

STANDARDS OF PERFORMANCE

The Standards of Performance set forth in this Section 4 describe the guidelines and tolerances of workmanship and materials within which your new home will perform during the first year following closing. They are designed to help you, the homeowner, determine the validity of any potential claim regarding construction defects in your home during this time frame. If your home does not perform within these guidelines and tolerances during the first year following closing, we will resolve the condition in accordance with the terms, conditions, and exclusions of the Express Limited Warranty and Dispute Resolution Procedures set forth in Section 3 hereof and in your Purchase Contract.

It is not possible to list every component of a home in these standards, so only the most frequent types of conditions which can occur in a home during the first year are addressed in these Standards of Performance. **Tolerances and guidelines for these Standards of Performance are similar to, but supersede where inconsistent, those listed in the National Association of Home Builders (NAHB) Residential Construction Performance Guidelines found in Section 5 hereof. The Observations listed as part of the Standards of Performance found in this Section 4 are examples of typical warranty items incurred in this geographic area. For other Observations not listed, Homes by Towne® will, during the one (1) year Customer Care Warranty Period, follow the Standards (Performance Guidelines) listed in this NAHB publication.** When a guideline or tolerance is not addressed in these Standards of Performance for a condition that occurs during the first year, we will evaluate the flaw or imperfection reported to determine whether the condition is a construction defect due to the fact that it: (1) materially affects the structural integrity of the home; or (2) has an obvious and material negative impact on the appearance of the home; or (3) jeopardizes the life or safety of the occupants; or (4) results in the inability of the home to provide the functions that can reasonably be expected in a residential dwelling, subject to the considerations set forth in your Purchase Contract and in the Express Limited Warranty and Dispute Resolution Procedures.

I. SITE WORK

- A. Observation: Settling of ground around the foundation of the residence, utility trenches, and other filled areas.

Standard: When the areas for the residence and the utilities serving the residence were excavated, the holes dug were larger than the actual size of the residence and the utilities installed. In certain situations, due to construction requirements, restrictions, or municipal employees or contractors installing these utilities, these areas cannot be compacted when they are backfilled and are, therefore, subject to slight settlement. If settlement of more than four inches (4") occurs, Builder will fill the settled areas one time during the first year provided that

homeowner has not changed the grades, swales, and drainage patterns of the site, and (ii) homeowner assumes full responsibility for any landscaping affected thereby. Homeowner must correct any additional settlement. Builder is not responsible for settlement in any non-excavated areas of the property.

B. Observation: Site Drainage.

Standard: Site drainage is limited to the immediate grades and swales affecting the structure. Builder will establish grading of the site one time in a manner, which assures that the water falling on the site, whether from natural precipitation or from normal lawn irrigation, will flow positively away from the foundation and slabs of the residence. Drainage swales may not follow property boundaries. Builder will not alter drainage swales to suite individual landscape plans. It is normal for the site to receive water from and/or pass water on to other sites. No standing or ponding water should remain in the immediate area of the residence longer than twenty-four (24) hours after a normal rain except in swales (48) hours, which may take longer to drain. Builder will correct water which stands for more than (24) hours or more than (48) hours in swales. Builder is not responsible for weather-caused changes to unlandscaped yards after grading has been established or after the date of occupancy, whichever occurs last. Homeowner must maintain the grades, swales, and drainage patterns established by Builder as part of the final grade. No grading determination is to be made when the ground is saturated. **Failure to maintain adequate drainage may result in structural damage and void the EXPRESS LIMITED WARRANTY.**

If homeowner makes changes in grading or drainage, has installed landscaping improperly, or failed to perform required maintenance to maintain the proper drainage and these are deemed to be the cause of the damages, Builder may suggest corrective measures, but will not be responsible for their implementation or expense.

II. CONCRETE – Flatwork and Foundation (Non-structural)

Since all cementitious products crack, and such cracking can only be minimized or controlled to a degree, concrete flatwork is not warranted against all cracking. Therefore, concrete slabs and flatwork will not be replaced due to normal cracking within these construction standards.

