

CARSON WAY
LIMITED WARRANTY CERTIFICATE

1. INTRODUCTION

The statutory warranties provided under the laws of the State of Connecticut offer new home purchasers one of the most comprehensive warranty laws in the country. Because they are so much more extensive than most builders' warranties, Carson Way, LLC has chosen to follow the statutory warranties exactly, and the following is designed to interpret the standards required by the statutory provisions and make predictable some very imprecise language.

2. PARTIES TO THIS WARRANTY

The warrantor (the party making this limited warranty) is Carson Way, LLC, the builder and seller of the homes in Carson Way. The words "we", "us" or "our" will refer to the warrantor. The party receiving the benefit of this limited warranty is the first Homeowner to purchase the Home Site to which it applies from the Declarant. This limited warranty is not assignable by such Home Site Owner to a subsequent buyer of the Home Site. The party receiving the benefit of this warranty will be referred to as "you" in the remainder of this document, except for the portions of the document containing a reprinting of the statutory warranties. The statutes refer to the beneficiary of the various statutory warranties as "buyer", and "purchaser".

3. LIMITATIONS ON DURATION

Under the statutory warranties described herein, certain enforcement actions are limited to one and three years from possession and issuance of certificates of occupancy. *Some states do not allow limitations or how long an implied warranty lasts so the above limitation may not apply to you.

4. CONSUMER PRODUCTS

The builder's warranty applies to the buildings and fixtures built, installed and supplied by Carson Way, LLC to the limits of the statute. Carson Way, LLC makes no written warranties with respect to consumer products (such as appliances, etc.) covered by the federal Magnuson-Moss Warranty Act.

Consumer products covered by the manufacturer's warranties included with each product spell out exactly how to obtain service for those products. However, if you are having difficulty in getting a manufacturer to fulfill its responsibilities, our representatives can assist you in obtaining your rights.

We cannot guarantee any particular results, but because of our reputation and purchasing experience, we may be able to get a little more attention, and hopefully know who to talk to.

NOTE: This Limited Warranty was prepared to comply with the Magnuson-Moss

Warranty Federal Trade Commission Improvement Act, enacted in 1975. The sentences indicated by asterisks are required by regulation promulgated by the Federal Trade Commission (even though they might not make sense in context). 16 C.R.R. CH-1. Subchapter G. Part 700.

5. THE STATUTES

The Connecticut statutory warranties are as follows:

CHAPTER 827
NEW HOME WARRANTIES

"Sec. 47-116. Definitions: As used in this chapter, unless the context otherwise requires: "Improvement" means any newly constructed single family dwelling unit, any conversion condominium unit being conveyed by the declarant and any fixture or structure which is made a part thereof at the time of construction or conversion by any building contractor, subcontractor or declarant; "purchaser" means the original buyer, his heirs or designated representatives, of any improved real estate; "real estate" means any fee simple estate; and "vendor" means any person engaged in the business of erecting or creating an improvement on real estate, any declarant of a conversion condominium, or any person to whom a completed improvement has been granted for resale in the course of his business."

"Sec. 47-117. Express warranties. (a) Express warranties by a vendor are created as follows: (1) Any written affirmation of fact or promise which relates to the improvement and is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms to such affirmation or promise; (2) any written description of the improvement, including plans and specifications thereof which is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms to such description; and (3) any sample or model which is made a part of the basis of the bargain between the vendor and the purchaser shall create an express warranty that the improvement conforms substantially to such sample or model."

"(b) No formal words, such as "warranty" or "guarantee", nor any specific intention to make a warranty shall be necessary to create an express warranty, provided a simple affirmation of the value of the improvement or a statement purporting to be an opinion or commendation of the improvement shall not of itself create such a warranty."

"(c) No words in the contract of sale or the deed, nor merger of the contract of sale into such deed shall exclude or modify any express warranty made pursuant to subsection (a) of this section. Such warranty may, at any time after the execution of the contract of sale, be excluded or modified wholly or partially by any written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent of the purchaser to such exclusion or modification and the terms of the new agreement."

