

SAGE HOMES, LLC.

Homeowner's One-Year Warranty Program

Registration # *Address of Home*

WARRANTY COVERAGE

Who is covered?

This Warranty Program is designed to protect the original Homeowner, our customer. This Warranty is not transferable to any subsequent owner of The Home.

What is covered?

- ◆ Major Structural Defects:
 - ◆ Damage to a home due to expansion or lateral movements of the soil.
 - ◆ Defects that affect the load bearing capability of the defective part, or which render The Home unsafe, unsanitary or otherwise unlivable.
 - ◆ Foundation and footing systems
 - ◆ Beams, including floor joists
 - ◆ Girders
 - ◆ Lintels
 - ◆ Columns
 - ◆ Walls and partitions
 - ◆ Roof and framing systems
- ◆ Defects in mechanical systems (exclusive of appliances and fixtures)
 - ◆ Electrical
 - ◆ Heating and cooling
 - ◆ Plumbing
- ◆ Defects in workmanship and materials

What is the term of the Warranty?

The Warranty coverage is effective when The Homeowner closes on the purchase of the new home. It extends for exactly one year from that date. If, for whatever reason, The Homeowner moves into the residence before the closing of the sale, then this Warranty is effective from the date that The Homeowner begins to occupy The Home.

What liability does The Builder have?

The Builder has the choice of repairing or replacing the item under Warranty, or reimbursing The Homeowner in cash for the repair or replacement of any defective items.

Warranty Limit

The total extent of The Builder's liability under this Warranty is limited to the original purchase price of The Home at the closing. The Builder's cost of determining the existence of a problem and/or the extent of a problem, designing, implementing and/or monitoring repairs to The Home are deducted from the Warranty Limit. Any and all costs incurred by The Builder for legal action taken by anyone will be deducted from the Warranty Limit. When the Warranty Limit has been paid, The Homeowner's Warranty rights are extinguished.

WHAT IS NOT COVERED BY THIS WARRANTY

- 1. ANY WARRANTY CLAIM NOT RECEIVED BY THE BUILDER IN WRITING DURING THE WARRANTY TERM.**
2. Anything that is not part of The Home itself
3. Any condition that has not resulted in actual physical damage to The Home, during the Warranty term, unless otherwise clearly stated in this Warranty document.
4. Bodily or personal injury of any kind (including but not limited to pain and suffering and emotional distress), medical, hospital, rehabilitation or other expenses which might be associated with the above.
5. Damage to personal property.
6. Consequential Damage. Including but not limited to: loss of use, loss of opportunity, loss of market value, loss of rental value and cost of alternative housing exceeding \$100 per day (including but not limited to costs of shelter, transportation, food, moving, storage or other expenses related to relocation during the occurrence of a defect, the existence of a defect or the repair of a defect.)
7. Any damage to the extent that it is caused or made worse by:
 - a) Negligence, improper maintenance or improper operation by anyone other than The Builder.
 - b) Failure of anyone other than The Builder to comply with the Warranty requirements of manufacturers of appliances, equipment or fixtures.
 - c) The Homeowner's failure to give written notices to The Builder about any defect within reasonable time.

