
BUILDER/SELLER RESPONSIBILITY	Repair or replace the roof vents as necessary to meet the Construction Performance Guideline.
EXCLUSIONS	Infiltration of wind-driven rain and snow is not considered a leak and is beyond the control of the builder/seller.

OBSERVATION	Bath or kitchen exhaust fans improperly vented into attic
CONSTRUCTION PERFORMANCE GUIDELINE	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.

5.4 SEALANTS

OBSERVATION	Water or air leaks in exterior walls due to inadequate caulking
CONSTRUCTION PERFORMANCE GUIDELINE	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 deficiencies.
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

OBSERVATION	Delamination or splitting of exterior siding
CONSTRUCTION PERFORMANCE GUIDELINE	Exterior siding that delaminates or splits wider than 1/8 inch and longer than 1 inch is a deficiency.
BUILDER/SELLER RESPONSIBILITY	Repair 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.

OBSERVATION	Loose or fallen siding
CONSTRUCTION PERFORMANCE GUIDELINE	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.

5.5 EXTERIOR SIDING CONTINUED

OBSERVATION	Siding is bowed
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Aluminum or vinyl siding is bowed or wavy
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline 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.

OBSERVATION	Exterior siding is faded
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Exterior siding trim is loose
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline.
EXCLUSIONS	Vinyl siding and accessories should not be caulked in most circumstances, as caulking could impact the product's contraction and expansion characteristics.

OBSERVATION	Nails have stained siding
CONSTRUCTION PERFORMANCE GUIDELINE	Nail stains exceeding 1/2 inch in length and visible from 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 most of the wall surface, the whole area shall be refinished.
EXCLUSIONS	"Natural weathering" or semitransparent stains are excluded from coverage.

5.6 ROOFING

OBSERVATION	Roof or flashing leaks
CONSTRUCTION PERFORMANCE GUIDELINE	Roof and flashing should not leak under any conditions.
BUILDER/SELLER RESPONSIBILITY	Repair any verified roof or flashing leaks not caused by ice buildup, leaves, debris, abnormal weather conditions, or your actions or negligence.
EXCLUSIONS	You are responsible for keeping the roof drains, gutters, and downspouts free of ice, leaves, and debris.

5.6 ROOFING CONTINUED

OBSERVATION	Roof shingles have blown off
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Defective shingles
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Standing water on built-up roofs
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Roof tiles are broken
CONSTRUCTION PERFORMANCE GUIDELINE	Roof tiles should not be broken.
BUILDER/SELLER RESPONSIBILITY	Broken tiles that are not the result of natural events will be replaced with closely matching tiles, one time only.
EXCLUSIONS	Builder/seller is not responsible for broken tiles caused by natural events.

5.7 SHEET METAL

OBSERVATION	Gutters and downspouts leak
CONSTRUCTION PERFORMANCE GUIDELINE	Gutters and downspouts that leak are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Repair leaks in gutters and downspouts.
EXCLUSIONS	None.

OBSERVATION	Water remains in gutters after rain
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Warpage of interior or exterior doors
CONSTRUCTION PERFORMANCE GUIDELINE	Interior and exterior doors that warp and thus 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.

OBSERVATION	Door binds against jamb or head of doorframe, or does not lock
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Door panels shrink and expose bare wood
CONSTRUCTION PERFORMANCE GUIDELINE	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. These are not deficiencies.

OBSERVATION	Door panels split
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Bottom of doors drags on carpet surface
CONSTRUCTION PERFORMANCE GUIDELINE	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 is a deficiency.
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.

OBSERVATION	Excessive opening at the bottom of interior doors
CONSTRUCTION PERFORMANCE GUIDELINE	Passage doors from room to room that have openings between the bottom of the door and the floor finish material greater than 1 1/2 inches are deficiencies. Closet doors having an opening greater than 2 inches are deficiencies.
BUILDER/SELLER RESPONSIBILITY	Make necessary adjustment or replace door to meet the required tolerance.
EXCLUSIONS	None.

