



NEW JERSEY
New Home Warranty Program



QUALITY BUILT by Your Builder.
BACKED by the Industry-Leading Warranty.



Workmanship



Distribution Systems



Structural

Congratulations on your **new home**

and the warranty provided by your builder.

Who is **2-10 Home Buyers Warranty**?

Home Buyers Corporation III (2-10 HBW) is your **warranty administrator**. Since 1980, warranties from 2-10 HBW have protected over 5.8 million new and pre-owned homes. Focused on reducing the financial risks of thousands of home **builders** and millions of homeowners nationwide, 2-10 HBW partners with real estate professionals, service contractors and home **builders** who consider their coverage the industry's most comprehensive protection available.

HOW DOES YOUR WARRANTY COVERAGE WORK?

Think you have a problem? This booklet will help:

- Easily navigate the types of coverage
- Provide simple language to understand what's covered
- Explain how to report a claim

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

Once you receive your **Certificate of Participation**, register your new home at 2-10.com/registerhome. Registration is not required for the warranty to be valid.



For questions about this booklet, or if you have lost your **Certificate of Participation**, contact the **warranty administrator**:

- 855.429.2109 (Phone)
- warrantyadministration@2-10.com (Email)
- 2-10.com/homeowner (Homeowner Portal)

New home warranties in the state of New Jersey are governed by "The New Home Warranty and Builders Registration Act" and the "Regulations Governing New Home Warranties and Builders' Registration" (N.J.A.C. 5:25 1.1 et seq.). For further information on new home warranties and homeowner rights in New Jersey, please call the New Jersey Department of Community Affairs at 609.984.7910.

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THIS BOOKLET AND CERTIFICATE OF PARTICIPATION

This booklet defines your remedies for any **defect** and **major structural defect** based on the terms and conditions contained within this booklet for the duration of the **warranty term**. This booklet and the **Certificate of Participation** are legal documents that define the scope of all the express limited warranties provided to you by your **builder** related to your home. Please keep this booklet and the **Certificate of Participation** with other legal documents that are important to you.

WORDS WITH SPECIAL MEANING

The words used in this booklet have their normal everyday meaning. Except when, in some cases, a word used in this booklet will have a specific meaning or definition. In those cases, the word will be bolded and the bolded word will always have the same meaning or definition, except that, for readability purposes, “you,” “your,” “home” and “warranty” are each words with special meaning but are

not bolded. The words with special meaning are defined in *Section VII*.

SPECIAL CONDITIONS APPLY TO HOMES WITH FHA OR VA FINANCING, PLEASE SEE SECTION VI.C FOR ADDITIONAL INFORMATION.

IMPORTANT PROVISIONS FOR THE USE OF FINAL AND BINDING ARBITRATION TO RESOLVE DISPUTES ABOUT THIS BOOKLET, THE WARRANTIES, YOUR HOME, THE 2-10 HBW NEW HOME WARRANTY PROGRAM, OR ANY OTHER DISPUTES AMONG YOU, YOUR BUILDER, THE WARRANTY ADMINISTRATOR AND/OR THE WARRANTY INSURER ARE CONTAINED IN SECTION VI.F.

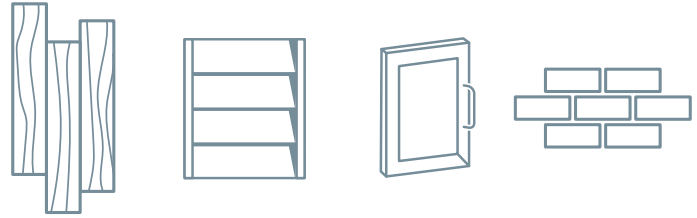
IMPORTANT PROVISIONS CONCERNING YOUR LEGAL RIGHTS AND REMEDIES ARE CONTAINED IN SECTION IX.

SECTION I. OVERVIEW OF YOUR WARRANTIES*



WORKMANSHIP WARRANTY

Quality is important, especially in your new home. Your workmanship warranty establishes the standards applicable to the fit, finish and materials used in the construction of your home. Commonly used across industries, fit refers to how well the parts of the finished product come together and finish refers to the completeness of work. For more information about your workmanship warranty, please review *Section II*.



Overview of items covered:

Roof covering, cabinets, countertops, door panels, exterior siding, hardwood floors, basement floor, ceramic tile, drywall, interior trim, carpet, paint and fireplace



DISTRIBUTION SYSTEMS WARRANTY

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



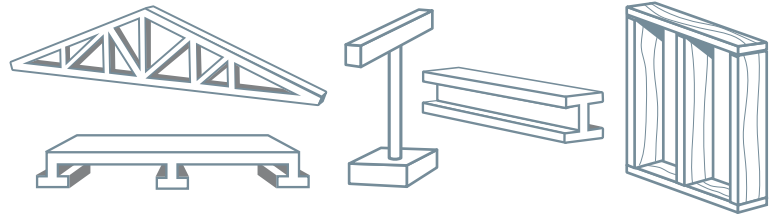
Overview of items covered:

Supply piping, waste piping, ductwork and electrical wiring



STRUCTURAL WARRANTY

While your home was carefully constructed and inspected, occasionally unforeseen problems arise, even in the best-built homes. Your structural warranty addresses the load-bearing elements of your home. For more information about your structural warranty, please review *Section IV*.



Overview of items covered:

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



SOIL MOVEMENT

Your structural warranty addresses **major structural defects** including those caused by certain types of soil movement. A **major structural defect** is **actual damage** to load-bearing elements which affects their load-bearing functions to the extent that your home becomes unsafe, unsanitary or otherwise vitally affects the use of the home for residential purposes.



UNSAFE



UNSANITARY



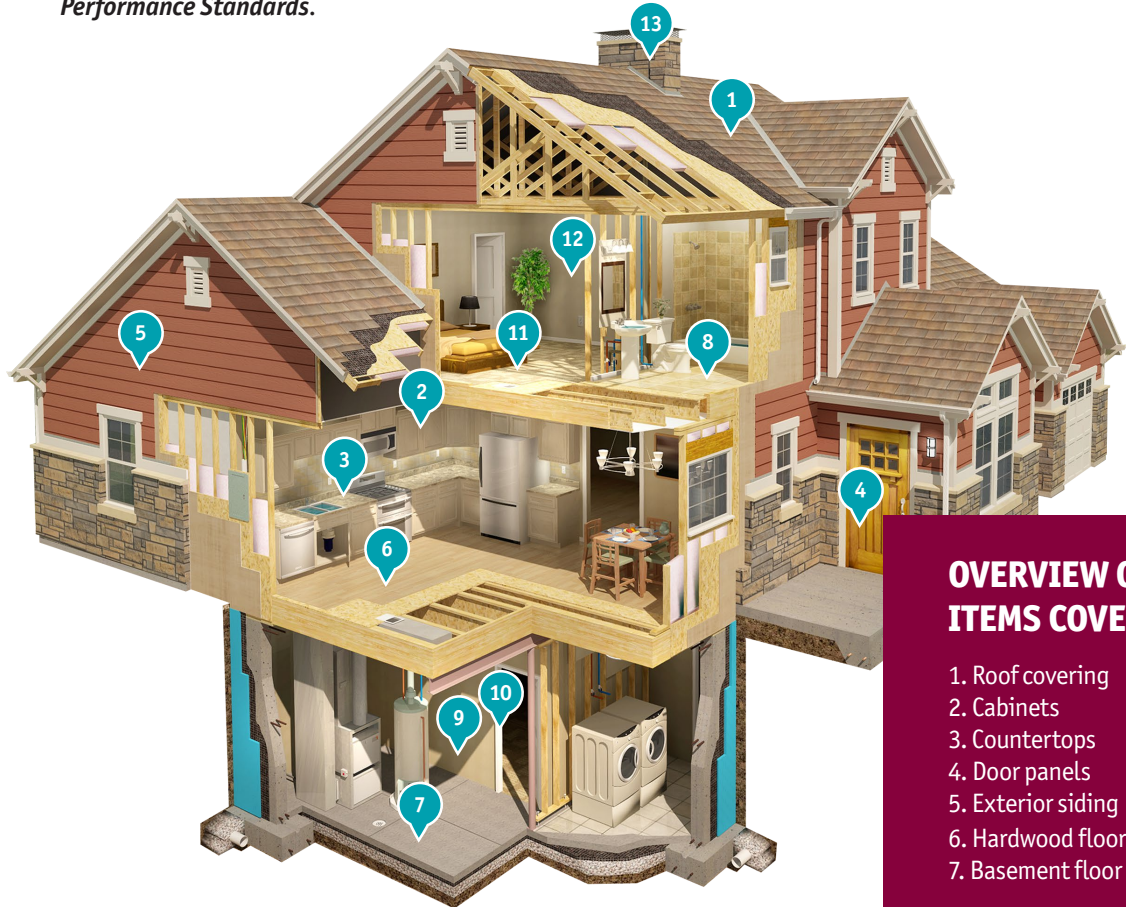
VITALLY
AFFECTED

*This is not an exclusive list of coverages. Images shown for illustration purposes only.

SECTION II. YOUR 1 YEAR WORKMANSHIP WARRANTY



Your workmanship warranty addresses the fit, finish and materials used in the construction of your home and provides protection against **defects** throughout the **warranty term**. An overview of the items covered by your workmanship warranty is illustrated below. For additional information about your workmanship warranty, please review *Section VIII – Construction Performance Standards*.



OVERVIEW OF ITEMS COVERED

- | | |
|--------------------|-------------------|
| 1. Roof covering | 8. Ceramic tile |
| 2. Cabinets | 9. Drywall |
| 3. Countertops | 10. Interior trim |
| 4. Door panels | 11. Carpet |
| 5. Exterior siding | 12. Paint |
| 6. Hardwood floors | 13. Fireplace |
| 7. Basement floor | |

Note: Your home may not have a basement

REPORTING A WORKMANSHIP DEFECT

To report a claim for items covered under your workmanship warranty, contact your **builder** who will investigate and remedy all covered **defects** pursuant to the **Construction Performance Standards**.

You must provide written notice to your **builder** no later than 7 days after expiration of the workmanship **warranty term**. If your **builder** fails to remedy reported **defects** within 30 days, or before the **warranty term** expires, you must complete the *Request for Arbitration Claim Form*, found at the back of this booklet. Submit the completed form to the **warranty administrator** by email or certified mail, no later than 7 days after the expiration of the workmanship **warranty term** or the coverage will be denied.

Note: Pursuant to N.J.A.C. 5:25-5.5 (B)(3)(i), except in the case of claims which relate to structural problems or emergencies, a notice of claim for workmanship **defects** shall not be submitted to the **warranty administrator** until the expiration of 120 days from the **effective date of warranty**.

Once the **warranty administrator** receives your *Request for Arbitration Claim Form*, the claim will be sent to the arbitration service, unless the **builder** has agreed to resolve all of the alleged workmanship

defects in a written agreement for repair, replacement, payment or a combination thereof, which must include a reasonable time frame that is acceptable to you for resolution of all repairs (“Agreement”). The **warranty administrator** will transmit the Agreement to you and inform you that the Agreement is to be treated as an arbitration award. As such, the Agreement is subject to a compliance arbitration. If your **builder** did not submit an Agreement, then you and your **builder** must arbitrate your dispute under the arbitration provisions set forth in this booklet. If the **warranty administrator** determines that your **builder** cannot or will not participate in arbitration, or your **builder** refused to pay or perform an arbitration award in your favor, the **warranty administrator** will notify you. The **warranty administrator** will then forward your file to the **warranty insurer**, and within 15 days of the receipt of the claim, the **warranty insurer** will adjust the claim.

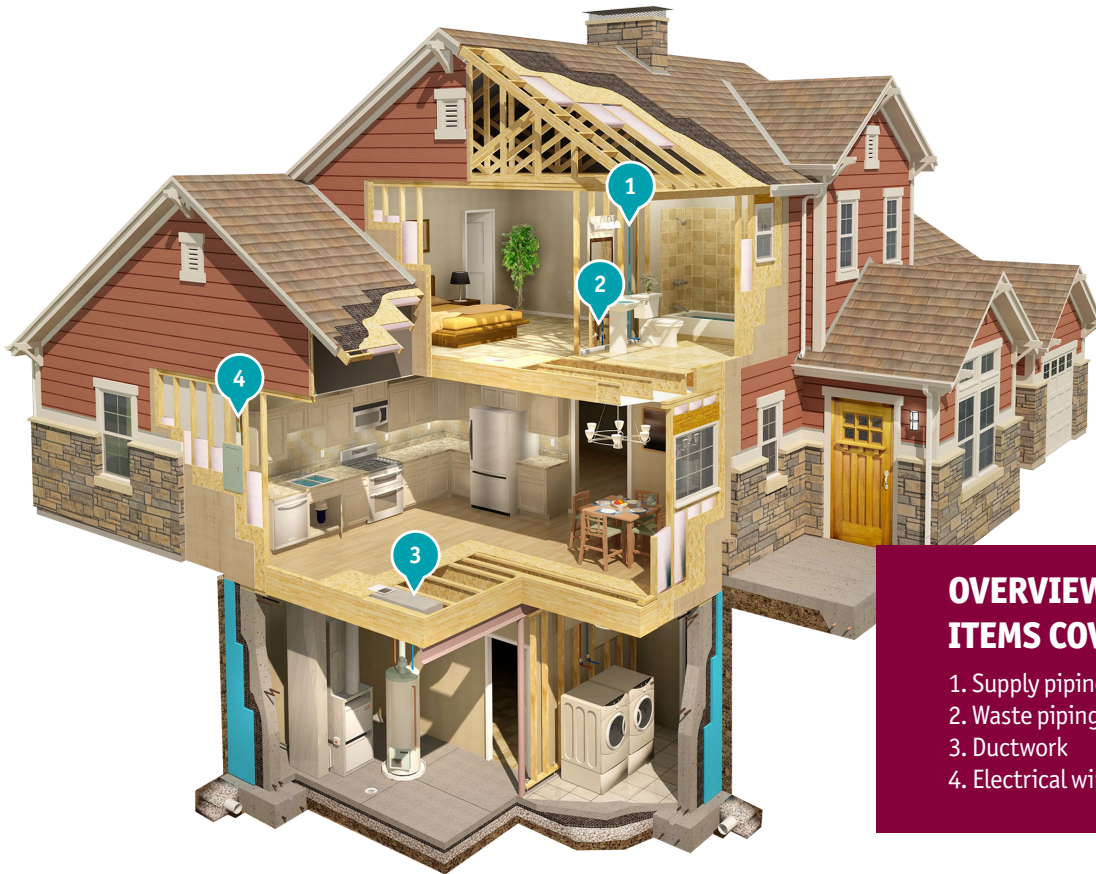
YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE WORKMANSHIP WARRANTY IF DEFECTS ARE NOT REPORTED IN WRITING WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

NOTIFICATION TO THE BUILDER DOES NOT CONSTITUTE NOTICE TO THE WARRANTY ADMINISTRATOR FOR PROTECTING OR EXTENDING YOUR WARRANTY CLAIM RIGHTS.