- d) Changes of the grading, removal, destruction or relocation of gutters, downspouts and/or drain trays, by anyone other than The Builder voids this Warranty in its entirety. **NO EXCEPTIONS!**
 - e) Improper landscaping done by anyone other than The Builder. Including but not limited to irrigation systems which are placed within 5 feet (or the distance stated in the soils report, whichever is greater) of the foundation.
 - f) Failure of The Homeowner to mitigate or failure to minimize.
 - g) Appliances, fixtures and equipment manufactured by anyone other than The Builder. (These are warranted by the manufacturers directly rather than through The Builder.)
8. Any defect in materials or workmanship caused or supplied by anyone other than The Builder, its employees, agents or subcontractors. This includes basement finish. The Builder recommends that The Homeowner wait at least one year before finishing any portion of the basement. The Builder strongly recommends that The Homeowner hire a contractor that is heavily experienced in the proper techniques of basement finish. Improperly finished basements can cause serious structural damage to The Home, which is not covered under this Warranty.
 9. Normal wear and tear, deterioration, contraction, shrinkage or expansion.
 10. Damage, defect or loss resulting from insects, vermin, radiation, pollution or toxic substances, water or sewage backup from drains, sewers, and septic tanks or leach fields.
 11. Changes in the level of the underground water table, which was not reasonably foreseeable at the time of construction of The Home.
 12. Subsidence or soil movement which was not reasonably predictable through reasonable soils testing or other geological investigation at the time of construction of The Home.
 13. Loss or damage, not caused by a defect in the construction of The Home by The Builder, but resulting from external force including, though not limited to, acts of God, riot, civil commotion, fire, explosion, smoke, water, hail, lightning, falling trees or other objects, aircraft, vehicles, flood, mud slide, hurricane, tornado or other windstorm, earthquakes, volcanic eruption, radon or other natural or introduced gases.
 14. Any defect for which compensation is provided by legislation or which is covered by other insurance.
 15. Basement and other interior floating, ground supported concrete floor slabs, which have had some movement but remain within the foundation's design performance criteria.

HOW TO MAKE A CLAIM

Making a claim.

If The Homeowner has a claim for warranty coverage, they must send a Warranty Request Form, found at the end of this booklet, typewritten or printed that states the problem(s) clearly and specifically to:

**Sage Homes, LLC.
PMB 245, 1112 Oakridge Drive, Suite 104
Fort Collins, Colorado 80525-6242**

The Builder will check out the problem(s) at a time convenient to The Homeowner, within normal working hours. They will verify that the problem(s) are covered by this Warranty, and make arrangements for repairs.

**NO REPAIR WORK CAN BE SCHEDULED UNTIL THE WARRANTY
REQUEST FORM IS RECEIVED.**

OTHER AGREEMENTS

- ◆ **This is an EXPRESS LIMITED WARRANTY. To the extent possible under the laws of Wyoming, all other warranties, express or implied, including but not limited to any implied warranty of habitability, are hereby disclaimed by Builder and waived by Homeowner. No one, or any document not contained in the Warranty, can add to or vary the terms of this Warranty, orally or in writing, without the express written consent of The Builder.**
- ◆ **EMERGENCY PROBLEMS:** If The Homeowner has an emergency problem, The Homeowner must contact The Builder immediately. If The Homeowner is unable to reach The Builder, then The Homeowner must contact an appropriate, local construction company in the field of the emergency problem. The Homeowner must make the minimal repairs necessary until authorization for further repairs is obtained from The Builder. Reimbursement will be available only for authorized emergency repairs, only when The Builder subsequently determines that the problem was covered under this Warranty and the amount The Homeowner expended was reasonable. A deductible payment is required from The Homeowner for emergency repairs.
UNAUTHORIZED REPAIRS WILL NOT BE REIMBURSED.
- ◆ All manufacturers' warranties on items provided as part of The Home are hereby assigned to The Homeowner.
- ◆ In order for The Builder to fulfill its Warranty obligations, they will require access to The Home during normal business hours. **FAILURE TO ALLOW THE BUILDER ACCESS TO THE HOME WILL RESULT IN A TOTAL LOSS OF THE WARRANTY COVERAGE. NO EXCEPTIONS.**

- ◆ All notices provided for under the terms of this Warranty must be sent by mail.
- ◆ Should any provision of this agreement be deemed by a court of competent jurisdiction to be unenforceable, that determination will not affect the enforceability of the remaining provisions.
- ◆ This agreement is to be binding upon the parties, their heirs, executors, administrators, successors and assigns.
- ◆ Use of the gender in this agreement includes all other genders, and the use of plural includes singular, all as may be appropriate.
- ◆ This agreement is to be covered by and construed in accordance with the laws of the State of Wyoming.