A. Observation: Cracks in slab-on-grade floor.

Standard: Cracks that do not exceed an average of one quarter inch (1/4") in width, and vertical displacement (where one portion of the concrete settles to a lower point than another) that does not exceed an average of one quarter inch (1/4"), are to be considered normal and are a normal part of the expansion and contraction of the concrete slab. Cracks that exceed one

quarter inch (1/4") in width will be caulked one (1) time during the first year after the Warranty Commencement Date. Slabs with greater than one quarter inch (1/4") vertical displacement will be repaired. Only the affected slabs or affected sections thereof will be replaced. Subsequently, floor slab maintenance is a Homeowner responsibility.

B. Observation: Cracks in garage slabs, driveway, and patio.

Standard: Cracks that do not exceed an average of one quarter inch (1/4") in width, and vertical displacement that does not exceed an average of one quarter inch (1/4"), are to be expected and will not result in replacement of the affected concrete. Homeowner must immediately seal all cracks as they appear with a concrete type caulk.

C. Observation: Cracks in walkway within property boundaries and/or driveway.

Standard: Cracks that do not exceed an average of one quarter inch (1/4") in width, and vertical displacement that does not exceed an average of one quarter inch (1/4"), are to be expected. Homeowner must immediately seal all cracks as they appear with concrete type caulk.

D. Observation: Cracks in foundation walls.

Standard: Cracks that do not exceed an average of one quarter inch (1/4") in width are to be expected. Cosmetic imperfections in foundation walls are normal and will not be repaired.

E. Observations: Movement of concrete slab within the residence (Non monolithic slabs)

Standard: Some concrete slabs are designed to "float" or move independently from the concrete foundation walls and are not a "structural" part of the residence. Extreme or excessive movement in the slab should be brought to Builder's attention.

F. Observation: Separation of stoops and steps.

Standard: Stoops and steps should not separate, or settle, an average of more than one inch (1") from the residence. Slight settling and separation of stoops and steps are to be expected. Homeowner must immediately seal all cracks as they appear with a waterproof substance.

G. Observation: Pitting, scaling, and spalling of finished concrete surfaces.

Standard: Under normal conditions, concrete surfaces should not disintegrate to the extent that the aggregate is exposed. Pitting, scaling or spalling of concrete surfaces should be brought to Builder's attention unless the deterioration was caused by (i) salt, (ii) chemicals, (iii) mechanical implements, or (iv) other causes beyond the reasonable control of Builder.

- H. Observation: Standing water on slabs, patios, stoops, and steps installed by Builder.

Standard: After a rain, some minor ponding or standing water is to be expected, but such water should not remain for more than forty-eight (48) hours. Water flow should not be impeded from stoops, patios, driveways, or steps by Homeowner's landscaping. Minor ponding may occur on interior garage slabs at slight depressions in the garage slab from water deposited on the floor by water dripping from a vehicle.

- I. Observation: Settling of exterior concrete installed by Builder.

Standard: Under normal conditions, exterior concrete should not settle, or have settled, more than one inch (1"). Excessive settling, over one inch (1"), should be reported in writing to Builder to have inspection made on settlement. Settlement is deemed excessive if it results in negative (toward the house) drainage or hazardous vertical displacement.

- J. Observation: Discoloration of existing and replacement concrete.

Standard: Due to the natural components comprised in and the weather affected application of concrete, it is common for color variations in concrete. Builder will not repair or replace concrete due to color variations.

III. CARPENTRY

- A. Observation: Expansion and contraction of exterior trim.

Standard: Open joints between exterior trim elements, including siding and masonry, are to be expected. Certain materials, including siding, have been installed to allow for expansion and contraction, but these areas should be properly caulked to exclude the entry of water. If open joints in excess of three-eighths inch (3/8") in width occur, Builder will recaulk the open joints once during the first year after the Warranty Commencement Date. All other recaulking is the responsibility of the homeowner.