SECTION III. YOUR 2 YEAR DISTRIBUTION SYSTEMS WARRANTY



Your distribution systems warranty provides protection against **defects** to the means by which electrical, plumbing and mechanical functions are delivered throughout your home during the **warranty term**. An overview of the items covered by your distribution systems warranty is illustrated below. For additional information about your distribution systems warranty, please review *Section VIII – Construction Performance Standards*.



Note: Your home may not have a basement

OVERVIEW OF ITEMS COVERED

1. Supply piping
2. Waste piping
3. Ductwork
4. Electrical wiring

REPORTING A DISTRIBUTION SYSTEMS DEFECT

To report a claim for items covered under your distribution systems warranty, contact your **builder**, who will investigate and remedy all covered **defects** pursuant to the **Construction Performance Standards**.

You must provide written notice to your **builder** no later than 7 days after expiration of the distribution systems **warranty term**. If your **builder** fails to remedy reported **defects** within 30 days, or before the **warranty term** expires, you must complete the *Request for Arbitration Claim Form*, found at the back of this booklet. Submit the completed form to the **warranty administrator** by email or certified mail, no later than 7 days after the expiration of the distribution systems **warranty term** or the coverage will be denied.

Note: Pursuant to N.J.A.C. 5:25-5.5 (B)(3)(i), except in the case of claims which relate to structural problems or emergencies, a notice of claim for distribution system **defects** shall not be submitted to the **warranty administrator** until the expiration of 120 days from the **effective date of warranty**.

Once the **warranty administrator** receives your *Request for Arbitration Claim Form*, the claim will be sent to the arbitration service, unless the

builder has agreed to resolve all of the alleged distribution systems **defects** in a written agreement for repair, replacement, payment or a combination thereof, which must include a reasonable time frame that is acceptable to you for resolution of all repairs (“Agreement”). The **warranty administrator** will transmit the Agreement to you and inform you that the Agreement is to be treated as an arbitration award. As such, the Agreement is subject to a compliance arbitration. If your **builder** did not submit an Agreement, then you and your **builder** must arbitrate your dispute under the arbitration provisions set forth in this booklet. If the **warranty administrator** determines that your **builder** cannot or will not participate in arbitration, or your **builder** refused to pay or perform an arbitration award in your favor, the **warranty administrator** will notify you. The **warranty administrator** will then forward your file to the **warranty insurer**, and within 15 days of the receipt of the claim, the **warranty insurer** will adjust the claim.

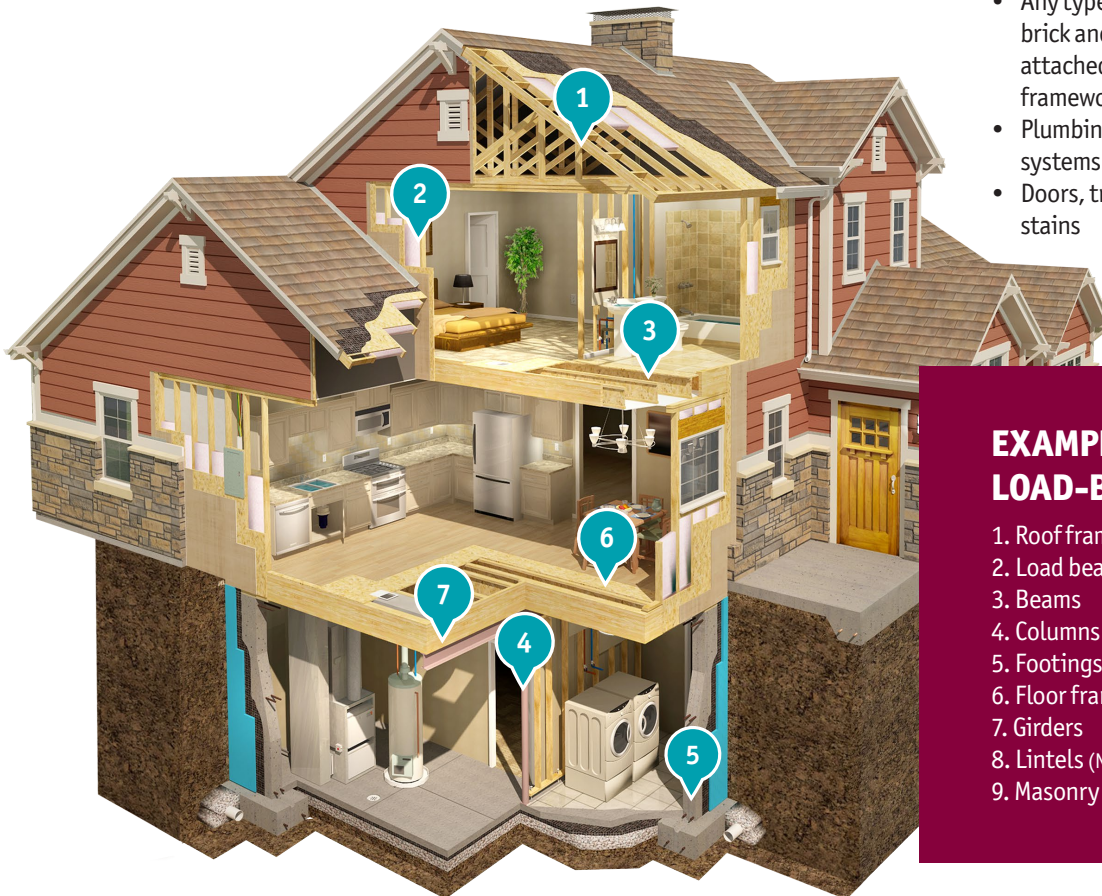
YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE DISTRIBUTION SYSTEMS WARRANTY IF DEFECTS ARE NOT REPORTED IN WRITING WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

NOTIFICATION TO THE BUILDER DOES NOT CONSTITUTE NOTICE TO THE WARRANTY ADMINISTRATOR FOR PROTECTING OR EXTENDING YOUR WARRANTY CLAIM RIGHTS.

SECTION IV. YOUR 10 YEAR STRUCTURAL WARRANTY



Your structural warranty provides protection during the **warranty term** against **major structural defects** to the load-bearing elements of your home. Examples of load-bearing elements that are covered under this warranty are illustrated below. Damage to the non-load-bearing elements of your home is not a **major structural defect**. A non-exclusive list of non-load-bearing elements that are not covered under this warranty is listed in this *Section IV*.



Note: Your home may not have a basement

EXAMPLES OF NON-LOAD-BEARING ELEMENTS

- Roof shingles, roof tiles, sheathing and underlayment
- Non-load-bearing walls, drywall and plaster
- Flooring and underlayment material
- Any type of exterior siding, stucco, brick and stone veneer, including veneer attached to arches supported by internal framework
- Plumbing, electrical and mechanical systems
- Doors, trim, cabinets, hardware, paint and stains

EXAMPLES OF LOAD-BEARING ELEMENTS

1. Roof framing systems
2. Load bearing walls and partitions
3. Beams
4. Columns
5. Footings and foundation systems
6. Floor framing systems
7. Girders
8. Lintels (Not pictured)
9. Masonry Arches (Not pictured)

A structural failure will not be considered a **major structural defect** until it has been established by the **warranty insurer** under the Uniform Construction Code in effect on the date that the construction permit under which the new home was constructed was issued as an actual or pending structural failure of some part of the load-bearing portion of the home as defined in *Section VII*. To be eligible, such **major structural defect** does not have to render the home uninhabitable, however, it must be of such a serious nature that it vitally affects the use of the home for residential purposes.

SPECIFIC EXCLUSIONS THAT APPLY TO YOUR STRUCTURAL WARRANTY

In addition to the exclusions found in *Section VI.E*, your structural warranty does not cover loss or damage to:

1. Changes by any homeowner to the established grade lines affecting basement and foundation walls.
2. Movement caused by flood or earthquake.
3. Actual or resultant damage caused by lightning, tornado, unnatural high winds or hurricanes.
4. Damage caused by additions or alterations to the home.
5. Improper loading over the design criteria for which that portion of the house was intended.
6. Resultant structural damage due to fire.
7. Changes in the water level which is caused by new development in the immediate area or can be directly related to an act of nature.
8. Water seepage in basement or crawlspace after the first year of coverage.



REPORTING A MAJOR STRUCTURAL DEFECT CLAIM

All **major structural defects** must be reported to the **warranty administrator** as soon as possible, but no later than 7 days after the expiration of the **warranty term** for your structural warranty. To report a **major structural defect**, you must complete the *Notice of Claim Form*, found at the back of this booklet. Submit the completed form to the **warranty administrator** by email or certified mail. Upon receipt of the completed form, and within 30 days, the **warranty administrator** will submit the claim to the **warranty insurer** for

inspection and adjustment of the claim. The **warranty insurer** will inspect your claimed **major structural defect** within 30 days after receiving your *Notice of Claim Form*. You agree to make yourself and the home available for inspection between 9:00 am and 6:00 pm (ET) Monday through Friday, or any other mutually agreeable time.

YOU WAIVE YOUR RIGHT TO COVERAGE UNDER THE STRUCTURAL WARRANTY IF MAJOR STRUCTURAL DEFECTS ARE NOT REPORTED IN WRITING WITHIN THE TIME LIMITATIONS AS SET FORTH ABOVE.

SECTION V. YOUR RESPONSIBILITIES

As a condition precedent to the obligations of your **builder** and/or the **warranty insurer** to address a **defect** or **major structural defect**, you must perform all obligations required of you in this booklet, including but not limited to your obligations under this *Section V*. Your **builder** and the **warranty insurer** are not responsible for any claims, losses or damages that arise from or relate to your failure to fulfill your obligations under this booklet.

A. ACCESS TO YOUR HOME

The **builder**, **warranty insurer** and their respective agents will require access to your home in order to carry out their respective responsibilities under this booklet. You agree, upon receipt of advanced reasonable notice, to allow reasonable access to or within your home during normal business hours, to inspect, repair or conduct tests on your home as may be required to evaluate or repair a **defect** or **major structural defect**. If emergency repairs are necessary and you cannot be reached within a reasonable time period, you waive such notice. If you do not provide access to your home during normal business hours, you hereby waive any obligations of the **builder** and **warranty insurer** to make repairs, replace or pay for any **defect** or **major structural defect** under this warranty claim.

Additionally, the **builder**, **warranty insurer** and their respective agents shall have the right, in advance of any arbitration concerning your home, to re-inspect your home if the request for arbitration is made more than 60 days after the last claim decision concerning the claim that is the subject of the arbitration.

B. SUCCESSIVE OWNERS OF YOUR HOME

Your obligations and benefits provided in this booklet stay with your home and may be transferred to each subsequent owner of your home for the remainder of the applicable **warranty term**, if any. This means all of your rights and obligations under this booklet, up to the remaining amount of the **warranty limit**, if any, will transfer to a purchaser of your home, or any person who otherwise obtains title to your home, including any mortgagee in possession.

When you transfer your home, you agree to give copies of this booklet and the **Certificate of Participation** to the acquirer of your home before the transfer of your home is completed, such that the new owner has a reasonable opportunity to understand the rights and obligations under this booklet. Each successive owner of the home is bound by all of the terms and conditions of this booklet, including but not limited to, the binding arbitration required by this warranty.

If you are a successive owner of the home, you will benefit from the express limited warranties set forth in this booklet, but in return, you are bound by all of the terms, conditions and exclusions in this booklet, including but not limited to, the procedures that must be followed to make a claim and the obligation to participate in arbitration set out in this warranty. To register the warranty in your name, please complete and mail the *Successive Homeowner Registration and Arbitration Acceptance Form* found at the back of this booklet to the **warranty administrator**.

C. EMERGENCY REPAIRS

For the purposes of this booklet, an emergency exists when there is a substantial risk of serious physical damage to the home or a substantial risk of bodily injury to its occupants if a **defect** or **major structural defect** is not immediately repaired. If you have an emergency involving a **defect** or a **major structural defect**, you must make reasonable efforts to contact your **builder** or **warranty administrator** immediately for authorization to make emergency repairs. If you are unable to contact these parties, you must only take the reasonable and necessary steps to mitigate the emergency until authorization for more extensive repairs have been approved by your **builder** or **warranty administrator**. Reasonable and necessary action may include temporary shoring, bracing or covering with protective material. After taking reasonable and necessary steps to mitigate the risk, report the emergency to your **builder** or **warranty administrator** on the next business day.

D. SUBROGATION RIGHTS AND RELEASE OF LEGAL OBLIGATION FOLLOWING REPAIR

After the repair, replacement or payment for the repair of any **defect** or **major structural defect**, you must provide a full and unconditional written release of the **builder**, **warranty administrator**, **warranty insurer** and related parties, in recordable form, of all legal obligations with respect to the **defect** or **major structural defect** and conditions arising from such **defect** or **major structural defect**, subject to your right to a compliance arbitration. Your **builder** or **warranty insurer** shall have all subrogation rights to the extent of the costs related to any repair, replacement or payment under this booklet, to any rights you may have against any other person, with respect to the **defect** or **major structural defect**, except there shall be no subrogation to or assignment of any rights that you may have against the **warranty insurer** and/or **warranty administrator**. You agree to perform any acts and execute any applicable documents that may be necessary for the **builder**, **warranty administrator**, **warranty insurer** and/or related parties to secure and effectively enforce these rights of subrogation. You agree to refrain from taking any action that may prejudice these rights.