Specific Warranty Coverage

SITE WORK

EXCAVATING AND BACK-FILLING

Settling

After new construction there may be some settling of the ground around foundation walls, utility trenches or other filled areas. Such settling should not be allowed to interfere with water drainage away from The Home. The Builder will, provided that no landscaping and/or sprinkler systems have been installed, provide fill dirt for areas where settling has exceeded three (3) inches, one time only during the Warranty period. The Homeowner is responsible for the placement of such fill. (Exclusion: soil erosion caused by water draining on, through or across the property)

Improper Drainage

The Builder is responsible for establishing the necessary grades and swales to insure proper drainage. This site drainage work is limited to those immediate grades and swales to insure proper drainage affecting The Home itself.

Standing water should not remain for extended periods of time in the immediate area of The Home after a rain, except where water is deposited in swales from another area, or areas where sump pumps discharge. No grading determination will be made while there is frost or snow on the ground, or while the ground is saturated.

Improper drainage due to changes in the grading by anyone other than The Builder will immediately void this Warranty in its entirety. **NO EXCEPTIONS!**

WATER PROOFING

Basement Leaks

Dampness of walls or floors in basement or crawl space areas may occur and are not considered a deficiency. However, leaks resulting in trickling of water are unacceptable. The Builder will take the necessary steps to correct and repair the leak(s). If it is determined that the leaking is caused by improper landscaping installed by anyone other than The Builder, or by changes in grading done by anyone other than The Builder, then the leaking is not covered under this Warranty, and the Warranty is voided in its entirety. **NO EXCEPTIONS!**

Crawl Spaces

The Builder does not recommend the use of a crawl space for storage. Moisture is common in crawl spaces and damage to unprotected items is likely to occur. This Warranty does not cover the presence of moisture or water getting into crawl spaces. The Builder will however, correct the problem should water accumulate and remain in the crawl space.

CARPENTRY AND WOOD

Bowed Walls

All interior and exterior walls have slight variances on their finished surfaces. Walls should not be more than 1/4" out of plumb within any 32" horizontal or vertical measurement. If the walls are bowed beyond this standard, The Builder will repair these walls as required.

Out-of-Plumb Walls

Walls should not be more than 3/4" out of plumb for any eight-foot vertical measurement. If the walls are out of plumb beyond this standard, The Builder will repair them as required.

Squeaky or Loose Floors

Floor squeaks and loose sub-floors are often temporary conditions common to new home construction. A squeak proof floor cannot be guaranteed. If such problems are caused by a construction defect, The Builder will repair them one time only during the Warranty period.

FIREPLACES

Malfunction

High winds, the presence of large tree branches close to the chimney, a blockage in the chimney, and The Home having been insulated and weatherproofed to meet a high energy conservation requirement may cause a negative draft situation or a temporary interruption of the fireplaces ability to draw well. A window may need to be opened slightly to create an effective draft for the fireplace.

If The Homeowner has taken these items into account and still has a problem, The Builder will inspect the fireplace, and if the malfunction is caused by a design or construction defect, make the corrections as required.

Chimney Separation

Newly built fireplaces will often incur slight separations from the main structure of The Home. The Builder will correct separations in excess of 3/8".

Firebox Paint

Heat from fires will alter the finish of the firebox, and The Builder is not responsible for these changes.

WINDOWS

Improper Operation

The windows in The Home should operate with reasonable ease. If they do not, The Builder will correct or repair them as required. Periodic lubrication with a silicone base lubricant by The Homeowner will assure ease of operation.

Condensation / Frost

Condensation or frost on interior window surfaces is usually the result of a combination of outside climactic conditions and the indoor humidity of The Home. Condensation collects when extreme temperature difference and high humidity levels are present. Unless directly attributable to faulty window installation, this is a matter beyond the control of The Builder, and no corrective action is required.

Window frame and trim finishes in bathrooms are not covered under this Warranty.

Poor Weather-stripping / Sealing

Some air infiltration is normal and noticeable around window and doors, especially during high winds. If The Home is in a high wind area, The Homeowner may want to install storm windows and doors to reduce this infiltration.