6.2 GARAGE DOORS

OBSERVATION	Garage door fails to operate or fit properly
CONSTRUCTION PERFORMANCE GUIDELINE	Garage doors that fail 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

OBSERVATION	Window is difficult to open or close
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Double hung windows do not stay in place when open
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Condensation or frost on window frames and glass
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Doorknob, deadbolt, or lockset does not operate smoothly
CONSTRUCTION PERFORMANCE GUIDELINE	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.

6.5 STORM DOORS, WINDOWS, AND SCREENS

OBSERVATION	Storm doors, windows, and screens do not operate or fit properly
CONSTRUCTION PERFORMANCE GUIDELINE	Storm doors, windows, and screens that do not operate or fit properly to provide the protection for which they are intended when installed 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

OBSERVATION	Drafts around doors and windows
CONSTRUCTION PERFORMANCE GUIDELINE	Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around the frame when the window or exterior door is closed.
BUILDER/SELLER RESPONSIBILITY	Repair to meet Construction Performance Guideline.
EXCLUSIONS	In high wind areas, you may need to have storm windows and doors installed to eliminate drafts.

6.7 GLASS AND GLAZING

OBSERVATION	Clouding and condensation on inside surfaces of insulated glass
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Window glass is scratched, chipped, or cracked
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	Scratches, chips, and cracks in window glass must be reported prior to occupancy. Builder/seller is not responsible for cracks reported after occupancy.

7. FINISHES

7.1 LATH AND PLASTER

OBSERVATION	Cracks in plaster wall and ceiling surfaces
CONSTRUCTION PERFORMANCE GUIDELINE	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.

7.2 DRYWALL

OBSERVATION	Drywall cracks
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Nail pops, blisters, or other blemishes are visible on finished wall or ceiling
CONSTRUCTION PERFORMANCE GUIDELINE	Nail pops and blisters that are readily visible from 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.

7.2 DRYWALL CONTINUED

OBSERVATION	Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline 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

OBSERVATION	Flagstone, marble, quarry tile, slate, or other hard surface flooring is broken or loose
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Cracks appear in grouting of ceramic tile joints or at junctions with other material, such as a bathtub, shower, or countertop
CONSTRUCTION PERFORMANCE GUIDELINE	Cracks in grouting of ceramic tile joints greater than 1/16 inch are deficiencies. Regrouting of these cracks is your maintenance responsibility after the builder/seller has regrouted 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. Any resultant damage to other finish surfaces due to leaks and the like is not considered a deficiency

7.4 VINYL AND RESILIENT FLOORING

OBSERVATION	Nail pops appear on the surface of flooring
CONSTRUCTION PERFORMANCE GUIDELINE	Visible 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.
EXCLUSIONS	Builder/seller is not responsible for color and pattern variations or discontinued patterns of the manufacturer.

OBSERVATION	Depressions or ridges appear in the flooring due to subfloor irregularities
CONSTRUCTION PERFORMANCE GUIDELINE	Readily apparent depressions or ridges exceeding 1/8 inch are deficiencies. 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.
EXCLUSIONS	Builder/seller is not responsible for discontinued patterns or color variations in the floor covering, your neglect or abuse, or installations performed by others.

OBSERVATION	Vinyl or resilient flooring base loses adhesion
CONSTRUCTION PERFORMANCE GUIDELINE	Flooring should be securely attached to the substrate or underlayment. Flooring or base that lifts, bubbles, or becomes unglued is a deficiency.
BUILDER/SELLER RESPONSIBILITY	Repair or replace vinyl or resilient flooring or base that becomes detached due to improper installation.
EXCLUSIONS	Minor voids that exhibit some variance in sound underfoot are not a deficiency. Floating or click-lock floor tile does not require adhesive. Builder/seller is not responsible for discontinued patterns or color variations.

