
Minnesota Statute Chapter 327A Warranty

And

Standards & Corrections

Your Warranty:

The first section of this book contains your written warranty as defined by the state of Minnesota. It is commonly referred to as the 327A Statutory Warranty.

The second section is a descriptive list of product and workmanship performance as agreed to by members of the Builders Association of the Twin Cities (BATC) and Elevate Builders INC.

Section One

Minnesota 327A Statutory

Warranty

Print date of Statutory Warranty: 2010

2010 Minnesota Statutes

327A.01 DEFINITIONS.

Subdivision 1. **Scope.**

As used in sections [327A.01](#) to [327A.07](#), the terms in this section shall have the meanings assigned to them.

Subd. 2. **Building standards.**

"Building standards" means the materials and installation standards of the State Building Code, adopted by the Commissioner of labor and industry pursuant to sections [326B.101](#) to [326B.194](#), in effect at the time of the construction or remodeling.

Subd. 3. **Dwelling.**

"Dwelling" means a new building, not previously occupied, constructed for the purpose of habitation; but does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the dwelling, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Subd. 4. **Initial vendee.**

"Initial vendee" means a person who first contracts to purchase a dwelling from a vendor for the purpose of habitation and is not for resale in the ordinary course of trade.

Subd. 5. **Major construction defect.**

"Major construction defect" means actual damage to the load-bearing portion of the dwelling or the home improvement, including damage due to subsidence, expansion or lateral movement of the soil, which affects the load-bearing function and which vitally affects or is imminently likely to vitally affect use of the dwelling or the home improvement for residential purposes. Major construction defect does not include damage due to movement of the soil caused by flood, earthquake or other natural disaster.

Subd. 6. **Vendee.**

"Vendee" means any purchaser of a dwelling and includes the initial vendee and any

subsequent purchasers.

Subd. 7. Vendor.

"Vendor" means any person, firm, or corporation that constructs dwellings, including the construction of dwellings on land owned by vendees. Vendor does not include a subcontractor or material supplier involved in the construction of a dwelling.

Subd. 8. Warranty date.

"Warranty date" means the date from and after which the statutory warranties provided in section 327A.02 shall be effective, and is the earliest of:

- (a) The date of the initial vendee's first occupancy of the dwelling; or
- (b) The date on which the initial vendee takes legal or equitable title in the dwelling.

In the case of a home improvement, the warranty date is the date on which the home improvement work was completed.

Subd. 9. Home improvement.

"Home improvement" means the repairing, remodeling, altering, converting or modernizing of, or adding to a residential building. For the purpose of this definition, residential building does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the building, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Subd. 10. Home improvement contractor.

"Home improvement contractor" means a person who is engaged in the business of home improvement either full time or part time, and who holds out to the public as having knowledge or skill peculiar to the business of home improvement.

Subd. 11. Owner.

"Owner" means any person who owns a residential building on which home improvement work is performed, and includes any subsequent owner of the residential building.

Subd. 12. Inspection.

"Inspection" means a visual or invasive examination of the alleged property damage.

History:

1977 c 65 s 1; 1981 c 119 s 1-5; 1986 c 444; 2001 c 207 s 8; 1Sp2003 c 8 art 1 s 12; 2007 c 140 art 4 s 61; art 12 s 12; art 13 s 4; 2010 c 343 s 4,5

327A.02 STATUTORY WARRANTIES.

Subdivision 1. Warranties by vendors.

In every sale of a completed dwelling, and in every contract for the sale of a dwelling

to be completed, the vendor shall warrant to the vendee that:

(a) During the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

(b) During the two-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

(c) During the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

Subd. 2. Warranties to survive passage of title.

The statutory warranties provided in this section shall survive the passing of legal or equitable title in the dwelling to the vendee.

Subd. 2a. Remedies unaffected by corporate dissolution.

The statutory warranties provided in this section are not affected by the dissolution of a vendor or home improvement contractor that is a corporation or limited liability company.

Subd. 3. Home improvement warranties.

(a) In a sale or in a contract for the sale of home improvement work, involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) During the ten-year period from and after the warranty date the home improvement shall be free from major construction defects due to noncompliance with building standards.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the two-year period from and after the warranty date, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with building standards.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the one-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

Subd. 4. Response from vendor or home improvement contractor to notice of claim; right to inspect.

(a) The vendee or owner must allow an inspection for purposes of the preparation of an offer to repair the alleged loss or damage under subdivision 5. The inspection must be performed by the vendor or home improvement contractor within 30 days of the notification under section [327A.03](#), clause (a). Any damage to property caused as a result of an inspection must be promptly repaired by the inspecting party to restore the property to its pre-inspected condition.

(b) The applicable statute of limitations and statute of repose for an action, based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged loss or damage is tolled from the date the written notice provided by the vendee or owner is postmarked, or if not sent through the mail, received by the vendor or home improvement contractor until the latest of the following:

(1) the date of completion of the home warranty dispute resolution process under section [327A.051](#); or

(2) 180 days.

(c) Upon completion of repairs as described in an offer to repair, the vendor must provide the vendee with a list of the repairs made and a notice that the vendee may have a right to pursue a warranty claim under this chapter. Provision of this statement is not an admission of liability. Compliance with this subdivision does not affect any rights of the vendee under this chapter.

Subd. 5. Right to repair; agreement.

(a) Within 15 days of completion of the inspection required by subdivision 4, the vendor or home improvement contractor must provide to the vendee or owner a written offer to repair. The offer to repair must include, at a minimum:

(1) the scope of the proposed repair work; and

(2) the proposed date on which the repair work would begin and the estimated date of completion.

(b) This subdivision does not prevent the vendee or owner from obtaining the information in paragraph (a) from another contractor or from negotiating with the vendor or home improvement contractor for a different scope of work.

(c) If the parties agree to a scope of work, the vendor or home improvement contractor must perform the repair work in accordance with the offer to repair. If the parties do not agree to a scope of work, the vendee or owner must submit the matter to the homeowner warranty dispute resolution process under section [327A.051](#).

(d) Upon completion of repairs described in an offer to repair, the vendor or home improvement contractor must provide the vendee or owner with a written notice that the scope of the work agreed upon has been completed.

Subd. 6. Failure to perform inspection or repair.

If the vendor or home improvement contractor fails to perform an inspection under subdivision 4 or fails to make an offer to repair or perform agreed upon repairs under subdivision 5, the vendee or owner may commence an action.

Subd. 7. Processes required before commencement of action.

Except as provided in subdivision 6, a cause of action for which the statute of limitations or statute of repose is tolled under subdivision 4, paragraph (b), must not be commenced in district court until the earlier of:

(1) the completion of the home warranty dispute resolution process under section [327A.051](#); or

(2) 60 days after the written offer of repair is provided to the vendee or owner.

History:

[1977 c 65 s 2](#); [1981 c 119 s 6](#); [2001 c 207 s 9,10](#); [2006 c 202 s 5,6](#); [2010 c 343 s 6-9](#)

327A.03 EXCLUSIONS.

