

*JOHN WIELAND HOMES
AND NEIGHBORHOODS*

THE WIELAND 5-20
EXTENDED WARRANTY

Effective for contracts written on or after 02/01/2012

THE WIELAND 5-20 EXTENDED WARRANTY

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LIMITED WARRANTY

I. What is Covered

- A. Workmanship. During the first year of this warranty, which commences on the day that title first transfers from Wieland or that occupancy by anyone first occurs (whichever occurs first), Wieland warrants that the Home will be free from defects in materials or workmanship, as defined in the Construction Quality Standards, except as they apply to defects in fixtures and equipment which are covered in accordance with the manufacturer's warranty.
- B. Systems. During the first two (2) years of this warranty, which commences on the day that title first transfers from Wieland or that occupancy by anyone first occurs (whichever occurs first), Wieland warrants that the Home will be free from defects in the electrical, plumbing and HVAC systems, as defined in Sections X, XI and XII of the Construction Quality Standards, to include the wiring, piping and ductwork portions of the systems. This extended two-year coverage applies only (i) to the home's standard 120 volt electrical system, and not any low-voltage circuits and systems (which shall be covered by the general one-year warranty at 1. A. above) and (ii) to the HVAC system only if Homebuyer(s) document that the HVAC system has been professionally maintained (i.e., by a company or individual who is licensed as necessary and who is currently in the business of providing such residential maintenance service) per manufacturer's standards/instructions at least once per year. Defects in any of the systems resulting from failures in a fixture or piece of equipment which are covered by a manufacturer's warranty are not covered by this warranty.
- C. Extended Items. During the first five (5) years of this warranty, which commences on the day that title first transfers from Wieland or that occupancy by anyone first occurs (whichever occurs first), Wieland warrants that the Home will be free from the following, as defined in the Construction Quality Standards:
1. Verified leaks, due to defects in materials or workmanship, at roof penetrations made in the course of construction.
 2. Verified active flow of exterior surface water into the basement or so as to create standing water in the crawl space for at least forty-eight (48) consecutive hours, so long as the active flow is due solely to acts or omissions of Wieland. Wieland must receive written notice of any covered claim within ten (10) days of the date of discovery by Homebuyer(s). Wieland will not be responsible for anything caused by (a) breaks, leaks or bursting of water mains or pipes; (b) any grading done by or on behalf of Homebuyer(s) which causes water to flow toward the outside foundation

wall; (c) failure to maintain the grade initially established by Wieland for the Home; (d) prolonged direction of water against the outside foundation wall from water spigots, sprinklers, hoses, or broken or clogged gutters; (e) bent, broken, or clogged downspouts; (f) landscaping improperly installed by or on behalf of Homebuyer(s); and (g) an irrigation system that was not installed by Wieland.

3. Verified plumbing leaks in the exterior water service line, plumbing pipes and fittings, tubs, sinks, faucets, and toilets. Tarnishing and pitting of faucets is excluded.
4. Verified interior gas line piping leaks.
5. Defects in materials or workmanship in the main (120 volt) electrical breaker panel, electrical service disconnect, interior electrical wiring, switches, and outlets.
6. Failure of the HVAC compressor pump and condenser coil, heat exchanger, and thermostats installed by Wieland. After expiration of any manufacturer's warranty on the above components, Wieland will replace the above components as would be covered by the manufacturer's warranty. This coverage applies only if Homebuyer(s) document that the above components have been professionally maintained (i.e., by a company or individual who is licensed as necessary and who is currently in the business of providing such residential maintenance service) per manufacturer's standards/instructions at least once per year.
7. Breaks in the hermetic seal of insulated windows, and defects in materials and workmanship in sash tracks and sash locks, as defined in the manufacturer's warranty. After expiration of any manufacturer's warranty (if shorter than five years), Wieland will cover materials as would be covered by the manufacturer's warranty.
8. Verified sewer service line leaks due to defects in materials or workmanship.

D. Structural. During the first twenty (20) years of this warranty, which commences on the day that title first transfers from Wieland or that occupancy by anyone first occurs (whichever occurs first), Wieland warrants that the Home will be free from "Structural Defects."

A "Structural Defect" is (i) actual physical damage (ii) to only the following designated load-bearing elements of the Home (iii) caused by failure of such load-bearing elements which affect their load-bearing function (iv) to the extent that the

Home becomes unsafe or unsanitary. The following elements, if load-bearing, constitute the designated elements: **1.** foundation systems and footings; **2.** beams; **3.** girders; **4.** lintels; **5.** columns; **6.** walls and partitions; **7.** floor systems; and **8.** roof framing systems. All four (4) parts of the definition must be satisfied in order for a condition to qualify as a Structural Defect. This is designed to be coverage only for catastrophic failure of load-bearing elements of the Home.

Examples of elements not covered by this warranty which are deemed not to have Structural Defect potential are: **1.** nonload-bearing partitions and walls; **2.** wall tile, wall paper, etc.; **3.** plaster, laths, or drywall; **4.** flooring and subflooring material; **5.** stucco, synthetic stucco, brick or stone veneer; **6.** any type of exterior siding; **7.** roof shingles, sheathing and felt paper; **8.** heating, cooling, ventilating, plumbing, electrical and mechanical systems; **9.** appliances, fixtures or items of equipment; **10.** doors, trim, cabinets, hardware, insulation, paint and stains; **11.** basement slabs and other interior floating, ground-supported concrete floor slabs; and **12.** water intrusion, including, without limitation, leaks in walls, roofs, plumbing, basements and crawl spaces.

II. What Wieland Will Do

- A.** Notwithstanding any language herein to the contrary, if a defect occurs in a warranted item during the applicable period of this warranty, Wieland will repair, replace or pay the Homebuyer(s) the reasonable cost of repairing or replacing the defective item. The choice to repair, replace, pay or combination thereof is solely that of Wieland. Wieland will also repair (or pay for the repair of) any item needing to be damaged or destroyed in order to make the warranted repair, except for improvements added after the completion of Wieland's original construction, which are the responsibility of Homebuyer(s) to remove or repair.
- B.** With regard to Structural Defects, Wieland will repair and/or replace the Structural Defects or make arrangements for such repairs and/or replacement. Wieland shall have complete discretion as to the methods and manners for repairing and/or replacing Structural Defects. The repair of a Structural Defect is limited to: **1.** the repair of damage to the load-bearing portions only as necessary to restore the load-bearing ability of such load-bearing portions; and **2.** the repair of those items of the Home damaged by the Structural Defect which make the Home unsafe or unsanitary.
- C.** Notwithstanding anything herein to the contrary, where Wieland shall become responsible to pay the reasonable costs of repair or replacement for Structural Defects arising at any time during the applicable period of this warranty and amounting to \$2,500 or more, payment shall be made to or on behalf of the Homebuyer(s).
- D.** Before Wieland repairs or pays for the repair of a claim, there must be an assignment

to Wieland of any rights that may exist against any other person or entity with respect to the claim. No repairs, replacements or payments made under the terms and conditions of this warranty shall act to extend this warranty or any time periods hereunder.

- E.** Notwithstanding anything herein to the contrary, if an item is on or in the common elements of a condominium or is otherwise under the ownership or maintenance control of a homeowners, neighborhood or condominium association, and such association refuses to allow Wieland to perform work on the item, Wieland shall be relieved of any obligation to perform work on the item, and the item shall be deemed excluded from this warranty.

III. What the Homebuyer(s) Must Do

If the Homebuyer(s) should have a complaint on any item covered by this warranty during the applicable period of this warranty, the Homebuyer(s) must send a clear and specific written complaint to Wieland (dating the defect occurrence). This written notice must be received no later than 30 days after the expiration of the applicable coverage period for such item under this warranty (except where a shorter time period is specified herein). The written notice must be sent to the Wieland Customer Service Department at the address listed on the Table of Contents page of this warranty. In case of an emergency problem, the Homebuyer(s) must notify Wieland immediately in order that further damage can be mitigated. The Homebuyer(s) should take reasonably immediate action if circumstances dictate the need.