SECTION VI. IMPORTANT TERMS AND CONDITIONS OF YOUR WARRANTY

A. THE LIMITS OF YOUR WARRANTY

Your **warranty limit** is the combined total aggregate financial obligation and liability of the **builder** and **warranty insurer** for all claims, **warranties**, and liability arising out of or otherwise relating to this booklet, including but not limited to liability related to **defects** and **major structural defects**. All costs incurred by your **builder** and/or the **warranty insurer** to repair or replace any **defect** or **major structural defect**, plus the costs to repair consequential damage and shelter will be deducted from your **warranty limit**. However, a claim payment does not include the cost of investigating the claim.

Coverage under this express limited warranty shall be excess of any other valid and collectible insurance available to you or your **builder**, whether primary, pro-rata or excess.

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

The **builder** (or if the **builder** is unable or unwilling, then the **warranty insurer**) shall have the right to repair, replace or pay you the reasonable cost of repair of any **defect**. The **warranty insurer** shall have the right to repair, replace or pay you the reasonable cost of repair of any **major structural defect**. The design, method and manner of such repair, and the option to repair, replace or pay, shall be within the sole and absolute discretion of: (a) the **builder** in respect of a **defect** (or if the **builder** is unable or unwilling to address a defect, then the **warranty insurer**), or (b) **warranty insurer** in respect of a **major structural defect**. No repair shall extend any **warranty term**, including without limitation, the **warranty term** applicable to the **defect** or **major structural defect** that was the subject of the repair. If performance by the **builder** or **warranty insurer** of any of its obligations hereunder is

delayed by factors beyond its reasonable control, such as (but not limited to) acts of God, strikes, non-availability of materials, acts of government, civil commotions, etc., the **builder** or **warranty insurer** will be excused from performing until the effects of such event are remedied.

Repairs of a **major structural defect** are intended to restore the home to approximately the condition just prior to the **major structural defect**, but not necessarily to a like-new condition. Consequential damages to real property as a result of a **major structural defect** or repair of such **defects** are covered under this warranty. If the **warranty insurer** finds that the home is a total loss, then the **warranty insurer** has the right to pay you the remaining **warranty limits** in a settlement of the claim. The repair of a **major structural defect** is limited to:

1. The repair of damage to load-bearing elements of the home to the extent necessary to restore their load-bearing ability.
2. The repair of other structural portions, items or systems of the home to the extent such items were damaged by the **major structural defect** and make the home unsafe, unsanitary or otherwise vitally affects the use of the home for residential purposes (such as the repair of inoperable windows and doors and the restoration of functionality of damaged electrical, plumbing, heating, cooling and ventilating systems).
3. The repair and cosmetic correction of only those surfaces, finishes and coverings that are original with the home and were (a) damaged by the **major structural defect**, or (b) displaced or damaged in connection with repairs related to the **major structural defect**.

C. HOMES WITH ORIGINAL FHA/VA FINANCING

If you are the original owner of your home and you still have the original FHA or VA financing you used to purchase your home, then the provisions of this booklet are hereby amended as follows:

1. Roof sheathing is a load-bearing element under your structural warranty.
2. If the **warranty insurer** makes a cash payment to you, then the **warranty insurer** will make such payment jointly to you and your mortgagee. You must provide the name and address of your mortgagee, the FHA or VA case number and the loan number when you file a claim with respect to a home with a FHA/VA financed mortgage.
3. Termite damage shall be covered for 1 year from the **effective date of warranty**.
4. The **effective date of warranty** is the date of closing of the original FHA or VA financing used to purchase your home.

D. MULTI-FAMILY BUILDINGS

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

1. The **common elements** of your **multi-family building** will be free from: (a) **defects** in workmanship during the **common elements warranty term** for workmanship; (b) **defects** in the electrical, plumbing and mechanical distribution systems during the **common elements warranty term** for distribution systems; and (c) **major structural defects** in load-bearing elements during the **common elements warranty term** for **major structural defects**. Each **warranty term** applicable to the **common elements** begins on the **common element effective date of warranty**. As such, the **warranty term** applicable to **defects** or **major structural defects** concerning **common elements** may expire before the **warranty term** applicable to **defects** or **major structural defects** concerning your home.
2. Claims for **defects** or **major structural defects** concerning **common elements** must be filed by the entity governing the **multi-family building** containing your home. The claim must be filed using one *Notice of Claim Form* for each affected building. The *Notice of Claim Form* must list each of the impacted units in the **multi-family building** and include a copy of the **Certificate of Participation** for each unit.
3. You agree, upon reasonable notice from the **builder, warranty insurer** or their respective agents, to allow reasonable access to or within your home during normal business hours so repairs can be made to any adjacent space, residence or **common element**. If emergency repairs are necessary and you cannot be reached within a reasonable time period, you waive such notice.
4. The aggregate **warranty limit** for all **common elements** in a **multi-family building** is equal to the aggregate remaining **warranty limit** for all dwellings in the **multi-family building** that have a valid **Certificate of Participation** with an unexpired **warranty term**. In the event that one or more dwellings in the **multi-family building** do not have a **Certificate of**

Participation or do not have a **Certificate of Participation** with an unexpired **warranty term**, then the aggregate **warranty limit** for all **common elements** shall be reduced pro-rata, based upon the ratio of the aggregate original sale price of all dwellings having a **Certificate of Participation** with an unexpired **warranty term**, divided by the total original sales price of all dwellings in the **multi-family building**. All costs incurred by the **builder** and/or the **warranty insurer** to repair or replace any **defect** or **major structural defect** concerning a **common element** will be deducted on a pro-rata basis from the remaining **warranty limit** for each dwelling in the **multi-family building** with **Certificate of Participation** with an unexpired **warranty term**, based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

5. If your home is in a **multi-family building** served by a **detached structure** and if all dwellings within each **multi-family building** served by that **detached structure** was issued a **Certificate of Participation**, then your **builder** agrees that each such **detached structure** will be free from: (a) **defects** in workmanship during **warranty term** for workmanship; (b) **defects** in the electrical, plumbing and mechanical distribution systems during **warranty term** for distribution systems; and (c) **major structural defects** in load-bearing elements during the **warranty term** for **major structural defects**. The aggregate **warranty limit** for each **detached structure** is equal to the aggregate remaining **warranty limit** for all dwellings that have a valid **Certificate of Participation** with an unexpired **warranty term** in each **multi-family building** served by the **detached structure**, divided by the total number of **detached structures** serving each **multi-family building**. The **effective date of warranty** for a **detached structure** is the earliest of the date the **detached structure** was first put into use or the date that the certificate of occupancy was issued. All costs incurred by the **builder** and/or the **warranty insurer** to repair or replace any **defect** or **major structural defect** concerning a **detached structure** will be deducted on a pro-rata basis from the remaining **warranty limit** for each dwelling with **Certificate of Participation** with an unexpired **warranty term** in the **multi-family buildings** served by the **detached structure** based upon the proportion of the original sales price of each such dwelling, divided by the total aggregate original sales price of all such dwellings.

E. EXCLUSIONS

This warranty does not provide coverage for any of the following items, which are specifically excluded:

1. Any portion of a covered home which is not completed by the **effective date of warranty**; except that, after completion by the **builder**, such portions will be covered until the end of the **warranty term**. Any item for the completion of which funds are being held in escrow will be deemed to be incomplete rather than a **defect**. If such item exhibits a **defect** after the release of the escrowed funds, the item will be included in the warranty. In all cases, the **warranty term** will be deemed to have commenced on the **effective date of warranty** for the home.
2. **Defects** or **major structural defects** in outbuildings (except

- those outbuildings which contain the plumbing, electrical, heating or cooling systems serving the home are covered), swimming pools and other recreational facilities, driveways, walkways, unattached patios, boundary walls or retaining walls which are not necessary for the home's structural stability, fences, landscaping (including sodding, seeding, shrubs, trees and plantings), off-site improvements or any other improvements not part of the home itself.
3. Bodily injury, damages to personal property or damage to real property which is not part of the home.
 4. Any **defect** or damage which is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrent with any other cause or causes whatsoever, including any covered **defect** or damage or covered cause of any **defect** or damage:
 - a. Negligent or improper maintenance or improper operation by anyone other than the **builder** or their employees, agents or subcontractors.
 - b. Failure of anyone other than the **builder** or their employees, agents or subcontractors to comply with the warranty requirement of manufacturers of appliances, equipment or fixtures.
 - c. Failure to give notice to the **builder** and the **warranty administrator** of any **defect** within the time frame as stated in this warranty.
 - d. Changes of the grading of the ground by anyone other than the **builder**, or their employees, agents or subcontractors.
 - e. Failure to take timely action in emergency cases to minimize any loss or damage.
 5. Any **defect** in, or caused by, materials or work supplied by anyone other than the **builder**, or their employees, agents or subcontractors. The **builder** shall, however, be responsible for any **defects** in or damage to any materials or work not installed by the **builder** when the **defect** or damage is the direct consequence of **defects** in materials or work installed by the **builder**, which is not in accordance with accepted industry standards.
 6. Normal wear and tear or normal deterioration in accordance with normal industry standards.
 7. Accidental loss or damage from acts of nature such as, but not limited to, fire, explosion, smoke, water escape, changes which are not reasonably foreseeable in the level of underground water table, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood and earthquake. However, soil movement which causes a qualifying **major structural defect** is not excluded, unless the movement is due to flood or earthquake.
 8. Insect damage.
 9. Any loss or damage which arises while the home is being used primarily for non-residential purposes.
 10. Changes, alterations or additions made to the home by anyone after initial occupancy, except those performed by the **builder** as their obligation under this program.
 11. Any **defect** caused to a finished surface material or any work supplied by anyone other than the **builder**, or their employees, agents or subcontractors, in that it is determined the installer has accepted the **builder's** surface to apply the finish material.
 12. Any materials and/or workmanship furnished and installed by the **builder** that does not comply with the specifications in a sales agreement or contract which is not defective.
 13. Consequential damages to personal property are excluded; consequential damages to real property, which is a part of the home, as a result of a **defect** or repair of a **defect** are covered.
 14. Failure to complete construction is excluded from the warranty coverage.
 15. Appliances and manufactured items, including but not limited to, heating, ventilation and mechanical equipment (except to the extent specifically addressed in the **Construction Performance Standards**) or any other item covered by a manufacturer's warranty, and a deficiency in any distribution system caused by the failure of any such appliance or manufactured item. Your **builder** hereby assigns to you any rights of the **builder** under the manufacturer's warranties provided to the **builder** (if any), with respect to any of the appliances and items of equipment included in your home.

Other exclusions included in the **Construction Performance Standards** found in this warranty booklet are identified by "Exclusion."

F. ARBITRATION OF DISPUTES

PURSUANT TO THE NEW JERSEY NEW HOME WARRANTY AND BUILDERS REGISTRATION ACT, ONCE YOU SEND A NOTICE OF CLAIM OR A REQUEST FOR ARBITRATION CLAIM FORM TO THE WARRANTY ADMINISTRATOR, YOU HAVE ELECTED THE WARRANTY AND ARBITRATION AS YOUR SOLE REMEDY, BARRING YOU FROM ANY OTHER REMEDY. WHEN YOU FILE A NOTICE OF CLAIM OR A REQUEST FOR ARBITRATION CLAIM FORM, YOU WILL RELINQUISH YOUR RIGHT TO FILE IN ANY COURT A COMPLAINT, COUNTER-CLAIM, CROSS CLAIM OR THIRD-PARTY COMPLAINT THAT ALLEGES MATTERS COVERED BY THIS WARRANTY IN PARTICULAR OR UNWORKMANLIKE CONSTRUCTION IN GENERAL. ALL DISPUTES RELATED TO SUCH DEFECT OR MAJOR STRUCTURAL DEFECT SHALL BE RESOLVED BY BINDING ARBITRATION AS PROVIDED IN THIS SECTION VI.F.

You, the **builder**, the **warranty insurer**, the **warranty administrator** (each an "Arbitration Party" and collectively the "Arbitration Parties") each hereby agree that every claim, complaint, controversy or dispute among two or more Arbitration Parties that arises out of, relates to or otherwise concerns this booklet or the home (a "Dispute") shall exclusively be resolved by binding arbitration and not by a judge or jury. Each arbitration shall be conducted by Construction Dispute Resolution Services, LLC ("CDRS"). In the event CDRS is unavailable or unwilling to conduct the arbitration, then the Arbitration Parties agree that the **warranty administrator** shall select the arbitration service provider. The Arbitration Parties each agree to be bound by any and all rules published by the arbitration service provider conducting the arbitration that apply to the Dispute. If you are involved in the arbitration, then the arbitration hearing shall take place in your

home, unless the arbitrator agrees to an alternative location. All administrative fees of the arbitration service and the arbitrator shall be allocated to the Arbitration Parties involved in the Dispute as provided under the rules of the arbitration service, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice and according to applicable law, provided that you shall not be responsible for paying any such fees for the initial arbitration regarding a Dispute.

The arbitration provision of this *Section VI.F* covers Disputes based upon contract, tort, consumer rights, fraud and other intentional torts, negligence, constitution, statute, regulation, ordinance, common law and equity. A demand for arbitration shall be made within a reasonable time after the Dispute has arisen, but in no event after the date when institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. The Arbitration Parties each agree that the provisions of this *Section VI.F* involves and concerns interstate commerce and that the interpretation of this *Section VI.F* shall be governed by the Federal Arbitration Act (9 U.S.C. § 1, et seq.), to the exclusion of any different or inconsistent federal, state or local law, ordinance or judicial rule. The arbitration provision in this *Section VI.F* is self-executing. Any disputes concerning the interpretation or enforceability of this *Section VI.F*, including without limitation, its revocability or voidability for any cause, the scope of arbitral issues and any defense based upon waiver, estoppel or laches shall be decided solely by the arbitrator.

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

If the arbitrator upholds your claim, the **builder** will perform in accordance with the arbitration award. The arbitrator may make an award that is reasonable and fair based on the parties' requests.

An arbitration award should conform to the following:

1. The award should state the homeowner's claimed **defect** in the homeowner's language.
2. The award should state the condition as observed, measured and assessed by the arbitrator including any necessary explanation that clarifies the nature of the alleged **defect** if the homeowner's language is not specific.