The liability of the vendor or the home improvement contractor under sections [327A.01](#) to [327A.07](#) is limited to the specific items set forth in sections [327A.01](#) to [327A.07](#) and does not extend to the following:

(a) Loss or damage not reported by the vendee or the owner to the vendor or the home improvement contractor in writing within 6 months after the vendee or the owner discovers or should have discovered the loss or damage; unless the vendee or owner establishes that the vendor or home improvement contractor had actual notice of the loss or damage;

(b) Loss or damage caused by defects in design, installation, or materials which the vendee or the owner supplied, installed, or directed to be installed;

(c) Secondary loss or damage such as personal injury or property damage;

(d) Loss or damage from normal wear and tear;

(e) Loss or damage from normal shrinkage caused by drying of the dwelling or the home improvement within tolerances of building standards;

(f) Loss or damage from dampness and condensation due to insufficient ventilation after occupancy;

(g) Loss or damage from negligence, improper maintenance or alteration of the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;

(h) Loss or damage from changes in grading of the ground around the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;

(i) Landscaping or insect loss or damage;

(j) Loss or damage from failure to maintain the dwelling or the home improvement in good repair;

(k) loss or damage which the vendee or the owner, whenever feasible, has not taken timely action to minimize;

(l) Loss or damage which occurs after the dwelling or the home improvement is no longer used primarily as a residence;

(m) Accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards;

(n) Loss or damage from soil movement which is compensated by legislation or covered by insurance;

(o) Loss or damage due to soil conditions where construction is done upon lands owned by the vendee or the owner and obtained by the vendee or owner from a source independent of the vendor or the home improvement contractor;

(p) In the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement.

History:

1977 c 65 s 3; 1981 c 119 s 7; 1986 c 444; 2010 c 343 s 10

327A.04 WAIVER AND MODIFICATION LIMITED.

Subdivision 1. Waiver.

Except as provided in subdivisions 2 and 3, the provisions of sections 327A.01 to 327A.08 cannot be waived or modified by contract or otherwise. Any agreement which purports to waive or modify the provisions of sections 327A.01 to 327A.08, except as provided in subdivisions 2 and 3 of this section, shall be void.

Subd. 2. Modification.

At any time after a contract for the sale of a dwelling is entered into by and between a vendor and a vendee or a contract for home improvement work is entered into by and

between a home improvement contractor and an owner, any of the warranties provided for in section [327A.02](#) may be excluded or modified only by a written instrument, printed in boldface type of a minimum size of 10 points, which is signed by the vendee or the owner and which sets forth in detail the warranty involved, the consent of the vendee or the owner, and the terms of the new agreement contained in the writing. No exclusion or modification shall be effective unless the vendor or the home improvement contractor provides substitute express warranties offering substantially the same protections to the vendee or the owner as the statutory warranties set forth in section [327A.02](#). Any modification or exclusion agreed to by vendee and vendor or the owner and home improvement contractor pursuant to this subdivision shall not require the approval of the commissioner of labor and industry pursuant to section [327A.07](#).

Subd. 3. **Exception.**

If a major construction defect is discovered prior to the sale of a dwelling, the warranty set forth in section [327A.02, subdivision 1](#), clause (c) may be waived for the defect identified in the waiver instrument, after full oral disclosure of the specific defect, by an instrument which sets forth in detail the specific defect; the difference between the value of the dwelling without the defect and the value of the dwelling with the defect, as determined and attested to by an independent appraiser, contractor, insurance adjuster, engineer or any other similarly knowledgeable person selected by the vendee; the price reduction; the date the construction was completed; the legal description of the dwelling; the consent of the vendee to the waiver; and the signatures of the vendee, the vendor, and two witnesses.

A single waiver agreed to pursuant to this subdivision may not apply to more than one major construction defect in a dwelling.

The waiver shall not be effective unless recorded with the county recorder or registrar of titles who shall file the waiver for record.

History:

[1977 c 65 s 4](#); [1981 c 119 s 8](#); [2005 c 4 s 61](#); [2008 c 337 s 59](#); [2009 c 91 s 1](#)

327A.05 REMEDIES.

Subdivision 1. **New home warranties.**

Upon breach of any warranty imposed by section [327A.02, subdivision 1](#), the vendee shall have a cause of action against the vendor for damages arising out of the breach, or for specific performance. Damages shall be limited to:

- (a) The amount necessary to remedy the defect or breach; or
- (b) The difference between the value of the dwelling without the defect and the value of the dwelling with the defect.

Subd. 2. **Home improvement warranty.**

Upon breach of any warranty imposed by section 327A.02, subdivision 3, the owner shall have a cause of action against the home improvement contractor for damages arising out of the breach, or for specific performance. Damages shall be limited to the amount necessary to remedy the defect or breach.

History:

1977 c 65 s 5; 1981 c 119 s 9

327A.051 HOME WARRANTY DISPUTE RESOLUTION.

Subdivision 1. **Panel of neutrals.**

(a) The commissioner of labor and industry shall maintain a list of persons who consent to serve as qualified neutrals for purposes of this section. The commissioner shall establish application requirements and qualifications for qualified neutrals, taking into consideration the education, experience, and training of the applicant, potential conflicts of interest, and that the purpose of the process is to assist parties in determining an agreeable scope of repair or other resolution of their dispute.

(b) As a condition of being included on the panel of neutrals identified in this section, the commissioner of labor and industry may charge each qualified neutral a fee of \$200 per year for the administration of the home warranty dispute resolution process.

Subd. 2. **Dispute resolution process.**

(a) The home warranty dispute resolution process required by this section is commenced by written application to the Commissioner. A request must include the complete current address and full name of the contact person for each participating party.

(b) Within 10 days of receiving a written request, the Commissioner shall provide each party with a written list of three qualified neutrals randomly selected from the panel of neutrals established under subdivision 1. The Commissioner shall also provide complete contact information for each qualified neutral.

(c) Within 5 business days after receipt of the list from the Commissioner, the parties shall mutually select one of the three qualified neutrals identified by the commissioner to serve as the qualified neutral for their dispute. If the parties cannot mutually agree on a neutral, the vendor or home improvement contractor shall strike one of the neutrals from the list, the vendee or owner shall subsequently strike one of the remaining neutrals from the list, and the remaining neutral shall serve as the qualified neutral for the dispute resolution process. The parties shall notify the selected qualified neutral and the Commissioner of the selection.

Subd. 3. **Neutral evaluation; fee.**

(a) The qualified neutral selected by the parties shall convene, and each party shall attend an in-person conference of the parties. The qualified neutral shall select the date for

the conference after consulting the parties. The conference must occur no later than 30 days after the neutral's selection, except by mutual agreement of the parties. In addition, the neutral shall collect from each party an administrative fee of \$25 and shall submit those fees to the Commissioner no later than 10 days after completion of the conference.