"(d) An express warranty shall terminate: (1) in the case of an improvement completed at the time of the delivery of the deed to the purchaser, one year after the delivery or one year after the taking of possession by the purchaser, whichever occurs first; and (2) in the case of an improvement not completed at the time of delivery of the deed to the purchaser, one year after the date of the completion or one year after taking of possession by the purchaser, whichever

occurs first."

"Sec. 47-118. Implied warranties. (a) In every sale of an improvement by a vendor to a purchaser, except as provided in subsection (b) of this section or excluded or modified pursuant to subsection (d), warranties are implied that the improvement is: (1) Free from faulty materials; (2) constructed according to sound engineering standards; (3) constructed in a workman-like manner, and (4) fit for habitation, at the time of the delivery of the deed to a completed improvement, or at the time of completion of an improvement not completed when the deed is delivered."

"(b) The implied warranties of subsection (a) of this section shall not apply to any condition that an inspection of the premises would reveal to a reasonably diligent purchaser at the time the contract is signed."

"(c) If the purchaser, expressly or by implication, makes known to the vendor the particular purpose for which the improvement is required, and it appears that the purchaser relies on the vendor's skill and judgment, there is an implied warranty that the improvement is reasonably fit for the purpose."

"(d) Neither words in the contract of sale, nor the deed, nor merger of the contract of sale into the deed is effective to exclude or modify any implied warranty; provided, if the contract of sale pertains to an improvement then completed, an implied warranty may be excluded or modified wholly or partially by a written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent of the purchaser to exclusion or modification, and the terms of the new agreement with respect to it."

"(e) The implied warranties created in this section shall terminate: (1) In the case of an improvement completed at the time of the delivery of the deed to the purchaser, one year after the delivery or one year after the taking of possession by the purchaser, whichever occurs first; and (2) in the case of an improvement not completed at the time of delivery of the deed to the purchaser, one year after the date of the completion or one year after taking of possession by the purchaser, whichever occurs first."

"Sec. 47-119. Vendor not to evade by intermediate transfer. Any vendor who conveys an improvement to an intermediate purchaser to evade the provisions of this chapter shall be liable to the subsequent purchaser as if the subsequent conveyance had been effectuated by the vendor to the subsequent purchaser."

"Sec. 47-120. Warranties created by chapter additional to any other warranties. The warranties created in this chapter shall be in addition to any other warranties created or implied in law."

"Sec. 47-121. Implied warranty with certificate of occupancy. Subject to the provisions of section 29-265, the issuance by the building department of any municipality of a certificate of occupancy for any newly constructed single-family dwelling shall carry an implied warranty to the purchaser of such dwelling from the vendor who constructed it that such vendor has complied with the building code or the customary application and interpretation of the building

code of such municipality. No action shall be brought on such implied warranty but within three years next from the date of the issuance of such certificate of occupancy."

6. INTERPRETATION OF STATUTES

Section 47-118 of the New Home Warranties Act states that the improvements will be "(1) free from faulty materials; (2) constructed according to sound engineering standards; (3) constructed in a workman-like manner; and (4) fit for habitation."

Section 47-121 of the New Home Warranties Act refers to the building code which provides for certain minimum health and safety standards. Actual standards for items under the building code are listed in the building code itself, which runs to many thousands of pages. It is our opinion that the three-year warranty of Section 47-121 applies to a much lower standard than the one year warranty of Section 47-118, and it is to the one year warranty that the rest of this explanation will be devoted.

Obviously, it is important to have an interpretation of words such as "free from faulty materials", "sound engineering standards" and "workman-like manner", since they are subject to a wide range of meanings. This program is designed to describe the exact standards of the new construction of the buildings and improvements that we are selling and that you are agreeing to purchase, and to provide for a procedure whereby you will be assured that these specific standards will be achieved. **IT MUST BE EMPHASIZED THAT THESE STANDARDS APPLY ONLY TO THE NEW CONSTRUCTION AFTER THE SIGNING OF THE PURCHASE AGREEMENT.**

7. REMEDIES FOR BREACH OF WARRANTY

If any item covered by the statutory warranties fails to conform to the above mentioned warranty standards which are hereafter described in detail, we will repair or replace such item to the extent necessary to make it conform to the warranty standards or we will refund to you the original cost to us of the item. The decision as to whether the item will be repaired or will be replaced or a refund will be given will be solely our decision. If we elect to replace an item, the replacement will be substantially comparable to the original, but it may not be precisely identical.