However, Wieland is entitled to assess claimed defects and decide on an appropriate repair plan. Wieland is also entitled to choose to repair or replace, or to pay the fair value of the repair or replacement of, a covered defect. If Homebuyer(s) repair (or cause the repair of) the claimed defect before Wieland has an opportunity to inspect the claimed defect, it is impossible for Wieland to assess whether the defect was covered by this warranty, whether the repair made was cost-effective, necessary, and effective, and whether Wieland would have been able to solve the problem in another way. For these reasons, Wieland will not accept, nor will arbitrators be able to award to Homebuyer(s), any claimed defect which Homebuyer(s) have had replaced or repaired, except for an emergency repair which was authorized by Wieland in advance of its being made. If Wieland is unavailable for emergency authorization, Homebuyer(s) must make minimal repairs so that further damages can be mitigated and report the emergency to Wieland as promptly as possible. Repairs will not be reimbursed unless, at a minimum, the above procedures have been followed.

IV. Exclusions

Notwithstanding any other provisions of this document, this warranty does not apply to:

- A.** Defects in outbuildings, including, without limitation, detached garages and detached carports (except finished space over garages and outbuildings that contain or are served by the plumbing, electrical, heating, cooling or ventilation systems serving the Home); swimming pools and other recreational facilities; driveways, walkways, decks and porches; outdoor living/entertaining spaces, and line, pipes, ducts, cables and equipment serving the same, patios (attached or detached), stoops and steps (except as specifically stated herein); boundary walls, retaining walls and bulkheads (except where boundary walls, retaining walls and bulkheads are necessary for the structural stability of a covered building); fences; landscaping of any kind (except as specifically stated herein); outside hosebibs and other hose connections; irrigation and fire suppression sprinkler systems; or any other improvements not a part of the Home;
- B.** Damage to real property that is not part of the Home;
- C.** Damage to or defects in concrete floors of attached or detached garages or attached or detached patio slabs that are built separate from foundation walls or other structural elements of the Home;
- D.** Bodily or personal injury of any kind (including physical or mental pain and suffering and emotional distress); medical, hospital, rehabilitation or other incidental or consequential expenses; attorneys' fees, court costs, experts' fees and other such expenses; or damage to any property of others;
- E.** Any loss or damage that the Homebuyer(s) has not taken appropriate action to minimize as soon as practicable;
- F.** Any defect in, or caused by, alterations made by or on behalf of Homebuyer(s), or material or work supplied by anyone other than Wieland, Wieland's employees, and/or supervised agents or subcontractors;
- G.** Loss of use, loss of opportunity, loss of market value, loss of rental value or any and all consequential loss or damages;
- H.** Defects in any property not included in the original Home delivered for the original final sales price;
- I.** Any damage to the extent it is caused or made worse by:
 - 1.** Negligence, improper maintenance, lack of maintenance or improper use or operation by anyone other than Wieland or Wieland's employees and/or supervised agents or subcontractors;

2. Failure by the Homebuyer(s) to give prompt and proper notice to Wieland of any defects;
 3. Changes of the grading of the ground that do not comply with accepted grading practices, including changes in, and failure to maintain, grades, swales, drainage structures, stabilized soil, and sodded, seeded and landscaped areas;
 4. Changes in the level of underground water table which were not reasonably foreseeable at the time of construction of the Home;
 5. Expansion, contraction, or other movement of soil on or about the property; or shifting or movement of all or any portion of the foundation, slabs, or basement walls caused in whole or in part by the quality or type of soil and/or moisture content thereof;
 6. Dampness, condensation, mold/mildew or any other condition arising due to the failure to maintain adequate ventilation and/or adequately low humidity levels; or
 7. Failure by the Homebuyer(s) or by anyone other than Wieland or Wieland's employees and/or supervised agents or subcontractors to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;
- J.** Loss or damage not caused by a defect or deficiency in the design or construction of the Home by Wieland or Wieland's employees, agents or subcontractors;
- K.** Loss or damage externally caused, including, but not limited to: acts of God; riot or civil commotion; hurricane, tornado or other windstorm; fire; explosion; smoke; water; mold/mildew; hail; lightning; falling trees or other objects; aircraft; vehicles; flood; mud slides; earthquakes; volcanic eruption; radon or other natural or introduced gases; abuse or use of the Home, or any part thereof, beyond the reasonable capacity of such part for such use; conditions or occurrences beyond Wieland's control; or by any other external cause (including, without limitation, criminal acts);
- L.** Any loss, damage, defect, cost or expense which is caused, in whole or in part, by any peril or occurrence for which compensation is provided in whole or in part by legislation, by class action or other lawsuit settlement, or which is covered by other insurance or public funds;
- M.** Rotting of any kind; mold/mildew; the presence of mold/mildew anywhere in the Home, including, without limitation, in any crawl space, unfinished basement or

other unfinished or finished space (all aspects of mold/mildew, including cleaning or otherwise addressing, are the responsibility of the Homebuyer(s) as part of maintenance of the Home); the presence of radon, other natural or introduced gases, or radiation; insect damage; and damage due to vermin, radiation, pollution or toxic substances of any kind;

- N.** Any loss or damage which arises while the Home or any portion thereof is being used for nonresidential purposes;
- O.** Any condition which does not result in actual physical damage to the Home;
- P.** Costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repair, or any other costs due to loss of use, inconvenience or annoyance;
- Q.** Any complaint or claim on an item reported to Wieland after an unreasonable delay or later than 30 days after the expiration of the applicable coverage period for such item under this warranty (or later than any shorter time period herein specified); or loss or damage resulting from failure to comply with manufacturers' warranty requirements;
- R.** Normal wear and deterioration;
- S.** Failure of Wieland to complete construction;
- T.** Glass breakage and exterior hardware;
- U.** Failure of Wieland to perform any washing, cleaning or clean-up of any kind;
- V.** Structural slab foundation systems that have experienced some movement but are within the foundation's design performance criteria; separation, settlement or movement of concrete slabs within the structure at control joints (joint material maintenance is not the responsibility of Wieland);
- W.** Violations of local, state or national building codes, ordinances or standards;
- X.** Pre-existing conditions the Homebuyer(s) were aware of before closing on the Home and knowingly accepted (waived), such as "punch list" or "orientation" items, whether or not appearing on a punch list or orientation checklist;
- Y.** All home theatre/entertainment systems and multi-room sound systems and all components of the same; all elevators; all other non-standard "extras" in the Home;

- Z.** Loss or damage resulting from any failure to comply with federal, state, local or other elevation requirements, including, but not limited to: **1.** failure of the lowest floor elevation of the Home to meet or exceed the base flood elevation established by the Federal Emergency Management Agency and applicable community floodplain management ordinances; and **2.** errors in connection with the collection and certification of elevation information, whether committed by Wieland, an agent of Wieland or by any person authorized by state or local law or ordinance to provide floodplain management information, or by any other person;
- AA.** Damage due to weather conditions which exceed the specifications for any covered item;
- BB.** Damage to any personal property;
- CC.** Damage caused by any alteration to a covered item;
- DD.** Any aspect whatsoever related to light fixtures and fans, except as noted in Section 12.2 of the Construction Quality Standards;
- EE.** Any aspect whatsoever related to appliances, including, but not limited to oven, range, range hood, dishwasher, garbage disposal, built-in microwave oven, refrigerator, washer, dryer, warming drawer, wine cooler, and all types of water heater (including so-called “tankless” water heaters), it being expressly understood that such items shall be covered only by such appliance’s and/or equipment’s manufacturer’s warranty (if any);
- FF.** Performance of any covered item; operation only is covered by this warranty;
- GG.** Persistent failure of any covered item in many homes such that the item is considered inherently defective as designed, made or manufactured, as reasonably determined by Wieland; and
- HH.** Any and all defects in materials or workmanship for any work, materials, or equipment installed by any contractor or person engaged by the Homebuyer directly and/or not engaged by Wieland (or a subcontractor or agent engaged by Wieland).
- II.** ALL CONSEQUENTIAL DAMAGE OF ANY KIND.

V. General Provisions

- A.** Time is of the essence. The time limits contained in this warranty are a material condition of this warranty.