(b) At least 7 days before the conference, each party must provide the qualified neutral and the other party with all information and documentation necessary to understand the dispute, or the alleged loss or damages.

(c) After reviewing the information and documentation provided by the parties and after consulting with the parties at the conference, the neutral shall issue to the parties a nonbinding, written determination, which must include, to the extent possible, findings and recommendations on the scope and amount of repairs necessary, if any. The qualified neutral shall mail the determination to each party within 10 days after the conference.

(d) The parties shall share the expense of the qualified neutral's billed time equally, unless otherwise agreed. The neutral's billed time for evaluation of documents, meeting with the parties, and issuing a written determination must not exceed 6 hours, unless agreed to in writing by both parties. The neutral must identify the neutral's hourly rate to the parties.

Subd. 4. Alternative process.

If both parties agree, the parties may designate an alternative dispute resolution process in lieu of participating in the home warranty dispute resolution process established by this section. If the parties agree to an alternative dispute resolution process, they shall provide written notice of the agreement and a description of the selected process to the Commissioner as soon as practicable, but no later than the date the parties are required to select a neutral under subdivision 2.

Subd. 5. Effect on future proceedings.

(a) The written determination issued by the qualified neutral and all communications relating to the home warranty dispute resolution process, except those between any party and the Commissioner, are deemed confidential settlement communications pursuant to Rule 408 of the Minnesota Rules of Evidence.

(b) No party may use the written offer of repair provided by a vendor or home improvement contractor, a counteroffer to repair, or a written determination issued by the qualified neutral as evidence of liability in subsequent litigation between the parties. The qualified neutral may not be called to testify regarding the dispute resolution proceedings.

(c) Any amount paid by a party for the services of a qualified neutral under this section is deemed a taxable cost of the prevailing party in a subsequent litigation involving the same subject matter.

Subd. 6. Noncompliance with timelines; effect.

Failure to strictly comply with the timelines in this section shall not be grounds for dismissal of any claim brought under section [327A.05](#), provided that the parties establish good faith effort in complying with this section.

History:

[2010 c 343 s 11](#)

327A.06 OTHER WARRANTIES.

The warranties provided for in section [327A.02](#) shall be in addition to all other warranties imposed by law or agreement. The remedies provided in section [327A.05](#) shall not be construed as limiting the remedies in any action not predicated upon breach of the statutory warranties imposed by section [327A.02](#).

History:

[1977 c 65 s 6](#); [2009 c 91 s 2](#)

327A.07 VARIATIONS.

The Commissioner of Labor and industry may approve pursuant to sections [14.05](#) to [14.28](#), variations from the provisions of sections [327A.02](#) and [327A.03](#) if the warranty program of the vendor or the home improvement contractor requesting the variation offers at least substantially the same protections to the vendee or owner as provided by the warranties set forth in section [327A.02](#).

History:

[1977 c 65 s 7](#); [1981 c 119 s 10](#); [1982 c 424 s 130](#); [1995 c 233 art 2 s 56](#); [2008 c 337 s 60](#); [2009 c 91 s 3](#)

327A.08 LIMITATIONS.

Notwithstanding any other provision of sections [327A.01](#) to [327A.08](#):

(a) The terms of the home improvement warranties required by sections [327A.01](#) to [327A.08](#) commence upon completion of the home improvement and the term shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) The home improvement warranties required by sections [327A.01](#) to [327A.08](#) shall not include products or materials installed that are already covered by implied or written warranty; and

(c) The warranties required by sections [327A.01](#) to [327A.08](#) must be set forth as

written warranty instruments and must be included as part of the construction contract. The warranties and the exclusions under section [327A.03](#), the right to inspect and offer to repair under section [327A.02, subdivisions 4](#) and 5, and the Home Warranty Dispute Resolution process under section [327A.051](#) must be conveyed in writing to the owner. Failure to comply with this paragraph is a violation of section [326B.84](#).

(d) If the warranties required by sections [327A.01](#) to [327A.08](#) are not provided to the owner in writing as required by paragraph (c), they are implied Statutory warranties that have the same effect as if the vendor or home improvement contractor had complied with paragraph (c).

(e) The owner's right under this section to receive the written warranty required under this section may not be waived or modified by contract or otherwise. Any agreement that purports to waive or modify the right to the written warranty required under this section is void.

(f) This section does not limit the ability of the vendor or home improvement contractor and the owner to enter into the agreements permitted under section [327A.04](#), subdivisions 2 and 3.

History:

[1981 c 119 s 11](#); [1997 c 7 art 1 s 126](#); [2009 c 91 s 4](#); [2010 c 343 s 12](#)

SUMMARY OF 327A WARRANTY: LIMITED WARRANTY as per 327A Statutory Warranties

Every builder-member of the Association shall agree to provide every homebuyer with a Limited Warranty which complies with Minnesota 327A Law regarding new home warranties. The terms of the warranty will exactly follow the State 327A Statutory Warranties.

During the **one-year period** from and after the warranty date the **dwelling** shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with **building standards**.

Building standards means the materials and installation standards of the State Building Code, adopted by the Commissioner of Labor and industry pursuant to sections 326B.101 to 326B.194, in effect at the time of construction or remodeling.

During the **two-year period** from and after the warranty date, the **dwelling** shall be free from defects caused by **faulty installation** of plumbing, electrical, heating and cooling systems due to noncompliance with **building standards**. This is a warranty on workmanship ONLY. It does not cover any particular product that was installed according to building standard codes.

During the first **10 years** of ownership the **dwelling** shall be free from major structural defects due to

non-compliance with **building standards**.

Major construction defect. “Major construction defect” means actual damage to the load bearing portion on the **dwelling** or the home improvement, including damage due to subsidence, expansion or lateral movement of the soil, which affects the load-bearing function and which vitally affects or is imminently likely to vitally affect use of the dwelling or the home improvement for residential purposes. “Major construction defect” does not include damage due to movement of the soil caused by flood, earthquake or other natural disaster.

Dwelling. “Dwelling” means a new building, not previously occupied, constructed for the purpose of habitation; but does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the dwelling, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Note: All definitions of terms are taken directly from the Minnesota 327A Statutory Warranties. Only the implied warranty (statutory warranty) is included. There is no additional expressed warranty from Elevate Builders INC.

SECTION TWO

MINIMUM PERFORMANCE STANDARDS

A standard for minimum performance is provided to all buyers. These minimum performance standards are necessary to clearly identify what expectations are for all homebuyers purchasing a home from Elevate Builders INC.

Minimum performance standards serve the following worthwhile objectives:

- A. First and foremost, a written set of minimum performance standards are available for review by prospective homeowners. The public should be able to know what they may expect of a professional builder. The knowledge that one may expect a certain level of performance, through general guidelines and specific requirements is a right of every prospective homeowner.
- B. The minimum performance standards also serve as a guideline for corrections. We realize that perfection is not possible technologically in the housing industry and that imperfections will occur from time to time. When these problems do occur, the homeowner can look to the minimum performance standards to determine the cause of and responsibility for a problem. If a defect or problem is a violation of a building code or minimum standard, then this booklet will serve as the guideline on what action the builder will take.
- C. The written minimum performance standards establish a more objective and complete means of setting issues and meeting the goals of the home buyers.