Excessive drafts due to open cracks, poorly fitted doors and/or windows, or poorly fitted weather-stripping will be corrected by The Builder.

Broken / Scratched Glass

Before closing on The Home, any broken or scratched glass must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Missing Screens

Before closing on The Home, any missing screens must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

GUTTERS

Leaks

Gutters will sometimes overflow during heavy rains. It's The Homeowner's responsibility to keep the gutters and downspouts on The Home free of leaves and debris that could cause an overflow. If the flashing, valleys, gutters or downspouts leak apart from an overflow situation, The Builder will repair the leaks.

Gutter Water

When a gutter is unobstructed by debris, the level of standing water should not exceed one inch. Since it is the industry standard to install gutters almost level, there may be small amounts of standing water in sections of the gutter immediately after a rain. If The Homeowner finds water in excess of these standards, The Builder will bring the gutters up to this standard.

LOUVERS AND VENTS

Driven Rain Leaks

The louvers and vents in the attic are requirements that provide The Home with proper ventilation. Sometimes driving rain or snow will penetrate through them. This infiltration depends on the force and direction of the wind, factors for which The Builder is not responsible.

MECHANICAL SYSTEMS

PLUMBING

Cracks or Chips

Before closing on The Home, any cracks or chips or other damage to the surfaces of bathtubs, shower bases and sinks must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Faucets or Valve Leaks

The Builder will replace or repair any valve or faucet leak due to defects in material or workmanship.

Defective Fixtures

The Builder will replace any fixtures or fittings that falls outside of acceptable standards as defined by the manufacturer. The Builder will assist The Homeowner in obtaining adjustments in accordance with the Manufacturers Warranty.

Noisy Water Pipes

There will naturally be some noise from the water pipe system because of the flow of water and normal pipe expansion. The Builder cannot do anything to remove these sounds. But The Builder will remedy any excessive “water hammer” or pipe vibration noises.

Pipe Leakage

There should be no leaks of any kind in any of the soil, waste, vent or water pipes. The Builder will make the necessary repairs to eliminate leakage. Please note that condensation on piping does not constitute leakage, and is not covered.

Stopped-Up Drain

The Builder is responsible for any problem caused by defective construction. The Builder is not responsible for sewers, fixtures and drains, which become clogged through The Homeowner’s oversight or negligence.

Freezing, Bursting Pipes

If pipes freeze or burst, The Builder will correct the condition responsible for allowing the pipes or freeze, and will repair the damage done to the piping except where there has been an obvious lack of heat, or due to The Homeowner’s neglect. Outside frozen sill cocks due to a garden hose being left on is The Homeowner’s responsibility.

Water Supply Failure

If the water system failure is a result of defective workmanship, The Builder will make repairs as necessary. But if conditions beyond The Builder’s control have disrupted or eliminated the water supply, then it is not The Builder’s responsibility. Any change in water pressure by anyone other than The Builder will not be covered under this Warranty.

Septic System

The Builder will take corrective action to repair the septic system if a malfunction is determined to be a result of improper installation or improper design. The Builder is not responsible for the following items, which are considered Homeowner negligence:

- ◆ Excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use
- ◆ Connection of sump pump, roof drains or backwash from water conditioner, to the system
- ◆ Placing of non-biodegradable items in the system
- ◆ Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners
- ◆ Use of food waste disposal not supplied by The Builder
- ◆ Placement of impervious surfaces over the disposal area
- ◆ Allowing vehicles to drive or park over the disposal area
- ◆ Failure to periodically pump out the septic tank, when required

HEATING

Inadequate Heating

The heating system should be capable of producing an inside temperature of 70°F, as measured in the center of each room, at a height of five feet above the floor. If the heating system does not perform up to this standard, The Builder will correct the problem. The Homeowner is responsible for balancing the registers as well as periodically cleaning or replacing the furnace filters

Noisy Ducts

There is normally some “ticking” or “cracking” sound made by the ductwork as the metal expands and contracts. However, the ductwork should not “oil can”, or make the “booming” noise caused by the “oil canning” effect. Should this sound occur, The Builder will correct the problem.