- B. Homebuyer(s)** means the initial record owner(s) of the Home (stated in the warranty certificate applicable to the Home, and all direct successors in title to such initial homebuyer via voluntary conveyance by a duly recorded deed for value and **Home** means the dwelling described in the warranty certificate applicable to the Home. **Builder** or **Wieland** means John Wieland Homes and Neighborhoods, Inc., in Georgia and Tennessee, and means John Wieland Homes and Neighborhoods of the Carolinas, Inc., in North Carolina and South Carolina.
- C.** A warranted defect must first occur during the applicable designated portion of the warranty for that warranted defect in order to be covered as provided in this warranty. Therefore, per Section IV.X of this warranty, any pre-existing conditions the Homebuyer(s) knew about before closing on the Home and knowingly accepted (waived), such as "punch list" or "orientation" items, are not covered.
- D.** No one is authorized to change, alter or add to this warranty without the express written consent of Wieland.
- E.** The maximum amount payable under this warranty by Wieland for all claims submitted is the original final sales price of the Home shown on the warranty certificate applicable to the Home, which includes the parcel of land on which the Home was constructed.
- F.** This warranty is independent of any contractual arrangement between the Homebuyer(s) and Wieland for the construction of the Home and/or its sale, if any. Nothing contained in any such contract or any other contract between Wieland and the Homebuyer(s) can restrict or override the provisions of this warranty. The contractual arrangement includes, but is not limited to, Builder substitutions or changes in plans, specifications or materials.
- G.** If Wieland's performance of any of its obligations is delayed by any event not resulting from Wieland's own conduct, Wieland will be excused from performing until the effects of that event are remedied. Examples of such events are acts of God or the common enemy, labor strikes, shortages of materials, war, riot, civil commotion, sovereign conduct, or acts of persons who are not parties to this warranty.
- H.** Wieland and Wieland's employees, agents, contractors and subcontractors must be allowed access to the Home and areas around or attached to the Home during normal business hours when claim servicing is required and to inspect, repair and conduct tests as, in Wieland's judgment, may be required. It is Homebuyer(s) responsibility to ensure this access. This warranty shall be void if this access is not permitted.
- I.** Anything requiring repair or replacement which cannot be repaired or replaced with items readily available in the standard marketplace will be repaired or replaced with

items of similar kind and quality which are so available.

- J.** This warranty does not apply to appliances, consumer products, or other pieces of equipment, except as noted in Article I of this warranty.
- K.** Any legal action resulting from disputes between the Homebuyer(s) and Wieland that are not the direct result of provisions contained in this warranty are not the responsibility of Wieland.
- L.** Except as provided herein below, each succession in title to the Home, in no way affects the coverage under this warranty for its unexpired term. Each such successor is also bound by the provisions of this warranty and the Construction Quality Standards. There is no limit to the number of such successions during the unexpired terms, nor any cost incurred because of such successions.
- L-1.** Notwithstanding the foregoing or any contrary provision of this document, this warranty and all obligations and liabilities of Wieland hereunder shall be terminated and be deemed void and of no further force and effect upon the occurrence of any of the foregoing acts or events,
 - (i) any succession in title to the Home by any party pursuant to any foreclosure sale, trustee sale, or similar transaction pursuant to which a creditor of the Homebuyer is authorized to cause the sale of the Home to a third party;
 - (ii) succession in title to the Home by any mortgagee or creditor of a Homebuyer, whether pursuant to a deed in lieu of foreclosure or other voluntary action, or pursuant to any power of sale or other right to take possession the Home;
 - (iii) material damage or destruction to fifty (50%) percent or more of the gross livable area of the Home, by fire, flood, earthquake, mudslide, or similar cause or event;
 - (iv) home has remained vacant for a period of ninety (90) consecutive days or more, unless the Homebuyer (i) provides Wieland with advance notice of such vacancy; (ii) provides Wieland with evidence of proper ventilation, and interior and exterior maintenance on an on-going basis so as to prevent damage to the components and structural integrity of the home beyond Wieland's control during the time of such vacancy; and (iii) provides Wieland access to the home during reasonable business hours to confirm the foregoing prior to (and, if requested by Wieland, during) such vacancy.

- M. If, at the time of a claimed loss, there is any valid and collectible insurance, whether primary, excess or contingent, that applies to the losses, defects or claims covered by this warranty, then Homebuyer shall pursue recourse to such insurance and Wieland shall not be liable for any of said losses, defects or claims.
- N. When repairing or replacing, Wieland will attempt to match and replace with the original choice of colors and materials, except where the item was custom-ordered. Due to manufacturing variances, discontinued items, natural fading, weathering, etc., Wieland cannot and does not guarantee color matches. In addition, Wieland is not accountable for discontinued items, changes in dye lots, colors or patterns, or items ordered outside of the original construction of the Home.
- O. **Mandatory Binding Arbitration.** Wieland and Homebuyer(s) will cooperate with one another in avoiding and informally resolving disputes between them. Wieland and Homebuyer(s) shall first mediate formally any disputes between them, with the mediation commencing, and the mediator being selected, in the same manner as set forth below for the commencement of arbitration and the selection of an arbitrator (if the parties cannot mutually agree otherwise).

Any and all unresolved claims or disputes of any kind or nature between Wieland and Homebuyer(s) arising out of or relating in any manner to any purchase agreement with Wieland (if any), this warranty, the Home and/or property on which it is constructed, or otherwise, shall be resolved by final and binding arbitration conducted in accordance with this provision, and such resolution shall be final. This applies only to claims or disputes that arise after the later of: (a) the issuance of the final certificate of occupancy for the Home, or (b) the initial closing of the purchase of the Home by the initial Homebuyer(s). This specifically includes, without limitation, claims related to any representations, promises or warranties alleged to have been made by Wieland or its representatives; rescission of any contract or agreement; any tort; any implied warranties; any personal injury; and any property damage.

The terms and procedures of this warranty shall first apply to any claims or disputes that are within the coverage of this warranty. In order to be able to arbitrate or mediate any warranty claims, Homebuyer(s) must first have complied with all procedures set forth in this warranty within the time limits set forth herein. Failure of Homebuyer(s) to comply with such procedures in a timely manner shall bar any such claims against Wieland.

In order to initiate arbitration for disputes, Wieland or Homebuyer(s) must provide clear and specific written notice (if to Homebuyer(s), at the Home address; if to Wieland, to Wieland's Customer Service Department at the address set forth in this warranty) to the other that such party desires to arbitrate matters in dispute, together

with a description of the claim or dispute and of the damages or relief being sought. Arbitrations will be conducted by an independent, neutral, third-party arbitrator, located in the general metropolitan area where the Home is located, selected by Construction Arbitration Associates, Inc., Atlanta, Georgia (CAA) (CAA is not precluded from selecting itself); if CAA is unable or legally precluded from selecting an arbitrator, then the American Arbitration Association (AAA) shall do so (AAA is not precluded from selecting itself). As the purchase agreement with Wieland and this warranty are transactions involving interstate commerce, arbitrations shall be governed by the U.S. Arbitration Act, 9 U.S.C. Sections 1-16, to the exclusion of any provisions of state law.

Arbitrations will be conducted in accordance with rules provided or determined by the person or entity selecting the arbitrator as provided above; provided, however, if any procedural matters are not covered in those rules, the arbitrator shall decide such matters. The arbitrator will hold a hearing on the claim(s) or dispute(s) and render a decision or award, and such decision or award shall be final and binding on the parties.

If Wieland so chooses, Wieland may have its supplier(s) and contractor(s) whose work or supplies are involved in the dispute included as parties to the arbitration. Questions of whether issues are arbitrable and the actual interpretation of terms needing definition in order to arbitrate an issue shall be determined by the arbitrator.

Judgment upon an award rendered by an arbitrator may be entered in any court having jurisdiction thereof upon the application of Wieland or Homebuyer(s). Wieland shall pay all up front filing fees relating to arbitration or mediation. Each party shall bear its own costs and expenses and an equal share of the arbitrator's fees, the administrative fees of arbitration, and/or fees of mediation.

WIELAND AND HOMEBUYER(S) HEREBY ACKNOWLEDGE AND AGREE THAT THE ARBITRATION PROCEDURE SET FORTH HEREIN SHALL BE THE SOLE AND EXCLUSIVE REMEDY FOR THE RESOLUTION OF ANY AND ALL DISPUTES ARISING AFTER THE INITIAL CLOSING OF THE PURCHASE OF THE HOME BY THE INITIAL HOMEBUYER(S). WIELAND AND HOMEBUYER(S) HEREBY WAIVE ANY AND ALL OTHER RIGHTS AND REMEDIES AT LAW, IN EQUITY OR OTHERWISE WHICH MIGHT OTHERWISE HAVE BEEN AVAILABLE TO THEM IN CONNECTION WITH ANY SUCH DISPUTES.

Any dispute involving Wieland's directors, officers, shareholders, employees, agents, predecessors, affiliates or related companies shall be resolved through the foregoing mediation and arbitration process and not in a court of law. The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section; specifically, if it is validly determined that a particular claim or type of claim is not subject to arbitration hereunder, such

determination shall not affect or invalidate the applicability of arbitration or mediation hereunder to any other claim or type of claim.

