



The following pages describe in detail the conditions of coverage on warrantable items included with your new Pepperwood Townhome.

This limited warranty is for the home located at:

Start date: ___ / ___ / ___

End date: ___ / ___ / ___

Note: This is a limited warranty not a full warranty.
Ask for details.





EXCAVATION

Initials

Builder does not warrant the condition of the lot, or for surprises found during excavation of the lot. Many times a buyer will purchase a lot prior to the builder investigating the site, and sometimes debris, spoils or excess landfill will be found. These excesses will not be the responsibility of the builder. All foundations and flatwork cross sections are designed around an assumed bearing capacity of soil at 1500 pounds per square foot. This is a very conservative minimum, however without engineering studies to determine bearing capacities of the soil, it is impossible to determine what loads can be put upon the soil. Soil settling is very rare. The vast majority of what people consider to be settling problems, i.e. small foundation cracks, sheetrock cracks, floor squeaks and sticking doors are caused by the natural movement and curing of materials. True settling will result in serious material movement, and would be evidenced by large foundation cracks, {1/4" or larger} and sagging floors. As indicated above, the only guarantee against major settling is to do soil testing, which unless there is a history of soil instability in an area or the site has no history at all, it is not necessary.

- ◆ Existing lot conditions: Any debris, concrete or other items found below existing soil would be the responsibility of the buyer/homeowner. Any problems found with the soils after excavation is started, and site inspections are made, the costs associated with solving those problems will be passed through to the purchaser, however no monies will be expended until purchaser has been informed of a maximum cost and has accepted such cost.
- ◆ Water & sewer line extensions: In the event that there is settlement in the backfill of trenches causing sink holes, cracks below flatwork, broken lines, or restrictions, all costs of repair will be covered by Prestige Homes, Inc.
- ◆ Finegrading: After finegrading there will be 1/2" to 1" of fines left, no rocks or soil strata larger than 3/4" in diameter and not composing over 5% of the finished soil layer. High and low areas in lots will only be changed to meet local building authority grading requirements.
- ◆ Drainage: Technically, the following is what is required. The finish grade of sod must be at least 6" away from the top of foundation. This puts the finish grade of dirt 7-8" below top of foundation. The grade must then slope away from the foundation for 10' at 5% (i.e. drop 6" in the first 10 feet). It is then required to maintain a 2% slope away until it exits the property. There are situations on small lots where the only exit location is the street, this puts the top of foundation 41"-42" above the sidewalk, and means the bottom of the footing is 12"-13" above the sidewalk!!! This is to say that sometimes lot configuration makes drainage requirements impractical if not impossible. Therefore, as long as the controlling building authority accepts the drainage and issues a Certificate of Compliance, drainage is accepted and Prestige Homes warrants as follows:

(The objective when grading the yard is to get water as far away as possible from the house so it can not cause any damage. Building codes also require that we cannot impact the neighbor with our drainage unless there is a drainage easement, therefore, typically all drainage must either remain on site or be discharged to the street. Within the limits of practicality this criteria will be met. Be aware that in the event that there is not sufficient slope to get drainage to the street, there will be areas of ponding in the yard. But, the rear yard ponding will not be any closer than 10 feet to the home. In the event of narrow sideyards, drainage will be contained as close to property line as possible if it cannot be discharged to street or rear yard.)

Next Topic: Sprinkler Systems





SPRINKLER SYSTEMS

Initials

All sprinkler systems are designed to reduce the potential for water infiltration into the crawlspace. We have implemented some design standards that adhere to this idea. There will be no heads at within 12" of the foundation. There should be no heads which sprays hit the house. This essentially creates a 12" dry zone next to the perimeter of the home.

There is maintenance involved with sprinkler systems. Where sprinklers are hooked-up to pressurized irrigation, even though we have a filter, there will be particles which get through the system and clog heads. This is not covered under warranty. In the heat of the summer, there will be areas of yard that will require more watering than others. People react to this by increasing watering times for all circuits or watering more often. This will then cause some ponding to occur in certain sections of the lawn. It is easier to deal with dry spots than swamps. If you have a troublesome dry spot, we can warrant that, we cannot warrant the swamp zone as it is too hard to define the causes.