AIR CONDITIONING

Inadequate Cooling

The air conditioning system should be capable of maintaining a temperature of 78°, as measured in the center of each room, at a height of five feet above the floor. When the outside temperature exceeds 98°, The air conditioner system should maintain an indoor temperature 20° cooler than that outside. If the cooling system does not perform up to this standard, The Builder will correct the problem. The Builder recommends that The Homeowner keep the thermostat set at one constant temperature setting to avoid refrigerant line freeze-ups, and clean the furnace filters periodically.

Leaks

If the system develops leaks during normal operation of the cooling system, The Builder will repair the leaks and recharge the unit.

Condensation Lines

These lines will clog under normal use. This is a Homeowner maintenance item.

ELECTRICAL

Wiring-Load Failure

If the wiring fails to carry its designed fuse load to the electrical box under normal residential use, The Builder will check the wiring to confirm that it conforms to local electrical code requirements. If it doesn't conform, The Builder will bring it up to code specifications. If it does conform, no corrective action will be taken.

Fuse/Circuit Breakers

If a fuse blows continuously, or a circuit breaker kicks out regularly, The Builder will check wiring to confirm that it conforms to local electrical code requirements. If it doesn't conform, The Builder will bring it up to code specifications. If it does conform, no corrective action will be taken. The Builder is not responsible for problems associated with modifications or additions to The Home made by anyone other than The Builder.

Outlet Drafts

The Homeowner may find slight drafts coming from the electrical outlets. These occur because the electrical junction box on the outside wall of The Home may produce an airflow situation whereby cold air can be drawn through it to the outlets. This is normal and requires no correction.

Malfunctions

If any switches, light fixtures, and/or electrical boxes in The Home do not operate correctly, The Builder will repair or replace them.

Tripping of Ground Fault Interrupter

Ground fault interrupters are sensitive safety devices installed into the electrical system to provide The Homeowner's family with protection against electrical shock. They are usually located in kitchens, bathrooms, garages, basements and exterior outlets. These devices can be tripped very easily if The Homeowner and/or others are not totally dry when touching or operating an electrical appliance. Tripping is to be expected and can be corrected by resetting the circuit breaker located in the electrical panel, or a reset button located on one of the outlets themselves. The Builder recommends that food freezers not be plugged into one of these outlets.

CONCRETE

**THE CONCRETE IN AND AROUND THE HOME WILL CRACK.
HERE ARE THE STANDARDS TO DETERMINE IF A CRACK IS A DEFECT
AND QUALIFIES AS A WARRANTY CLAIM.
PLEASE NOTE THAT THESE REQUIREMENTS MUST BE MET DURING THE
WARRANTY TERM.**

Basement Floor Cracks

Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16" in width or vertical displacement are considered excessive, and will be repaired by The Builder. Before closing on The Home, any other existing defects in basement floors must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Garage Floor, Patios, Driveway and Sidewalks

These components of The Home are not considered structural, nor do they relate to the load bearing of The Home. The Builder will correct non-crack related settlement or separation of these areas in excess of one inch. Crack related deflection or separation in excess of 1/2" will be corrected by The Builder. The Homeowner, in order to prevent water from accumulating under the concrete, which may cause heaving and further separation, should immediately caulk any crack appearing in these areas. Heaving of concrete flatwork is not covered under this Warranty.

Cracking or Settling Steps

Structurally attached steps or stoops shouldn't settle or separate more than one inch from the foundation of The Home. Cracks in excess of 3/16" in vertical displacement or separation are also unacceptable. The Builder will take the necessary corrective action of repair or replacement should these tolerances be met.

Wall or Foundation Cracks

The Builder will correct cracks in excess of 3/16" in separation or displacement.

