

Homeowner Guidebook



On2 Homes Homeowner Guidebook

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Dear On2 Homeowner,

Thank you for choosing On2 Homes to build your new home. We take this responsibility seriously and are honored to work with you.

The purpose of this guidebook is to take you through the process of buying and building your new home. It details our responsibility to you, our customer, before, during and after you occupy your new home. You will also find valuable tips on the proper care and maintenance of your home.

This guidebook also contains a complete explanation of the warranty on your home outlining what is and is not covered. Please review this section carefully and direct any questions you may have to your New Home Counselor.

Regardless if you are buying your first home, or your second or third home, our Associates will work you through the process from contract, construction, and to closing day. Every home purchase journey is unique and special because your home is personalized by only you.

If you have questions after you close on your home, you can address them with a Shazam Home Services Associate. As you will see, we have processes in place to ensure that you receive a prompt, documented answer to any of your concerns.

Again, thank you for selecting On2 Homes, part of the Oakwood Homes and Clayton homes family of companies. We will work hard to maintain your trust and are here to serve you!

Sincerely,

Patrick H. Hamill, President & Chairman

Oakwood Homes

INFORMATION ABOUT YOUR NEW ON2 HOME

Your satisfaction is On2 Homes' top priority.

We ask that you carefully review this Homeowner's Guidebook as it provides proper expectations from the home buying experience through home warranty and home maintenance. It will give you a better understanding of our role as a builder and set expectations for the areas we do and do not assist regarding your new On2 home.

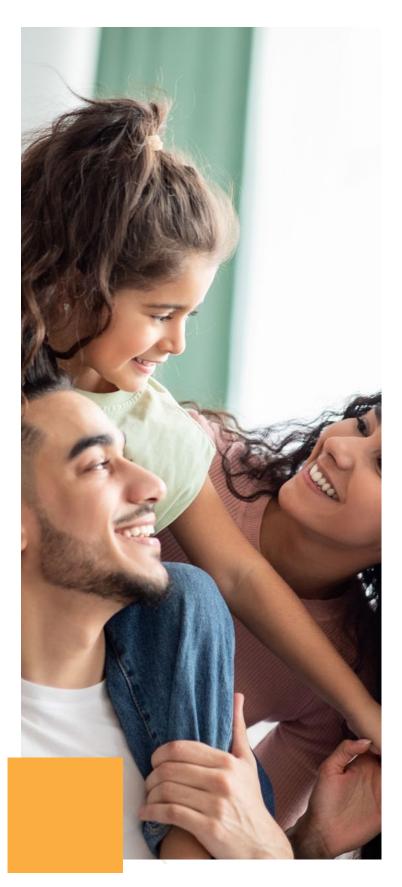
| Your On2 Homes | New Home Counselor: _ | | | | | |
|------------------------------------|----------------------------------------------------------------|---------------------|-------------|------------|--------------|--|
| Telephone numbe | r: | | | | | |
| Name of your con | nmunity: | | | | | |
| Your new address | : | | | | | |
| Your homesite an | d block number: | | | | | |
| Oakwood Homes | Corporate Office | | | | | |
| Phone: 303-486-8 | one: 303-486-8500 4908 Tower Road, Denver, CO 80249 | | | | | |
| On2 Homes Reta Phone: 303-486- | | Colorado Blvd, Denv | er CO 80222 | | | |
| Sharrana Guatana | | | | | | |
| Shazam Custome Phone: 303 486-8 | | ver Rd Denver CO 8 | 0249 | | | |
| Email: Customero | care@shazamhomeserv | | | | | |
| | during business hours, Services is simply a division of On2 | | | | | |
| PAINT BRANDS A | ND COLORS USED IN | YOUR ON2 HOME: | | | | |
| Interior Paint: | Brand name: | | _ | O Two Tone | O Three Tone | |
| Exterior Siding: | Brand name: | Accent: | | | | |



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FEATURES OF YOUR HOME

7.1



The Homebuying Process

Purchasing a new On2 home should be an enjoyable and exciting experience. We are committed to guide you through every important aspect of your purchase and will be available to answer questions at each step of the way.