3. The award should state in narrative the arbitrator's findings and provide a reference to the applicable warranty coverage and standard, and the application of that standard to the claimed **defect**.
4. Arbitration awards and other guidance provided by the arbitrator should make it clear that submissions for building permits to effect repairs will require (when called for by the arbitrator, the code official and/or the nature of repair) the preparation of design drawings by licensed design professionals. Those drawings are not subject to review or approval by the homeowner.

Upon expiration of the compliance period, and if a party remains dissatisfied after the awarded repairs have been completed, the party(ies) may request a compliance arbitration conducted by CDRS, or a mutually agreeable service. The requesting party will be charged the cost of the compliance arbitration fee. If you are the requesting party, you will be reimbursed the cost by the **builder** if the arbitrator finds in whole or in any part in favor of you. The compliance arbitration shall determine one of the following for each of the items awarded:

1. The repair has been made in compliance with the arbitration award and the claim is closed.
2. The repair has been made, but the compliance period will be extended to ensure that the **defect** does not reoccur.
3. The repair has not been made in compliance with the arbitration award and the **builder** has made a reasonable, good faith effort to effect the repair, and will be granted an extension of specified length to the compliance period.
4. The repair has not been made in compliance with the arbitration award and the **builder** is in default.
5. The homeowner has been uncooperative and has thwarted the **builder's** efforts to comply and the parties have agreed to an extension of time.
6. The homeowner has been uncooperative and has thwarted the **builder's** efforts to comply, and the claim is closed.

You hereby agree that you will only bring a Dispute in your individual capacity, and not as a plaintiff or class member in any purported class, multiple plaintiff, collective, representative or similar proceeding (each a "Class Action"). You expressly agree to not maintain any Class Action in any forum. Instead you agree to have each and every Dispute decided individually through arbitration. Claims cannot be consolidated in arbitration unless the Arbitrating Parties agree in writing.

SECTION VII. WORDS WITH SPECIAL MEANING

“**Actual damage**” means observable or measurable damage to a load-bearing element as a result of bending, cracking, buckling, crushing, dislocation or distortion of such load-bearing element. Damage that is not seen but is supposed, inferred or predicted is not **actual damage**.

“**Builder**” means the home builder or seller listed on the **Certificate of Participation**, and is the person or entity providing you with these express limited warranties described in this booklet.

“**Certificate of Participation**” is the document issued by the **warranty administrator** confirming that your **builder** took all steps required to enroll your home into the 2-10 HBW New Home Warranty Program and confirms your eligibility to receive the benefits of the express limited warranties described in this booklet during the applicable **warranty term**.

“**Common element**” means all parts of a condominium or common interest building other than the interior of your home. **Common elements** may include fitness facilities, hallways, lobbies, stairways and shared electrical, plumbing and mechanical distribution systems.

“**Common element effective date of warranty**” means the date on which that **common element** is first put to use.

“**Commercial space**” means any unit within a **multi-family building** that is used primarily for a non-residential purpose, including without limitation, club houses, retail space and recreational facilities.

“**Construction Performance Standards**” mean the performance standard(s) set forth in *Section VIII*, which the home, element or component must satisfy.

“**Defect**” means a failure to meet the **Construction Performance Standards** for workmanship and distribution systems set forth in *Section VIII* of this booklet.

“**Detached structure**” is a building that is not attached to the **multi-family building**, such as club houses, daycare, fitness centers or parking structures, but is still owned in common by the **multi-family building** association or unit owners and is designated for common use by the owners of the dwellings within the **multi-family building**.

“**Effective date of warranty**” means the date the express limited warranties described in this booklet each goes into effect. The date will be the earliest of either (1) date of first occupancy, or (2) the date title to the home was transferred to you if title was transferred before your closing date.

“**Home**” means the dwelling unit and garage (if any) or the **commercial space** (if any) located at the address shown on the **Certificate of Participation**.

“**Major structural defect**” is defined as **actual damage** to the load-bearing elements of the home, including consequential damages, damages due to subsidence, expansion or lateral movement of the soil (excluding movement caused by flood or earthquake) that affects their load-bearing function and that vitally affects or is imminently likely to vitally affect the use of the home for residential purposes. The load-bearing portion of a home is defined as the framing members and structural elements that transmit both dead and live loads of the home to the supporting ground.

“**Multi-family building**” is a building in a common interest community that may consist of dwelling units, shared parking spaces, **commercial space** and **common elements**.

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

“**Warranty administrator**” means Home Buyers Warranty Corporation III. The **warranty administrator** is the creator and administrator of the 2-10 HBW New Home Warranty Program and is available to answer any questions you may have about the express limited warranties provided to you by your **builder** under this booklet.

“**Warranty insurer**” is the third-party insurance provider for your warranty and is responsible for all obligations related to your **major structural defect** warranty. The **warranty insurer** is also responsible for the obligations related to your workmanship and distribution systems warranties, but only in the event that your **builder** is unable or unwilling to perform these obligations.

“**Warranty limit**” is equal to the final sales price of the **home**, as identified on the *Application for Home Enrollment* on record with the **warranty administrator** when the final sales price includes land. If the land was provided by you, the **warranty limit** is equal to the final sales price of the home, multiplied by a factor of 1.25, provided the calculation was performed on the *Application for Home Enrollment*. The dollar amount of your **warranty limit** will be stated on your **Certificate of Participation**.

“**Warranty term**” means the period of time during which the workmanship, distribution systems and structural warranties are effective. Each **warranty term** starts on the **effective date of warranty** or **common element effective date of warranty**. The **warranty term** for the workmanship warranty is 1 year, the **warranty term** for the distribution systems warranty is 2 years and the **warranty term** for the structural warranty is 10 years.

“**You**,” “**your**” and similar words means the person or persons who are the legal owners of the home covered by the express limited warranties described in this booklet.

SECTION VIII. CONSTRUCTION PERFORMANCE STANDARDS

A. WORKMANSHIP AND DISTRIBUTION SYSTEMS WARRANTIES

The following **Construction Performance Standards** apply only to the workmanship and distribution systems warranties and represent the standards of construction quality your home should meet. Items that fail to meet these **Construction Performance Standards** require corrective action by your **builder**. Your **builder** will make a good faith effort to match and replace with your original choice of colors and materials, except where you custom-ordered the items. Your **builder** cannot be responsible for discontinued items, changes in dye lots, colors or patterns or items ordered outside of the original construction or normal wear and deterioration.

Note: Pursuant to N.J.A.C 5:25-3.5(a)1, to the extent that detailed minimum performance standards for construction have not been enumerated in these **Construction Performance**

Standards, builders shall construct homes in accordance with good industry practices which assures quality of materials and workmanship. Likewise, the validity of any homeowner's claims for **defects** for which a standard has not been enumerated here shall be determined on the basis of good industry practices which assures quality of materials and workmanship, and any dispute settlement procedures and arbitration of such claims shall be conducted accordingly.

The following **Construction Performance Standards** are expressed in terms of required standards that the **builder's** construction must meet.

All **defects** or deficiencies described in the **Construction Performance Standards** are for the first year workmanship warranty except for those items for which two years of coverage is specifically provided.

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ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



1. SITEWORK

1.1 GRADING

Deficiency	Settling of ground around foundation, utility trenches or other areas on the property where excavation and backfill have taken place that affect drainage away from home.
Construction Performance Standards	Settling of ground around foundation walls, utility trenches or other filled areas that exceeds a maximum of 6 inches from finished grade established by builder .
Builder Responsibility	If builder has provided final grading, builder shall fill settled areas affecting proper drainage, one time only, during the first year warranty term . Builder is responsible for removal and replacement of shrubs and other landscaping (installed by builder) affected by placement of the fill.
Exclusions	None.

1.2 DRAINAGE

Deficiency	Improper surface drainage and swales which cause standing water and affects the drainage in the immediate area surrounding the home.
Construction Performance Standards	Necessary grades and swales shall be established to provide proper drainage away from the home. Site drainage, under the limited warranty, is limited to those immediate grades surrounding the home. Standing or ponding water within the immediate surrounding area of the home, shall not remain in these areas for a period longer than 24 hours after a rain. Where swales are draining from adjoining properties or where a sump pump discharges, an extended period of 48 hours is to be allowed for water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.
Builder Responsibility	Initially establish the proper grades, swales and drainage away from home. You are responsible for maintaining such grades and swales once properly established by the builder to prevent runoffs and erosion of the soil.
Exclusions	Soil erosion and runoff caused by your failure to maintain the properly established grades, drainage structures and swales; stabilized soil, sodded, seeded and landscaped areas are excluded from limited warranty coverage.
Deficiency	Grassed or landscaped areas that are disturbed or damaged due to work performed by builder on the property in correcting a deficiency.
Construction Performance Standards	Landscaped areas that are disturbed during repair work are defects .
Builder Responsibility	Restore grades, seed and landscape to meet original condition.
Exclusions	Replacement of trees and large bushes that existed at the time home was constructed, those added by you after occupancy or those that subsequently die are excluded from limited warranty coverage.

2. FOUNDATION AND CONCRETE

2.1 CAST-IN-PLACE CONCRETE

Deficiency	Cracking of attached garage floor slab.
Construction Performance Standards	Cracks in concrete garage floor greater than 1/4 inch in width or 1/4 inch in vertical displacement are deficiencies.
Builder Responsibility	Repair excessive cracks in the slab by filling, chipping out and surface patching or other suitable methods as may be required.
Exclusions	Builder is not responsible for cracking or deterioration caused by the stress of unusually heavy equipment or placement of excessive loads that exceed the weight of a typical automobile or light truck, or by other factors beyond the builders control.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

2.1 CAST-IN-PLACE CONCRETE CONTINUED

Deficiency	Basement or foundation wall cracks, other than expansion or control joints.
Construction Performance Standards	Non-structural cracks are not unusual in concrete foundation walls. Cracks 1/8 inch or greater in width are deficiencies.
Builder Responsibility	Repair non-structural cracks 1/8 inch or greater by surface patching. These repairs should be made toward the end of the first year of limited warranty coverage to permit normal stabilizing of the home by settling.
Exclusions	Shrinkage cracks are not unusual and are inherent in the concrete curing process.
Deficiency	Cracks in concrete slab-on-grade floors with finish flooring.
Construction Performance Standards	Cracks that rupture or significantly impair the appearance or performance of the finish flooring material are deficiencies.
Builder Responsibility	Determine the cause for the cracking and correct (remove and replace if required). Repair cracks as required so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring (see Finishes).
Exclusions	None.
Deficiency	Uneven concrete floor slabs.
Construction Performance Standards	Except for basement floors, or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms finished for habitability by builder shall not have pits, depressions or area of unevenness exceeding 1/4 inch in 32 inches or slopes in excess of 1/240 of room width or length (i.e. 10 foot wide room is not to exceed 1/2 inch out of level).
Builder Responsibility	Determine cause and repair/replace to meet the Construction Performance Standards . Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.
Exclusions	None.
Deficiency	Pitting, scaling or spalling of concrete work.
Construction Performance Standards	Concrete surfaces that disintegrate to the extent that aggregate is exposed and loosened under normal conditions of use are deficiencies.
Builder Responsibility	Take whatever corrective action is necessary to repair or replace defective concrete surfaces.
Exclusions	Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements or other factors beyond the builder's control.
Deficiency	Excessive powdering or chalking of interior concrete surfaces.
Construction Performance Standards	Excessive powdering or chalking of interior concrete surfaces is a deficiency, but should not be confused with normal surface dust that may accumulate for a short period after the home is occupied.
Builder Responsibility	Take corrective action necessary to treat, repair or resurface defective areas.
Exclusions	None.
Deficiency	Separation of brick or masonry edging from concrete slab or steps.
Construction Performance Standards	It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of 1/4 inch are a deficiency.
Builder Responsibility	Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as closely as possible.
Exclusions	None.

2.2 CONSTRUCTION AND CONTROL JOINTS

Deficiency	Separation or movement of concrete slabs within the structure at construction and control joints.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Concrete slabs within the structure are designed to move at construction and control joints and are not deficiencies. You are responsible for maintenance of joint material.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



2.3 CRACKS IN ATTACHED PATIO SLAB

Deficiency	Cracks in attached patio slab.
Construction Performance Standards	Cracks in excess of 1/4 inch in width or 1/4 inch in vertical displacement are defects . An “attached patio” is defined as a concrete patio slab on grade which is an integral part of the home, being structurally supported by footings, block walls or reinforced concrete and connected to the foundation.
Builder Responsibility	The builder shall make repairs as required. Where cracks are caused by settlement or improper installation, builder shall replace that portion which has settled and finish as closely as possible to match the existing surface. Where a major portion of the patio has cracked, the entire slab shall be replaced.
Exclusions	Patio slabs which are poured separately and abut the house are excluded from warranty coverage.

3. MASONRY

3.1 UNIT MASONRY (BRICK, BLOCK AND STONE)

Deficiency	Cracks in non-bearing or non-supporting walls.
Construction Performance Standards	Small shrinkage cracks running through masonry and mortar joints are not unusual. Cracks in excess of 1/8 inch in width are deficiencies.
Builder Responsibility	Repair non-structural shrinkage cracks in excess of 1/8 inch by pointing or patching. Repairs shall be made near the end of the first year of limited warranty coverage.
Exclusions	None.
Deficiency	Cracks in bearing or supporting masonry walls.
Construction Performance Standards	Vertical or diagonal cracks that do not affect the structural ability of masonry bearing walls are not unusual. Cracks in excess of 1/8 inch in width are deficiencies.
Builder Responsibility	Repair shrinkage cracks in excess of 1/8 inch by pointing or patching. Where the structural integrity of the wall is affected, suitable repair or replacement shall be done to eliminate the condition.
Exclusions	None.
Deficiency	Horizontal cracks in basement and foundation walls.
Construction Performance Standards	Horizontal cracks in the joints of the masonry walls are not common but may occur. Cracks 1/8 inch or more in width are deficiencies.
Builder Responsibility	The builder shall repair cracks in excess of 1/8 inch and 3/16 inch in width by pointing and patching. Cracks exceeding 3/16 inch shall be investigated by builder to determine the cause. Builder shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.
Exclusions	None.
Deficiency	Cracks in masonry walls or veneer above grade.
Construction Performance Standards	Small cracks are common in mortar joints of masonry construction. Cracks greater than 1/8 inch in width are deficiencies.
Builder Responsibility	Repair cracks and voids that exceed 1/8 inch by surface pointing. These repairs should be made toward the end of the first year of warranty coverage to permit home to stabilize and normal settlement to occur. Builder is not responsible for color variations between existing and new mortar, however, it shall be made to match as close as possible.
Exclusions	None.
Deficiency	Cracking, settling or heaving of stoops and steps.
Construction Performance Standards	Stoops and steps are not to settle or heave in excess of 1 inch in relation to the house structure. Cracks, except hairline cracks less than 1/8 inch, are not acceptable in concrete stoops. A separation of up to 1/2 inch is permitted where the stoop or steps abut the house or where an expansion strip has been installed.
Builder Responsibility	Take whatever corrective action is required to meet acceptable standards. In a case where repair is made to the concrete surface, it is required that such repair match the adjoining surfaces as closely as possible or the entire area be resurfaced and replaced.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

3.1 UNIT MASONRY (BRICK, BLOCK AND STONE) CONTINUED

Deficiency	Standing water on stoops, steps, porches and attached concrete patios.
Construction Performance Standards	Standing water is a deficiency if it is a hazard to individuals and/or causes damage to the home, or in cases where standing water exists due to settlement or heaving.
Builder Responsibility	Take whatever corrective action is necessary to eliminate standing water.
Exclusions	None.