The current Minimum Performance Standards as attached are hereby promulgated to meet the above stated objectives. These objectives and standards will be amended from time-to-time to reflect changing technology, industry standards and public expectation.

Note: See the General Spec book for the written performance standards.

ONE YEAR STANDARD & CORRECTION ITEMS

The following items are covered for the first year of occupancy. This portion of the Standards & Corrections expires 12 months from the date of closing.

All non-warranty service call items will be billed at \$100 per hour. Please review items covered below prior to submitting warranty requests to avoid unnecessary fees.

STANDARDS & CORRECTIONS

The following are all the standards & corrections for one year from the date of closing. These are minimum performance standards to which ELEVATE BUILDERS INC will adhere to in any warranty repair.

1. SITE WORK

A. Site Grading

Some settling is normal around all homes. Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with proper water drainage away from the home.

If the builder has provided final grading upon request by the homeowner, the builder shall fill settled areas affecting property drainage. Homeowner shall be responsible for removal and replacement of all shrubs, rocks, mulch or other landscaping affected by placement of fill.

B. Site Drainage

The necessary grades and swales shall have been established by the builder to ensure proper drainage away from the home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours for normal rains, up to 48 hours in heavy clay soils), except in swales, which drain other areas, or in areas where sump pumps discharge, in which a longer period can be anticipated (generally no more than 48 hours). Areas accepting discharge of sump pumps may be wet whenever the pump runs. The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on or in the ground, or while the ground is saturated. Heavily saturated soils will cause water from rain to stand longer than normal. It is important not to over irrigate yards with heavy (black or clay) soil.

The builder is responsible only for initially establishing the proper grades and swales. The homeowner is responsible for maintaining such grades and swales once they have been properly established. If the drainage has been altered by the additional black dirt or sod, and the builder did not install the black dirt or sod, then if the builder does any re-grading, the re-sodding or sprinkler head repairs are the responsibility of the homeowner.

C. Landscaping and Trees

Trees installed by the builder are warranted for one growing season. There is **no** warranty of any shrubs or flowering plant through the winter. If the tree does not survive the winter, Elevate Builders INC will do a courtesy replacement one time. The tree will be of a similar species but limited to 2” diameter deciduous tree and a 6’-7’ evergreen tree.

This is the largest we can install after the landscaping is completed. This is a one time only replacement. It is the homeowner’s responsibility to properly water and takes care of plants.

Note: One growing season is from May to November 1st

D. Sod

Sod will be green and alive at installation, provide adequate water as needed – there is **no** warranty of any kind on sod. Be sure to reduce the amount of water after 10 days. This is very important in the clay soil or it becomes too saturated and “mushy”, then it will not firm up and can be difficult to mow.

E. Weeds

Builder is not responsible for weed control from an unfinished lot entering a finished lot.

Note: all unfinished lots will have “weeds.”

2. CONCRETE

A. Poured Concrete

1. Foundation Walls

Shrinkage cracks are not unusual in concrete foundation walls. The builder shall repair such cracks greater than 1/8 inch in width. The structural integrity of the wall is not affected because of the extensive steel reinforcement used in all poured walls. It is the builder’s choice to fill the cracks with epoxy or butyl type filler.

2. Basement Floors

Minor cracks in concrete basement floors are normal. Builder shall repair cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement by

surface patching or caulking. A 6 mil poly exists under the floor, sealing off any air leakage through any small cracks.

3. Garage Slabs

Builder shall repair cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement by surface patching or caulking.

4. Concrete Floors with Finished Flooring Over Them

Cracks, which rupture the finished flooring material, shall be repaired.

Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place. (See also Minimum Performance Standard VII "Finishes".) Only damaged areas are repaired, the entire floor is NOT replaced.

5. Other Exterior Concrete Work

Exterior concrete including sidewalks, patios, and driveways are not covered under the state statutory 327A implied warranty. See the Performance Standards in your general specs for performance expectations. Any repairs or adjustments on exterior concrete are at the sole discretion of the builder.

Note: Exterior concrete does have maintenance. Snow must be removed so it doesn't melt and freeze, causing it to lift off the top surface. It is necessary to seal coat driveways annually to help mortar from flaking caused by road salt. Proof of sealer will be required (receipt or invoice of sealer applied) for any concerns that arise regarding driveway performance.

6. Stoops, Steps or Garage Floors

Stoops, steps, or garage floors that sit on a frost footing shall not settle, heave or separate in excess of 1 inch from the house structures. **

Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.

Builder shall take corrective action to meet these standards.

**NOTE: This does not cover free-floating slabs that do not have foundations under their 4 sides (ie: driveways, sidewalks, patios, etc.). These will move seasonally with freezing and thawing.

3. MASONRY

A. Unit Masonry

1. Basement or Foundation Walls

Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls.

Builder will repair cracks in excess of 1/8 inch by pointing or patching.

2. Masonry Walls or Veneer

Small hairline cracks due to shrinkage are common in mortar joints in masonry construction.

Non-uniformity in appearance of stone, brick with varying tones, Rockface bricks or mortar is not covered. Builder will repair cracks in excess of 3/8 inch by pointing or patching. Builder will not be responsible for color variation between old and new mortar.

3. Decorative Stone or Brick on Interior Walls

Shrinkage away from walls, ceilings, or cabinets is common.

Builder will caulk all cracks exceeding 1/8 inch.

4. WOOD AND PLASTIC

A. Rough Carpentry

1. Floor squeaks

Floor squeaks and loose sub-floor are often temporary conditions common to new construction. Many times it will fluctuate with the seasons and the amount of humidity in the house. A squeak-proof floor cannot be guaranteed.

Builder will correct the problem only if caused by an underlying construction defect or can be accessed without major disruption to the home.

2. Evenness of Wood Floors

Floors shall not have more than 3/8 inch ridge or depression within any 32 inch measurement when measured parallel to the joists. Allowable floor and ceiling joist defections are governed by the applicable building code. Wood floors will show some “cupping” at certain seasons. This is normal and will change as the humidity in your home changes.

Builder will correct or repair to meet these specifications.

3. Bowing of Walls

All interior and exterior walls have slight variances on their finished surfaces. Bowing of wall should not detract from or blemish the wall’s finished surface. Walls should not bow more than 3/8 inch out of line within any 32 inch horizontal or vertical measurement. This is determined with a 36 inch straight edge. Builder will repair or adjust to meet these specifications.

B. Interior Finish Carpentry

Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width. Some season shrinkage is normal. Hairline cracks in enamel are normal and not covered under any implied guarantee by the builder.

Builder will repair defective joints, as defined. Colored putty or caulking is acceptable.