Sprinkler systems are another area where a person can purchase a Yugo, or a Lexus. Obviously everyone wants the Lexus for the same price as the Yugo. Because price is always a critical issue, most systems are bid as the Yugo variety, and here is what you can expect: Unless specified otherwise, there will be a single circuit dedicated to planter area. The balance will be set-up for lawn area. The lawn area is sprinkled in a "get it wet" philosophy. Due to geometric configurations of yards, sprinkler overlaps & precipitations rates will not be uniform. This will cause slight ponding in areas, and lighter watering in other areas. The guarantee is that there will be no browning of areas unless temps exceed 95*. If temperatures are less than 95* and browning occurs, it will be covered under warranty. The Lexus type systems are more scientifically designed. The break up the yard into more consistent geometric shapes, and get the overlaps and precipitation rates more uniform. They will also try and take into account drainage conditions and design zones of watering to accommodate potential drainage issues. Cost wise they are a lot more expensive, due to the extra zones and extra heads required, and can only be estimated after drainage of the yard is defined and a landscape plan has been determined. In both systems, supply lines are typically only buried with 2"-4" of dirt covering the lines. The purpose of burying lines is only to hide them. Burying lines with a lot of cover serves no purpose, unless they are buried to a depth of 18", which will then prevent freezing, except for the worst of winters.



LANDSCAPING, TREES & SHRUBS

Initials

Due to erroneous watering practices by most homeowners, of either watering way too much and drowning their planting, or neglecting the plantings altogether, we are limiting our warranty on plantings to 120 days from occupancy. As with anything else, it comes down to money. The cost of warranting every contingency associated with landscaping drives the cost way up. To keep our costs on landscaping down, we have chosen to modify our warranty. If you believe this to be unreasonable we can add an extended warranty to the landscape planting value of an additional 40% and give a 12-month warranty.



CONCRETE (FOUNDATION AND FLATWORK)

Initials

Concrete is a rigid product and it has a strong tendency to crack and move to accommodate minor movement and shrinkage. Builder does warrant the structural integrity of the concrete, but not against cracking. Builder warrants that all flatwork (sidewalks, patio, etc.) is supported by a minimum of 4" compacted gravel. In the event of major concrete cracking, (cracks opening up to wider than 1/16" in their first year) if the cause is determined to be uncompacted trenches, uncompacted fill, or poor concrete mix, builder will replace failed sections of concrete.

Next Topic: Concrete continued



CONCRETE (FOUNDATION AND FLATWORK) *continued...*

Initials

Cracks in flatwork: Concrete will crack, it is just a matter of where. A concrete slab can be poured which should not crack, but it is very expensive. In fact it is cost prohibitive on most residential applications. This is what is required: All base material including native soils and imported materials must be compacted to 97% of maximum density. This requires special proctors and then nuclear densometer testing. The thickness of the slab must be perfectly uniform, this takes a lot of extra effort during the prep process. The concrete must be poured with very little water, around 3" slump, very dry and very hard to work with, therefore a special plasticizer needs to be added to the concrete in order to make it workable. Steel reinforcing wire does little good, however, a product called fibermesh, does improve performance, so this should be added to the mix. The concrete is then sawed, or trowelled to create control joints and break the slab up into 80 square foot sections. In the ideal world, concrete would never be poured when it is warmer than 85 or colder than 32. So you can see it can be done, but not without a lot of extra expense and time. Current residential practices produces concrete which has a 90% success rate against cracking in the 1st year. To achieve a 100% success rate as outlined above, the cost increase for flatwork is about \$2.00 per square foot, with a \$1000 minimum.