P. THERE ARE AND WILL BE NO OTHER OR FURTHER WARRANTIES OR REPRESENTATIONS ON THE HOME AND/OR PROPERTY ON WHICH IT IS CONSTRUCTED (INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, WORKMANLIKE QUALITY, HABITABILITY, SUITABILITY FOR RESIDENTIAL PURPOSES, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE), EITHER EXPRESS OR IMPLIED, WRITTEN, ORAL OR STATUTORY, MADE BY WIELAND OTHER THAN AS EXPRESSED IN THIS WARRANTY, AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED BY WIELAND. THIS WARRANTY IS ALSO GIVEN BY WIELAND AND ACCEPTED BY HOMEBUYER(S) IN LIEU OF ALL OTHER RIGHTS OR REMEDIES THAT HOMEBUYER(S) HAVE OR MAY HAVE AT LAW OR IN EQUITY AGAINST WIELAND RELATING TO THE HOME AND/OR PROPERTY ON WHICH IT IS CONSTRUCTED, CONSTRUCTION OF THE HOME, AND THE CONDITIONS OR CIRCUMSTANCES EXISTING IN THE HOME AND/OR ON THE PROPERTY ON WHICH IT IS CONSTRUCTED, INCLUDING, BUT NOT LIMITED TO, ANY RIGHTS OR REMEDIES BASED ON NEGLIGENT CONSTRUCTION, MISREPRESENTATION, ANY TORT, VIOLATION OF ANY CODE, STATUTE OR RULE, BREACH OF CONTRACT (EXPRESS OR IMPLIED), OR BREACH OF WARRANTY (OTHER THAN BASED ON THE TERMS OF THIS WARRANTY), AND ALL SUCH OTHER RIGHTS OR REMEDIES ARE HEREBY EXPRESSLY WAIVED BY HOMEBUYER(S).

LEGAL NOTICES

For Georgia only:

GEORGIA LAW CONTAINS IMPORTANT REQUIREMENTS THAT YOU (HOMEBUYER(S)) MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO CONSTRUCTED, IMPROVED OR REPAIRED YOUR HOME. IF APPLICABLE, NINETY (90) DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS, OR BOTH. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.

CONSTRUCTION QUALITY STANDARDS

The following Construction Quality Standards are based on standards that have been developed and accepted by the residential construction industry in general. While it is virtually impossible to develop a construction standard for each possible deficiency, Wieland has attempted to isolate the most common deficiencies that occur and in so doing list the extent of Builder and Homebuyer(s) responsibility. Where a specific deficiency has not been identified, the standard practice of the residential construction industry at the time of construction of the Home will apply.

Homebuyer(s) should be aware that all new homes go through a period of expansion and contraction. During this period, a home may experience some minor material shrinkage, cracking and other events that are unavoidable and considered normal, such as, without limitation, temporary expansion of pipes that then make contact with wall studs or other material, floor squeaks, and other noises and sounds that are part of the settlement of the home. Homebuyer(s) should also be aware that Homebuyer(s) are responsible for proper home maintenance. Damage caused by negligence, lack of maintenance, improper maintenance or changes, alterations or additions by or on behalf of Homebuyer(s), is excluded from the warranty.

The following Construction Quality Standards are expressed in terms of required standards that Wieland's construction must meet. Non-compliance with these standards calls for corrective action. **Unless otherwise noted below, all following items identified are One Year (Workmanship) warranted items.**

I. SITE WORK

1.1 GROUND SETTLING

•DEFICIENCY: Excessive ground settling around the foundation, utility trenches or other areas on the lot that have been excavated and backfilled affecting drainage away from the Home.

CONSTRUCTION STANDARD: Ground settling should not exceed 6 inches from the final landscaping grade established by the Builder and should not impede water drainage away from the Home.

BUILDER CORRECTION: If the Builder provided final landscaping grade, the Builder shall recompact and backfill excessively settled areas affecting drainage away from the Home one time, but only during the first year of the warranty. Any landscaping affected by the repair is not the responsibility of Builder.

1.2 LANDSCAPING

•Builder shall have no obligation, responsibility or liability whatsoever for (1) trees and/or shrubbery that Builder would have removed, or had planned to remove, during construction but which Homebuyer(s) (or predecessor) specifically requested not be removed, (2) natural areas left undisturbed by Builder, including, without limitation, drainage in such areas, (3) site drainage and/or standing or ponding water of any kind or nature whatsoever, and (4) trees of any kind whatsoever, except as specifically stated herein.

•Builder will provide a replacement shrub one time only for any shrub that dies during the first 30 days of the warranty. No labor or other materials will be provided.

•Builder guarantees the survival of at least two-thirds (2/3) of the total number of nursery-grown "B&B" transplanted trees during the first six months of the warranty, so long as they are properly cared for as determined by Builder. *Proper care includes: 1) watering: during the spring, summer and early fall, water trees at least once per week, soaking the root ball heavily; 2) fertilizing: in March, May and July, fertilize each tree with 1/3 cup of 10-10-10 fertilizer per inch of trunk diameter; and 3) mulch: maintain pinestraw mulch around the base of the tree to a depth of 3" to 4".* Any

replacement trees that may be required to meet the minimum two-thirds (2/3) total number will be replanted one time only. Dead trees will be cut flush to the ground where possible. Stumps will be ground only if the tree was in a grassed area of the front yard.

- During the first year of the warranty, Builder warrants that lawns of Bermuda and Zoysia sod that are laid when dormant will come out of dormancy. Areas of 25 contiguous square feet or less are excluded as these will grow over naturally. Areas greater than 25 contiguous square feet will be repaired one time only in the Spring.

- Fescue lawns (seed and sod) are not covered by the warranty.

II. CAST-IN-PLACE CONCRETE

- DEFICIENCY: Excessive basement or foundation wall cracks.

CONSTRUCTION STANDARD: Non-structural cracks are not unusual in concrete foundation walls.

Cracks greater than 1/8 inch are considered excessive.

BUILDER CORRECTION: The Builder shall repair non-structural cracks in excess of 1/8 inch by surface patching. If needed, any such work should be done toward the end of the first year of the warranty.

- DEFICIENCY: Excessive cracking of basement floor, attached garage slab or attached patio slab, other than as excluded by Section IV.A and IV.C of the warranty.

CONSTRUCTION STANDARD: Minor cracks are common. Cracks exceeding 1/4 inch in width or 1/4 inch in vertical displacement of warranted concrete are considered excessive.

BUILDER CORRECTION: The Builder shall repair cracks exceeding the maximum tolerances by surface patching or other methods, as required.

- DEFICIENCY: Cracks in concrete slab on grade finished floors.

CONSTRUCTION STANDARD: Cracks which significantly impair the appearance or performance of the finish flooring material are not acceptable.

BUILDER CORRECTION: The Builder shall repair cracks as necessary so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring.

- DEFICIENCY: Uneven concrete floors.

CONSTRUCTION STANDARD: Concrete floors in rooms designed and finished by Builder or habitation should not have pits, depressions or areas of unevenness exceeding 3/8 inch in 32 inches or slope in excess of 1/240 of room width or length. Not applicable to floors designed for specific drainage purposes or to slabs that have experienced some movement but are within design performance criteria.

BUILDER CORRECTION: Builder to repair or replace to meet the above standard. Surface patching shall be acceptable. Repair or replace finish flooring installed by Builder, if any.

- DEFICIENCY: Pitting, scaling or spalling of non-excluded concrete.

CONSTRUCTION STANDARD: Such concrete surfaces should not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use. Not applicable to deterioration caused by salt, chemicals, mechanical implements, normal activities involved in the construction of the Home, and other factors beyond the Builder's control.

BUILDER CORRECTION: Builder to repair or replace to meet the above standard.

- DEFICIENCY: Excessive separation of brick or masonry edging from concrete slab and step.

CONSTRUCTION STANDARD: Cracks or separation is common, but cracks in excess of 1/4 inch are excessive.

BUILDER CORRECTION: The Builder shall grout the crack.

- DEFICIENCY: Cracking, settling, heaving or separating of structurally attached stoops or steps.

CONSTRUCTION STANDARD: Stoops or steps should not settle, heave or separate in excess of 1 inch in relation to the house structure. No cracks except hairline cracks (less than 1/4 inch) are acceptable in structurally attached concrete stoops.

BUILDER CORRECTION: Builder to take corrective action to meet standard. Surface patching shall be acceptable.

III. MASONRY

3.1 BRICK, BLOCK AND STONE

•DEFICIENCY: Excessive cracking in masonry walls.