7.4 VINYL AND RESILIENT FLOORING CONTINUED

OBSERVATION	Seams or shrinkage gaps show at vinyl or resilient flooring joints
CONSTRUCTION PERFORMANCE GUIDELINE	Gaps in excess of 1/32 inch in width in 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 vinyl or resilient flooring to meet the Construction Performance Guideline. Proper repair can be affected by sealing gap with seam sealer.
EXCLUSIONS	Builder/seller is not responsible for discontinued patterns or color variations of floor covering.

OBSERVATION	Luxury vinyl floor plank is loose
CONSTRUCTION PERFORMANCE GUIDELINE	Flooring that is detached or loose at the edges is a deficiency.
BUILDER/SELLER RESPONSIBILITY	Attach loose tiles or planks per manufacturer's instructions.
EXCLUSIONS	Minor voids that exhibit some variance in sound underfoot are not deficiencies.

7.5 HARDWOOD, ENGINEERED WOOD PRODUCT, OR LAMINATE FLOORING

OBSERVATION	Cupping, open joints, or separations in wood and laminate flooring
CONSTRUCTION PERFORMANCE GUIDELINE	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. If cause is 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 tightly 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.

OBSERVATION	Excessive lippage along the joints of hardwood flooring products
CONSTRUCTION PERFORMANCE GUIDELINE	Lippage greater than 1/16 inch is a deficiency.
BUILDER/SELLER RESPONSIBILITY	Repair lippage in the affected areas to meet the Construction Performance Guideline if the lippage was caused by elements within the builder/seller's control.
EXCLUSIONS	None.

7.6 PAINTING

OBSERVATION	Knot and wood stains appear through paint on exterior
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Exterior paint or stain peels or deteriorates
CONSTRUCTION PERFORMANCE GUIDELINE	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 most of the surface areas, the whole area should be refinished.
EXCLUSIONS	Fading is not a deficiency. Fading is normal and subject to the orientation of painted surfaces to the climatic conditions that may prevail in the area.

7.6 PAINTING CONTINUED

OBSERVATION	Painting required as corollary repair because of other work
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Mildew or fungus forms on painted or factory finished surfaces
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Deterioration of varnish or lacquer finishes
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Interior paint coverage
CONSTRUCTION PERFORMANCE GUIDELINE	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 most 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.

OBSERVATION	Paint splatters and smears on finish surfaces
CONSTRUCTION PERFORMANCE GUIDELINE	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 splatters and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be your maintenance responsibility and are not deficiencies.

7.7 WALLCOVERING

OBSERVATION	Peeling of wallcovering installed by builder/seller
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Pattern in wallcovering is mismatched at the edges
CONSTRUCTION PERFORMANCE GUIDELINE	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.

7.7 WALLCOVERING CONTINUED

OBSERVATION	Lumps, ridges, and nail pops in wallboard that appear after the homeowner has wallcovering installed by others
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Carpet does not meet at the seams
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Color variations in carpet
CONSTRUCTION PERFORMANCE GUIDELINE	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 the carpet manufacturer's warranty for specifications, standards, and manufacturer's warranty responsibility for color variations.

OBSERVATION	Carpet loosens or the carpet stretches
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline, one time only, during the workmanship warranty term.
EXCLUSIONS	None.

7.9 STAIRS

OBSERVATION	Interior stair railing or banisters are loose
CONSTRUCTION PERFORMANCE GUIDELINE	Interior stair railings and banisters are to be installed per building code.
BUILDER/SELLER RESPONSIBILITY	Resecure stair railing or banister parts that become loose under normal use. Correct one time only during the workmanship warranty term.
EXCLUSIONS	Stair railings and banisters are for support while stepping up and down a stairwell. Damages caused from pulling, swinging, hanging, or sliding on railings may loosen the rail system and are not the responsibility of the builder/seller.

8. SPECIALTIES

8.1 FIREPLACES

OBSERVATION	Fireplace or chimney does not draw properly, causing smoke to enter home
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Chimney separation from structure to which it is attached
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Cracks in masonry hearth or facing
CONSTRUCTION PERFORMANCE GUIDELINE	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.