3.2 STUCCO AND CEMENT PLASTER

Deficiency	Cracking or spalling of stucco and cement plaster.
Construction Performance Standards	Hairline cracks in stucco or cement plaster are common, especially if applied directly to masonry backup. Cracks greater than 1/8 inch in width or spalling of the finish surfaces are deficiencies.
Builder Responsibility	Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible. Repair areas where the coating has separated from the base.
Exclusions	Builder is not responsible for failure to match color or texture due to nature of material.

Deficiency	Separation of coating from base on exterior stucco wall.
Construction Performance Standards	The coating shall not separate from the base on an exterior stucco wall.
Builder Responsibility	Repair areas where the coating has separated from the base.
Exclusions	None.

4. CARPENTRY AND FRAMING

4.1 PLYWOOD AND JOISTS

Deficiency	Floors squeak, due to improper installation or loose subfloors.
Construction Performance Standards	A large area of floor squeak which is noticeable, loud and objectionable is a defect .
Builder Responsibility	Builder will correct the problem if caused by faulty construction within reasonable repair capability. Where a finished ceiling exists under the floor, the corrective work may be attempted from the floor side. Where necessary, remove the finish floor material to make the repair and reinstall or replace if damaged.
Exclusions	A squeakproof floor cannot be guaranteed. An isolated floor squeak is not a defect .

Deficiency	Uneven wood framed floors.
Construction Performance Standards	Floors which are more than a 1/4 inch out of level within any 32 inch measurement are a deficiency. Floor slope within any room which exceeds 1/240 of the room width or length is a deficiency (that is 10 foot wide room is not to exceed 1/2 inch out of level).
Builder Responsibility	Correct or repair to meet the Construction Performance Standards .
Exclusions	None.

Deficiency	Bowed stud walls or ceilings.
Construction Performance Standards	All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Bowing should not be visible so as to detract from the finished surface. Walls or ceilings that are bowed more than 1/4 inch within a 32 inch horizontal or vertical measurement are deficiencies.
Builder Responsibility	Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the Construction Performance Standards .
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

4.1 PLYWOOD AND JOISTS CONTINUED

Deficiency	Wood frame walls out of plumb.
Construction Performance Standards	Wood frame walls that are out of plumb more than 3/4 inch in an 8 foot vertical measurement are a deficiency.
Builder Responsibility	Make necessary repairs to meet the Construction Performance Standards .
Exclusions	None.
Deficiency	Warping, checking or splitting of wood framing which affects its intended purpose is a deficiency.
Construction Performance Standards	Minor warping, checking or splitting of wood framing is common as the wood dries out and is not considered a deficiency. A condition that affects the integrity of the member or any applied surface material is a deficiency.
Builder Responsibility	Where a problem exists and the surface material is affected, builder will repair, replace or stiffen the frame member as required.
Exclusions	None.
Deficiency	Exterior sheathing and subflooring that delaminates or swells.
Construction Performance Standards	Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied is a deficiency.
Builder Responsibility	Repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible.
Exclusions	None.

4.2 FINISH CARPENTRY

Deficiency	Unsatisfactory quality of finished exterior trim and workmanship.
Construction Performance Standards	Joints between exterior trim elements and siding or masonry in excess of 3/8 inch are deficiencies. In all cases, the exterior trim abutting masonry and siding shall be capable of performing its function to exclude the elements.
Builder Responsibility	Repair open joints and touch up finish coating, where required, to match existing as closely as possible. Caulk open joints between dissimilar materials.
Exclusions	None.
Deficiency	Unsatisfactory quality of finished interior trim and workmanship.
Construction Performance Standards	Joints between moldings and adjacent surfaces that exceed 1/8 inch in width are deficiencies.
Builder Responsibility	Repair defective joints and touch up finish coating, where required, to match as closely as possible. Caulking is acceptable.
Exclusions	None.
Deficiency	Surface defects in finished woodwork and millwork such as checks, splits and hammer marks.
Construction Performance Standards	Finished woodwork and millwork is to be smooth and without surface marks. Finished surfaces which fall beyond what is reasonably expected in the industry are deficiencies.
Builder Responsibility	Correct repairable defects ; sanding, filing or puttying is acceptable to return the surface to its original condition. Replace materials not repairable, refinish and restore to match surrounding surfaces as closely as possible.
Exclusions	None.
Deficiency	Exposed nail heads in woodwork.
Construction Performance Standards	Material used to fill nail holes has a tendency to shrink and dry up after a period of time and is not considered a deficiency. Nail holes which have not been filled on finished painted woodwork are deficiencies.
Builder Responsibility	Fill nail holes, where required, and if necessary touch up paint, stain or varnish to match as closely as possible.
Exclusions	None.



5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING

Deficiency	Leaks in basement or in foundation/crawl space.
Construction Performance Standards	Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies.
Builder Responsibility	Take such action as is necessary to correct basement and crawl space leaks, except where the cause is determined to be the result of your negligence. Where a sump pit has been installed by builder in the affected area, but the sump pump was not contracted for or installed by builder , no action is required until a properly-sized pump is installed by you in an attempt to correct the condition. Should the condition continue to exist, then builder shall take necessary action to correct the problem.
Exclusions	Leaks caused by landscaping improperly installed by you, or failure by you to maintain proper grades, are excluded from limited warranty coverage. Dampness in basement and foundation walls or in concrete basement and crawl space floors is often common to new construction and is not a deficiency.

5.2 INSULATION

Deficiency	Insufficient insulation.
Construction Performance Standards	Insulation that is not installed around all habitable areas in accordance with established local industry standards is a deficiency.
Builder Responsibility	Install insulation of sufficient thickness and characteristics to meet the local industry standards. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by you if it is found that the standard has been met by builder .
Exclusions	None.
Deficiency	Sound transmission between rooms, floor levels, adjoining condominium units in a building or from the street into home.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	None.

5.3 VENTILATION AND MOISTURE CONTROL

Deficiency	Inadequate ventilation or moisture control in attics and crawl spaces.
Construction Performance Standards	Attics and crawl spaces which are not properly ventilated, causing moisture to accumulate resulting in damage to supporting members or insulation is a deficiency.
Builder Responsibility	Investigate to determine cause and make necessary repairs. Corrective action may include the installation of properly-sized louvers, vents, vapor barriers or other locally approved method of moisture control.
Exclusions	Temporary conditions may cause condensation in crawl spaces that cannot be eliminated by ventilation and/or vapor barrier. Night air may cool foundation walls and provide a cool surface on which moisture may condense. In homes that are left unheated in the winter, the underside of floors may provide a cold surface on which warmer crawl space air may condense. These and other similar conditions are beyond the builder's control. Maintaining adequate heat and seasonal adjustment of vents is your responsibility.
Deficiency	Leaks due to snow or driven rain through vents or louvers.
Construction Performance Standards	Improperly installed vents and louvers that permit penetration of the elements under normal conditions are deficiencies.
Builder Responsibility	Repair or replace the roof vents as necessary to meet the Construction Performance Standards .
Exclusions	Properly installed vents and louvers may allow infiltration of rain and snow under strong wind conditions and are not deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

5.3 VENTILATION AND MOISTURE CONTROL CONTINUED

Deficiency	Bath or kitchen exhaust fans improperly vented into attic.
Construction Performance Standards	Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate, resulting in damage to supporting members or insulation, are deficiencies.
Builder Responsibility	Vent exhaust fans to the outside to correct deficiencies.
Exclusions	None.

5.4 SEALANTS

Deficiency	Water or air leaks in exterior walls due to inadequate caulking.
Construction Performance Standards	Joints and cracks in exterior wall surfaces and around openings that are not properly caulked, to exclude the entry of water or excessive drafts, are a deficiency.
Builder Responsibility	Repair and/or caulk joints in exterior wall surfaces as required to correct deficiency one time only during the first year of limited warranty coverage.
Exclusions	You must maintain caulking once the condition is corrected.

5.5 EXTERIOR SIDING

Deficiency	Delamination, splitting or deterioration of exterior siding.
Construction Performance Standards	Exterior siding with joint separations, or which delaminates, splits or deteriorates is a deficiency.
Builder Responsibility	Repair/replace only the damaged siding. Siding to match the original as closely as possible, however, you should be aware that the new finish may not exactly match the original surface texture or color.
Exclusions	Delaminated due to your actions or neglect, such as delamination caused by sprinkler system repeatedly wetting siding, is not a deficiency.

Deficiency	Loose or fallen siding.
Construction Performance Standards	All siding that is not installed properly, so as to come loose or fall off, is a deficiency.
Builder Responsibility	Reinstall or replace siding and make it secure.
Exclusions	Loose or fallen siding due to your actions or neglect, such as leaning heavy objects against siding, impact or sprinkler systems repeatedly wetting siding is not a deficiency.

Deficiency	Damaged siding or broken shingles.
Construction Performance Standards	Damaged siding or broken shingles is a deficiency if documented on a pre-closing walk-through inspection form. If pre-closing walk-through inspection is performed, the deficiency shall be reported on such report. If no walk-through report exists, the deficiency shall be reported within 30 days of occupancy.
Builder Responsibility	Replace or repair damaged siding if noted on a pre-closing walk-through inspection form. If the builder does not perform a pre-closing walk-through inspection, then the builder will be responsible for the deficiency if reported by the homeowner.
Exclusions	None.

Deficiency	Siding is bowed.
Construction Performance Standards	Bows exceeding 1/2 inch in 32 inches are deficiencies.
Builder Responsibility	Repair bowed siding to meet standard. If replacement of siding is required, builder will match original material as closely as possible. You should be aware that the new finish may not exactly match the original surface texture or color.
Exclusions	Bowed siding due to your actions or neglect, such as bowing caused by sprinkler system repeatedly wetting siding is not a deficiency.



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5.5 EXTERIOR SIDING CONTINUED

Deficiency	Nails have stained siding.
Construction Performance Standards	Nail stains exceeding 1/2 inch in length and visible from a distance of 20 feet are deficiencies.
Builder Responsibility	Correct by either removing stains, painting or staining the affected area. Builder shall match color and finish as closely as possible. Where paint or stain touch up affects the majority of the wall surface, the whole area shall be refinished.
Exclusions	"Natural weathering" or semitransparent stains are excluded from coverage.

5.6 ROOFING

Deficiency	Roof or flashing leaks.
Construction Performance Standards	Roof or flashing leaks that occur under normal weather conditions are deficiencies.
Builder Responsibility	Correct any roof or flashing leaks that are verified to have occurred under normal weather conditions.
Exclusions	Where cause of leaks is determined to result from severe weather conditions such as ice and snow buildup, high winds and driven rains, such leaks are not deficiencies.

Deficiency	Lifted, curled or torn roof shingles.
Construction Performance Standards	Roof shingles which lift or curl during the first year of warranty coverage, or tear loose during normal weather conditions are deficiencies.
Builder Responsibility	Replace or repair lifted, curled or torn shingles.
Exclusions	Accidental loss or damage from acts of nature such as, but not limited to, fire, explosion, smoke, water escape, changes which are not reasonably foreseeable in the level of the underground water table, glass breakage, windstorm, hurricane, hail, lightning, falling trees, aircraft, vehicles, flood and earthquake, is not a deficiency.

Deficiency	Standing water on built-up roofs.
Construction Performance Standards	A properly pitched built-up roof is to drain water except for minor ponding. Dead flat roofs will retain a certain amount of water. Excessive ponding of water which causes leaking of the built-up roof is a deficiency.
Builder Responsibility	Repair leaks due to or caused by standing water and will take corrective action to assure proper drainage of the roof.
Exclusions	Ponding or standing of water is not considered a deficiency.

5.7 SHEET METAL

Deficiency	Gutters and downspouts leak.
Construction Performance Standards	Gutters and downspouts that leak are deficiencies. Gutters which are improperly pitched to drain water are deficiencies.
Builder Responsibility	Repair leaks in gutters and downspouts.
Exclusions	Standing water in gutters is acceptable if it does not exceed 1 inch in depth.