CONSTRUCTION STANDARD: Small cracks in masonry and mortar due to shrinkage are not unusual. Cracks greater than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Repair cracks in excess of 1/8 inch by pointing or patching. It is recommended that this be done toward the end of the first year of the warranty. Horizontal cracks greater than 3/16 inch should be investigated to determine the cause. Horizontal cracks greater than 3/16 inch should be repaired by pointing, patching, reinforcement or replacement of defective area. Color matching is not guaranteed.

•DEFICIENCY: Excessive cracking in masonry walls or veneer above grade.

CONSTRUCTION STANDARD: Small cracks due to shrinkage are not unusual. Cracks greater than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Repair cracks in excess of 1/8 inch by pointing. It is recommended that this be done toward the end of the first year of the warranty. Color matching is not guaranteed.

3.2 STUCCO

•DEFICIENCY: Excessive cracking or spalling of finish surface.

CONSTRUCTION STANDARD: Hairline cracks are common. Cracks greater than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Clean out area by scraping and fill with stucco. Color, finish and texture matching are not guaranteed.

3.3 HARDCOAT STUCCO

•DEFICIENCY: Excessive cracking in hardcoat stucco wall surfaces.

CONSTRUCTION STANDARD: Hairline cracks are normal in hardcoat stucco wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Builder to repair cracks by filling with a latex filler. Existing color and finish to be matched as closely as possible by using tinted filler or painting the repaired area. Exact matching of the color, finish and texture is not guaranteed.

IV. CARPENTRY

4.1 ROUGH CARPENTRY

•DEFICIENCY: Floor squeak.

CONSTRUCTION STANDARD: Floor areas should not have squeaks that are loud and reasonably objectionable, and the subflooring should be secure to the joists. However, there is no guarantee that floors will not squeak, so isolated floor squeaks are not defects.

BUILDER CORRECTION: Builder should locate and make every reasonable effort to repair, if caused by improper installation.

•DEFICIENCY: Uneven wood framed floors.

CONSTRUCTION STANDARD: Subfloors will not have more than a 3/8 inch ridge or depression within any 32 inch measurement, or slope of a room that exceeds L/240; the length of the room in inches divided by 240. Measurements should not be made at imperfections that are characteristic of the material used. This guideline does not cover transition points between different materials. Crowns

and other lumber characteristics that meet the standards of the applicable grading organization for the grade and species used are not defects. Deflection of engineered trusses or manufactured structural components that are within manufacturers' specification are not defects.

BUILDER CORRECTION: Builder to correct or repair to meet the above standards.

•**DEFICIENCY:** Bowed stud walls and/or ceilings.

CONSTRUCTION STANDARD: All interior and exterior walls and ceilings have slight variances on their finished surfaces. Bowing should not be so visible as to detract from the finished surface. Walls and ceilings bowed in excess of $L/240$ of any horizontal or vertical measurement is considered excessive.

BUILDER CORRECTION: Builder to correct or repair to meet the above standards.

•**DEFICIENCY:** Out of plumb wood framed walls.

CONSTRUCTION STANDARD: Walls should be plumb within 1 inch in 8 feet.

BUILDER CORRECTION: Builder to correct or repair to meet the above standards.

•**DEFICIENCY:** Delaminating subflooring.

CONSTRUCTION STANDARD: Subflooring that delaminates on the "finish" side is a defect.

BUILDER CORRECTION: Builder to repair or replace the subflooring and replace the finish materials as needed to match the existing finish as closely as possible. Color, finish and texture matching are not guaranteed.

4.2 FINISH CARPENTRY — INTERIOR

•**DEFICIENCY:** Quality of finished interior trim workmanship.

CONSTRUCTION STANDARD: Joints between moldings and adjacent surfaces should not exceed 1/8 inch.

BUILDER CORRECTION: Repair joints and touch up the finish as needed to match existing as close as possible. Caulking is acceptable.

4.3 FINISH CARPENTRY—EXTERIOR

•**DEFICIENCY:** Quality of finished exterior trim workmanship.

CONSTRUCTION STANDARD: Joints between exterior trim elements should not exceed 3/8 inch. In all cases the exterior trim at masonry and siding shall be capable of performing its function to exclude the elements under normal weather conditions.

BUILDER CORRECTION: Repair joints and touch up the finish as needed to match existing as close as possible. Caulking is acceptable.

4.4 NAIL HOLES

•**DEFICIENCY:** Exposed nail heads in wood.

CONSTRUCTION STANDARD: Nail holes which have not been filled on finished painted wood are deficiencies. However, material used to fill nail holes may shrink and/or dry up over time, but this is not a deficiency. In addition, some nail holes may not be filled where, because of the product, the surface finish is not conducive or designed to have nail holes filled, and this is not a deficiency.

BUILDER CORRECTION: Fill nail holes as required to meet standard and touch up finish as necessary to match as closely as possible. Color and finish matching are not guaranteed.

V. THERMAL AND MOISTURE PROTECTION

5.1 BASEMENTS AND CRAWL SPACES

•**DEFICIENCY:** Active water flow into basement or so as to create standing water in the crawl space for at least forty-eight (48) consecutive hours.

CONSTRUCTION STANDARD: Leaks resulting in active flow of water through the basement walls or through the basement floor are unacceptable. Leaks resulting in active flow of water that creates standing water in the crawl space for at least forty-eight (48) consecutive hours are unacceptable. Leaks caused by landscaping improperly installed by or on behalf of Homebuyer(s) or by failure to maintain the grades established by Builder are not deficiencies. Dampness in walls and floors may occur in new construction and is not considered a deficiency. High wood moisture content in crawlspace lumber, in absence of an active water leak, is not a deficiency. Maintaining proper ventilation and humidity levels are the responsibility of the Homeowner.

BUILDER CORRECTION: During the first five years of the warranty, the Builder shall take such action as necessary to correct basement and crawl space leaks as described above, except where the cause is determined to result from neglect or action by Homebuyer(s) or someone acting on behalf of Homebuyer(s). Any mold/mildew and/or the presence thereof anywhere in the Home, including, without limitation, in any crawl space, unfinished basement or other unfinished or finished space, is not covered. All aspects of mold/mildew, including cleaning or otherwise addressing, are the responsibility of the Homebuyer(s) as part of maintenance of the Home.

5.2 EXTERIOR SIDING

•**DEFICIENCY:** Loose siding; delamination, splitting or deterioration of siding.

CONSTRUCTION STANDARD: Siding should be securely fastened to the Home. It should not delaminate, split or deteriorate.

BUILDER CORRECTION: Builder to re-secure or reinstall loose siding. Builder will repair or replace delaminated, split or deteriorated siding matching the existing texture and finish as closely as possible.

NOTE: Any item related in any way to exterior siding (including, without limitation, water intrusion) is covered for one year from the commencement of the warranty.

5.3 SYNTHETIC STUCCO (EIFS)

•**DEFICIENCY:** Cracks in synthetic stucco wall surfaces.

CONSTRUCTION STANDARD: Cracks are normal in synthetic stucco wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Builder to clean out area by scraping and fill with synthetic stucco to repair cracks as required and touch up the finish to match the existing finish as closely as possible. Color, finish and texture matching are not guaranteed.

NOTE: Any item related in any way to synthetic stucco (including, without limitation, water intrusion) is covered for one year from the commencement of the warranty.

5.4 ROOFING

•**DEFICIENCY:** Leaks at roof penetrations made in the course of construction.

CONSTRUCTION STANDARD: Roof penetrations made in the course of construction should not leak under normal weather conditions. Leaks resulting from severe weather conditions, such as ice and snow build-up, high winds and driven snow or rains, are not deficiencies. In addition, maintenance/replacement of boots and caulking are Homebuyer(s) maintenance items.

BUILDER CORRECTION: During the first five years of the warranty, Builder shall correct or repair any verified leaks at roof penetrations made in the course of construction.

•**DEFICIENCY:** Lifted, curled or torn shingles.

CONSTRUCTION STANDARD: Shingles should not lift, curl or tear under normal weather conditions. Accidental loss or damage from, for example, natural causes, fire, aircraft or vehicles is not a deficiency.

BUILDER CORRECTION: During the first year of the warranty, Builder shall repair and/or replace

defective shingles to match the existing shingles as closely as possible.

5.5 SEALANTS

•DEFICIENCY: Leaks in exterior walls due to inadequate caulking.