C. Decorative Interior Solid Wood Beams

All solid beams will shrink over time. There is nothing that can be done to prevent this. After shrinking, we will adjust the cracks at the ends of the beams by a) re-taping the drywall and touching up with paint, b) re-caulking, c) adding a molding around the beam at the ends. Solid decorative beams are never replaced due to this inevitable fact.

D. Exterior Finish Carpentry

Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

Builder will repair open joints as defined. Caulking is acceptable.

5. THERMAL AND MOISTURE PROTECTION

A. Waterproofing

Leaks resulting in actual pooling of water shall be repaired. Builder is not responsible for leaks caused by improper landscaping or failure to maintain proper grades. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

Builder will take such action as necessary to correct basement leaks, except where the cause is determined to result from homeowner action or negligence.

B. Insulation

Insulation shall be installed in accordance with applicable energy and building code requirements.

Builder will install insulation in sufficient amounts to meet these standards.

C. Louvers and Vents

Builder must provide attic vents and/or louvers for proper ventilation of the attic space of the structure.

NOTE: During some blizzard type snowstorms or strong blowing snow, some snow may blow through the roof vents and into the attic. This is not preventable.

D. Roofing and Siding

1. Roof or Flashing Leaks

Roofs or flashing shall not leak under normally anticipated conditions, **except** where cause is determined to result from **ice build-up or homeowner action or negligence**.

Builder will repair any verified roof or flashing leaks **not caused by ice build-up** or homeowner action or negligence. When excessive snow build-up occurs, it is the homeowner's responsibility to remove whatever snow is necessary to prevent ice dams and the consequential water penetration.

2. Standing Water on Flat Roof

Water shall drain from a flat roof, except for minor ponding immediately following rainfall or when the roof is specifically designated for water

retention. Builder will take corrective action to assure proper drainage of roof.

3. Delamination of Veneer Siding or Joint Separation

All siding shall be installed according to the manufacturer and industries accepted standards. Separations and delaminating shall be repaired or replaced.

Builder will repair or replace siding as needed unless caused by homeowner's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, builder will paint only the new materials. The homeowner can expect that the newly painted surface may not match original surface in color.

E. Sheet Metal

1. Gutters and Downspouts

Gutters and downspouts shall not leak, but gutters may overflow during heavy rain or ice build-up.

Builder will repair leaks. It is a homeowner's responsibility to keep gutters and downspouts free of leaves and debris, which could cause overflow. It is also the homeowner's responsibility to be sure the downspout is open and water is able to freely run away from the house. Running downspouts to underground pipes is not recommended. It will typically freeze up in the winter and can cause damage to the gutter pipes.

2. Water Standing in Gutters

When gutter is unobstructed by debris, the water level shall not exceed one (1) inch in depth. Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

Builder will correct to meet these standards.

F. Sealants

Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.

NOTE: All windows and sidings are rated for 40-mile-per-hour winds. All doors are rated for 20-mile-per-hour winds. This means that straight-line winds in excesses of these amounts could allow some water penetration. When storm doors are added the ratings of most doors go to 60 miles per hour.

Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies one time only. Even properly installed caulking will shrink and must be maintained during the life of the home by the homeowner.

6. DOORS AND WINDOWS

A. Wood and Fiberglass Doors

1. Warpage of Exterior Doors

Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards. (Warpage must exceed ¼ inch on a 6-foot8-inch door and 3/8 inch on an 8-foot door, measured diagonally from corner to corner.) Builder will correct, adjust or replace and refinish defective doors.

2. Warpage of Interior Passage and Closet Doors

Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards. (1/4 inch, measured diagonally from corner to corner.)

Builder will correct, adjust or replace and refinish defective doors to match existing doors as close as possible.

3. Shrinkage of Insert Panels

Panels will shrink and expand and may expose unpainted surface. Builders will stain or paint this line. The whole door is NOT refinished.

4. Split in Door Panel

Split panel shall not allow light to be visible through the door.

Builder will, if light is visible, fill split with colored filler and paint or stain (if necessary) as closely as possible. The entire door is NOT replaced or

refinished.

5. Thresholds

Exterior thresholds require regular seasonal adjustments. This is a homeowner responsibility. Failure to do so can result in wind, rain, or snow blowing under the door and doing damage to the interior floor.

B. Glass

1. Broken or Scratched Glass

Broken or scratched glass not reported to the builder **prior** to closing is the homeowner's responsibility.

Window stress cracks are warranted for 12 months from the date of closing.

No further warranty exists on stress cracks in glass.

The window manufacturer will have an extended warranty on the product itself. (Usually there is no warranty on the labor.)

See your closing documents for detail on your window extended factory warranty. These warranties are directly with the manufacturer and not part of Elevate Builders INC.

All specialty windows (ex: Archtops and windows around and in front doors) have a 1 year warranty on all stress cracks and 5 years on seal failure. (Labor is included for first year only.)

2. Fine hair line "scratches" that are visible in certain light are not covered under any warranty. Only deep scratches that are recorded on the Walk Through sheet prior to move-in are covered.

3. Plexiglas often is used in conjunction with sports courts. This material is resistant to impact from balls, but will scratch very easily. No Plexiglas is replaced because there are "scratches" from cleaning. It is recommended you only clean with a very soft cotton cloth and plastic polish/cleaner.

C. Garage Doors on Attached Garages

Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under certain inclement weather conditions, especially with high winds.

Note: When snow and ice melt off of cars in the winter, the water will run towards the garage door and it may freeze there. This is not a warranty issue.

D. Wood, Vinyl and Metal Windows

1. Operation of Windows

Windows shall operate with reasonable ease, as designed. Builder will correct or repair as required.

2. Condensation on Windows

Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Excessive condensation usually is the result of climatic conditions or humidity conditions created by the homeowner.

Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the builder's control. No corrective action required by the builder. It is important that the buyer take corrective action (run ERV or crack open a window) to allow for the reduction of the excess humidity.

E. Weather Stripping and Seals

Some air infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weather-stripping shall be adjusted or replaced. It may be necessary for the homeowner to have storm doors and/or windows installed to provide satisfactory solutions in high wind areas.

Builder will adjust or correct poorly fitted doors, windows and poorly fitted weather-stripping.

7. FINISHES

A. Gypsum Wallboard

Slight "imperfections" such as nail pops, seam lines, and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable. Nail or screw pops are not repaired unless the plaster coating actually cracks.

All repair spots are touched up with paint. Entire walls are not repainted; only the repaired spots are touched up.

Builder will only repair defects exceeding 1/8 inch in width.

Truss lift is a phenomenon that occurs in areas of extreme temperature and humidity changes. This swing of conditions causes the attic trusses to arch or “lift.” When this occurs (which will happen in the winter with low humidity and low temperature in the attic) there may be some small gaps that occur where the walls meet the ceiling on the upper floor. This will settle down every summer. There is no known way to stop this. This action is normal performance.