THE FOREGOING REMEDY OF REPAIR, REPLACEMENT, OR REFUND SHALL BE YOUR EXCLUSIVE REMEDY FOR BREACH OF WARRANTY.

8. EXCLUSIONS FROM WARRANTY COVERAGE

Because of the possibility of damage during moving in, we cannot approve requests for repair of dented, scratched or marked-up paint or finish, or any obvious or clearly visible problems or damage, except as appears on the original Punch List completed at the time of your inspection prior to taking possession of the house.

Our responsibility does not extend to items which have been subject to your negligence or neglect, modification, tampering, abnormal use, misuse, or resulting from failure to perform regular and normal maintenance, from undue exposure to weather or conditions or usage for

which the item was not intended.

Although periods for enforcement of the warranty extend from one to three years, the warranty speaks of defects which were in existence at the time of conveyance or taking possession on completion if earlier. Certain defects in items must be discovered within shorter periods, such as paint, and the like, because normal wear and settlement can cause conditions which are not covered by the following standards.

WE SPECIFICALLY DISCLAIM AND EXCLUDE LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, AND/OR SPECIAL DAMAGES TO ANY PERSON, ANY HOUSE, OTHER COMPONENTS, AND/OR ANY OTHER REAL OR PERSONAL PROPERTY, RESULTING FROM A DEFECT. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.*

IN NO EVENT SHALL OUR LIABILITY FOR BREACH OF WARRANTY EXCEED OUR ORIGINAL COST FOR THE DEFECTIVE ITEM.

We warrant only those items required by the statutory warranties to be warranted and only to the extent and for the periods required by those statutes. No action taken to correct defects will extend the period of this limited warranty.

9. LIMITATION AND DISCLAIMER OF IMPLIED WARRANTIES

ON CONSUMER PRODUCTS FINALLY DETERMINED BY A COURT TO BE BOTH WITHIN ONE OR MORE OF THE STATUTORY WARRANTIES DESCRIBED ABOVE AND ALSO COVERED BY THE MAGNUSON-MOSS WARRANTY FEDERAL TRADE COMMISSION IMPROVEMENT ACT, ALL IMPLIED WARRANTIES ARE LIMITED IN DURATION TO THE PERIOD SET FORTH IN THE APPLICABLE STATUTORY WARRANTY. This applies to all implied warranties, including, without limitation, the statutory implied warranties described above, the implied warranties of merchantability and fitness arising under the Uniform Commercial Code as adopted in Connecticut, and any implied warranties arising under the common law of the State of Connecticut. Some states do not allow limitations on how long an implied warranty lasts, so the above limitations may not apply to you.*

ON ALL OTHER ITEMS, WHETHER OR NOT WARRANTED BY MANUFACTURERS, ALL IMPLIED WARRANTIES ARE EXPRESSLY DISCLAIMED AND EXCLUDED TO THE MAXIMUM EXTENT PERMITTED BY LAW. THIS DISCLAIMER APPLIES TO ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE STATUTORY IMPLIED WARRANTIES DESCRIBED ABOVE, THE IMPLIED WARRANTIES OF FITNESS AND MERCHANTABILITY ARISING UNDER THE UNIFORM COMMERCIAL CODE AS ADOPTED IN CONNECTICUT, AND ANY IMPLIED WARRANTIES ARISING UNDER THE COMMON LAW OF THE STATE OF CONNECTICUT.

LIMITED WARRANTY ADMINISTRATION PROGRAM

Since the quality standards of normal workmanship are hard to define, we have based our quality standards on those of the National Association of Home Builders. These standards were worked out on a national basis by hundreds of builders and material suppliers and were considered within the ability of the average builder to reach. This is not to say that a court would interpret the statutory standards the same, but it would be hard to find any other standards with as much universal study and documentation as these.

The standards are intended to specify the minimum performance standards as the basis for determining the validity of your complaints related to defective materials and workmanship during the warranty period. These standards are covered in as neutral terms as possible to eliminate arbitrary judgments either by us or you.