FRAMING

Initials

Builder warrants that all materials used in construction meet all current building standards set forth by FHA/VA, city & county regulatory agencies. All beams are sized to meet loading conditions set forth by regulatory agencies. Builder warrants against any structural defects or problems resulting from poor structural integrity for up to 5 years. This DOES NOT INCLUDE THE FOLLOWING: sheetrock cracks, floor squeaks, adjustments to doors & windows, grout cracks, mortar cracks, or that which is caused by natural movement of materials used in construction. The warranty on these items, and the frequency of when they will be repaired is as follows:

Adjustments to doors & windows _____ 2-years - As often as needed after 1st 60 days
 Failure of grouts or tile _____ 2-years - As often as needed after 1st 60 days
 Floor Squeaks _____ 2 years - 1st Service call will be made after 6 months
 Sheetrock cracks _____ 2 years - 1st Service call will be made after 6 months
 Interior and exterior caulking _____ 2 years - 1st Service call will be made after 6 months
 Exterior siding and siding materials _____ 2 years - 1st Service call will be made after 6 months

Floor squeaks, sheetrock cracks, and caulk shrinkage occur mainly during season changes, i.e. going from summer to winter or winter to summer, therefore we like to wait at least 6 months before making our 1st service call for these items.

NOTE: In the event that minor touch up paint is required on interior or exterior in order to complete repairs, a slight color variation may exist due to aging of existing paint. Builder will match to existing colors as close as possible using the same brand, and color mix as was originally used but cannot guarantee a perfect match. Also, in the event that the builders standard interior color was not used, builder will not be responsible for interior touch-up paint unless homeowner provides us with the paint.



PLUMBING

Initials

All fixtures (sinks, faucets, toilets, shower pans, tubs, water heaters, sill cocks) will be covered to the extent of the manufacturers warranty or a minimum of 2 years. All water systems, both supply, drains, and vents are covered against leaks and breakage for 2 years. Should there occur damage to the home within the 2nd year of ownership and is caused by a plumbing defect, builder agrees to pay the homeowners deductible on their homeowners policy up to \$250.00. All water damage claims must have been caused by a visible defect in materials or installation. Any claims where there is no visible source of the problem, even after thorough inspection has been made, damage will be the responsibility of the homeowner.

Next Topic: Plumbing continued





PLUMBING continued.

Initials

NOTE: BUILDER DOES NOT WARRANT AGAINST DAMAGES CAUSED BY ICEMAKER HOOK-UPS, WASHER HOOK-UPS, OR IN THE EVENT WHEN A HOMEOWNER HAS SUPPLIED THEIR OWN FIXTURES OR MATERIALS TO THE JOB. ALL WARRANTIES REGARDING FIXTURES AND POTENTIAL DAMAGES CAUSED FROM THEM ARE NOT COVERED BY THE BUILDER.



HEATING & COOLING

Initials

All heating and air conditioning units will be covered by their manufacturers warranty. Builder does warrant against any failure in ductwork and ductwork joints for 5 years.

Special Note: On very hot days it may be found that air conditioners are not completely cooling the house down to the temperature set at the thermostat. This because the air conditioning system is designed only to make an air temperature change of 25 from outside temperature as measured at the thermostat. Should the system not be capable of this then it will be covered under warranty.

Many problems are caused by dirty furnace filters. This can void manufacturers warranty. Please, for your own benefit, keep furnace filters cleaned or changed every 3 months.

Special note: 2 stories are impossible to have uniform heating and cooling. Due to the effects of heat rising, the upper floor of a 2 story will always be warmer than the lower floor. Depending on solar gain issues, this differential may be as much as 10 degrees. It is possible to have more uniform heating and cooling, but it is very expensive. It requires special allowances in framing for ductwork, possibly the use of multiple furnaces, or special dampers and thermostats to zone different areas. This runs into the thousands of dollars, which most people do not want to spend. I make mention of it, because it is available if a person wants to spend the money, but unless it is addressed in writing, it is not a warrantable item.



ELECTRICAL

Initials

All fixtures will be covered to the extent of the manufacturers warranty or a minimum of 2 years. Builder does warrant against any defects in wiring caused by improper installation for 2 years. A defect is recognized as a problem with the wiring causing a safety hazard or something which is not in compliance with the governing electrical code at the time the wiring of the home was done. If a problem exists which does not fall under one of these two categories, it will not be covered under warranty.