8.2 SWIMMING POOLS

OBSERVATION	Swimming pool does not operate properly
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	None.

9. CABINETS, VANITIES, AND COUNTERTOPS

9.1 KITCHEN CABINETS AND VANITIES

OBSERVATION	Kitchen and vanity cabinet doors and drawers bind
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline.
EXCLUSIONS	None.

OBSERVATION	Warping of kitchen and vanity cabinet doors and drawer fronts
CONSTRUCTION PERFORMANCE GUIDELINE	Warpage that exceeds 1/4 inch as measured from the face of the cabinet frame to the furthermost 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.

9.1 KITCHEN CABINETS AND VANITIES CONTINUED

OBSERVATION	Gaps between cabinets, ceiling, and walls
CONSTRUCTION PERFORMANCE GUIDELINE	Countertops, splash boards, and base and wall cabinets are to be securely mounted. Gaps in excess of 1/4 inch between wall and ceiling surfaces are deficiencies.
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

OBSERVATION	Surface cracks and delaminations in high-pressure laminates of vanity and kitchen cabinet countertops
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Granite, marble, stone, or solid surface countertop is cracked
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Granite, marble, stone, or solid surface countertop has texture or color variations
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Granite, marble, stone, or solid surface countertop is chipped
CONSTRUCTION PERFORMANCE GUIDELINE	Chips greater than 1/32 inch are considered excessive.
BUILDER/SELLER RESPONSIBILITY	Repair or replace affected areas to meet the Construction Performance Guideline. 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.

OBSERVATION	Granite, marble, stone, or solid surface countertop has visible seams
CONSTRUCTION PERFORMANCE GUIDELINE	Seams may be visible and especially noticeable within certain countertop materials and darker finishes.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	None.

OBSERVATION	Granite, marble, stone, or solid surface countertop has excessive lippage between sections
CONSTRUCTION PERFORMANCE GUIDELINE	Lippage greater than 1/32 inch is considered excessive.
BUILDER/SELLER RESPONSIBILITY	Repair or replace the countertop to meet the Construction Performance Guideline.
EXCLUSIONS	None.

10. MECHANICAL

10.1 PLUMBING

OBSERVATION	Faucet or valve leak
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Defective plumbing fixtures, appliances, or trim fittings
CONSTRUCTION PERFORMANCE GUIDELINE	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. Low water flow resulting from the installation of low-flow fixtures is not a deficiency.

OBSERVATION	Water flows outside a bathtub or shower
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline. 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, or 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

OBSERVATION	Staining of plumbing fixtures due to high iron, manganese, or other mineral content in water
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Noisy water pipes
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Plumbing fixture does not deliver hot water
CONSTRUCTION PERFORMANCE GUIDELINE	Plumbing lines and fixtures should be installed correctly.
BUILDER/SELLER RESPONSIBILITY	Correct the plumbing lines and adjust fixtures to bring within tolerance.
EXCLUSIONS	Hot water tanks or tankless water heaters are sometimes set at low temperatures to conserve energy and prevent scalding. Some building codes limit the high temperature setting.

OBSERVATION	Surface of a plumbing fixture is cracked, chipped, or scratched
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	Builder/seller is not responsible for cracks, chips, or scratches in surfaces of plumbing fixtures reported after occupancy.

10.3 HEATING AND AIR CONDITIONING

OBSERVATION	Inadequate heat
CONSTRUCTION PERFORMANCE GUIDELINE	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 the 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.

OBSERVATION	Inadequate cooling
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline 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.

OBSERVATION	Ductwork and heating piping not insulated in uninsulated area
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Condensate lines clog up
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Improper mechanical operation of evaporative cooling system
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Ductwork makes noises
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Ductwork makes excessively loud noises known as “oil canning”
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Fuses blow or circuit breakers kick out
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Drafts from electrical outlets
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	The electrical junction box on exterior walls may produce a slight air flow, whereby cold air can be drawn through the outlet into a room. This problem is normal in new home construction.