- B. Observation: Cracks and shrinkage of exterior trim boards and decking.

Standard: Cracks, twisting, shrinkage, and the raising of the grain of exterior trim boards and decking, are considered normal and are part of the natural expansion and contraction of the wood. They are not covered by the Express Limited Warranty unless they constitute a Construction Defect. The homeowner should regularly maintain these cracks with caulking.

- C. Observation: Discoloration and repairing of exterior decking.

Standard: All exterior decking is delivered in its natural condition. The Builder does not stain or waterproof the decking. **Because of the effects of weather on decking material, the Builder strongly recommends that all exterior decking be stained or waterproofed by the homeowner. The Builder is not responsible for any decking repairs that result from the homeowner's failure to stain or waterproof the deck. This includes twisting, warping, splitting, or discoloration of deck materials.**

D. Observation: Loose or squeaky subfloors.

Standard: The plywood or OSB subfloors shall be glued and nailed, or glued and screwed, to the floor joists to minimize squeaky floors. Floor squeaks and loose floors may appear due to normal expansion and contraction of materials in both the flooring system and systems attached to the flooring system, such as ductwork and plumbing. A squeak-proof floor cannot be guaranteed. **Builder does not warrant against floor squeaks and loose floors unless they are the result of a CONSTRUCTION DEFECT.**

E. Observation: Deflection in floors.

Standard: Properly installed floors may deflect when walked on with the deflection more noticeable near heavy furniture. This is not a structural deficiency and no corrective action is required.

F. Observation: Level floors.

Standard: Wood floors should be level to within one quarter inch (1/4") within any thirty-two inch (32") distance.

G. Observation: Out of plumb or bowed walls.

Standard: Walls that are out of plumb or bowed by more than one half inch (1/2") over an eight foot (8') distance will be corrected. Minor framing imperfections in interior and exterior walls are to be expected.

H. Observation: Joints in interior mouldings.

Standard: Open joints in mouldings or between mouldings and adjacent surfaces that do not exceed an average of one eighth inch (1/8") in width are to be expected. If open joints in excess of one eighth inch (1/8") occur, Builder will recaulk the open joints once during the first year after the Warranty Commencement Date.

IV. INSULATION AND MOISTURE PROTECTION

- A. Observation: Entry of rain in attic.

Standard: To properly ventilate the residence, attic vents and/or louvers must be installed and the entry of rain through the vents and/or louvers may be expected under severe weather conditions, such as wind driven rain.

- B. Observation: Insufficient insulation.

Standard: Insulation will be installed in accordance with applicable energy and building code requirements.

V. ROOFING

- A. Observation: Roof sheathing is wavy or appears bowed.

Standard: Roof sheathing shall not bow more than one half inch (1/2") in two feet (2').

- B. Observation: Leaks in roof or flashing.

Standard: The roof or flashing should not leak unless caused by severe weather conditions such as hard blowing rain.

- C. Observation: Tile roofing vibrates during high wind conditions.

Standard: Tile roofing on occasion may vibrate or rattle during high wind conditions and is considered to be normal.

- D. Observation: Gutters and/or downspouts leak.

Standard: Gutters and downspouts should not leak although gutters may overflow during heavy rains.

- E. Observation: Standing water in gutters.

Standard: Since gutters are installed approximately level, small amounts of standing water, but not exceeding one inch (1") in depth, are to be expected. Homeowner must keep the gutters free from obstructions.

VI. DOORS AND WINDOWS

- A. Observation: Warped interior doors.

Standard: Interior doors should not warp to exceed the National Woodwork Manufacturer's Association Standards (one fourth inch [1/4"]).

- B. Observation: Warped exterior doors.

Standard: Exterior doors are subject to a great deal of stress due to extreme differences in temperature from inside to outside, and some warpage is to be expected. However, the doors should remain operable and weather resistant and should not warp to exceed the National Woodwork Manufacturer's Association Standards (one fourth inch [1/4"]). This is provided proper humidity levels are kept in the house. Even with properly installed weather stripping, some movement of the door, when closed, may be expected. Homeowner maintenance is required for minor adjustments to thresholds and other parts of the door.