CONSTRUCTION STANDARD: Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water and excessive drafts. Properly installed caulking will shrink and must be maintained by Homebuyer(s) during the life of the Home; this is not a deficiency.

BUILDER CORRECTION: If requested by Homebuyer(s), Builder shall repair and/or caulk joints or cracks in exterior wall surfaces as required to correct the deficiency. It is Homebuyer(s) responsibility to maintain the caulking.

5.6 GUTTERS AND DOWNSPOUTS

•DEFICIENCY: Gutters and/or downspouts leak or have standing water.

CONSTRUCTION STANDARD: Gutters and downspouts should not leak. Gutters should be pitched properly to drain water. Standing water in the gutter that does not exceed 1 inch in depth is acceptable. However, it is the Homebuyer(s) responsibility to keep gutters, downspouts, downspout extensions and underground pipes connected to downspouts clean so as to assure proper drainage and prevent leaks, overflow or standing water.

BUILDER CORRECTION: Repair leaks and pitch to drain properly.

5.7 EXTERIOR WOOD AND WOOD TRIM

•DEFICIENCY: Exterior wood or wood trim is deteriorating or rotting.

CONSTRUCTION STANDARD: Wood and wood trim used on the exterior of homes is primed and painted with high-quality paint, and the locations where wood or wood trim abuts other material are sealed with caulk and painted. The maintenance of these areas is the responsibility of the Homeowner from the time of closing.

BUILDER CORRECTION: None.

VI. DOORS AND WINDOWS

6.1 INTERIOR AND EXTERIOR DOORS

•DEFICIENCY: Warping of interior and exterior doors.

CONSTRUCTION STANDARD: Exterior doors may warp to some degree due to the temperature and moisture differential between the inside and outside faces. Doors that warp so as to prevent normal closing are defective. Warping of 1/4 inch or less, measured from top to bottom, is acceptable.

BUILDER CORRECTION: Repair or replace the doors as needed and finish to match the existing doors as closely as possible.

•DEFICIENCY: Door binds against the frame. Door will not lock.

CONSTRUCTION STANDARD: Doors should operate freely without binding against the frame. The lock should operate smoothly and fit to the keeper.

BUILDER CORRECTION: Builder to adjust the door and keeper to operate freely.

•DEFICIENCY: Door panels shrink showing bare wood.

CONSTRUCTION STANDARD: Panels will shrink and expand, showing raw wood edges, with temperature and humidity changes. This is not a deficiency.

BUILDER CORRECTION: None.

•DEFICIENCY: Split door panel.

CONSTRUCTION STANDARD: Splits that allow visible light penetration through the door are

defects.

BUILDER CORRECTION: Repair or replace as needed one time during the first year of the warranty. Wood filler or caulking is an acceptable repair. Finish to match the existing doors as closely as possible.

•**DEFICIENCY:** Door rubs on the carpet.

CONSTRUCTION STANDARD: The door should not rub the carpet.

BUILDER CORRECTION: Builder to trim the bottom of the door and re-seal the bottom edge.

6.2 GARAGE DOOR(S) ON ATTACHED GARAGE

•**DEFICIENCY:** Garage door(s) fail to operate properly.

CONSTRUCTION STANDARD: Garage door(s) should operate properly and fit the opening closely. Under heavy weather conditions, there may be some penetration by the elements.

BUILDER CORRECTION: Builder to adjust or repair garage doors as required to operate under normal weather conditions.

6.3 WOOD, METAL AND PLASTIC WINDOWS

•**DEFICIENCY:** Malfunction of windows.

CONSTRUCTION STANDARD: Windows should operate with reasonable ease. Window sashes are permitted to move within a 2 inch tolerance when in the open position.

BUILDER CORRECTION: Builder to adjust, repair or replace as required. During the first five years of the warranty, Builder to adjust or replace window sash tracks if necessary to correct the deficiency.

•**DEFICIENCY:** Condensation and/or frost on windows.

CONSTRUCTION STANDARD: Condensation on interior surfaces is caused by temperature and humidity differences. In cold weather, this will turn to frost. This is not a deficiency.

BUILDER CORRECTION: None.

6.4 SASH LOCK

•**DEFICIENCY:** Sash lock will not operate properly.

CONSTRUCTION STANDARD: The sash lock should be firmly attached to the window frame and close properly so as to lock the window.

BUILDER CORRECTION: During the first five years of the warranty, Builder to adjust, repair or replace the sash lock. Builder to adjust the window if the sashes do not align properly to permit the sash lock to operate.

6.5 STORM DOORS, WINDOWS AND SCREENS

•**DEFICIENCY:** Improper operation of storm doors, windows and screens installed by Builder.

CONSTRUCTION STANDARD: Storm doors, windows and screens should operate and fit so as to provide the protection they are intended to provide.

BUILDER CORRECTION: Builder to adjust or replace as needed.

6.6 WEATHERSTRIPPING AND SEALS

•**DEFICIENCY:** Air or water infiltration around doors and windows.

CONSTRUCTION STANDARD: Air infiltration is generally normal and necessary for proper ventilation of the Home, even in colder or warmer weather. Air infiltration will be noticeable around doors and windows, especially during high winds. There could be some water infiltration during high winds as well as directional rains.

BUILDER CORRECTION: None. This is not a defect and seasonal inspection and door adjustments

are considered Homeowner maintenance.

6.7 INSULATED WINDOW SEALS

•DEFICIENCY: Clouding or condensation between the panes of insulated glass.

CONSTRUCTION STANDARD: The windows should be free of clouding and condensation between the panes of glass.

BUILDER CORRECTION: During the first five years of the warranty, Builder to repair breaks in the hermetic seal of insulated windows to correct the deficiency, as defined in the manufacturer's warranty. After expiration of any manufacturer's warranty, Builder will cover materials as would be covered by the manufacturer's warranty.

VII. FINISHES

7.1 LATH AND PLASTER

•DEFICIENCY: Excessive cracks in surfaces.

CONSTRUCTION STANDARD: Hairline cracks are common. Cracks larger than 1/8 inch in width are considered excessive.

BUILDER CORRECTION: Builder to repair cracks and touch up the paint to match as closely as possible, one time only during the first year of the warranty.

7.2 DRYWALL

•DEFICIENCY: Defects caused by poor workmanship such as blisters in tape, excess compound in joints, exposed corner beads, or trowel marks.

CONSTRUCTION STANDARD: Imperfections such as occasional nail pops that do not crack the finish, seam lines and hairline cracks are common to drywall and are not defects. Depressions or slight mounds at nail heads are not defects. Blisters in tape, excess compound in joints, exposed corner beads, trowel marks, excessive nail pops and nail pops that cause cracking of the finish are defects.

BUILDER CORRECTION: Builder to correct defects to acceptable tolerance and touch up the finish to match the existing finish as closely as possible, one time only during the first year of the warranty. Significant repairs may require the entire area to be repainted. An exact color match is not guaranteed.

7.3 HARD SURFACE FINISHES (CERAMIC TILE, MARBLE, FLAGSTONE, QUARRY TILE)

•DEFICIENCY: Finish material (not the mortar or grout joints) cracks and/or becomes loose.

CONSTRUCTION STANDARD: Finish material that cracks or becomes loose is a defect.

BUILDER CORRECTION: Builder to replace any cracked materials and resecure any loose materials. Slight color and pattern variations are normal. Builder is not responsible for discontinued materials by the manufacturer. Unless the defective area is greater than 25% of the finished area, the Builder will not be required to replace the entire area.

•DEFICIENCY: Cracks in mortar or grout joints or at junctions with other material, such as a bathtub.

CONSTRUCTION STANDARD: Cracks are common under normal conditions.

BUILDER CORRECTION: Builder will repair mortar or grout as necessary, one time only in the first year of the warranty. Builder is not responsible for color variations or discontinued color grout.

7.4 HARDWOOD FLOORING

•DEFICIENCY: Cracks between the planks, and uneven floors.

CONSTRUCTION STANDARD: There are no industry standards for determining an acceptable or excessive crack. Seasonal changes in relative humidity will cause boards to expand and contract.

Builder will repair cracks that exceed 1/8 inch as measured between the months of June and September inclusive. But Homebuyer(s) must prevent excessive moisture from getting on the floor and maintain a stable temperature and humidity level in the Home year-round. Floors should be level within 3/8 inch in 32 inches.