Special Note: Dimming of lights caused by appliances and fixtures is not a warrantable claim. We have found that many appliances when they kick on will pull a brief power surge, and cause a brief dimming in lights, the causes of such may vary, but unless the wiring can be found to not meet code, it is not a warrantable item.

Lighting: If lighting was supplied by builder it will fall under the 1 year warranty. If lighting is supplied by the buyer then all the fixtures will fall under manufacturers warranty only.

Ceiling Fans: We do not balance ceiling fans. Wobbly ceiling fans are a product of cheap materials and design. Even though balancing kits are included, the time involved in dynamically balancing a fan is cost prohibitive, therefore the balancing of the fan will be the responsibility of the purchaser.

Light bulbs: We do not warrant the longevity of light bulbs, except when we have supplied either recess can lighting or fluorescents, in which case the warranted life is 90 days.

Next Topic: Insulation



INSULATION

Initials

Builder does warrant that home is insulated as per specifications. All blown insulation carries a 5 year warranty against settling thereby insuring your R-value for 5 years.



WINDOWS

Initials

Covered by manufacturer's warranty, which is 5 years against breaking the thermal seal between the panes of glass, except on windows which have grids in between the panes of glass, the warranty for thermal seal is only 1 year. The breaking of the thermal seal is evidenced by moisture between the panes of glass. Occasionally implosion of tempered units will occur. This is a rare occurrence and is covered for 2 years.



SKYLIGHTS

Initials

Against any leakage for 2 years.



FIREPLACES

Initials

All fireplaces are covered under the manufacturers warranty.

In the event that a fireplace causes smoke damage to the inside of a home; if fireplace is found to be at fault, then it will be the responsibility of the Builder to make necessary repairs, if no problems are found with the fireplace or installation, it will be deemed the responsibility of the homeowner. Special note: Smoking fireplaces are caused by 4 main reasons. This deals with wood fireplaces:

#1. At start-up a heavy column of cold air inhabits the flue. It requires a substantial amount of combustion to generate heat in order to push this column of air out. If such heat is not generated on immediate start-up of fireplace, smoke is pushed back into home by the column of cold air moving downward.

#2. Due to the fact that homes are built so air tight, if the furnace is running while the fireplace is burning and the outside air sources are not completely open, and the fireplace doors do not shut tightly, the return air can pull smoke into the house, and unfortunately, it can be so slight that a person does not notice it immediately.

#3. Type of wood being burned. Various types of manufactured gas logs create quite a bit of smoke and can cause smoke residue on walls.

#4. Height of fireplace chase. We warrant that when the fireplace is installed, it will be put in according to manufacturers requirements and building codes. However, sometimes atmospheric conditions will prevent the fireplace from drafting properly, and chase height needs to be extended. This is an unforeseen condition. Therefore, Prestige Homes, Inc will make necessary modifications to fireplace chase in order to get it to draft properly, but will not cover any damages caused by smoke, due to the fact that the cause was impossible to foresee.

OUR RECCOMENDATION IS TO INSTALL A GAS FIREPLACE UNLESS YOU USE A HIGH PERFORMACE WOOD OR PELLET STOVE WITH CATALYTIC CONVERTERS AND TIGHT SEALING DOORS.

Next Topic: Drywall





DRYWALL

Initials

Builder agrees to take care of all sheetrock cracks and nail pops caused by natural movement for 1 year.

Special Note: Occasionally a home will incur a problem called truss lift. This is caused in cold weather when the top of the truss has a substantial temperature difference from the bottom of the truss causing the bottom of the truss to be pulled towards the top of the truss. This occurs to a greater degree in vaulted style trusses, and in most cases goes away after one winter. In the case that the design of the truss causes it to be ongoing it may be something that is a permanent feature of the home. It can only be determined on a case by case basis and we will do what is within reasons in order to correct it. It must also be noted that this is a rare occurrence.



ROOFING

Initials

All roofing material (shingles, shakes, tiles) are covered under manufacturers warranty. Builder warrants against any roof leaks caused by improper installation, improper flashing, or sealants for 2 years.