OBSERVATION	Malfunction of electrical outlets, switches, or fixtures
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Light fixture tarnishes
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Ground fault interrupter trips frequently
CONSTRUCTION PERFORMANCE GUIDELINE	Ground fault interrupters are 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.

11.3 CABLE, TELEPHONE, AND ETHERNET

OBSERVATION	Wiring or outlets for cable television, telephone, or Ethernet are not functioning
CONSTRUCTION PERFORMANCE GUIDELINE	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 Guideline.
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.

11.4 SOLAR PANELS

OBSERVATION	Solar panels that existed at the time the home was constructed do not operate properly
CONSTRUCTION PERFORMANCE GUIDELINE	None. No coverage.
BUILDER/SELLER RESPONSIBILITY	None.
EXCLUSIONS	None.

Items covered under the Distribution Systems Warranty Coverage

12. MECHANICAL SYSTEMS

12.1 SEPTIC TANK SYSTEMS

OBSERVATION	Septic systems fail to operate properly
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Leakage from any piping
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Sanitary sewers, fixtures, waste, or drain lines are clogged
CONSTRUCTION PERFORMANCE GUIDELINE	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 are 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.

12.2 PLUMBING CONTINUED

OBSERVATION	Water in plumbing pipes freezes and the pipes burst
CONSTRUCTION PERFORMANCE GUIDELINE	Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing and bursting during below freezing temperatures.
BUILDER/SELLER RESPONSIBILITY	Correct conditions not meeting Construction Performance Guideline.
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 leaving faucets dripping, cabinet doors open, and draining and 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 ensure a reasonable temperature is maintained.

12.3 WATER SUPPLY

OBSERVATION	Water supply system fails to deliver water
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Refrigerant lines leak
CONSTRUCTION PERFORMANCE GUIDELINE	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.

OBSERVATION	Ductwork separates or becomes unattached
CONSTRUCTION PERFORMANCE GUIDELINE	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

OBSERVATION	Failure of wiring to carry its designed load
CONSTRUCTION PERFORMANCE GUIDELINE	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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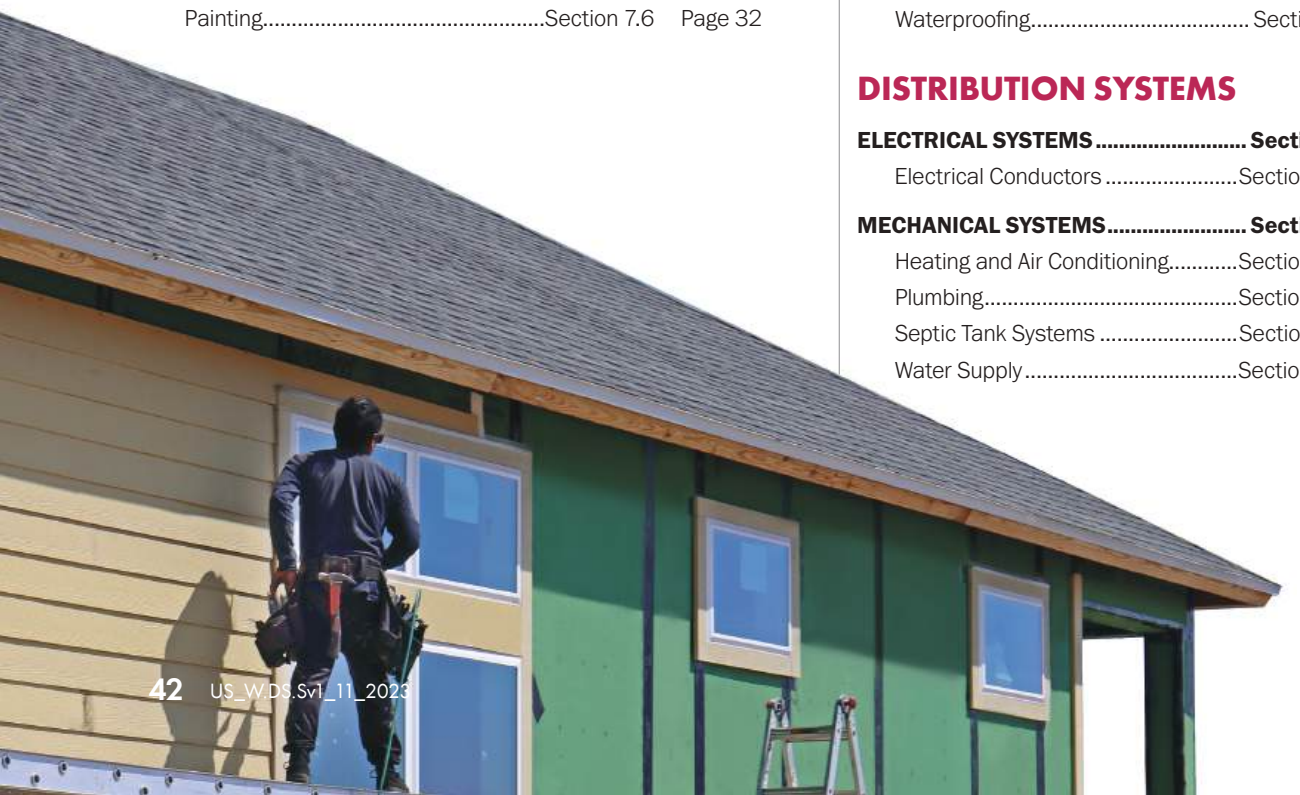