- C. Observation: Shrinkage of interior door panels.

Standard: Panels will shrink and expand and may expose unpainted wood surfaces. Paint or stain on interior doors will be touched up once during the first year after the Warranty Commencement Date.

- D. Observation: Split in interior door panel.

Standard: Panels will shrink and expand and may expose unpainted wood surfaces. Split panels should not allow light to be visible through the door. If light is visible, Builder will fill the split and match the paint or stain as closely as possible once during the first year after the Warranty Commencement Date. Thereafter, the maintenance of such doors is homeowner's responsibility.

- E. Observation: Garage doors fail to open properly.

Standard: Builder shall install garage doors within the manufacturer's installation tolerances and the doors should operate properly. Some entrance of rain is to be expected under normal circumstances.

- F. Observation: Doors and/or windows do not fit properly, do not lock, or malfunction.

Standard: Doors and windows should operate with reasonable ease and should lock and unlock freely. Homeowner must keep the window tracks and the sliding door tracks free from dirt and obstructions and all sliding mechanisms properly lubricated.

G. Observation: Infiltration of air, dirt, and dust around windows and doors.

Standard: Builder shall properly install exterior doors and windows. Even with proper installation, some air and dust infiltration will occur around windows (especially prior to the installation of landscaping in the general area). Builder does not warrant exterior doors and windows against air and dust infiltration.

H. Observation: Chips, dents, and scratches in doors and hardware.

Standard: Some chips, dents, and scratches in doors and hardware are normal. Builder will only repair the chips, dents or scratches that are noted at the time of final walk and sign off.

I. Observation: Broken glass and torn screens.

Standard: There should be no broken glass or torn screens at the time title to the residence was delivered to homeowner. Homeowner must note any broken glass or torn screens within ten (10) days of occupancy.

J. Observations: Scratches and imperfections on glass.

Standard: Some scratches and imperfections in window and door glass are normal. Scratches or glass imperfections that are visible from a distance of ten feet (10') will be repaired or the glass replaced, if the scratches are noted at the time of final walk and sign off. Thereafter, scratches and glass imperfections become the responsibility of the homeowner. **Only the scratches that were noted at the time of final walk and sign off will be repaired.**

K. Observations: Hardware.

Standard: Doorknobs and locks should operate correctly upon delivery of the residence. Occasionally, doorknobs and locks will cease to operate properly, largely because of poor maintenance or misuse. Builder will make adjustments or replacements as required during the first year after the Warranty Commencement Date. Hardware that tarnishes due to exposure to weather will not be replaced.

VII. FINISHES

- A. Observation: Imperfections in drywall and gypsum wallboard.

Standard: Slight imperfections, such as hairline cracks not exceeding an average width of one sixteenth inch (1/16"), nail pops, and seam lines, are common in gypsum wallboard installations and are to be considered normal. An imperfection caused by defects in workmanship, such as excess compound in joints, trowel marks, cracked corner beads, and blisters in tape, is not acceptable. Repairs will not be made for minor imperfections that are only visible under certain lighting conditions. Areas repaired will be touched-up with original paint.

Homeowner is responsible for custom paint colors or wallpaper that is applied after closing. Builder will not be responsible for color variations in the paint. As an accommodation to our homeowners, **Builder will repair drywall that does not conform to the standards listed above that were not noted on the pre-closing inspection one (1) time during the one year Customer Care Program.**

- B. Observation: Ceramic tile cracks or comes loose.

Standard: Ceramic tile should stay firmly in place and should not crack provided that the tile is not intentionally or accidentally struck with a hard object or that the tile has been improperly maintained. Builder will reattach loose tiles which have not been cracked or come loose due to neglect. Builder is not responsible for color variations or discontinued patterns. **Builder will repair only the chipped or damaged tile noted at the time of final walk and sign off.**

- C. Observation: Cracked ceramic grout joints.