Building a new home is an investment in On2 Homes, your money, emotions, and valuable time. We emphasize time as many of the tasks to complete your home will **require your attendance during regular business hours** (Monday through Friday, usually between 8:00 am and 4:00 pm). To help us keep your home delivery on schedule, we ask for your cooperation in keeping all appointments.

THE NEXT STEPS OF THE CONSTRUCTION PROCESS

Once your home is delivered and completed on-site, you are required to attend several important meetings with our community team. Below is an overview of the upcoming meetings. We will provide more detail in the following sections.

1 Demonstration Walk

During the Demonstration Walk you will become familiar with the operation of all the appliances and features of your new home along with the required maintenance. You will have the opportunity to note any items on your checklist that need to be addressed before closing.

See "Section 2, Construction of Your Home," for more detail.

2 Verification Walk

Your builder and a Shazam Home Services associate will review the checklist with you during your verification.

See "Section 2, Our Construction Process," for more detail.

Agreements and Policies

THE SALES AGREEMENT

The Sales Agreement is the legal document that represents your decision to purchase a home. It includes a description of your home (both a legal description and the street address), Metro District and Community Manager information (if applicable), and additional legal provisions.

• Important Note: Several standard forms are used when purchasing your new On2 home. The Sales Agreement is subject to management approval at On2 Homes. All parties must sign all forms and attachments before the Sales Agreement becomes binding.

Sales Worksheet

The Sales Choices sheet has the plan number and elevations (exterior design) of the home you have selected.

House Sale Contingency

The House Sale Contingency portion of the Sales Agreement tells us whether you have a home to sell in order to purchase your new home. This will also give you the time frames within which these conditions must be met.

Mortgage Financing

The Mortgage Financing section of the Sales Agreement states that a full credit-approval letter must be sent to On2 Homes following the dates provided in your Sales Agreement. Full credit approval is subject only to final appraisal and inspection and the closing on your existing residence, if applicable. If you choose a lender other than NEST Home Lending, there may be additional steps and requirements by you and/or your lender.

Important Disclosures

The Sales Agreement provides information regarding On2 Homes' arbitration policy.

Appraisals

Part of your homebuying experience is the appraisal process. The appraisal will take place after the house is delivered and within a certain amount of days from closing.

Contingencies

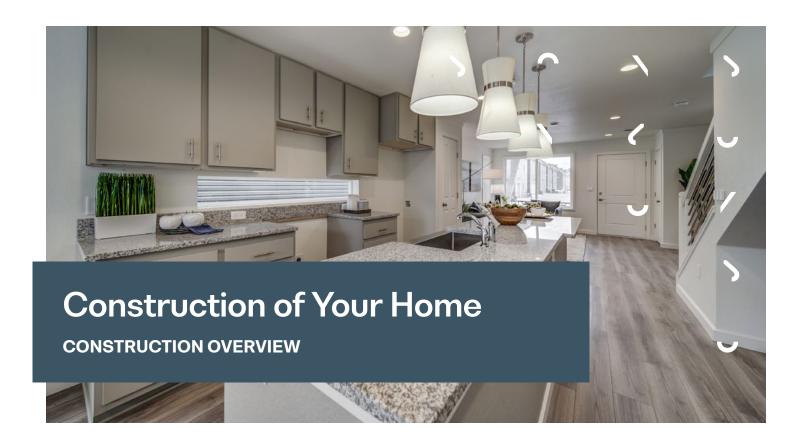
Loan approvals sometimes specify conditions of approval. The sale of a previous home or proof of funds are typical examples of conditions of approval. Please be sure to discuss any concerns you may have about such conditions with your loan officer and obtain any requested documentation as soon as possible.

Once all contingencies are met, final loan approval can be obtained.

Our Warranty Commitment to You

Your On2 home is a product of excellent architecture combined with skilled workmanship and quality materials. We are proud of your new home and our emphasis on quality will provide you with enjoyment through the years. The materials used in the construction of your home are of high-quality, but no building lasts forever, especially without proper preventative maintenance on your part. This preventive maintenance begins the day you close on your new On2 home.

Please review **Section 6**, **Home Maintenance** to become familiar with your home maintenance responsibilities and our customer care warranty service commitment to you.