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6. DOORS AND WINDOWS

6.1 DOORS: INTERIOR AND EXTERIOR

Deficiency	Warpage of interior or exterior doors.
Construction Performance Standards	Interior and exterior doors that warp, so as to prevent normal closing and fit are deficiencies. The maximum allowable warpage of an interior door is 1/4 inch when measured from top to bottom vertically or diagonally.
Builder Responsibility	Repair or replace as may be required. New doors to be refinished to match the original as closely as possible.
Exclusions	None.
Deficiency	Door binds against jamb or head of frame, or does not lock.
Construction Performance Standards	Passage doors that do not open and close freely without binding against the doorframe are deficiencies. Lock bolt is to fit the keeper to maintain a closed position.
Builder Responsibility	Adjust door and keeper to operate freely.
Exclusions	Wood doors may stick during occasional periods of high humidity.
Deficiency	Door panels shrink and expose bare wood.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Door panels will shrink due to the nature of the material, exposing bare wood at the edges, and are not deficiencies.
Deficiency	Door panels split.
Construction Performance Standards	Door panels that have split to allow light to be visible through the door are deficiencies.
Builder Responsibility	If light is visible, fill crack and finish panel to match as closely as possible. Correct one time only during first year of limited warranty coverage. If panel cannot be repaired to hide cracks, the panel or door itself shall be replaced and finished to match original.
Exclusions	None.
Deficiency	Bottom of doors drag on carpet surface.
Construction Performance Standards	Where it is understood by builder and you that carpet is planned to be installed as floor finish by builder , the bottom of the doors which rub or disturb the carpet are deficiencies.
Builder Responsibility	Undercut doors as required.
Exclusions	Where carpet selected by you has excessively high pile, you are responsible for any additional door undercutting.
Deficiency	Excessive opening at the bottom of interior doors.
Construction Performance Standards	Passage doors from room to room that have openings between the bottom of the door and the floor finish material in excess of 1 1/2 inches are deficiencies. Closet doors having an opening in excess of 2 inches are deficiencies.
Builder Responsibility	Make necessary adjustment or replace door to meet the required tolerance.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

6.2 GARAGE DOORS (ATTACHED GARAGE)

Deficiency	Garage door fails to operate or fit properly.
Construction Performance Standards	Garage door that do not operate and fit the door opening within the manufacturer's installation tolerances, are deficiencies. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.
Builder Responsibility	Make necessary adjustments to meet the manufacturer's installation tolerances.
Exclusions	No adjustment is required when cause is determined to result from anyone but builders , or builder's subcontractors', installation of an electric door opener.

6.3 WOOD, PLASTIC AND METAL WINDOWS: INTERIOR AND EXTERIOR

Deficiency	Malfunction of windows.
Construction Performance Standards	Windows which do not operate in conformance of the manufacturer's design standards are deficiencies.
Builder Responsibility	Consult with manufacturer when necessary and make necessary adjustments for windows to operate and meet the standard.
Exclusions	None.
Deficiency	Double hung windows do not stay in place when open.
Construction Performance Standards	Double hung windows are permitted to move within a 2 inch tolerance, up or down, when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.
Builder Responsibility	Adjust sash balances one time only during the first year of limited warranty coverage. Where possible, builder will instruct you on the method of adjustment for future repair.
Exclusions	None.
Deficiency	Condensation or frost on window frames and glass.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the home.

6.4 HARDWARE

Deficiency	Hardware does not operate properly, fails to lock or perform its intended purpose.
Construction Performance Standards	All hardware installed on doors and windows which does not operate properly are deficiencies.
Builder Responsibility	As required, adjust, repair or replace hardware that are not damaged by abuse.
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



6.5 STORM DOORS, WINDOWS AND SCREENS

Deficiency	Storm doors, windows and screens do not operate or fit properly.
Construction Performance Standards	Storm doors, windows and screens, when installed, that do not operate or fit properly to provide the protection for which they are intended, are considered deficiencies.
Builder Responsibility	Make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.
Exclusions	Missing screens, rips or gouges in the screen mesh.
Deficiency	Screen panels do not fit properly. Screen mesh is torn or damaged.
Construction Performance Standards	Rips or gouges in the screen mesh reported on a pre-closing walk-through inspection report or opening between the screen panel and frame are deficiencies. You shall be responsible to notify builder within 30 days from the warranty date or the date on which the screens are furnished if there was no pre-closing walk-through inspection.
Builder Responsibility	Builder shall repair or replace rips and gouges in the screen mesh if reported on the pre-closing walk-through inspection. The screen panels shall be adjusted to fit properly in frame one time only during the first year of warranty coverage. If there is no pre-closing walk-through inspection, builder is responsible to repair deficiency when reported by you.
Exclusions	None.

6.6 WEATHER-STRIPPING AND SEALS

Deficiency	Drafts around doors and windows.
Construction Performance Standards	Weather-stripping is required on all doors leading to the outside from a habitable area. Some infiltration is normally noticeable around doors and windows, especially during high winds. Excessive infiltration resulting from openings in poorly fitted weather-stripping is a deficiency.
Builder Responsibility	Adjust or correct poorly fitted windows or doors or poorly fitted weather-stripping.
Exclusions	In high wind areas, you may need to have storm windows and doors installed to eliminate drafts.

6.7 GLASS AND GLAZING

Deficiency	Broken glass.
Construction Performance Standards	Broken glass is a deficiency if it is reported on a pre-closing walk-through inspection report.
Builder Responsibility	Replace if reported on a pre-closing walk-through inspection report. If no report exists, builder shall replace if deficiency is reported by you within 30 days from warranty date.
Exclusions	Glass breakage is excluded.
Deficiency	Clouding and condensation on inside surfaces of insulated glass.
Construction Performance Standards	Insulated glass that clouds up, or has condensation on the inside surfaces of the glass, is a deficiency.
Builder Responsibility	Replace glass in accordance with window and glass manufacturer's requirements.
Exclusions	None.



7. FINISHES

7.1 LATH AND PLASTER

Deficiency	Cracks in plaster wall and ceiling surfaces.
Construction Performance Standards	Hairline cracks are not unusual. Cracks in plaster wall and ceiling surfaces that are noticeable are deficiencies.
Builder Responsibility	Repair noticeable cracks in plaster wall and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of warranty coverage to allow for normal settlement in home.
Exclusions	None.

7.2 DRYWALL

Deficiency	Drywall cracks.
Construction Performance Standards	Hairline cracks are not unusual. Cracks in interior gypsum board, or other drywall materials exceeding 1/16 inch in width, are deficiencies.
Builder Responsibility	Repair cracks that are greater than 1/16 inch in width and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal movement in home.
Exclusions	None.

Deficiency	Nail pops, blisters or other blemishes are visible on finished wall or ceiling.
Construction Performance Standards	Slight defects such as occasional nail pops, seam lines and cracks are common to gypsum wallboard installation. Blisters in tape, cracks over door and window frames and over archways, excess compound in joints, trowel marks, nail popping and exposed corner beads are deficiencies. Nail pops are a deficiency only when there are signs of spackle compound cracking or falling away.
Builder Responsibility	Repair such deficiencies to acceptable tolerances and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement of the home.
Exclusions	Depressions or slight mounds at nail heads are not deficiencies. Builder is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper.

Deficiency	Cracked corner bead, excess joint compound, trowel marks or blisters in tape joints.
Construction Performance Standards	Cracked or exposed corner bead, excess joint compound, trowel marks or blisters in drywall tape, are deficiencies.
Builder Responsibility	Repair to meet Construction Performance Standards , and touch up paint to match as closely as possible, one time only. Such conditions should be reported near the end of the first year of limited warranty coverage to allow for normal settlement of the home.
Exclusions	None.

7.3 HARD SURFACES

Deficiency	Flagstone, marble, quarry tile, slate or other hard surface flooring is broken or loose.
Construction Performance Standards	Ceramic tile, flagstone or similar hard-surfaced sanitary flooring that cracks or becomes loose is a deficiency. Subfloor and wallboard are required to be structurally sound, rigid and suitable to receive finish.
Builder Responsibility	Determine and correct the cause for the cracking or loosening of the finish materials. Replace cracked tiles, marble or stone and re-secure loose tiles, marble or stone flooring.
Exclusions	Cracking and loosening of flooring caused by your negligence is not a deficiency. Builder is not responsible for color and pattern variations or discontinued patterns of the manufacturer. It shall not be required to replace the entire finish when the new material consists of less than 25 percent of the finish area.



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7.3 HARD SURFACES CONTINUED

Deficiency	Cracks appear in grouting of ceramic tile joints, or at junctions with other material such as a bathtub, shower or countertop.
Construction Performance Standards	Cracks in grouting of ceramic tile joints in excess of 1/16 inch are deficiencies. Regrouting of these cracks is your maintenance responsibility after the builder has regrouted once.
Builder Responsibility	Repair grouting as necessary, one time only, within the first year of limited warranty coverage.
Exclusions	Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub, shower basin or countertop are considered your maintenance responsibility and any resultant damage to other finish surfaces due to leaks, etc. are not considered deficiencies.

7.4 RESILIENT FLOORING

Deficiency	Nail pops appear on the surface of resilient flooring.
Construction Performance Standards	Readily apparent nail pops are deficiencies.
Builder Responsibility	Correct nail pops that have caused damage to the floor material, and repair or replace damaged floor covering in the affected area.
Exclusions	Builder is not responsible for discontinued patterns or color variations.
Deficiency	Depressions or ridges appear in the resilient flooring due to subfloor irregularities.
Construction Performance Standards	Readily apparent depressions or ridges exceeding 1/8 inch are a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6 inch straight edge placed over the depression or ridge with 3 inches on one side of the deficiency held tightly to the floor.
Builder Responsibility	Take required action to bring the deficiency within acceptable tolerances, so as to not be readily visible.
Exclusions	Builder is not responsible for discontinued patterns or color variations in the floor covering, your neglect or abuse or installations performed by others.
Deficiency	Resilient flooring or base loses adhesion.
Construction Performance Standards	Resilient flooring or base that lifts, bubbles or becomes unglued is a deficiency.
Builder Responsibility	Repair or replace resilient flooring or base as required.
Exclusions	Builder is not responsible for discontinued patterns or color variations.
Deficiency	Seams or shrinkage gaps show at resilient flooring joints.
Construction Performance Standards	Gaps in excess of 1/8 inch in width in resilient floor covering joints are deficiencies. Where dissimilar materials abut, a gap in excess of 3/16 inch is a deficiency.
Builder Responsibility	Repair or replace the resilient flooring to meet the Construction Performance Standards .
Exclusions	Builder is not responsible for discontinued patterns or color variations of floor covering.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

7.5 PLYWOOD WALL COVERING

Deficiency	Variations in paneling color, scratches or checks on the finished surface.
Construction Performance Standards	Plywood paneling pattern and color will often vary and this is not a deficiency. Scratches on the paneling surface are deficiencies if reported on a pre-closing walk-through inspection report.
Builder Responsibility	Repair or replace damaged paneling when the deficiency has been reported on the pre-closing walk-through inspection report. If no pre-closing walk-through was done, builder is responsible to repair damage if notified by you. If damaged paneling cannot be replaced with new paneling to your satisfaction, the deficiency may be repaired within reasonable standard of good materials and workmanship. You shall notify the builder within 30 days of the warranty start date if no pre-closing walk-through inspection report exists.
Exclusions	Builder is not responsible for discontinued panel or color variations.

7.6 FINISHED WOOD FLOORING

Deficiency	Cupping in wood flooring.
Construction Performance Standards	Cups in strip floorboards shall not exceed 1/16 inch in height in a 3 inch maximum distance, when measured perpendicular to the length of the board.
Builder Responsibility	Determine the cause and if the result of a deficiency in workmanship or material, correct one time only. For repairable deficiencies, repair by filling and refinishing to match the wood surface as closely as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible.
Exclusions	Wood floors are subject to shrinkage and swell, due to seasonal variations in the humidity level of home. You should be familiar with the recommended care and maintenance requirements of your wood floor. Repeated wetting and drying, or wet mopping may damage wood or laminate finishes. Refer to the manufacturers grade quality standards as defined by National Wood Flooring Associations.

Deficiency	Dents, chips, knot pops, open joints or cracks in wood flooring.
Construction Performance Standards	Dents, chips, knot pops, open joints or cracks in the finished wood flooring which exceed the manufacturer's quality standards of the wood flooring grade are deficiencies. Manufacturer's grade quality shall be as defined by: Wood and Synthetic Flooring Institute, National Oak Flooring Association and Maple Flooring Manufacturer's Association.
Builder Responsibility	Determine the cause for deficiencies and correct. Dents and chips are to be corrected if reported on a pre-closing walk-through inspection report. If the inspection was not conducted, the builder shall correct if notified by you. For repairable deficiencies, repair cracks, chips or dents by filling and refinishing to match the wood surface as closely as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible. You shall report such deficiencies to builder within 30 days of the warranty start date if there was no pre-closing walk-through inspection.
Exclusions	None.

7.7 PAINTING

Deficiency	Knot and wood stains appear through paint on exterior.
Construction Performance Standards	Excessive knot and wood stains that bleed through the paint are considered deficiencies.
Builder Responsibility	Seal affected areas where excessive bleeding of knots and stains appear, one time only, during the first year warranty term . Touch up paint to match as closely as possible.
Exclusions	None.

Deficiency	Exterior paint or stain peels or deteriorates.
Construction Performance Standards	Exterior paints or stains that peel or deteriorate during the first year of warranty term are deficiencies.
Builder Responsibility	Properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface areas, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty term .
Exclusions	Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions that may prevail in the area. Fading is not a deficiency.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

7.7 PAINTING CONTINUED

Deficiency	Painting required as corollary repair because of other work.
Construction Performance Standards	Necessary repair of a painted surface under this warranty is to be refinished to match surrounding areas as closely as possible.
Builder Responsibility	Refinish repaired areas to meet the standard as required.
Exclusions	None.
Deficiency	Mildew or fungus forms on painted or factory-finished surfaces.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Mildew or fungus that forms on a painted or factory-finished surface when the surface is subject to various exposures (e.g. ocean, lake, riverfront, heavily wooded areas or mountains) is not a deficiency.
Deficiency	Deterioration of varnish or lacquer finishes.
Construction Performance Standards	Natural finish on interior woodwork that deteriorates during the first year of limited warranty coverage is a deficiency.
Builder Responsibility	Refinish affected areas of natural-finished interior woodwork, matching the color as closely as possible.
Exclusions	Varnish-type finishes used on exterior surfaces will deteriorate rapidly and are not covered by the warranty.
Deficiency	Interior paint coverage.
Construction Performance Standards	Interior paint not applied in a manner sufficient to visually cover wall, ceiling and trim surfaces is a deficiency.
Builder Responsibility	Repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where the majority of the wall or ceiling surface is affected, the entire area will be painted from breakline to breakline.
Exclusions	Builder is not required to repaint an entire room unless all walls and ceiling have been affected.
Deficiency	Paint splatters and smears on finish surfaces.
Construction Performance Standards	Paint splatters on walls, woodwork or other surfaces which are excessive, that detract from the finish and which cannot be removed by normal cleaning methods, are deficiencies.
Builder Responsibility	Remove paint splatters without affecting the finish of the material or replace the damaged surface if paint cannot be removed if reported on a pre-closing walk-through inspection report. If no such inspection was done, builder shall correct if notified by you. You shall notify the builder within 30 days of the warranty start date if a pre-closing walk-through inspection report was not completed.
Exclusions	Minor paint splatter and smears on impervious surfaces that can be easily removed by normal cleaning methods are considered to be your maintenance and are not deficiencies.