Standard: Due to normal expansion and contraction of the materials, cracks will appear in ceramic tile grout lines, particularly at the junction of the bathtub and tile or shower pan and tile. Regrouting of these cracks is a maintenance responsibility of the homeowner within the life of the home. Builder will repair grout one (1) time during the first year after the Warranty Commencement Date, assuming that the Builder has been notified of the cracking in a timely manner, and that no damage has been incurred to the installation due to neglect. Care must be taken to inspect the tile on a monthly basis.

- D. Observation: There is excessive "lippage" of adjoining tile, brick, marble or stone flooring.

Standard: "Lippage" greater than three sixteenths inch (3/16") is considered excessive and will be corrected.

- E. Observation: Surface deficiencies in finished woodwork.

Standard: **Builder will only correct readily apparent splits, cracks, hammer marks, and exposed nail heads that are documented at the time of final walk and sign off.** Subsequent to then, these items are not covered by the Express Limited Warranty.

- F. Observation: Cracks between floorboards of finished wood flooring.

Standard: Cracks not exceeding an average width of one eighth inch (1/8") are to be expected due to normal expansion and contraction of the materials. More cracks may be expected in areas of high heat, such as heat registers.

- G. Observation: Squeaks/creaking of hardwood floors.

Standard: Hardwood floors are installed using individual boards and many hundreds of nails. The natural expansion and contraction of this material make it impossible to eliminate floor squeaks in hardwood floors.

- H. Observation: Excessive "lippage" is located at junction of wood flooring and different floor material.

Standard: "Lippage" greater than three eighths inch (3/8") is considered excessive and will be corrected.

- I. Observation: Exterior paint, stain, or varnish prematurely peels, deteriorates, or fades.

Standard: Exterior paint and stain shall be installed according to manufacturer's specifications and should not peel or deteriorate during the first year after the Warranty Commencement Date. Fading is to be expected and the degree is dependent upon climatic conditions and the shade of the paint or stain. Varnish, lacquer, or sealed stain on exterior surfaces will deteriorate rapidly and is not covered by the Express Limited Warranty. Repairs to exterior paint, stain, and varnish are the homeowner's responsibility after the first year anniversary of the Warranty Commencement Date.

- J. Observation: Interior varnish or lacquer finish prematurely deteriorates.

Standard: Interior varnish or lacquer shall be installed according to manufacturer's specifications and should not deteriorate during the first year after the Warranty Commencement Date. Due to the characteristics of wood, there will be variations in stain color with no corrective action required. Fading is to be expected and the degree is dependent upon the amount of sunlight that enters the residence.

- K. Observation: Interior paint improperly applied.

Standard: Interior paint shall be applied in a manner that visually covers all wall, ceiling, and trim surfaces. However, paint wears, and after the first year anniversary of the Warranty Commencement Date, interior paint maintenance and repair is the homeowner's responsibility.

- L. Observation: Paint touch-ups are visible.

Standard: Paint touch-ups may be visible under certain lighting conditions. The Builder will not repaint walls or ceilings due to variations in the paint as a result of touch-ups.

- M. Observation: Carpet seams are visible.

Standard: Carpet seams may be visible; however, gaps in the backing or carpet sections with naps running in different directions are not acceptable. **Builder does not warrant carpet seams and will only repair seams that become loose as the result of CONSTRUCTION DEFECT.**

- N. Observation: Carpet comes loose, seams separate, or excessive stretching occurs.

Standard: Wall-to-wall carpeting should not come loose, separate or stretch excessively during the first year after the Warranty Commencement Date. Edges along baseboards and on edges of stairs should be held firmly in place.

- O. Observation: Minor fading of, and spots on, carpet.

Standard: Exposure to light will cause spots on carpet and minor fading. **Only the spots noted on the final walk and sign off will be cleaned.**

- P. Observation: Premature wearing of carpet.