It must be emphasized that these standards are set so as to determine whether or not at the time the sale is final the workmanship was defective. Obviously, unusual circumstances, wear and tear, or defects which occur after sale do not create a warranty obligation. We are not an insurer of such unusual losses after sale.

Only the frequent kind of defects are listed. If a defect occurs which is not listed, an attempt will be made to find an applicable standard. The general standard of normal industry practice which assures quality of materials and workmanship will apply with respect to buildings and improvements which are available for inspection at the time of the signing of the Purchase Agreement; they are sold "as is". You are urged to cause inspection to be made at that time and point out defects of concern.

Noncompliance with the following Quality Standards in improvements to be built at the time of the signing of the Purchase Agreement or hidden from inspection at that time calls for corrective action. However, all building materials are subject to expansion and contraction caused by changes in temperature and humidity. Dissimilar materials expand and contract at different rates which results in separation between these materials as well as like materials. The effects can be seen in small cracks in drywall and in paint, especially where moldings meet sheetrock at mitered corners, where tile grout meets tub or sink, etc. This can be alarming to an uninformed homeowner, but, in fact, it is very normal, even in the highest quality of construction.

Shrinkage of the wood members of your home is inevitable. It is the most noticeable during the first year but may continue beyond that time. In most cases, paint and caulking by you is all that is needed to conceal this minor evidence of a very natural phenomenon. Even properly installed caulking will shrink and must be maintained by you.

A. SPECIFIC WARRANTY QUALITY STANDARDS

DEFINITIONS

Code -- Connecticut State Building Code as more fully described in Section 29-252-1c of the Connecticut Supplement dated May 1, 1999.

Punch List -- The written Request For Service signed by us and you at the time of the "walk through" prior to the closing.

SITE WORK

Excavating and Back Filling. Construction of your Unit requires excavation for the installation of a foundation and utilities. We will refill and reseed areas of ground around or over utility trenches or other filled areas which we have disturbed and which have settled in excess of six (6) inches. We will refill and reseed in areas around foundations which have settled in excess of an amount which interferes with water draining away from your building. Such refilling and reseeded shall be done one time only during the warranty period. You will be responsible for removal and replacement of any shrubs, flowers, bushes and other improvements installed by you which are affected by the replacement of such fill.

Site Drainage. The necessary new grades and swales shall have been established to insure drainage away from your building. Standing or ponding water shall not remain for extended periods in the immediate area of your building after a rain (generally no more than 24 hours), except in swales that drain other areas. In these areas a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated by you. No grading determination shall be made while frost or snow is on the ground or while the ground is saturated.

Once proper grades and swales are established, the Association must maintain the grades and swales to permit proper drainage.

Concrete Sidewalks. We have installed contraction and expansion joints at intervals in your sidewalk to minimize cracking. Since a method of eliminating cracking in concrete surfaces has not yet been developed, some cracks may appear due to unforeseeable conditions such as severe frost. No corrective measures will be taken if such cracks do occur.

During winter, it is important to remove snow and ice promptly. If all snow and ice cannot be removed, sprinkle sand or cat litter for better traction. Never apply salt or chemicals of any form to your concrete surfaces. Temperature swings when salt or chemicals have been used will severely damage the concrete surfaces. No corrective measures will be taken for damages caused to concrete if salt or chemicals have been used for deicing.

Driveways. We have installed a bituminous concrete driveway at your new home which will require some simple protection. Winter snow and ice should be removed promptly. Do not use salt or chemicals for traction or deicing as it will damage the finished surface of the driveway. Gasoline or oil will also cause damage if it is not washed off immediately with soapy water and a thorough rinse.

Small depressions may occur due to settlement and/or frost heaves causing rain water and snow to "puddle". Settlement which causes excessive puddling or interferes with water draining away from the house will be corrected by us by applying an emulsifier and patching the bituminous concrete.

CONCRETE

New Cast in Place Concrete. Non-structural shrinkage cracks are not unusual in concrete foundation walls and floors. Cracks may be caused by settlement, soil expansion, concentrated loading, penetrations, drying shrinkage, or temperature changes which may cause expansion and contraction. Drying shrinkage takes place as concrete sets. The amount of shrinkage depends on the amount of water the concrete holds at the time, the cement content, the type and amount of mixture, and the type and source of the aggregate.