"Honeycombing" or "Cold Joints"

These are generally purely cosmetic conditions and are not covered under this Warranty unless they result in water intrusion into the living area of The Home. The Builder will fill or seal the problem areas as necessary to prevent water intrusion.

Concrete Surfaces

Under normal conditions of weather and use, concrete surfaces shouldn't disintegrate to the point where the aggregate is exposed. If there is pitting, scaling, spalling, The Builder will repair or replace the problem areas. The Builder is not responsible for surface failure due to salt, chemicals, fertilizers, mechanical implements or other factors beyond their control.

Standing Water on Stoops or Steps

Water should not pond more than 1/2" measured 4 hours after a rain. If The Homeowner has a problem with standing water in these areas, The Builder will take corrective action to assure proper drainage of outdoor stoops and steps.

EXPANSION AND CONTRACTION JOINTS

Separation or Movement

Concrete slabs within the structure of The Home are designed to move at expansion and contraction points. Some slab movement that may cause small cracks in other areas is to be expected. The Builder considers cracks in excess of 3/16" to be excessive, and will take necessary corrective action to repair these areas.

Masonry

Small hairline cracks due to shrinkage are common in mortar joints. Cracks greater than 3/16" in width are considered excessive and will be corrected by The Builder. However, The Builder is not responsible for discontinued materials and/or color variations of the mortar.

Masonry attached to entry stoops, steps, patios porches, etc. is not covered under this Warranty.

Stucco/Parge Coating

The Builder will correct cracks exceeding 3/16" and/or detachment of the coating. However, The Builder is not responsible for discontinued materials and/or color or texture variations of the new finish.

THERMAL AND MOISTURE PROTECTION

ROOFING AND SIDING

Ice Build-Up

Ice build-up may occur at the eaves of a roof, when ice and snow accumulate and down spouts freeze up. This is a normal condition that The Builder is not responsible for.

Roof/Flashing Leaks

Roofs or flashing may leak temporarily as a result of severe weather conditions, such as high winds, driven rain or ice build-up. But, leaking should not occur under normal conditions. If The Homeowner has a verified roof leak, The Builder will correct it.

Veneer Siding Delaminating

Siding should not separate at the joints more than 1/4" or delaminate. The Builder will re-secure, caulk, repair or replace siding to meet these standards.

INTERIOR AND EXTERIOR DOORS

INTERIOR DOORS

Warping

The Builder will replace and refinish (matching existing doors as closely as possible) an interior or exterior door that has warped more than 1/4".

Panel Shrinkage

Door panels shrink and expand naturally, sometimes revealing a portion of unfinished surfaces. The Builder is not responsible for this natural action.

Panel Splits

Some hairline splitting or cracking of door panels is within normal expectations, but a split should not allow light to be visible through the door. If light is visible, The Builder will fill the split, matching the door's finish as closely as possible.

EXTERIOR DOORS

Warping

Exterior doors will warp to some degree because of temperature differences on the inside and outside surfaces. If they warp to the extent that the door doesn't operate, or ceases to be weather resistant, The Builder will correct or replace and refinish the problem door.

GARAGE DOORS

Improper Operation

If the door fails to operate properly, The Builder will correct or adjust the door as required, unless a garage door opener has been installed by anyone other than The Builder.

Moisture Entry

A garage door will retard the entrance of snow and rain but some entry of these elements is normal. The Builder will correct excess amounts of snow or rain entering the garage.

FINISH CARPENTRY

INTERIOR

Poor Trim Work

Before closing on The Home, any trim work that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Uneven Wood Floors /Ceilings

The Builder will correct a floor or ceiling that is out of level by more than 3/8" in any 32" span. The Builder will correct a floor or ceiling that slopes more than 1/240th of the room width.

EXTERIOR

Poor Trim Work

Before closing on The Home, any trim work that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

PAINTING AND FINISHING

Exterior Paints/Stains

Exterior paints or stains should not peel or deteriorate during the first year, although some fading is considered normal. The Builder will prepare and refinish the affected areas, matching the color as closely as possible.