Standard: Excessive wear in high-traffic areas is normal. Wearability is directly related to the quality of the carpet. Builder will take no action on premature wearing of carpet.

- Q. Observation: Discoloration of carpet at perimeters.

Standard: Carpet may become discolored at room perimeters, on stair treads, and under doors. This is normal. It is caused by dust and impurities entering the residence and being circulated by the heating and air conditioning system throughout the residence and trapped in the carpet in those areas. Builder will not repair or replace carpet for these reasons.

- R. Observation: Cracks in exterior stucco wall surfaces.

Standard: Stucco is a cementitious product, and will crack to some degree. Cracks that do not exceed an average of one eighth inch (1/8") in width are to be expected. Any areas exceeding this Standard will be repaired by the Builder during the first year after the Warranty Commencement Date. Thereafter, cracking in stucco becomes the homeowner's responsibility, unless it is excessive, and is caused by a Construction Defect. Discoloration between the patched areas and the original stucco is to be expected and within industry standards, and Builder will not restucco entire walls or homes because of discoloration. Builder will not repaint any areas where stucco has been patched during the first year after the Warranty Commencement Date.

S. Observation: Cracks in exterior masonry.

Standard: Cracks that exceed one quarter inch (1/4") will be repaired one (1) time during the first year after the Warranty Commencement Date. Thereafter, cracks in masonry are to be expected, and are considered homeowner maintenance.

VIII. VENTILATION

A. Observation: Inadequate ventilation of attics and crawl spaces.

Standard: The attic and crawl spaces shall be ventilated in accordance with the requirements of local building codes in effect in the jurisdiction in which the residence is constructed at the time of construction.

IX. COUNTERTOPS AND CABINETS

A. Observation: High-pressure laminate surfaces crack, chip, delaminate, or are burned or scratched.

Standard: There should be no imperfections in the high-pressure laminate surfaces at the time title to the residence was delivered to homeowner. Homeowner must note any defects at the time of final walk and sign off.

B. Observation: Blemish, scratch, nick or chip in countertop.

Standard: Builder will repair any blemish, scratch, nick or chip reported to Builder prior to closing. Builder is not responsible for discontinued patterns or differences in color between old and new.

C. Observation: Cabinets and/or countertops separate from walls and/or ceilings.

Standard: Gaps that do not exceed an average of one quarter inch (1/4") in width are to be expected due to normal shrinkage of materials and wall imperfections. The cabinet and countertop installation should remain secure notwithstanding the gap(s). Builder will repair all gaps exceeding one quarter inch (1/4"). Caulking is an acceptable industry repair.

D. Observation: Warped cabinet door and/or drawer front.

Standard: Cabinet doors and drawer fronts should not warp to exceed one quarter inch (1/4") as measured from face to a point of furthestmost warpage with door or drawer front in closed position. Because of variations in wood, replacement doors or drawer fronts are not guaranteed to match the originals. Variations in wood grain and color should be expected.

E. Observation: Variations in cabinet door panels, drawer fronts, and cabinet rails stain color.

Standard: All cabinets constructed of natural wood, both solid and veneers, will have some variation in stain color. **Replacements will not be made due to such variations.**

X. PLUMBING

A. Observation: Leakage of any kind from piping.

Standard: No leaks of any kind should exist in any drain, waste, vent, or water pipe, except where leakage is caused by flooded or inoperative septic system not caused by Builder. **Builder will repair leakage only when it results from a CONSTRUCTION DEFECT.** Condensation on piping does not constitute leakage and is considered to be a normal occurrence.

B. Observation: Toilets or other plumbing fixtures back up or overflow.

Standard: Typically, the only time plumbing fixtures back up or overflow as a result of a Construction Defect, is immediately after the residence is put to use (usually within the first week of occupation). The most common reason is because construction debris becomes lodged in the plumbing system. Toilets and other plumbing fixtures should not back up or overflow immediately after the residence is occupied. Builder will repair any such back up within the first 30 days after the Warranty Commencement Date. Thereafter, because plumbing fixtures can easily become stopped up due to their natural function or misuse, plumbing stoppages become the homeowner's responsibility.