7.8 WALLCOVERING

Deficiency	Peeling of wallcovering installed by builder.
Construction Performance Standards	Peeling of wallcovering is a deficiency unless it is due to your abuse or negligence.
Builder Responsibility	Repair or replace defective wallcovering.
Exclusions	Wallpaper applied in high moisture areas is exempt from this standard because the problem results from conditions beyond the builder's control.



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7.8 WALLCOVERING CONTINUED

Deficiency	Pattern in wallcovering is mismatched at the edges.
Construction Performance Standards	Mismatching wallcovering pattern over a large area that severely detracts from its intended purpose due to poor workmanship is a deficiency.
Builder Responsibility	Remove mismatched wallcovering and replace.
Exclusions	Builder is not responsible for discontinued or variations in color. Defects in the wallcovering patterns are the manufacturer's responsibility and excluded from warranty coverage.
Deficiency	Lumps and ridges and nail pops in wallboard that appear after the homeowner has wallcovering installed by others.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	You shall ensure that the surface to receive wallcovering is suitable and assume full responsibility should lumps, ridges and nail pops occur at a later date.

7.9 CARPETING

Deficiency	Carpet does not meet at the seams.
Construction Performance Standards	Seams in carpeting that separate due to improper installation are a deficiency.
Builder Responsibility	Correct to eliminate visible gap or overlapping at the seam.
Exclusions	Carpet material is not covered under the warranty.
Deficiency	Color variations in carpet.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Colors may vary by dye lot and from one end to another in the same roll. Side to side shading may show at most if not all seams, even where the same dye lot is used. Carpet material is not covered under the limited warranty. You should consult carpet manufacturer's warranty for specifications, standards and manufacturer's warranty responsibility for color variations.
Deficiency	Carpet loosens or the carpet stretches.
Construction Performance Standards	Wall-to-wall carpeting that comes loose is a deficiency.
Builder Responsibility	Resecure loose carpeting one time during the first year of limited warranty coverage.
Exclusions	Stretching that may occur in the carpeting is subject to the quality and surface over which it is laid and is not a deficiency.
Deficiency	Spots on carpet; minor fading.
Construction Performance Standards	Spots or stains on carpeting are a deficiency if reported on a pre-closing walk-through inspection report.
Builder Responsibility	Builder shall remove spots and stains one time if reported on a pre-closing walk-through inspection report, and replace when excessive spots and stains cannot be removed. If no pre-closing inspection report exists, builder shall correct when notified by you within 30 days from warranty date.
Exclusions	None.

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8. SPECIALTIES

8.1 FIREPLACES

Deficiency	Fireplace or chimney does not draw properly, causing smoke to enter home.
Construction Performance Standards	A properly designed and constructed fireplace or chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions, such as tree branches too close to the chimney. In addition, the geographic location of the fireplace or its relationship to adjoining walls and roof may cause negative draft conditions. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary for the homeowner to substantiate the problems to the builder by constructing a fire so the condition can be observed.
Builder Responsibility	When it is determined that the malfunction is based upon improper construction of the fireplace, the builder shall take the necessary steps to correct the problem.
Exclusions	When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond builder's control, builder is not responsible.
Deficiency	Chimney separation from structure to which it is attached.
Construction Performance Standards	Newly built fireplaces will often incur slight amounts of separation. Separation that exceeds 1/2 inch from the main structure in any 10 foot vertical measurement is a deficiency.
Builder Responsibility	Builder shall determine cause and correct. Caulking or grouting is acceptable up to 1/2 inch displacement, unless the cause of the separation is due to structural failure of the chimney foundation. In that case, caulking is unacceptable.
Exclusions	None.
Deficiency	Cracks in masonry hearth or facing.
Construction Performance Standards	Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Heat and flames from normal fires can cause cracking.
Builder Responsibility	None.
Exclusions	Heat and flames from normal fires can cause cracking of firebrick and mortar joints. This should be expected and is not covered by the limited warranty.

8.2 BUILT-IN SAUNA AND STEAM BATH UNITS

Deficiency	Refer to the pertinent section of these standards for deficiencies that may exist in construction materials, finish and equipment of a steam bath or sauna unit constructed on-site.
Construction Performance Standards	Built-in equipment such as sauna and steam bath units are to be constructed and must operate properly under the same applicable standards for finishes and mechanical and electrical equipment involved. Any deficiencies in finish materials or equipment referred to in these standards are deficiencies.
Builder Responsibility	Make all necessary repairs or replacements including equipment covered under a manufacturer's warranty.
Exclusions	None.

9. CABINETS, VANITIES AND COUNTERTOPS

9.1 KITCHEN CABINETS AND VANITIES

Deficiency	Kitchen and vanity cabinet doors and drawers malfunction.
Construction Performance Standards	Cabinet doors, drawers and other operating parts that do not function as designed are deficiencies if reported on a pre-closing walk-through inspection report.
Builder Responsibility	Adjust or replace doors and drawers as necessary to meet Construction Performance Standards . If no pre-closing report exists, builder shall correct when notified by you within 30 days of the warranty start date.
Exclusions	None.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

9.1 KITCHEN CABINETS AND VANITIES CONTINUED

Deficiency	Warping of kitchen and vanity cabinet doors and drawer fronts.
Construction Performance Standards	Warpage that exceeds 1/4 inch as measured from the face of the cabinet frame to the furthestmost point of warpage on the drawer or door front in a closed position is a deficiency.
Builder Responsibility	Correct or replace door or drawer front as required.
Exclusions	None.
Deficiency	Gaps between cabinets, ceiling and walls.
Construction Performance Standards	Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of 1/4 inch between wall and ceiling surfaces are a deficiency.
Builder Responsibility	Make necessary adjustments of cabinets and countertop or close gap by means of molding, suitable to match the cabinet or countertop finish as closely as possible, or other acceptable means.
Exclusions	None.

9.2 COUNTERTOPS

Deficiency	Surface cracks and delaminations in high pressure laminates of vanity and kitchen cabinet countertops.
Construction Performance Standards	Countertops fabricated with high pressure laminate coverings that delaminate or have surface cracks, chips, scratches or joints exceeding 1/16 inch between sheets are deficiencies if reported on a pre-closing walk-through inspection report.
Builder Responsibility	Repair or replace laminated surface covering having cracks, chips, scratches or joints exceeding the allowable width if reported on the pre-closing inspection report. If no pre-closing inspection report exists, builder shall correct when notified by you within 30 days of the warranty start date.
Exclusions	None.
Deficiency	Granite, marble, stone or solid surface countertop is chipped.
Construction Performance Standards	Chips greater than 1/32 inch are considered excessive.
Builder Responsibility	Repair or replace affected areas to meet the Construction Performance Standards . The use of an appropriate filler is an acceptable repair.
Exclusions	Chips must be noted during the original walk through or orientation. Builder is not responsible for chips after the completion of your home.
Deficiency	Granite, marble, stone or solid surface countertop has visible seams.
Construction Performance Standards	Seams may be visible and especially noticeable within certain countertop materials and darker finishes.
Builder Responsibility	None.
Exclusions	None.
Deficiency	Granite, marble, stone or solid surface countertop has excessive lippage between sections.
Construction Performance Standards	Lippage greater than 1/32 inch is considered excessive.
Builder Responsibility	Repair or replace the countertop to meet the Construction Performance Standards .
Exclusions	None.

ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE



10. MECHANICAL

10.1 PLUMBING

Deficiency	Faucet or valve leak.
Construction Performance Standards	A faucet or valve leak due to material or workmanship is a deficiency and is covered only during the first year of limited warranty coverage.
Builder Responsibility	Repair or replace the leaking faucet or valve.
Exclusions	Leakage caused by worn or defective washers or seals are your maintenance responsibility.
Deficiency	Defective plumbing fixtures, appliances or trim fittings.
Construction Performance Standards	Fixtures, appliances and fittings shall comply with their manufacturer's standards as to use and operation.
Builder Responsibility	Replace or repair any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
Exclusions	Defective plumbing fixtures, appliances and trim fittings are covered under their manufacturer's warranty.
Deficiency	Chipped or damaged plumbing fixtures and appliances.
Construction Performance Standards	Chips, cracks or other such damage to plumbing fixtures and appliances are deficiencies if they are included in a pre-closing walk-through inspection report.
Builder Responsibility	Repair any chips or cracks if included in the pre-closing inspection report. If repair cannot be made, the fixture or appliance is to be replaced to match the original. If no pre-closing inspection report exists, builder shall correct when notified by you. You shall notify the builder within 30 days of the warranty start date if a pre-closing walk-through inspection was not conducted.
Exclusions	Where a fixture is built into surrounding wall areas such as a tub or shower basin which requires repair, replacement is not covered under the warranty except where the deficiency causes the fixture to be unusable.

10.2 WATER SUPPLY

Deficiency	Staining of plumbing fixtures due to high iron, manganese or other mineral content in water.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None. High iron and manganese content in the water supply system will cause staining of plumbing fixtures.
Exclusions	Maintenance and treatment of the water is your responsibility.
Deficiency	Noisy water pipes.
Construction Performance Standards	Some noise can be expected from the water pipe system due to the flow of water. However, the supply pipes should not make the pounding noise called "water hammer." "Water hammer" is a deficiency covered only during the first year of limited warranty coverage.
Builder Responsibility	Correct to eliminate "water hammer."
Exclusions	Noises due to water flow and pipe expansion are not deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

10.3 HEATING AND AIR CONDITIONING

Deficiency	Inadequate heat.
Construction Performance Standards	A heating system shall be capable of producing an inside temperature of at least 70 degrees Fahrenheit (F) as measured in the center of the room at a height of 5 feet above the floor, under local outdoor winter design conditions, as specified in the latest <i>New Jersey U.C.C. Energy Subcode and ASHRAE Handbook</i> in effect at the time the home was constructed. NOTE FOR HEATING: There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in home.
Builder Responsibility	Correct heating system as required to provide the required temperatures if a deficiency exists. Builder shall balance damper and register and make minor adjustments one time only during the first year of warranty.
Exclusions	Orientation of home and location of room will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels. You are responsible for balancing damper and registers and for making other necessary minor adjustments.
Deficiency	Inadequate cooling.
Construction Performance Standards	When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78 degrees Fahrenheit (F) as measured in the center of each room at height of 5 feet above the floor, under local outdoor summer design conditions, as specified in the latest <i>New Jersey U.C.C. Energy Subcode and ASHRAE Handbook</i> in effect at the time the home was constructed. NOTE FOR AIR CONDITIONING: The cooling cycle outdoor design temperature established by ASHRAE provides for a maximum of 12 degree temperatures between the outdoor and the indoor temperature. There may be periods when the outdoor temperature rises above the design temperature in the home.
Builder Responsibility	Correct cooling system to meet the Construction Performance Standards during the first year of coverage.
Exclusions	Orientation of home and location of room will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more levels. You are responsible for balancing dampers and registers and for making other necessary minor adjustments.
Deficiency	Ductwork and heating piping not insulated in uninsulated area.
Construction Performance Standards	Ductwork and heating pipes that are run in uninsulated crawl spaces, garages or attics are to be insulated.
Builder Responsibility	Install required insulation.
Exclusions	Basements are not "uninsulated areas," and no insulation is required.
Deficiency	Condensate lines clog up.
Construction Performance Standards	None. No coverage.
Builder Responsibility	Provide clean and unobstructed lines on effective date of warranty .
Exclusions	Condensate lines will clog under normal conditions. You are responsible for continued operation of drain lines.
Deficiency	Improper mechanical operation of evaporative cooling system.
Construction Performance Standards	Equipment that does not function properly at temperature standard set is a deficiency.
Builder Responsibility	Correct and adjust so that blower and water system operate as designed during the first year of coverage.
Exclusions	None.
Deficiency	Ductwork makes noises.
Construction Performance Standards	Noise in ductwork may occur for a brief period when heating or cooling begins to function and is not considered a deficiency. Continued noise in the ductwork during its normal operation is a deficiency.
Builder Responsibility	Take necessary steps to eliminate noise in the ductwork.
Exclusions	When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and are not deficiencies.



ITEMS COVERED UNDER THE WORKMANSHIP WARRANTY COVERAGE

10.3 HEATING AND AIR CONDITIONING CONTINUED

Deficiency	Ductwork makes excessively loud noises known as “oil canning.”
Construction Performance Standards	The stiffening of the ductwork and the gauge of metal used shall be such that ducts do not “oil can.” The booming noise caused by “oil canning” is a deficiency.
Builder Responsibility	Take the necessary steps to eliminate noise caused by “oil canning.”
Exclusions	None.

11. ELECTRICAL COMPONENTS

11.1 SWITCHES AND RECEPTACLES

Deficiency	Fuses blow or circuit breakers kick out.
Construction Performance Standards	Fuses and circuit breakers that deactivate under normal usage, when reset or replaced, are deficiencies during the first year of limited warranty coverage.
Builder Responsibility	Check all wiring and replace wiring or breaker if it does not perform adequately or is defective.
Exclusions	None.

Deficiency	Drafts from electrical outlets.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	The electrical junction box on exterior walls may produce a slight air flow, whereby the cold air can be drawn through the outlet into a room. This problem is normal in new home construction.

Deficiency	Malfunction of electrical outlets, switches or fixtures.
Construction Performance Standards	All outlets, switches and fixtures that do not operate as intended are considered deficiencies only during the first year of coverage.
Builder Responsibility	Repair or replace defective outlets, switches and fixtures.
Exclusions	None.

Deficiency	Light fixture tarnishes.
Construction Performance Standards	None. No coverage.
Builder Responsibility	None.
Exclusions	Finishes on light fixtures may be covered under their manufacturer’s warranty.

11.2 SERVICE AND DISTRIBUTION

Deficiency	Ground fault interrupter trips frequently.
Construction Performance Standards	Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault outlets that do not operate as intended are deficiencies.
Builder Responsibility	Replace the device if defective during the first year of limited warranty coverage.
Exclusions	None.