BUILDER CORRECTION: Builder will repair cracks that exceed 1/8 inch by filling with a color coordinated wood filling compound to match as closely as possible. Cracks that exceed 1/4 inch will be repaired by replacing the planks. Uneven flooring resulting from buckling, swelling, or warping that exceeds 1/4 inch in 32 inches as measured perpendicular to the planks will be repaired if caused by defective workmanship. Squeaks in floor are not defects.

7.5 RESILIENT FLOORING

•**DEFICIENCY:** Nail pops appear on the surface of flooring.

CONSTRUCTION STANDARD: Readily apparent nail pops are a deficiency.

BUILDER CORRECTION: The Builder shall correct nail pops which have broken the surface and repair or replace the floor covering in the affected area only (not the entire floor). Builder is not responsible for discontinued patterns or color variations in tile floor covering.

•**DEFICIENCY:** Depressions or ridges appear in the flooring due to subfloor irregularities.

CONSTRUCTION STANDARD: Readily apparent depressions or ridges exceeding 3/16 inch should be repaired. The ridge or depression measurement is taken at the gap created at one end of a 6 inch straight edge placed over the depression or ridge with three inches on one side of the depression or ridge held tightly to the floor.

BUILDER CORRECTION: The Builder shall take corrective action as necessary to bring the defect within acceptable tolerances so that it is not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering.

•**DEFICIENCY:** Seams or shrinkage gaps show.

CONSTRUCTION STANDARD: Gaps shall not exceed 1/8 inch in width. Where dissimilar materials abut, the gap shall not exceed 3/16 inch.

BUILDER CORRECTION: Builder to correct. If replacement is necessary, the Builder is not responsible for discontinued patterns or color variations in the floor covering.

7.6 CARPETING

•**DEFICIENCY:** Carpet seams separate, carpet becomes loose or excessive stretching occurs.

CONSTRUCTION STANDARD: Seams that separate due to improper installation are a deficiency. Carpet should not come loose. Carpet should not have excessive stretching. The carpeting material itself is not covered, but is covered solely by the manufacturer's warranty.

BUILDER CORRECTION: Builder to repair seams. Builder to resecure or restretch carpeting as needed one time only during the first year of the warranty.

7.7 PAINTING

•**DEFICIENCY:** Mildew or fungus on painted surfaces.

CONSTRUCTION STANDARD: Mildew or fungus is a maintenance item. It is not a deficiency.

BUILDER CORRECTION: None.

•**DEFICIENCY:** Exterior paint or stain peels or deteriorates.

CONSTRUCTION STANDARD: Exterior paints or stains should not fail during the first year of the warranty. Fading is normal and subject to sun and weather exposure. Fading is not a deficiency. Peeling or other deterioration of exterior paint which occurs after the end of the first year of the warranty is not covered, even though some peeling or deterioration of some part of the exterior paint may have occurred during such first year.

BUILDER CORRECTION: Builder shall properly prepare and refinish affected areas only, matching

the existing color as closely as possible. Color matching of paint is not guaranteed.

•DEFICIENCY: Painting required as corollary repair because of other work.

CONSTRUCTION STANDARD: Necessary repair of a painted surface under warranty will be refinished to match surrounding areas as closely as possible.

BUILDER CORRECTION: Refinish repaired areas as indicated. Color matching of paint is not guaranteed.

•DEFICIENCY: Deterioration of varnish or lacquer finishes.

CONSTRUCTION STANDARD: Natural finishes on interior woodwork that deteriorate during the first year of the warranty are a deficiency. Exterior varnish-type finishes deteriorate rapidly and are not covered.

BUILDER CORRECTION: Refinish the affected area only, matching the color as closely as possible.

•DEFICIENCY: Interior paint application and coverage.

CONSTRUCTION STANDARD: Interior paint shall sufficiently cover wall, ceiling and trim surfaces.

BUILDER CORRECTION: Builder shall repaint affected surfaces only where inadequate paint has been applied. The color shall be matched as closely as possible.

•DEFICIENCY: Paint splatters and smears on finish surfaces.

CONSTRUCTION STANDARD: Excessive splatters and smears that detract from the finish, and which can not be removed by normal cleaning methods, are a deficiency. Minor paint splatters that are not readily noticeable are not a deficiency.

BUILDER CORRECTION: Builder to clean/remove paint and restore the surface finish, matching colors as closely as possible.

7.8 WALL COVERING

•DEFICIENCY: Peeling of wallpaper.

CONSTRUCTION STANDARD: Peeling of wallpaper, not due to abuse or negligence, is a deficiency. Wallcovering installed by anyone other than Builder is not covered.

BUILDER CORRECTION: Builder to repair or replace defective wallpaper. Builder is not responsible for discontinued patterns or variations in color.

•DEFICIENCY: Mismatching in wallcovering pattern originally installed by Builder.

CONSTRUCTION STANDARD: Mismatching pattern due to workmanship over a large area that severely detracts from the appearance is a deficiency. Wallcovering installed by anyone other than Builder is not covered.

BUILDER CORRECTION: Builder to replace mismatched wallcovering. Builder is not responsible for discontinued patterns or variations in color.

7.9 CONCRETE COATINGS

•DEFICIENCY: Paint, concrete stain or epoxy coating on garage floor lifts, pulls or flakes off.

CONSTRUCTION STANDARD: Concrete coatings will perform when correctly applied over properly prepared concrete however it is not uncommon to have small areas that will release and flake. This is most common where the hot automobile tires come to rest, where chemicals have damaged the finish and bond or as a result of physical damage. Given the high likelihood of these coatings being compromised by external factors, they are excluded from any warranty coverage.

BUILDER CORRECTION: None

VIII. FIREPLACES

8.1 FIREPLACE OPERATION

•DEFICIENCY: Fireplace or chimney does not draw properly causing smoke to enter the Home.

CONSTRUCTION STANDARD: The fireplace and chimney should function as intended. High winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. In some cases, it may be necessary to open a window slightly to create an effective draft. Builder is not responsible for malfunctions due to natural causes and/or causes beyond Builder's control.

BUILDER CORRECTION: Builder to correct malfunctions caused by improper construction.

8.2 CHIMNEY

•DEFICIENCY: Chimney separating from structure to which it is attached.

CONSTRUCTION STANDARD: Newly built fireplaces will often incur slight amounts of separation from the main structure. Separation greater than ½ inch from the main structure in any 10 foot vertical measurement is a deficiency.

BUILDER CORRECTION: Builder to correct as required. Grouting or caulking is acceptable for separations up to ½ inch.

IX. CABINETS

9.1 KITCHEN AND VANITY CABINETS

•DEFICIENCY: Cabinet doors and drawers malfunction.

CONSTRUCTION STANDARD: Cabinet doors, drawers and other operating parts should function as designed.

BUILDER CORRECTION: Builder to repair or replace.

•DEFICIENCY: Warping of cabinet doors and drawer fronts.

CONSTRUCTION STANDARD: Warpage that exceeds 1/4 inch (exclusive of any gap created by spacers), measured from the face of the cabinet frame with the door or drawer in the closed position, is a deficiency.

BUILDER CORRECTION: Builder to correct or replace as required.

•DEFICIENCY: Gaps between cabinets and the ceiling or walls.

CONSTRUCTION STANDARD: Gaps should not exceed 1/4 inch.

BUILDER CORRECTION: Adjust cabinets and countertops, or close with suitable moulding to match the finish as closely as possible. Caulking is acceptable.

9.2 COUNTERTOPS

•DEFICIENCY: Surface cracks, delaminations and chips in high pressure laminated vanity and kitchen countertops.

CONSTRUCTION STANDARD: Countertops fabricated with high pressure laminate coverings should not delaminate or have chips or surface cracks. Gaps between joints should not exceed 1/16 inch. Moisture and water build-up in seams will occur if such areas are not properly maintained by Homebuyer(s) so, unless caused by Builder, moisture and water build-up in seams is not a deficiency.

BUILDER CORRECTION: Builder to repair or replace to meet the standard.

X. PLUMBING SYSTEMS

10.1 SEPTIC TANK SYSTEM

•DEFICIENCY: Septic system fails to operate properly.

CONSTRUCTION STANDARD: Septic system should properly handle normal flow of household effluent. It is possible that an overflow can occur due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing or appliances. Periodic pumping of the septic tank is considered a Homebuyer(s) maintenance responsibility and a normal need for pumping is not a deficiency.

BUILDER CORRECTION: During the first two years of the warranty, Builder to repair system to correct malfunction due to improper design or installation. Builder shall not be responsible for malfunctions which occur through negligence or abuse or natural causes (such as freezing or changes in ground water table) and/or conditions that are beyond the Builder's control. The following are considered negligence or abuse:

- A.** Excessive use of water, such as overuse of the washing machine and the 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 any 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.
- 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.