C. Observation: Faucet or valve leak.

Standard: Faucets and valves should not leak because of defects in either material or workmanship. Leakage caused by worn washers and/or seals are the responsibility of homeowner.

D. Observation: Fixtures do not hold water.

Standard: Stoppers on fixtures should retain water for sufficient length of time to accomplish the intended use of the fixture.

E. Observation: Defective plumbing fixtures, appliances, trim fittings or fixture finish.

Standard: Fixtures, appliances, and fittings should comply with the manufacturer's standards. Fixtures which have been cleaned in a manner that does not comply with the manufacturer's recommended method and are losing their original finish or are tarnishing or discoloring will not be covered by the Express Limited Warranty.

F. Observation: Noise in water pipes and drain system.

Standard: Due to expansion, contraction, and the flow of water through the pipes, there will be noise emitted from the water pipes and drain systems. Only "water hammer" or pipe vibrations should be brought to Builder's attention.

G. Observation: Stopped up sewers, fixtures, or drain systems.

Standard: Sewer lines, fixtures, and drains should operate properly to accomplish their intended function. The main causes of stopped-up sewer lines and toilets are papers, diapers, sanitary products (including feminine hygiene products), and excessive amounts of toilet paper, Q-tips, dental floss, and children's toys. Stoppages due to these causes will be considered homeowner negligence and the homeowner shall be responsible for the costs of corrective measures. If installed, floor drains in upper level laundry rooms are installed for the benefit of appliance repair technicians; these drains are not installed to prevent flooding in the event of a water leak.

H. Observation: Porcelain or fiberglass surfaces crack or chip.

Standard: There should be no cracks or chips in the porcelain or fiberglass surfaces at the time title to the residence was delivered to homeowner. **Any cracks or chips must be noted by homeowner at the time of the final walk and sign off. Those noted will be repaired by Builder.** Thereafter, they become homeowner's responsibility.

I. Observation: Plumbing pipes freeze or burst (at backflow preventer and inside house).

Standard: In order to prevent freezing pipes in the residence, drain, waste, vent, and water pipes should be adequately protected during normally anticipated cold weather as required by applicable building code and as defined in ASHRAE design temperatures. In areas where plumbing systems may be installed in crawl spaces, crawl space vents should be kept closed during cold weather. **Builder does not warrant against frozen pipes unless the freezing is the result of a CONSTRUCTION DEFECT.**

J. Observation: Water supply system does not deliver water.

Standard: Builder shall properly install the service connections to the municipal water main or the private water supply, as appropriate. Private systems shall be designed and installed in accordance with the applicable building, plumbing, and health codes.

K. Observation: Preformed bathtubs and shower pans squeak when in use.

Standard: Under normal conditions, preformed bathtubs and shower pans, when installed over wood subflooring, may squeak when in use.

L. Observation: Septic system does not operate properly (if installed).

Standard: If applicable, Builder shall design and install a septic system capable of handling the normal flow of household effluent in compliance with the applicable state, county, and local regulations. Maintenance of the septic system and damage caused by conditions beyond the reasonable control of Builder, e.g., freezing, soil saturation, increase in water table, and excessive use, are the responsibility of homeowner.

XI. HEATING AND AIR CONDITIONING

Note: Thermostats and registers are installed in the general locations indicated on floor plans and may vary from locations shown in models or similar floor plans.

A. Observation: Insufficient heat.

Standard: The heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of five feet (5') above the floor under local outdoor winter design conditions as specified in the ASHRAE Handbook. National, state, or local energy codes shall supersede this guideline where such codes have been adopted locally. Due to design and layout of heat runs, there will be heat fluctuations throughout the residence. These fluctuations are normal and do not require repair. The homeowner is responsible for balancing dampers and registers to accommodate for heating fluctuations.

- B. Observation: Ductwork noise.