B. Ceramic Tile

Ceramic tile shall not crack or become loose. Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the homeowner’s action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile. If there are extra tiles, be sure to save those.

Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions. Builder will repair grouting, if necessary, one time only. Where the tile meets wood, any cracked grout is normal and will be repaired with caulking. Builder will not be responsible for color variations or discontinued colored grout or caulking used. Regrouting of these cracks is a maintenance responsibility of the homeowner during the remaining life of the home.

C. Finished Wood Flooring

Builder will repair cracks in excess of 1/8 inch by filling as needed. **Entire wood floors are never removed or replaced because of shrinkage cracks.** It is normal for floors to shrink in the winter and swell up and close during the summer. **All cracks will be measured during normal summer and fall times, NOT during the winter.** A humidifier often will help to reduce the shrinkage that occurs in the winter. (Be careful as to not allow too much moisture to build up on window sashes.) If you have questions on how to balance your humidity, call your builder.

D. Resilient Flooring

1. Nail Pops on Surface of Resilient Flooring

Builder will correct nail pops, which have actually broken through the surface. Builder will repair or replace, at builder’s sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering.

2. Depressions or Ridges in Resilient Flooring Due to Sub-floor Irregularities

Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible or is less than 1/8 inch. Builder will not be responsible for discontinued patterns or color variations in floor covering.

3. Adhesion of Resilient Flooring

Resilient flooring shall not lift, bubble or become unglued.

Builder will repair or replace, at builder's sole option, the affected resilient floor as required. Builder will not be responsible for discontinued patterns or color variation of floor covering, or for problems caused by homeowner neglect or abuse.

4. Gaps or Seams at Joints

Gaps shall not exceed 1/16 inch in width in resilient floor covering joints. A gap not to exceed 1/8 inch is permissible where dissimilar materials abut.

Builder will repair or replace, at builder's sole option, the affected resilient floor as required. Builder will not be responsible for discontinued patterns or color variation of floor coverings, or for problems caused by homeowner neglect or abuse. All gaps of dissimilar materials will be caulked (usually with clear silicon).

E. Painting

1. Peeling or Fading of Exterior Paint

Exterior paint or stains should not fade during the first year. However, fading over time is normal and the degree of fading is dependent on climatic conditions and the color of paint chosen. The darker the paint the more it fades.

If paint or stain is defective, builder will properly prepare and refinish affected areas, matching color as closely as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished.

2. Painting Required as Corollary Repair Due to Other Work

Repairs required under these Minimum Performance Standards shall be finished to match surrounding areas as closely as practicable. Generally ONLY the affected area is refinished.

3. Deterioration of Varnish or Lacquer Finishes

Natural finishes on interior woodwork shall not deteriorate for twelve months after application. However, varnish type finishes used on the exterior may deteriorate more rapidly and are not the builder's responsibility. Any exterior varnished areas (such as wood front doors) require regular maintenance. Refinishing once a year is not uncommon.

Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible, one time only.

4. Enamel Touch-up

It is normal for millwork to shrink and the enamel to crack in the joints. Repairs are made by filling the cracks and touching up with a brush or roller. The enamel is NOT re-sprayed. It will be left to the warranty manager's discretion as to which cracks are acceptable and to which ones need repair.

5. Mildew or Fungus on Painted Surfaces

Mildew or fungus will form on painted surfaces if the structure is subject to abnormal weather or climatic exposures (i.e., rainfall, lake or river front.) Mildew or fungus formation is a condition that the builder cannot control and is a homeowner maintenance item, unless it is a result of noncompliance with other sections of these Minimum Performance Standards. There are a number of mildew and fungus killers available at local hardware stores or paint stores.

6. Angle Iron Metal Supporting Brick

Angle iron is primed and painted at installation. It is common after the first year for this metal to develop some rust—this cannot be prevented. Painting after the initial paint installed by the builder becomes the homeowner's responsibility.

F. Wallpaper

Wallpaper installation is not recommended for the first year. Builder will not

warrant any wallpaper failure. If there is any drywall repair necessary under wallpaper, the homeowner must first remove the wallpaper before the builder will repair the wall.

G. Carpeting

1. Open Carpet Seams

It is important to note that carpet seams will show. However, no visible gap is acceptable and the builder will correct the problem if the builder performed the original installation. It is more difficult to hide the seams in Berber type carpet. These seams will be more apparent.

2. Stretching or Separation of Seams

Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose or separate from its point of attachment.

Builder will re-stretch or re-secure carpeting as needed, if the original installation was performed by Builder.

NOTE: You may find that over time your carpet will relax and have to be re-stretched. In the first 12 months the builder will perform a re-stretch, after that it is the homeowner's responsibility.

H. Exterior Stucco Wall Surfaces

Cracks are not unusual in exterior stucco wall surfaces. However, builder shall repair cracks greater than 1/8 inch in width.

Caulking around windows and doors may shrink and expand over time. It is the homeowner's responsibility to keep cracks around windows and doors properly caulked. THIS IS VERY IMPORTANT! Failure to do so can cause structural damage. This damage would be due to neglect, and is NOT covered under any warranty.

8. SPECIALTIES

A. Louvers and Vents

Attic and crawl space shall be ventilated as required by the approved building code.

The builder shall provide for adequate ventilation but will not be responsible for alterations to the original system.

B. Fireplaces

1. Draft

A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some homes may need to have a window opened slightly to create an effective draft, if the home has been insulated and weatherproofed to meet high-energy conservation criteria.

Builder will determine the cause of malfunction and correct, if the problem is one of design or construction of the fireplace.

2. Chimney Separation from Structure to Which it is Attached

Newly built fireplaces often will incur slight amounts of separation. Separation shall not exceed ½ inch from the main structure in any 10 foot vertical measurement.

Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.

9. EQUIPMENT

A. Countertops and Cabinets

1. Countertop Lamination

Countertops fabricated with high-pressure laminate coverings shall not delaminate.

Builder will replace or re-glue delaminated coverings to meet specific criteria. Builder will be responsible for chips and cracks **only** if noted before first occupancy.

2. Kitchen Cabinets

Warpage not to exceed 1/4 inch as measured from face frame to point- to-point of furthest warpage with door or drawer front in closed and adjusted position. In the case of a pair of doors, the front edges of the doors should be adjusted to within 1/8 inch of each other by the hinge adjustments.

Builder will correct, adjust or replace doors or drawer fronts as needed.

NOTE: Cabinets hinges are made to compensate for some door warpage. Doors are adjusted in and out on the hinge side to make a pair of doors line up.

3. Cabinets, Ceiling or Wall Gaps

Gaps between cabinets, ceiling or walls shall not exceed 1/4 inch in width. Builder will correct to meet this specification. Caulking or small molding strips are used.

4. Appliances

All appliances are warranted and serviced directly by a Manufacturer's Factory Technician. We are not authorized to do service work on appliances. See your Owner's Manual for service phone numbers. **Elevate Builders INC does not warranty or service any appliance.** It is the responsibility of the homeowner to work directly with manufacturer from date of closing.