A separation may occur where slabs abut foundation walls or dissimilar materials. There will be no corrective measure taken for this separation.

We will repair cracks in new concrete foundation walls which exceed 1/8" in width or vertical displacement and cracks in garage slabs which exceed 1/4" in width or vertical displacement by surface patching. We will repair new stoops or steps or patios made of poured in place concrete which settle or heave in excess of 1" in relation to the building structure. Also, cracks in excess of hairline cracks (less than 1/16 of an inch) will be patched as required.

Under normal conditions of weathering and use, some excess material known as "surface dust" may be found on concrete surfaces, but such concrete surfaces should not disintegrate, pit, scale or spall to the extent that aggregate is exposed. Corrective action will be taken to repair or replace pitted, scaled or spalled new concrete surfaces, unless the deterioration was caused by salt, chemicals, mechanical implements or other factors beyond our control.

WOOD FRAMING

Rough Carpentry. All beams, joists, rafters, headers and other structural members have been installed in accordance with the Code. Some characteristics of drying wood, such as splitting, twisting, bowing, etc., are beyond our control and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting therefrom. Therefore, conditions resulting from these wood characteristics, such as wavy sheetrock, constitute an aesthetic concern rather than a structural problem and no corrective measures will be taken.

Floor squeaks may occur when a subfloor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. The subfloor or joists may be bowed, and the nails also may be expelled from the wood during drying. Movements may occur between the joist and bridging or other floor members when one joist is deflected while the other members remain stationary. We will repair squeaky floors within our reasonable repair capability without requiring removal of floor and ceiling finishes.

WINDOWS AND DOORS

Weatherstripping and seals are installed around all exterior doors and windows by the manufacturer. Some air infiltration is normally noticeable around such doors and windows, especially in high winds. Excessive infiltration resulting from open cracks, poorly fitted doors or windows or poorly fitted weatherstripping is not acceptable. We will adjust or correct open

cracks, poorly fitted windows or doors or poorly fitted weatherstripping.

Windows. New windows should operate with reasonable ease as intended. We will correct or repair as necessary.

Twin glass insulating panes are guaranteed by the manufacturer. Should the hermetic seals break and the windows fog up between the panes, the window will be replaced by the manufacturer in accordance with its own warranty. We will provide labor to replace such windows for one year after closing. After that, the cost is your responsibility.

Condensation may appear on the interior of the windows when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by you. Unless the window condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond our control and no corrective action will be taken.

Screens. Screens have been provided with all windows in your new home. The screening material is made of fiberglass and will damage easily if care is not taken during movement of the screen. Holes, rips or tears will not be repaired by us if they are not noted on the punch list.

Interior Molded or Wood Doors. New doors should not warp more than 1/4" from top to bottom. We will correct or replace and refinish defective doors to match existing doors as nearly as possible. In the event doors are sticking or jamming, we will trim or readjust the doors one time during the warranty period.

Bifold Doors. Bifold doors shall slide properly on their tracks at the time the home is accepted. Cleaning and maintenance necessary to preserve proper operation are your responsibility. We will repair any bifold door that will not stay on its track during normal operation if the defect is noted prior to acceptance of the home.

Exterior Doors. Exterior doors will expand, contract and warp to some degree because of the difference in temperature between inside and outside surfaces. These doors should operate smoothly, except that they may stick during occasional periods of high humidity. We will adjust or replace the door when necessary.

Sliding Patio Doors. Sliding patio doors and sliding patio door screens shall slide properly and smoothly on their tracks at the time the home is accepted. The cleaning, lubrication and maintenance necessary to preserve proper operation are your responsibility. Any sliding patio door or sliding patio door screen that will not stay on its track will be repaired if the defect is noted prior to acceptance of the home.

Overhead Garage Doors. Overhead garage doors shall operate properly under normal use. They are installed as recommended by the manufacturer. Some snow or water can be expected to enter during wind driven rains and under unusual conditions. We will correct or adjust garage doors as required, except where your actions or negligence caused the problem.

ROOFING

Roofs should not leak under generally anticipated weather conditions. Flashing has been installed to seal those places where the roof abuts walls, chimneys, dormers, or valleys where two roof slopes meet.