Standard: When metal is heated, it expands and when cooled, it contracts. The result is “ticking” or “cracking”, which is to be expected and is considered acceptable.

- C. Observation: Ductwork separates or becomes unattached.

Standard: Ductwork should remain intact and securely fastened unless misused.

- D. Observation: Insufficient cooling.

Standard: When air conditioning is provided, Builder shall install a system in accordance with the design conditions specified in the ASHRAE Handbook, which is capable of maintaining an inside temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of five feet (5') above the floor, at design temperature. If the outside exceeds 95 degrees Fahrenheit, a differential of 15 degrees from the outside temperature will be maintained. Due to design and layout of cooling runs, there will be cooling fluctuations throughout the residence. These fluctuations are normal and do not require repair. The homeowner is responsible for balancing dampers and registers to accommodate for cooling fluctuations.

- E. Observation: Refrigerant lines leak.

Standard: Under normal conditions, refrigerant lines should not develop leaks.

- F. Observation: Condensation lines clog.

Standard: At the time title to the residence is delivered to homeowner, the condensation lines shall be unobstructed. Thereafter, under normal use, condensation lines occasionally will clog and must be maintained by homeowner.

XII. ELECTRICAL

Note: Light fixtures, switches, and outlets are installed in the general locations indicated on floor plans and may vary from locations shown in models and similar plans.

- A. Observation: Wiring does not carry its designed fuse load to the electrical box.

Standard: Wiring shall conform to the applicable electrical code requirements and shall be capable of carrying the designed load for normal residential use to the electrical box.

B. Observation: Lighting fixtures, switches, or electrical outlets do not work.

Standard: All lighting fixtures, switches, and electrical outlets shall be operative upon delivery of the residence.

C. Observation: Lights flicker in part of the residence.

Standard: Flickering may occur during starting of some motor-driven equipment or household appliances and is considered acceptable.

D. Observation: Circuit breakers trip out.

Standard: Circuit breakers should not trip out under normal usage, except in the case of ground fault interrupters, which are susceptible to moisture and/or weather conditions. Ground fault interrupters are sensitive safety devices installed into the electrical system to protect against electrical shock and shall be installed in accordance with the applicable electrical code.

E. Observation: Drafts from electrical outlets.

Standard: The electrical junction box on exterior walls may produce an airflow whereby cold or hot air can be drawn through the outlet into a room and is considered normal.

F. Observation: Power surges.

Standard: Power surges may occur. The Builder is not responsible for damages caused by power surges to any of the homeowner's electrical appliances. Homeowner should use surge protectors on equipment, such as computers, that may be of concern.

G. Observation: Telephone jacks, CATV outlets, and computer wiring.

Standard: Telephone jacks, CATV outlets, and computer wiring installed by the Builder should work for their intended purposes when connected for service by the appropriate utility companies.

H. Observation: Smoke detectors.

Standard: Smoke detectors will function as designed. During the first year after the Warranty Commencement Date, Builder will repair or replace smoke detectors that do not operate properly when tested. Thereafter, homeowner is responsible for periodic testing and

maintenance. Builder does not represent that smoke detectors will provide the protection for which they are intended during an emergency. **The homeowner is responsible for battery replacements.**

XIII. FIREPLACES

A. Observation: Fireplace or chimney does not draw properly.

Standard: The fireplace and chimney shall be designed and constructed to be operable under normal conditions. Failure of the fireplace or chimney to draw properly should be brought to Builder's attention during the first year after the Warranty Commencement Date, unless the failure was, or is caused by, (i) temporary downdrafts created by abnormal weather conditions, e.g., high winds, or (ii) obstructions, such as large branches of trees growing too close to the chimney. The fireplace and chimney should be periodically checked and maintained by homeowner, as creosote from wood burning fires can build up and reduce draw, or even catch fire, under some circumstances.

B. Observation: Wind noise from the vent of flue.

Standard: During high wind conditions, fireplaces or gas appliance fireplace products will experience some wind noise through the vent or flue and should not be considered to be abnormal.