Dishwasher

Note: It is important to follow manufacturer's recommendation regarding the use of liquid dishwasher soap. Using too much concentrated detergent may cause the dishwasher to overflow and leak and may leave residue on your dishes.

If your home has a water softener system, you will typically use 30-50% less detergent in washing machines and dishwashers.

10. PLUMBING

A. Water Supply System

All on-site service connections to municipal water main or private water supply shall be the builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond builder's control disrupt or eliminate the sources of the supply, the builder has no responsibility. (For city sewer and water, any disruption outside of the house or connection to the house at the boulevard is the responsibility of the municipality and the builder has not control over the local cities.)

Drain, waste and vent, and water pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, as defined in accordance with ASHRAE design temperatures to prevent freezing.

Builder will correct situations not meeting the code. It is the homeowner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

B. Plumbing System

1. Leaks

No valve or faucet shall leak due to defects in workmanship and materials. Builder will repair or replace the leaking faucet or valve during the 1-year warranty.

Note: If a leak causes any water damage to other parts of the home, that damage must be submitted to your homeowner's insurance company. Elevate Builders INC. does not insure your home against any damage of water, fire, wind, tornado, etc.

¹ Defective Plumbing Fixtures or Trim Fittings

Fixtures or fittings shall comply with their manufacturer's standards.

Builder will replace any defective fixture or fitting which does not meet acceptable standards, as defined by the manufacturer.

3. Noisy Water Pipes

There will be some noise emitting from the water pipe system, due to the flow of water. However, builder shall eliminate any "water hammer." This is the sound of pipes hitting against some framing surface while water is flowing.

4. Cracking or Chipping of Porcelain or Fiberglass Surfaces

Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when the surface is hit with sharp or heavy objects.

Builder will not be responsible for repairs unless damage has been reported to builder **prior** to first occupancy.

NOTE: The builder does not pay for damage to personal property if a leak should develop. You need to carry homeowners insurance for that coverage. The builder does not have insurance on your personal property.

C. Septic Tank System

Septic system shall function adequately during all seasons, under climatic conditions normal or reasonably anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable requirements.

Builder will repair, or otherwise correct, a malfunctioning or non-operating system, if failure is caused by inadequate design, faulty installation or other cause relating to actions of the builder or contractors of subcontractors under the builder's control. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, **installation of a garbage disposal** or other causes attributable to actions of the homeowner or owner's contractors, not under the control of the builder. These would include, but are not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes to the septic system installation or surrounding soil conditions critical to the system's functioning.

NOTE: It is very important to have your tank pumped regularly. We recommend once a year. Keep records of the maintenance on your system. No additives are recommended.

D. Piping

1. Leaks

No leaks of any kind shall exist in any soil, waste, vent or water pipe. Condensation on piping does not constitute leakage, and is not covered.

Builder will make repairs to eliminate leakage.

2. Stopped-up Sewers, Fixtures and Drains

Sewers, fixtures and drains shall operate properly.

Builder will not be responsible for sewers, fixtures and drains, which are clogged through the homeowner negligence. If a problem occurs, the homeowner should consult builder for a proper course of action. Where defective construction is shown to be the cause, builder will assume the cost of the repair; where homeowner negligence is shown to be the cause, the homeowner shall assume all repair costs.

NOTE: Homeowner responsibility includes (but is not limited to): garbage disposal plugging lines, toilets plugged, hair and soap build-up in tubs and showers, etc. It is strongly recommended that you do NOT flush female hygiene products or latex contraceptives down your toilets

3. Refrigerant Lines

Refrigerant lines shall not develop leaks during normal operation.

Builder will repair leaking refrigerant lines and recharge unit, unless damage was caused by the homeowner.

NOTE: Any leaks caused by a defective or malfunctioning ice maker is resolved between the manufacturer and your homeowners insurance, not the Builder.

11. HEATING AND COOLING

A. Heating

Heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured on an inside wall in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in the ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

Builder will correct heating system to provide the required temperatures. However, the homeowner shall be responsible for adjusting registers and dampers seasonally.

NOTE: If you have a service call on your furnace or A/C and the problem is a dirty filter, you will be responsible to pay for the service call.

NOTE: In the winter time it is important to keep the furnace intake and exhaust clear of snow and ice. Failure to do so could result in the furnace shutting down due to lack of oxygen.

B. Refrigeration

Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured at an inside wall in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in the ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees Fahrenheit, a differential of 15 degrees F from the outside temperature will be maintained. (ex: If outside temperature is 99 degrees, the inside temperature shall not exceed 84 degrees.) Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.

NOTE: If off peak cooling is selected, no guarantee of cooling capability is given due to the uncertainty of how long and how many times the power company turns off the power to the condensing unit.

Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

NOTE: There is no guarantee (stated or implied) that all rooms will be exactly the same temperature. There are too many variables like directed orientation, solar gain, where the winds blow from, etc.

C. Condensation Lines

Condensation lines (coming from the condensing coil tray to the drain) may eventually clog under normal use. This is a homeowner maintenance item.

Builder shall provide unobstructed condensation lines at time of first occupancy.

D. Evaporative Cooling

Equipment shall function properly at normal temperature.

Builder will correct and adjust so the blower and the discharge of condensed water will operate as designed.

12. **VENTILATION**

A. **Ductwork**

When metal is heated it expands and when cooled it contracts. The result is “ticking” or “cracking” which is generally to be expected. However, stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not “oilcan.” The booming noise caused by “oil canning” is not acceptable.

Builder will correct to eliminate this sound. Additionally, builder will re-attach and re-secure all separate or unattached ductwork.

Some noise caused by trunk line deflection or expansion/contraction by hot/cold is common. Sound carrying through the ducts going from room to room is common and cannot be controlled.

B. **Outlets, Switches and Fixtures**

1. **Drafts from electrical outlets**

Electrical junction boxes on exterior walls may produce airflow whereby the cold air can be drawn through the outlet into a room. This is reduced by the new energy boxes, but some air movement will still be normal.

2. **Malfunction of Electrical Outlets, Switches or Fixtures**

All switches, fixtures and outlets shall operate as intended.

Builder will repair or replace defective switches, fixtures or outlets.

C. **Ground Fault Interrupter**

Ground fault interrupters are sensitive safety devices installed into the electrical system to provide against electrical shock. These sensitive devices can be tripped very easily.

Builder shall install ground fault interrupters in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.

D. Wiring

Wiring should be capable of carrying the designated load for normal residential use.

Builder will check for conformity with local, state or approved national electrical code requirements. Builder will repair wiring not conforming to code specifications.

2- YEAR ITEMS

During the 2-year period from and after the start of the warranty date (closing of the home), the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating and cooling systems due to non-compliance with building standards.

Note: The 2-year extended Statutory Warranty is for defective installation only. Products themselves are limited to one-year warranty by the builder.

There may be extended warranties from the manufacturer. These are through the manufacturer and not through the builder.