Most roofing materials are not waterproof. The shingles are designed to allow water to run down the overlapping courses and into the gutters. During severe winter weather conditions, a build-up of water from ice or snow can cause ice dam formation in the gutters and downspouts or on the roof. This water can back up under the roofing material or seep through the shingles and cause leaks.

We will not be responsible for ice dams, as they are caused by unusual climatic conditions and building orientation. It is the Association's responsibility for the prevention of ice build-up on the roof.

Shingles should not blow off during windy conditions. However, winds exceeding 40 miles per hour could potentially cause some shingles to blow off. We will not be responsible for shingles which have blown off during weather where the winds have exceeded the 40 mile per hour threshold in the general area.

THERMAL AND MOISTURE PROTECTION

Insulation. Insulation will be installed in accordance with the Code and the disclosures set forth in the Standard Specifications in the Purchase Agreement.

Louvers and Vents. Inlet and outlet louvers and vents have been installed to properly ventilate the attic. These louvers and vents will produce natural ventilation regardless of wind direction. Because attic louvers and vents contain slots or holes to allow for proper circulation of air, no repairs will be made of leaks caused by wind driven snow or rain through them.

Gutters and Downspouts. Gutters and downspouts should not leak but may overflow in heavy rain. When a gutter is unobstructed by debris, the water level shall not exceed 1 inch in depth. The Association will be responsible for keeping the gutter free of leaves, snow, ice and debris that could cause overflow.

Sealing and Caulking. Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water. Even when properly installed, caulking will shrink and must be maintained by the Association. We will caulk joints or cracks one time only during the warranty period. The aforementioned does not apply to vinyl siding which is dealt with below.

VINYL SIDING

The vinyl siding has been installed in accordance with the Vinyl Siding Institute recommended application methods. The siding will be capable of performing its function to exclude the elements. Material failure will be referred to the manufacturer for repair.

Some waviness in the vinyl siding is to be expected due to bowing of wall studs and/or the natural expansion and contraction of the vinyl material.

Thermal expansion waves or distortions, sometimes called oil canning, will be repaired if they exceed 1/8 inch in 16 inches.

Gradual fading or change in color caused by sunlight occurs in nearly all vinyl sidings and cannot be prevented by us.

PLUMBING

All plumbing drains, vents and water pipes have been installed in compliance with the Code. We will repair or adjust elements of these systems which we have installed to bring them up to Code standards.

No leaks of any kind shall exist in any drain, vent or water pipes. We will make repairs to eliminate any such leaks.

Condensation may appear on pipes due to certain combinations of temperature and indoor humidity. No corrective measure will be taken to eliminate condensation.

We have adequately protected drain, vent and water pipes to prevent freezing as required by the Code. We will correct situations not meeting the applicable code. You are responsible for draining or otherwise protecting pipes and exterior faucets that are exposed to freezing temperatures.

Because of the flow of water and pipe expansion, the water pipe system may emit some noise. We cannot remove noises caused by water flow and expansion. However, the pipes should not make the pounding noise called water hammer. Water hammering in the pipes should not occur and will be repaired.

All plumbing fixtures and trim fittings shall comply with the standards of the manufacturer's warranties for such items. We will repair or replace any defective fixture or trim fitting that does not meet the manufacturer's standards. Cracks, chips, dents, scratches or other imperfections shall not be repaired or replaced unless reported to us prior to acceptance of the home.

We will not be responsible for drains, sewers and fixtures that are clogged due to your actions or negligence. In the event of a problem, you should consult us for corrective action. If defective installation is the cause, we will correct the problem. If your actions or negligence is the cause, you are responsible for the repair. If we have made a repair and found the cause to be your actions or negligence, you shall be responsible for the cost incurred by us.

ELECTRICAL

All electrical wiring, outlets, switches, light fixtures and circuit breakers have been installed in accordance with the Code. We will repair or adjust elements of these systems which we have installed to bring them up to Code standards.

Ground fault interrupters have been installed in all bathrooms, kitchens, garages, and at exterior locations in accordance with the Code as part of the electrical system to provide protection against electrical shock. These devices are very sensitive and can be tripped very easily. Tripping is to be expected and is not covered unless it is caused by a defective installation.