Varnish

Varnish and lacquer type finishes used on the exterior will deteriorate rapidly and are not covered under this Warranty.

Caulking

Shrinkage of the trim and caulking is normal during the first year, and is considered a Homeowner responsibility.

Interior Finish

Natural finishes on interior woodwork that fail during the first year will be corrected by The Builder, one time only during this Warranty period. The Builder recommends that The Homeowner treat interior woodwork if it were a fine piece of furniture, with periodic waxing, polishing and dusting as this enhances and protects the beauty of the finish. Before closing on The Home, any woodwork that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Interior Paint

When the interior trim of The Home is painted rather than stained, small cracks will appear in the finish, usually at the joints of casing around windows and doors. This is due to the natural shrinking of the wood as it dries, and is not covered under this Warranty.

Wallpaper

Peeling of wallpaper, installed by The Builder will be repaired one time only during this Warranty period.

DRYWALL (SHEETROCK)**Quality of Workmanship**

During the first year of ownership, The Homeowner may notice blisters in the drywall tape, nail pops, cracked corner beads or other unacceptable blemishes or defects resulting from shrinkage of the lumber or settling of The Home. The Builder will correct these defects one time only during this Warranty coverage. The Builder will repaint these corrected areas, matching the color as closely as possible. Before closing on The Home, any drywall finishing that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

INTERIOR FINISH ITEMS**CERAMIC TILE****Cracking/Loosening**

Cracked or loose tiles not caused by Homeowner negligence or lack of maintenance will be repaired or replaced by The Builder. However, The Builder is not responsible for discontinued patterns and/or color variations.

Grouting/Caulking Cracks

A crack in grout due to normal shrinkage that occurs as the grout dries is normal and not considered a deficiency. Excessive cracking of grout or grout falling out of joints is a deficiency that will be repaired one time only during this Warranty period by The Builder. However, The Builder is not responsible for discontinued patterns and/or color variations.

FINISHED WOOD FLOORS

Cracks

It is normal for the wood on the interior of The Home to dry out and shrink during colder months, when The Home is being heated on the inside. Likewise, during warm and more humid months, the wood will take in moisture and expand.

Cracks in the wood floor are considered normal if:

- ◆ They close up during warmer months
- ◆ They vary from the thickness of a piece of paper in most areas to the thickness of a dime in scattered areas.

The Builder will repair cracks that develop that are in excess of these standards. Wood fillers are acceptable.

Imperfections

Natural wood contains imperfections including knotholes, wormholes, variations in color and texture, which are not a defect, and are not covered under this Warranty.

Finished Surface

This surface will scratch, wear and fade to varying degrees depending on usage. These conditions are not covered under this Warranty.

VINYL AND TILE FLOORING

Nail Pops

If there are rapidly apparent nail pops, which have broken the surface of the vinyl flooring, The Builder will replace the floor covering for the effected area. Patching of the floor is an acceptable repair. The Builder is not responsible for discontinued patterns or color variations.

Depressions/Ridges

The Builder will repair rapidly apparent ridges exceeding 1/8" in vinyl flooring due to sub-floor irregularities. Patching of the floor is an acceptable repair. The Builder is not responsible for discontinued patterns or color variations.

Adhesion Loss

If the vinyl floor covering becomes unglued and lifts or bubbles, The Builder will repair or replace the affected area. Patching of the floor is an acceptable repair. The Builder is not responsible for discontinued patterns or color variations.

Seams/Gaps

If gaps develop in seams of similar material that are in excess of 1/16", or 1/8" in seams of dissimilar material, The Builder will repair the affected areas. Patching of the floor is an acceptable repair. The Builder is not responsible for discontinued patterns or color variations.

CERAMIC TILE

Showers, Floors and Countertops

The wet/dry cycle that occurs in these areas will cause the grout to expand and contract, which can lead to cracking of the grout. This is the responsibility of The Homeowner to repair these cracks and keep the grout sealed at regular intervals. Damage caused by lack of proper maintenance by The Homeowner is not covered under this Warranty.