SECTION X.
YOUR LEGAL RIGHTS AND REMEDIES

A. GENERAL LEGAL PROVISIONS: This booklet and the Certificate of Warranty Coverage fully and exclusively define the warranty terms, limitations, rights, and obligations with respect to each and every defect and structural defect. The language in all parts of this booklet shall be construed simply, as a whole, and in accordance with its fair meaning and, in the event of an ambiguity or dispute, shall not be construed for or against you, the builder/seller, the warranty insurer, or the warranty administrator. The captions of the articles, sections, and subsections are inserted solely for convenience and shall not be treated or construed as part of this booklet. In the event any provision, or part thereof, of this booklet is held to be invalid, illegal, or otherwise unenforceable, such holding will not affect the validity of the other provisions. Any such provision, or part thereof, shall be enforced to the extent possible consistent with the stated intention of the parties, or, if incapable of such enforcement, shall be stricken from this booklet, while the remaining provisions of this booklet remain in full force and effect to the fullest extent permitted by law. The express limited warranties set forth in this booklet shall be excess of any other valid and collectible insurance available to you (including but not limited to your homeowners insurance) or your builder/seller, whether primary, pro-rata, or excess. If your builder/seller has provided any additional written or verbal warranty or guarantee to you, non-waivable warranty, then the builder/ seller's obligations under that additional warranty or guarantee, if any, are not covered under this booklet and are not the responsibility whatsoever of the warranty administrator or warranty insurer.

B. CONSENT TO CONTACT AND MARKET TO YOU: You acknowledge, agree, and consent that during the warranty term, the warranty administrator, and the warranty insurer, and their respective affiliates and agents, may call and text (including by way of automated dialing technology), email, leave pre-recorded voice messages, and otherwise contact you via any method or device you own in order to perform their respective obligations under this booklet, and to send you advertisements, telemarketing messages, and marketing materials concerning their respective products (including home warranties), services, and offerings. You may opt out of receiving marketing materials by sending a written notice to the warranty administrator withdrawing your consent to receive marketing materials.