PAINTING

Initials

All exterior paint is covered for 1 year against flaking, peeling, severe discoloration, and severe fading as long as it is not caused by water damage from sprinklers. All caulking will be repaired for up to one year. Interior finishes are warranted to have a washable surface for 2 years, based upon normal wear and tear. Deterioration of all lacquers on woodwork for up to 2 years, except in the event of water damage. On wood backsplashes it will be the responsibility of the homeowner to maintain a good caulking seal to prevent moisture from entering into wood. Should this seal be broken any deterioration and discoloration will be the responsibility of the owner.



FLOOR COVERINGS

Initials

All defects in materials (carpet, vinyl, tile, marbles, laminates, and wood flooring) are covered under manufacturers warranty. Builder does warrant against any problems dealing with improper installation for 2 years. Grout cracks are the only exception - which is only 1 year. A most commonly asked question is, does Prestige Homes seal the grout? Typically we do not. We have found that sealing the grout within the first 30-45 days can cause premature failure of certain types or brands of grout. The reason is that a grout is a cement, and by adding a sealer to the grout, the curing process may be changed. Sealing of grout should be something discussed and arranged with the tile representative.

Carpet: Depending on style and cut, carpet will show seams, discuss this with your carpet representative as this is NOT a warrantable item. Matting down from traffic flow is also NOT something that is warranted by the builder, and must be discussed with your floor covering representative. For your protection, get everything in writing, as to what the performance of a piece of goods should be.

Next Topic: Flooring Cont.





FLOOR COVERINGS

Initials

Vinyl: Builder requires that buyers must fully inspect all vinyl areas for any defects prior to occupancy. ANY CLAIMS AGAINST FAULTY VINYL, TEARS, GOUGES, SCRATCHES MUST BE REPORTED PRIOR TO OCCUPANCY FOR CLAIM TO BE VALID.

Grouts and tile work: Grouts will crack, therefore it will be responsibility of the homeowner to make necessary accommodations for the repair of grout cracks. Builder will maintain grout for a period of 1 year. Builder however does not make any claim for the responsibility for damage created by water seepage through grout cracks. It should also be understood that water will perc through grout naturally, therefore, keep all wall surfaces in tub and shower areas as dry as possible. Squeegee down wall tile after every shower.

NOTE: IT WILL BE THE RESPONSIBILTYY OF THE HOMEOWNER TO KEEP LEFT OVER PIECES OF VINYL, CARPET, AND TILES SUCH THAT IF ANY REPAIRS ARE NECESSARY THE DYE LOT CAN BE MATCHED.



LIMITS OF PERFECTION

Initials

It is understood that there are limits to perfection. Should there be a dispute over the degree of quality of a certain aspect of material or craftsmanship, in order for the claim to be valid, it must be proven that the alleged shortcoming must either create a hardship on the purchaser, be non typical of construction quality in this price range, or be proven to have a negative bearing on the market value of the home. In the event any disputes in acceptable levels of craftsmanship arise, purchaser agrees to allow an unbiased professional to make a determination of acceptability. Such a professional would be any number of licensed fee appraisers and or FHA/VA fee inspectors who are very familiar with the type of quality typical in the marketplace. Buyer agrees to split costs with Prestige Homes, Inc for any costs of inspections for a mutually agreed upon inspector.

It is our firms desire that your home delivers to you many trouble free years of service, please if you have any problems or concerns let us know. It is typical for 90% or all problems listed above to occur within the 1st year. Due to our building experience since 1982 there are certain items which sometimes do not show up in the 1st year, therefore, we have extended warranties on certain items for an additional reasonable period of time.

Prestige Homes understands that a warranty is only as good as the people behind it. We therefore ask that you contact past clientele to verify that we have an extremely good record for service after the sale.

ACCEPTANCE BY PURCHASER

BY AFFIXING THEIR SIGNATURES BELOW, BUYER HEREBY ACKNOWLEDGES THEY FULLY UNDERSTAND THE TERMS OF THE LIMITED WARRANTY, THAT THEY ARE IN FULL AGREEMENT WITH THEM, AND HAVE BEEN GIVEN A COPY.

BUYER(S) _____ DATE _____

_____ DATE _____