All electrical wiring shall be capable of carrying the designed load for normal residential use. Small appliances may be plugged into any receptacle without overloading a circuit. Large appliances or many small appliances on the same circuit may cause overloading resulting in the circuit breaker tripping. No corrective measures will be taken in the event of overloading.

HEATING SYSTEMS

Heating systems will be installed in accordance with the Code with an engineered design for each home. Adequacy of the system is determined by its ability to establish a temperature of 70 degrees, measured in the center of the room, five feet above the floor. In extreme cold temperatures (10 degrees or colder), the system should maintain a temperature differential of 80 degrees. Thermostats are calibrated to within plus or minus 5 degrees.

Warm Forced Air Systems. Expansion or contraction of metal ductwork will typically result in some ticking or popping sounds. It is not possible to eliminate these sounds.

The heating system is not a "sealed system," but the ductwork should remain securely fastened. If it becomes unattached, we will repair as needed.

Heat register covers are removable and adjustable. You are responsible for adjustments to regulate the heat flow. Rooms further from the furnace will need to have vents open more.

It is your responsibility to clean and/or replace the filters monthly during the heating season.

You must not tamper with the system.

Location of supplies and returns may vary slightly from positions in model.

CENTRAL AIR-CONDITIONING SYSTEMS

Air-conditioning systems shall be capable of maintaining a temperature of 78 degrees Fahrenheit, measured in the center of the room, five feet above the floor under local outdoor summer design conditions. In the case of outside temperatures exceeding 95 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature.

The condensation lines connected to the unit will eventually clog under normal use. We will provide unobstructed condensation lines at the time the job is accepted. You are responsible for maintaining them in that condition.

FINISHED SURFACES

Gypsum Wallboard. Slight defects such as screw pops, seam lines and cracks are common in plasterboard or gypsum wallboard installations. Blisters in tape, excess compound on joints and trowel marks will be corrected by us only if noted in writing on the Punch List. Screw pops resulting from the settlement of the house and the natural expansion and contraction of the structure are normal. We have used screws rather than nails to hold the sheets in place at an extra cost so as to reduce pops. We will not repair screw pops except those appearing in the walls at the time of the granting of possession and noted on the Punch List. Such screw pops will be repaired by resetting with resulting dents, smoothed by compound and paint touched up.

Also due to the settlement of the home and the natural expansion and contraction of the structure, some surface cracks and settlement cracks may appear. We will correct such defects once during the warranty period by caulking and sanding as necessary. Where cracks have developed in excess of 1/8", we will repair by applying joint compound, tape and sanding.

Ceramic Tile. Ceramic tile should not crack or become loose. We will replace any cracked tiles and secure any loose tiles unless the defects were caused by your misuse or negligence. Cracks appearing in grouting of ceramic tile joints or the junctions with other material such as the bathtub or exterior doors are commonly due to normal shrinkage conditions. Regrouting of these cracks are your maintenance responsibility. We are not responsible for discontinued tile patterns or grout, or color variations when replacing tile.

Resilient Flooring. Readily apparent nail pops appearing in the surface of resilient flooring will be repaired by us.

Depressions or ridges may appear in resilient flooring due to subfloor irregularity. Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired.

In the event resilient flooring loses adhesion, rips, bubbles or becomes unglued, we will repair or replace the flooring as required, at our option. We are not responsible for discontinued patterns or color variations in replacing the floor covering.

If seams or shrinkage gaps show at resilient flooring joints in excess of 1/16 of an inch or such gaps show where dissimilar materials abut in excess of 1/8", we will make necessary corrections.

Carpeting. Wall-to-wall carpet has been laid and stretched pursuant to normal installation standards. Seams have been sewn or hot taped. We will replace any section of carpet showing obvious thread pulls, dye streaks or fabric defects. Reasonable effort will be made to match dye lots, but if a matching lot is not available locally, the carpet will be replaced with one of the same catalogue and dye number as the original and colors may not match exactly.

It is not unusual for carpet seams to show. However, a visible gap at the seams will be corrected by us. Exposure to natural light may cause spots on and minor fading of the carpet. Repairs will only be made if noted on the Punch List.