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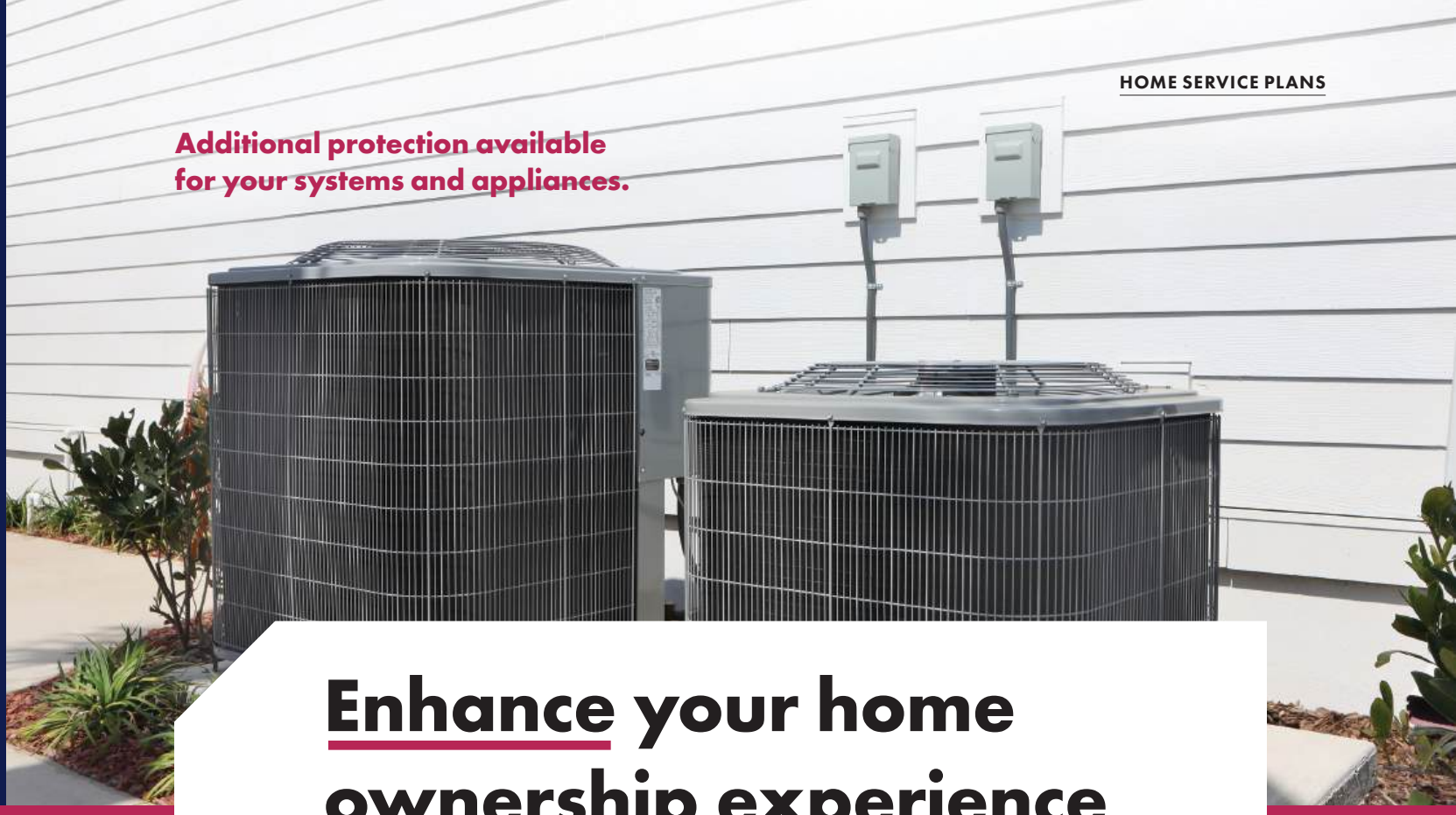
Additional protection available for your systems and appliances.



Enhance your home ownership experience

The warranties your builder is providing you in this booklet cover your home for workmanship, distribution systems, and structural defects, but not for normal wear and tear that your systems and appliances will experience from everyday use.

A Home Service Plan* can enhance your protection even more and help reduce the overall costs of owning a home. This optional service provides protection against unexpected system and appliance breakdowns, such as to your air conditioner or water heater. With a Home Service Plan, you get the peace of mind that your budget is protected against system and appliance breakdowns for many years.

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