10.2 PLUMBING

•DEFICIENCY: Water service line breaks or leaks or fails to deliver water.

CONSTRUCTION STANDARD: Service connections are the Builder's responsibility. The water service line should function as intended. Damage or failure resulting from neglect or abuse or landscaping activities, or from conditions beyond the Builder's control (such as, for example, without limitation, disruption or elimination of sources of water supply), is not covered.

BUILDER CORRECTION: During the first five years of the warranty, Builder to repair verified leaks in the line or restore service, if leak or failure is due to defective workmanship or materials, and restore the landscaping in the affected area. The Builder's responsibility for water service lines extends only from the Home to the water meter connection on the property on which the Home is situated.

NOTE: Should a water service line break or leak occur, Homebuyer(s) should immediately shut off the water service at the meter and call the appropriate public utility service.

•DEFICIENCY: Leakage in pipes or fittings. Leakage from pipes freezing and bursting.

CONSTRUCTION STANDARD: No leaks should exist in any plumbing pipes or fittings. Condensation on piping does not constitute leakage. Exterior hose bibs and other hose connections are not covered. Leaks occurring because of neglect or failure to maintain suitable temperatures in the Home to prevent pipes from freezing and bursting are not covered.

BUILDER CORRECTION: During the first five years of the warranty, Builder shall repair any leakage from pipes or fittings installed by Builder, except for leakage caused by blockages or freezing.

During the first two years of the warranty, Builder shall repair any leakage from pipes or fittings installed by Builder caused by freezing.

NOTE: Should a water pipe leak occur, Homebuyer(s) should immediately shut off the water service and call the appropriate public utility service.

•DEFICIENCY: Stopped up sewers, fixtures and drains.

CONSTRUCTION STANDARD: Sewer fixtures and drains should operate properly. Damage, insufficient operation or clogging due to neglect, abuse, improper operation or landscaping activities, or from conditions beyond Builder's control, is not covered.

BUILDER CORRECTION: During the first two years of the warranty, where defective construction is shown to be the cause of the deficiency, the Builder will make the necessary repairs. The Builder's responsibility for sewer lines extends only to either the county sewer tap connection, the boundary line of the property on which the Home is situated, or a grinder pump.

•**DEFICIENCY:** Sewage ejector pump fails to operate.

CONSTRUCTION STANDARD: Sewage ejector pump should operate properly under normal usage. The pump should function as designed and pump waste into the sewage management system servicing the home. Only waste water, bodily waste and toilet tissue should be deposited in the fixtures serviced by this pump. If any other items have been deposited in the system such as feminine hygiene products or non biodegradable items, the Builder will not be responsible for any repairs. Occasional servicing and cleaning may be required as part of routine maintenance.

BUILDER CORRECTION: During the first two years of the warranty, Builder shall repair or replace the sewage ejector pump.

•**DEFICIENCY:** Leakage in a faucet, valve, tub, sink or toilet.

CONSTRUCTION STANDARD: No faucet, valve, tub, sink or toilet should leak due to defects in material or workmanship. Replacement and maintenance of washers and seals are the responsibility of the Homebuyer(s). Leakage due to worn cartridges, toilet flappers, washers or seals is not covered. Water exchange from the toilet tank into the bowl due to a worn flapper is considered routine maintenance and is not covered.

BUILDER CORRECTION: During the first five years of the warranty, Builder shall repair or replace the leaking faucet, valve, tub, sink or toilet.

•**DEFICIENCY:** Defective plumbing fixtures or trim fittings.

CONSTRUCTION STANDARD: Fixtures or fittings should operate or perform their intended function properly. Tarnishing and pitting of faucets are not covered, but are covered solely by the manufacturer's warranty. High iron content in the water will cause staining of fixtures. It is the Homebuyer(s) responsibility to treat the water, if necessary. No Builder correction is required.

BUILDER CORRECTION: During the first five years of the warranty, the Builder shall repair or replace any fixture or fitting which is outside of acceptable standards of operation or performance.

10.3 GAS LINE

•**DEFICIENCY:** Leakage in the interior gas line piping.

CONSTRUCTION STANDARD: No leaks should exist in any gas pipes or fittings. Damage resulting from neglect or abuse, or from conditions beyond the Builder's control (such as, for example, without limitation, disruption or elimination of sources of gas supply), is not covered.

BUILDER CORRECTION: During the first five years of the warranty, Builder to repair verified leaks in piping as necessary, if leak is due to defective workmanship or materials.

NOTE: Should a gas pipe leak occur outside the Home, Homebuyer(s) should call the appropriate public utility service immediately. If the leak occurs inside the Home, Homebuyer(s) should shut off the gas service immediately, ventilate the Home, and call the appropriate public utility service immediately.

XI. HEATING AND AIR CONDITIONING SYSTEM

11.1 HEATING

•**DEFICIENCY:** Inadequate heating.

CONSTRUCTION STANDARD: The heating system shall be capable of producing an inside temperature of 68 degrees Fahrenheit as measured in the center of each room at a height of 3 feet

above the floor under local outdoor winter design conditions as specified in the ASHRAE handbook. There may be times when the outdoor temperature falls below the design temperature. When this occurs, the temperature in the Home may be lower than 68 degrees. Rooms located over garages and sunporches will experience a temperature differential due to their exposure, and this is not a deficiency.

BUILDER CORRECTION: Correct the heating system to meet the standard. Builder to balance dampers, registers and make other minor adjustments one time only during the first year of the warranty.

11.2 AIR CONDITIONING

•**DEFICIENCY:** Inadequate cooling.

CONSTRUCTION STANDARD: If air conditioning is provided, the cooling system shall be capable of maintaining an inside temperature of 78 degrees Fahrenheit as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the ASHRAE handbook. There may be times when the outdoor temperature rises above the design temperature. When this occurs, the temperature in the Home may be higher than 78 degrees. When the outdoor temperature exceeds 95 degrees, a differential of 17 degrees will be accepted as meeting the standard. Rooms located over garages, sunporches and other unconditioned spaces will experience a temperature differential due to their exposure, and this is not a deficiency.

BUILDER CORRECTION: Correct the cooling system to meet the standard. Builder to balance dampers, registers and make other minor adjustments one time only during the first year of the warranty. Changing and/or adding refrigerant, which should be done on at least an annual basis, is the responsibility of the Homebuyer(s).

•**DEFICIENCY:** Refrigerant line leak or clog.

CONSTRUCTION STANDARD: Refrigerant lines should not develop leaks during normal operation. However, condensation lines will clog under normal use. This is the maintenance responsibility of the Homebuyer(s) and requires no correction by the Builder.

BUILDER CORRECTION: During the first two years of the warranty, repair leaking refrigerant lines and recharge the unit.

•**DEFICIENCY:** Ductwork separates or becomes unattached.

CONSTRUCTION STANDARD: Ductwork should remain intact and securely fastened.

BUILDER CORRECTION: During the first two years of the warranty, reattach and resecure as necessary.

XII. ELECTRICAL SYSTEM

12.1 ELECTRICAL CONDUCTORS

•**DEFICIENCY:** Failure of wiring to carry its designated circuit load to the electrical box.

CONSTRUCTION STANDARD: Wiring shall carry the designed load for normal residential use.

BUILDER CORRECTION: During the first five years of the warranty, correct the wiring as necessary to meet the standard.

12.2 SWITCHES AND RECEPTACLES

•**DEFICIENCY:** Fuses blow or circuit breakers kick out.

CONSTRUCTION STANDARD: Fuses and circuit breakers should not activate under normal usage.

BUILDER CORRECTION: During the first two years of the warranty, correct the fuse wiring or breakers as necessary.

•**DEFICIENCY:** Malfunction of electrical outlets and switches.

CONSTRUCTION STANDARD: All outlets and switches should operate as intended.

BUILDER CORRECTION: During the first five years of the warranty, repair or replace defective switches and outlets. Light fixtures are covered solely by the manufacturer's warranty.

12.3 SERVICE AND DISTRIBUTION

•**DEFICIENCY:** Ground fault interrupter trips frequently.

CONSTRUCTION STANDARD: Ground fault interrupters are sensitive safety devices that protect against electrical shock and can be tripped very easily. A ground fault interrupter that does not operate as intended is a deficiency.

BUILDER CORRECTION: During the first five years of the warranty, Builder will replace defective ground fault interrupter.