Painting. If the exterior paint fails during the first year of ownership by peeling or deteriorating, we will prepare and refinish the affected area, matching color as closely as possible. Where deterioration affects the majority of the wall or area, the whole area will be refinished. If repainting is required because of other warranty work, it will be done and match the surrounding areas as closely as possible. Because of weathering and fading, exact match may not be possible.

Interior paint will be applied in a manner sufficient to visually cover the wall, ceiling and trim surfaces where specified. We will retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces. Uneven coverage, brush marks or lap marks shall not be readily visible on walls, woodwork or other painted interior surfaces when viewed from a distance of 6 feet under normal lighting conditions. Surface blemishes, dents, scratches or marks will only be repaired if noted on the Punch List.

All painted surfaces shall be free of observable mildew and fungus at the time of possession. However, mildew or fungus may form on painted surfaces over time because of warmth and moisture. Subsequent mildew or fungus formation is a condition we cannot control. You are responsible for future cleaning of the item as necessary to prevent or remove mildew and fungus.

Natural finishes on interior woodwork should not deteriorate the first year of ownership. We will retouch affected areas of natural finished woodwork matching the existing finish as closely as possible.

Interior Wood Trim. Openings at joints in trim and molding and at joints between moldings and adjacent surfaces shall not exceed 1/8 inch in width. Splits in interior trim shall not exceed 1/8 inch in width and one inch in length. Repairs will be made by filling or caulking, sanding and spot painting. We will not be responsible for exact match of paint that is more than two weeks old.

Counter Tops. High pressure laminate counter tops shall not delaminate. We will repair or replace counter top as necessary to correct this defect. Counter tops shall be free of cracks or chips. Only cracks, chips or scratches noted on the Punch List will be repaired.

Caulking has been installed as a sealant where the backsplash of the countertop meets the finished wall surface. During the drying process of your new home, this caulk may shrink and crack and must be maintained by you.

Cabinets. Gaps between cabinets and walls shall not exceed 1/4 inch.

B. NOTICES AND PROCEDURES

To assist us in efficiently handling your requests for service under our warranty program, we have attached hereto "Request For Service" forms. All requests for service, except emergency service as defined below, must be in writing. We will not accept verbal requests for non-

emergency service whether in person or by telephone.

Administratively, we have established three (3) times at which Requests For Service should be submitted:

(1) Punch List -- This is the Request For Service signed by us and you at the time of the "walk through" prior to closing.

(2) Thirty-day List -- We suggest you wait until thirty (30) days after closing before you submit another Request For Service since this will allow you sufficient time to thoroughly become familiar with your home and discover any problems which are our responsibility under the warranty program.

(3) Six month List -- Approximately six months after closing, you should check your home to determine whether we have any further responsibility under the warranty program. If you find something that is our responsibility, you should submit a Request For Service.

Emergency service means:

1. Total loss of heat
2. Total loss of electricity
3. Plumbing leak that requires the entire supply to be shut off
4. Total loss of hot water
5. Total sewage stoppage
6. Roof leak
7. or any situation that endangers the occupants or the home.

During business hours, call the business office. After hours, weekends, or holidays, call the necessary subcontractor directly. Their phone numbers are listed on the "Emergency Service" sheet you receive during your walk through prior to closing.

Service Processing Procedures

A. You can help us to serve you better by including complete information.

1. Name, address, phone numbers where you can be reached during business hours.
2. Community name and lot number for your home.
3. A complete description of the problem. For example, "Guest bath-cold water line leaks under sink" NOT, "plumbing problem in bathroom".

B. Upon receipt of any Request For Service, you will be contacted for an inspection appointment.

1. Appointments are available Monday through Friday, 8:00 am to 4:00 P.M.
2. The items listed in your Request For Service will be inspected to determine

appropriate action.

3. A written inspection report will be issued, with a copy sent to you, explaining which of the Request For Service items will be repaired and which will not.

C. A service appointment should be made within thirty (30) days after the inspection report date unless you are otherwise notified. Service will take place during normal business hours defined as Monday through Friday between 8:00 A.M. and 4:00 P.M. If any service is obstructed by your furniture or belongings, it is your responsibility to move said furniture or belongings prior to the service call so that ample room is provided for the workmen to adequately perform the service.

WarrantyProgramCoupon3