CABINETS AND COUNTERTOPS

Countertops

Before closing on The Home, any countertop surface that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

The Builder will correct delaminating in joints that exceed 1/16". The Builder is not responsible for discontinued patterns or color variations.

The Builder will correct a countertop that has separated from the wall in excess of 1/8". Caulking is acceptable.

Cabinets

Before closing on The Home, any cabinet problem that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

The Builder will correct or replace doors or drawer fronts that warp more than 1/4". The Builder is not responsible for discontinued patterns or color variations.

CARPETING

Seam gaps

Before closing on The Home, any carpet problem that is not acceptable to The Homeowner must be reported to The Builder in writing, on the final walk-through report. Otherwise it is The Homeowner's responsibility.

Loose Carpet

The Builder will re-stretch or re-secure any carpet that becomes loose, pops up, separates or stretches excessively, one time during this Warranty coverage.

Spots/Fading

Exposure to exterior light may cause spots and fading that The Builder is not responsible for.

MAJOR STRUCTURAL DEFECTS

In order for a structural defect to be eligible for coverage under this Warranty, it must:

- ◆ Affect the function of the elements (foundation, footings, columns, support beams, headers, bearing walls, structural flooring, ceiling and floor joists, roof rafters and trusses) and their capacity to transmit the imposed load to the ground.
- ◆ Be actual damage representing structural failure.
- ◆ Be a defect of such seriousness that it directly and adversely affects the use of The Home as a residence.
- ◆ Be a defect that is not a result of Homeowner modification

GRADING, DRAINAGE AND PLANTING

The best protection The Homeowner can give The Home is careful maintenance of the established drainage on the lot. The Builder has graded the lot to provide for proper water run-off of surface water. It is The Homeowner's responsibility to maintain these grades.

Changes of the grading by anyone other than The Builder voids this Warranty in its entirety. NO EXCEPTIONS!

Backfill Settling

There may be some settling that occurs around the foundation that is considered normal. The Builder will provide fill for these areas one time only under this Warranty.

Do not allow water to accumulate in these depression areas. Immediately fill these areas, or make a Warranty claim, as it may cause serious foundation problems that are not covered under this Warranty.

Do not water settle these areas, as it may cause serious foundation problems that are not covered under this Warranty.

Downspout Extensions

It is The Homeowner's responsibility to keep the "tip-up" downspout extensions in the down position, and buried downspout extensions clear of blockage.

Failure to do this may cause serious foundation problems that are not covered under this Warranty.

Landscaping installed by Builder or Builder's Representative

- ◆ At the Builder's discretion, sprinkler systems installed by the Builder or Builder's Representative will be warranted as long as system has been properly maintained and winterization has been performed properly.
- ◆ Any trees and/or shrubs planted by the Builder or the Builder's representative that are living and healthy at time of closing will be the Homeowner's responsibility and will have no warranty by the Builder. **(All trees and/or shrubs to be replaced must be noted on the Final Walk-Through Form.)**

Landscaping Reminders

- ◆ Do not allow grass to grow where it can prevent water from draining off of the downspout areas.
- ◆ Do not create "dams" with metal or plastic edging.
- ◆ No watered landscape within 5 feet of the foundation (or the distance stated in the soils report, whichever is **greater**) of the foundation.
- ◆ No sprinkler systems within 5 feet (or the distance stated in the soils report, whichever is **greater**) of the foundation.
- ◆ Do not use plastic covering weed barrier within 5 feet of the foundation. The ground must be allowed to "breathe".
- ◆ Do not allow water to absorb under driveways, walks, and patios, as this will cause the concrete to heave. Heaving of concrete is not covered under this Warranty.
- ◆ Install plastic domes over basement window wells to prevent water from accumulating and penetrating into the basement area.

form, no items may be added. Any additional repairs, not on this form at the time of submittal, must be submitted on a new Warranty Request Form.

The Builder Date

Homeowner Date

Homeowner Date