All non-warranty service call items will be billed at \$100 per hour. Please review items covered below prior to submitting warranty requests to avoid unnecessary fees.

1. WATER SUPPLY SYSTEM

- A. **Deficiency:** Plumbing pipes freeze and cause leaks.

NOTE: This does NOT include lines that are part of the homeowner's responsibility to drain.

Construction Standard: Drain, waste, and vent or water pipes should be adequately protected, as required by applicable codes, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures to prevent freezing.

Builder Correction: The builder shall correct the condition responsible for the pipes freezing and repair piping damage caused by freezing except where there has been an obvious lack of heat and/or homeowner(s) neglect.

- B. **Deficiency:** Water supply system fails to deliver water.

Construction Standard: All service connections to municipal water main and private water supply are the builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.

Builder Correction: Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond his/her control disrupt or eliminate the source of the supply, then it is not his responsibility.

- C. **Deficiency:** Drinking water supply from private well is not potable.

Construction Standard: 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, well water tests will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards; however, it may still 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 that 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 local/county Board of Health issues a certificate of compliance. Any recommendation for treatment of the water by the local/county board of health is contractual between owner and builder and cannot be considered a deficiency. Furthermore, water that becomes non-potable after certification by source beyond the control of the builder

shall be excluded from coverage. Potable water from municipal supply is NOT warranted by the builder. The city is responsible for maintaining the purity of municipal water.

Builder Correction: The builder shall supply potable drinking water in accordance with the construction standard.

2. **SEPTIC TANK SYSTEM (Private System)**

A. **Deficiency:** Septic system fails to operate properly.

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

Builder Correction: Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions, which occur through owner negligence or abuse and from conditions that are beyond his/her control. The following are considered owner negligence or abuse as exclusion under the 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 any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners;
- E. Use of a food waste disposer;
- 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. (We recommend once a year. Keep your receipts for proof of maintenance.)

3. **PLUMBING**

A. **Deficiency:** Leakage from any piping.

Construction Standard: No leaks of any kind should exist in any soil, waste, vent,

water or gas pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the homeowner(s) should call the appropriate public utility service immediately, and then report the leak to the builder.

Builder Correction: Builder shall make necessary repairs to eliminate leakages in any piping he/she installed. If a gas or water leak occurs in a piping system the builder installed, then the builder will make the necessary repairs. If a gas or water leak occurs in a piping system installed by a public service utility authority, then the public service utility authority should be contacted to make the necessary repairs.

- B. **Deficiency:** Stopped up sewers, fixtures and drains.

Construction Standard: Sewer, fixtures and drains should operate properly.

Builder Correction: The builder is not responsible for sewers, fixtures and drains which are clogged through the owner's negligence. Where defective construction is the cause, the builder shall assume the cost of the repair; where owner negligence is shown to be the cause, the owner shall assume all repair costs.

4. **COOLING**

- A. **Deficiency:** Cooling lines leak.

Construction Standard: Cooling lines should not develop leaks during normal operation.

Builder Correction: Repair leaking cooling lines and recharge unit.

5. **ELECTRICAL CONDUCTORS**

- A. **Deficiency:** Failure of wiring to carry its designated fuse load to the electrical box.

Construction Standard: Wiring should be capable of carrying the designed load for normal residential use to electrical box.

Builder Correction: Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.

NOTE: Repair or adjustments on any of the above items does not extend the warranty period. This portion of the warranty expires at the end of 24 months after closing.

6. ARC FAULT CIRCUIT INTERRUPTER BREAKERS (AFCI'S)

The 2008 National Electrical code 210.12 requires Arc Fault Circuit Interrupter (AFCI) breakers (located on your service panel) to be installed on most residential circuits.

Code 210.12 – All 120-volt, single phase, 15- and 20- ampere branch circuits supplying outlets installed in dwelling unit in family rooms, dining rooms, living rooms, parlors, libraries, dens, sun rooms, recreation rooms, closets, hallways or similar rooms or areas shall be protected by a listed arc-fault circuit interrupter, combination type installed to provide protection of the branch circuit.

Unlike a conventional circuit breaker, which detects overloads and short circuits, an AFCI utilizes advanced electronic technology to “sense” different arcing conditions. Common household items such as motor-driven vacuum cleaner and a furnace motor, naturally create arcs when they are operating. Each of these conditions is considered a normal arc which can also occur when a light switch is turned off.

Arc faults, however, may result from damaged wiring, overheated or stressed electrical cords, worn electrical insulation, wires and/or cords in contact with vibrating metal, damaged electrical appliances and more. This potentially dangerous condition creates high-intensity heat which may exceed 10,000 degrees Fahrenheit—resulting in burning particles that can easily ignite surrounding material such as wood framing or insulation.

AFCIs are designed to recognize arc faults when they occur and automatically shut the circuit down before it becomes a fire hazard. Manufacturers of AFCIs test for hundreds of possible operating conditions, and design each AFCI to constantly discern between normal and dangerous arcs.

Certain appliances may cause “unwanted tripping” of AFCIs such as electric motors, computer power supplies, low voltage lighting, fluorescent lighting, plasma televisions, and similar loads. Electrical noise on power lines, certain dimmers and fan speed controllers may also affect AFCIs. Unwanted tripping **MAY** be resolved by replacing old/worn electrical cords, installing noise suppression devices, or automatic voltage regulators.

Due to the fact that AFCIs are mandated by the NEA code to be included on all new homes, the builder cannot be held responsible when AFCIs cause “unwanted tripping”

NOTE: The builder’s electrician has tried three different brands of AFCIs to help alleviate this problem and the result is unchanged. We are sorry for the inconvenience, but we have no choice in the matter.

HOMEOWNER PERSONAL PROPERTY

The 327A Warranty on your new home covers repairs and adjustments to defects in the home itself as provided by the terms and conditions of the State 327A statute. It does not cover any damages to personal property that may or may not be a direct result of any defects in your home. All of your personal property must be covered by your personal homeowner's insurance. We have no ability to insure your personal property nor can we cover any losses of your personal property due to a failed product in your home.

**YOU NEED TO CARRY YOUR OWN
HOMEOWNERS INSURANCE ON
YOUR PERSONAL PROPERTY & HOME FOR DAMAGE CAUSED BY
WATER FOR ANY REASON**

ACKNOWLEDGEMENT

I have received a copy of the State Statute 327A Warranty and a copy of the Standards and Corrections and have been given notice of my responsibility to insure my personal property. I have read or will read the warranty on my new home.

I understand that I will contact Elevate Builders INC with any warranty issues within the established statutory warranty period.

Buyer's Signature

Date

Buyer's Signature

Date

CUSTOMER COPY

ACKNOWLEDGEMENT

I have received a copy of the State Statute 327A Warranty and a copy of the Standards and Corrections and have been given notice of my responsibility to insure my personal property. I have read or will read the warranty on my new home.

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Elevate Builders INC - BUILDERS
COPY