ITEMS COVERED UNDER THE DISTRIBUTION SYSTEMS WARRANTY COVERAGE

12. MECHANICAL SYSTEMS

12.1 SEPTIC TANK SYSTEMS

Deficiency	Septic systems fail to operate properly.
Construction Performance Standards	Septic systems should be capable of properly handling normal flow of household effluent. It is, however, possible that due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing or appliances, an overflow can occur.
Builder Responsibility	Take corrective action if it is determined that malfunction is due to a deficiency in workmanship, materials or failure to construct system in accordance with state, county or local requirements. Builder is not responsible for malfunctions or limitations in the operation of the system attributable to design restrictions imposed by state, county or local governing agencies. Builder is also not responsible for malfunctions that occur or are caused by conditions beyond builder's control, including your negligence, abuse, freezing, soil saturation, changes in ground water table or other acts of nature.
Exclusions	You are responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency. The following are considered your negligence or abuse and are excluded under the limited warranty: a) excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use. b) connection of sump pump, roof drains or backwash from water conditioner, to the system. c) placing of non-biodegradable items in the system. d) addition of harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners. e) use of a food waste disposer not supplied by builder . f) placement of impervious surfaces over the disposal area. g) allowing vehicles to drive or park over the disposal area. h) failure to periodically pump out the septic tank when required. Sewage pumps are excluded under the limited warranty coverage.

12.2 PLUMBING

Deficiency	Leakage from any piping.
Construction Performance Standards	Leaks in any waste, vent and water piping are deficiencies.
Builder Responsibility	Make necessary repairs to eliminate leakage.
Exclusions	Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.
Deficiency	Sanitary sewers, fixtures, waste or drain lines are clogged.
Construction Performance Standards	Sanitary sewers, fixtures, waste or drain lines that do not operate or drain properly due to improper construction are deficiencies.
Builder Responsibility	When defective construction is shown to be the cause, builder shall make necessary repairs. You are liable for the entire cost of any sewer and drain cleaning service provided by builder , where clogged drains are caused by your actions or negligence.
Exclusions	Builder is not responsible for sewers, fixtures or drains that are clogged because of your actions or negligence. Builder is not responsible for sewer lines that extend beyond the property lines on which the home is constructed.
Deficiency	Water in plumbing pipes freezes and the pipes burst.
Construction Performance Standards	Drain, waste, vent and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather.
Builder Responsibility	Correct conditions not meeting Construction Performance Standards .
Exclusions	Burst pipes due to your neglect and resultant damage are not builder's responsibility. You are responsible for draining exterior faucets and maintaining suitable temperature in the home to prevent water in pipes from freezing. During periods when the outside temperature falls below the design temperature, you are responsible for draining or otherwise protecting pipes. Homes which are periodically occupied, such as summer homes or where there will be no occupancy for a period of time, must be properly winterized or periodically checked to ensure that a reasonable temperature is maintained.



ITEMS COVERED UNDER THE DISTRIBUTION SYSTEMS WARRANTY COVERAGE

12.3 WATER SUPPLY

Deficiency	Water supply system fails to deliver water; pressure is low.
Construction Performance Standards	All service connections to municipal water main or private water supply are builder's responsibility when installed by builder .
Builder Responsibility	Repair as required if failure to supply water is the result of deficiency in workmanship or materials.
Exclusions	If conditions exist that disrupt or eliminate the sources of water supply that are beyond builder's control, then builder is not responsible.
Deficiency	Drinking water is not potable.
Construction Performance Standards	All water must be free from contamination that would affect its potability. Potable water is defined as water fit for human consumption. In many cases, a well water test will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards, however, it still may be considered potable. In order to make this determination, the owner must provide written documentation from an independent testing laboratory or a Board of Health providing such service stating the water is unfit for human consumption. Water test reports furnished by a commercial water treatment company cannot be used to make such a determination. Water is considered potable when a Certificate of Compliance is issued by the local/county Board of Health. Any recommendation for treatment of the water by the local/county Board of Health is contractual between you and your builder and is not a deficiency.
Builder Responsibility	Supply potable drinking water.
Exclusions	Water that becomes non-potable after certification by a source beyond the control of the builder shall be excluded from coverage.

12.4 HEATING AND AIR CONDITIONING

Deficiency	Refrigerant lines leak.
Construction Performance Standards	Builder -installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies.
Builder Responsibility	Repair leaking lines and recharge the unit as required.
Exclusions	Leaks due to your actions or negligence are excluded.
Deficiency	Ductwork separates or becomes unattached.
Construction Performance Standards	Ductwork that is not intact or securely fastened is a deficiency.
Builder Responsibility	Reattach and resecure all separated or unattached ductwork.
Exclusions	None.

13. ELECTRICAL SYSTEMS

13.1 ELECTRICAL CONDUCTORS

Deficiency	Failure of wiring to carry its designed load.
Construction Performance Standards	Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles and equipment is a deficiency.
Builder Responsibility	Check wiring and replace if it fails to carry the designated load.
Exclusions	None.

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SECTION IX. YOUR LEGAL RIGHTS AND REMEDIES

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YOU ACKNOWLEDGE, AGREE AND CONSENT THAT DURING THE WARRANTY TERM, THE WARRANTY ADMINISTRATOR AND THE WARRANTY INSURER, AND THEIR RESPECTIVE AGENTS, MAY CALL, TEXT, EMAIL AND OTHERWISE CONTACT YOU VIA ANY METHOD OR DEVICE YOU OWN IN ORDER TO PERFORM THEIR RESPECTIVE OBLIGATIONS UNDER THIS BOOKLET, AS WELL AS TO SEND YOU MARKETING MATERIALS. TO OPT-OUT, CALL 855.429.2109.

IF YOUR BUILDER HAS PROVIDED AN ADDITIONAL WRITTEN OR VERBAL WARRANTY OR GUARANTEE TO YOU, THEN THE BUILDER'S OBLIGATIONS UNDER THAT ADDITIONAL WARRANTY OR GUARANTEE, IF ANY, ARE NOT COVERED UNDER THIS BOOKLET AND ARE NOT THE RESPONSIBILITY WHATSOEVER OF THE WARRANTY ADMINISTRATOR OR WARRANTY INSURER.

DISCLAIMER OF ALL OTHER WARRANTIES: EXCEPT FOR THE EXPRESS WORKMANSHIP WARRANTY, DISTRIBUTION SYSTEMS WARRANTY AND STRUCTURAL WARRANTY SET FORTH IN THIS BOOKLET, ALL OTHER WARRANTIES, CONDITIONS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES WITH RESPECT TO YOUR HOME OR THIS BOOKLET, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, CUSTOM, ORAL OR WRITTEN STATEMENTS BY THE BUILDER, WARRANTY INSURER OR WARRANTY ADMINISTRATOR OR OTHERWISE (INCLUDING,

BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, SATISFACTION OR FITNESS FOR PARTICULAR PURPOSE) ARE HEREBY EXCLUDED AND DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED BY APPLICABLE LAW, SUCH WARRANTY IS LIMITED IN DURATION TO SHORTEST DURATION ALLOWED BY APPLICABLE LAW. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY. THESE WARRANTIES GIVE YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY AMONG APPLICABLE LAW.

EXCLUSION OF CERTAIN TYPES OF DAMAGES: IN NO EVENT SHALL THE BUILDER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), THE WARRANTY INSURER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES) OR THE WARRANTY ADMINISTRATOR (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), AND EACH OF THEIR RESPECTIVE OWNERS, MEMBERS, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS AND ASSIGNS BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND SUFFERED BY YOU OR ANY THIRD PARTY, FOR EXAMPLE, LOST PROFITS, BUSINESS INTERRUPTIONS OR OTHER ECONOMIC LOSS RELATED IN ANY WAY TO THIS BOOKLET OR ANY USE OF OR FAILURE TO BE ABLE TO USE YOUR HOME.

LIMITATION OF LIABILITY: THE TOTAL AGGREGATE LIABILITY OF THE BUILDER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), WARRANTY INSURER (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES) AND WARRANTY ADMINISTRATOR (AND ITS PARENTS, SUBSIDIARIES, AFFILIATES), AND EACH OF THEIR RESPECTIVE OWNERS, MEMBERS, SHAREHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS AND ASSIGNS FOR ANY COSTS, DAMAGES, FINES, LIABILITIES, LOSSES, PENALTIES AND OTHER EXPENSES INCURRED BY YOU ARISING OUT OF OR RELATED TO THIS BOOKLET OR YOUR HOME WILL NOT EXCEED THE WARRANTY LIMIT. THE EXISTENCE OF ONE OR MORE CLAIMS OF ANY KIND(S) IN ANY FORUM(S) WILL NOT ENLARGE THE FOREGOING LIMITS. THE WAIVERS, EXCLUSIONS AND LIMITATIONS OF DAMAGES SET FORTH IN THIS BOOKLET SHALL (I) APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE AND (II) BE INDEPENDENT OF, AND SHALL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY WARRANTY OR EXCLUSIVE OR LIMITED REMEDY STATED HEREIN, AND SHALL APPLY EVEN IF THE BUILDER, WARRANTY INSURER OR WARRANTY ADMINISTRATOR HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

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RETURN TO: WARRANTY ADMINISTRATOR

email: warrantyadministration@2-10.com | phone: 855.429.2109
13900 E Harvard Ave | Aurora, CO 80014

REQUEST FOR ARBITRATION CLAIM FORM FOR WORKMANSHIP & DISTRIBUTION SYSTEMS COVERAGE

Please read *Section VI.F Arbitration of Disputes* and *Section II Your 1 Year Workmanship Warranty* or *Section III Your 2 Year Distribution Systems Warranty* of the 2-10 HBW New Home Warranty Program booklet for filing instructions and pertinent information. This form must be received by the **warranty administrator** no later than 7 days after the expiration of the applicable **warranty terms** or the coverage will be denied.

Homeowner Name: _____

Address of Claim: _____
Street City State Zip

Primary Phone: _____ Alternate Phone: _____

Email Address: _____

Effective Date of Warranty: _____ Certificate of Participation#: _____
(Found on lower right corner of Form HBW 202 COP NJ)

List the specific construction **defects** and/or issues to be arbitrated:

Date Defect First Observed: _____ Date First Reported to Builder: _____

Attach correspondence between you and your **builder** involving this matter. Please provide any correspondence that indicates that your **builder** has failed to perform obligations. **BY SIGNING BELOW, I/WE ACKNOWLEDGE THAT FILING THIS CLAIM FORM IS AN ELECTION TO PURSUE THE WARRANTY AS A REMEDY.**

Homeowner Signature Date

Homeowner Signature Date

CHECK ONE (if applicable): FHA VA
CASE #: _____
If you are the original owner, and your home is FHA financed,
please provide the following:
Name of Mortgage Company: _____
Address of Mortgage Company: _____

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RETURN TO: WARRANTY ADMINISTRATOR

email: warrantyadministration@2-10.com | phone: 855.429.2109

13900 E Harvard Ave | Aurora, CO 80014

NOTICE OF CLAIM FORM FOR STRUCTURAL CLAIMS ONLY

Please read Section IV Your 10 Year Structural Warranty in the 2-10 HBW New Home Warranty Program booklet for filing instructions and pertinent information.

Your Name: _____
Street City State Zip

Address of Claim: _____

Email Address: _____

Primary Phone: _____ Alternate Phone: _____

Effective Date of Warranty: _____ Certificate of Participation #: _____

(Found on lower right corner of Form HBW 202 COP NJ)

- 1. Have you reviewed the structural coverage section of your warranty booklet? Yes No
- 2. Have you reviewed the list of non-load-bearing elements which would not qualify as a **major structural defect** under this coverage? Yes No
- 3. Do you believe that you have **actual damage** to one or more of the load-bearing elements of your home? Yes No
- 4. Does the nature of the **major structural defect** vitally affect the use of your home for residential purposes? Yes No

Nature of **major structural defect** (be specific; if available, enclose photographs; attach a separate sheet if necessary)

Date First Observed: _____

This form is to be filled out and sent with a copy of your **Certificate of Participation** (Form HBW 202 COP NHJ) directly to the **warranty administrator** at the above address.

BY SIGNING BELOW, I/WE ACKNOWLEDGE THAT FILING THIS CLAIM FORM IS AN ELECTION TO PURSUE THE WARRANTY AS MY/OUR EXCLUSIVE REMEDY.

CHECK ONE (if applicable): FHA VA
CASE #: _____
If you are the original homeowner, and your home is FHA financed, please provide the following:
Name of Mortgage Company: _____
Address of Mortgage Company: _____

Homeowner Signature _____ Date _____

Homeowner Signature _____ Date _____

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RETURN TO: WARRANTY ADMINISTRATOR
13900 E Harvard Ave | Aurora, CO 80014

SUCCESSIVE HOMEOWNER REGISTRATION AND ARBITRATION ACCEPTANCE FORM

As the successive homeowner of the home located at _____ (Home)
I/We accept any coverage remaining on the express limited warranty provided by the **builder** that first sold the newly constructed Home.
I/We have reviewed and agreed to all the terms in the booklet.

I/We understand that Home Buyers Warranty Corporation III (“2-10 HBW”) is not the warrantor of the **builder** express limited warranty, but rather provides services to administer the warranty.

I/We agree to the binding arbitration process described on pages 11 and 12 of the warranty booklet for resolving warranty disputes between us, the **builder**, the **warranty insurer** and/or the **warranty administrator**.

Signature(s) of successive Home Buyer:

Signature

Print

Signature

Print

Phone

Email

Date

In order to process this request, please mail this form to 2-10 HBW to:

**Warranty Administrator
Warranty Administration Department
13900 E Harvard Ave
Aurora, CO 80014**

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ENHANCE your home ownership experience

Additional protection available for your systems and appliances.

The warranty coverage offered in this booklet provides protection for workmanship, distribution systems and structural **defects**.

An optional Home Warranty Service Agreement* could help you reduce the overall cost of owning a home. This optional coverage provides protection against unexpected system and appliance breakdowns, such as your air conditioner or water heater. With this optional coverage, have confidence that your comfort and financial security are covered within your home for many years.

For more information, please visit

[2-10.com/protect](https://www.2-10.com/protect)

*Home Warranty Service Agreements may not be available in all states or locations.



NEW JERSEY
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- Update your contact information
- View your digital warranty book

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Have Questions?

Contact the warranty administrator

2-10 HOME BUYERS WARRANTY

Warranty Administration Office

13900 E Harvard Ave

Aurora, CO 80014

855.429.2109