Controlled Construction Volume

We control the number of homes we build so we do not over-stretch our resources or sacrifice quality for the sake of volume.

Foundation Starts

Your foundation may be installed and sit for a period prior to any additional construction activity. Maintaining a backlog of finished foundations allows us to maintain a steady construction pace and mitigate delays from weather. If you see your foundation completed with no other activity, this does not mean we are behind schedule! Every house has target start dates for foundation and home delivery. If the foundation is completed well before the home delivery the schedule does not move up; constantly pushing and pulling start dates creates a chaotic working environment for our trade partners, which causes inefficiency and increases the opportunity for mistakes to be made.

Scheduling

All scheduling is handled through On2 Homes' Production Department and Communication Post. This allows us to increase our efficiency and allows our builders to concentrate on the quality of your home.

Construction Process and the Completion Date of Your Home

There may be items that come up during the construction process and we will address all issues in a timely fashion; however, there are elements that we do not directly control, such as:

- Weather and other 'Acts of God'
- Labor from our trade partners
- ▶ Material shortages

We will do our best to keep the construction of your home on schedule and we will communicate any delays to you as soon as possible.

OUR CONSTRUCTION PROCESS

On2's homes are designed and built to the Federal Manufactured Home and Safety Standards. They are reviewed and inspected by NTA, applicable city or county, and State approved to make sure they are built to code and to the plan specifications.

We have internal procedures for inspecting our homes to ensure that the level of quality meets our requirements. In addition, the county, city or an engineer conducts several inspections at different stages of construction. Your home must pass each inspection before construction continues.

Questions During the Construction Process

It is common to have questions during the process. Please direct your questions through your New Home Counselor.

We understand and appreciate your interest and attachment to the new home we are building for you, and your input is welcome. However, to avoid misunderstandings, or compounding errors, we ask that you first check your sales contract to review what you ordered and the specifications for construction of your home. If you still believe there is an error, please remember:

- Construction processes are designed to have specific and identified steps. Some steps take longer to complete than others and often it may appear that work is not being done, but it is. In the early stages, inclement weather can also affect the construction process and some stages may take longer to complete.
- Construction methods and materials vary from different areas of the country.

Preparation Phase - Location, Location

Where will my home be on my homesite? Can I change the location of my home on the homesite?

These are great questions. The exact position of your home on its site will be determined before the groundbreaking in the preparation phase and is determined by many factors

such as terrain, drainage, local requirements and utility easements, along with setback requirements of the local municipality. NO homesite is perfectly flat, and water MUST drain away from your home and ultimately into the storm water system. Your homesite may drain completely to the front into the street or both to the front and back and through neighboring property, or water may drain through your yard. Your home is in a master-planned community and the drainage was designed for the entire community and not just your homesite. Therefore, customized drainage plans and home location on a homesite are not allowed for individual homesites.



CAN CHANGES BE MADE AT THIS STAGE?

There is so much that happens behind the scenes at this phase. We are developing the building schedule, drawing the plans for your individual home and pulling the construction permits with the local municipal building departments. We've designed the On2 product to include many great features. NO changes are permitted to any On2 home.



Construction Begins!

The first activity you will see on your homesite will be the staking of flags. The surveyor will stake your home on the homesite using the plot plan to locate the corners of your home. The excavator uses the flags to perform the work necessary to build the pad for the concrete foundation.

Underground Plumbing

- The sewer pipes that connect the main sewer line to the house will be installed in the appropriate locations before the concrete foundation is poured. Once the underground plumbing is complete, the concrete will be poured and the foundation will be ready for the delivery of your home to be finished onsite.
- in which no work is happening on the foundation. This does not mean we are behind schedule. To maintain consistency and quality control for all our trade partners we try to stay ahead for last minute weather delays when pouring the foundation of your home.

Foundation Systems

The elevation or height of your home is determined by several factors that include the slope of the street, the slope of the homesite, drainage patterns, the home plan and the elevations of the homes on each side of your home. Most importantly, On2 Homes will set the elevation of your home to maintain the grade requirements that help protect the structure from water intrusion. There are four types of foundation systems utilized by On2 Homes when building houses and the type of soil and grade requirements are a factor in determining the type of foundation system. The structural engineers will decide the best foundation system for your home.

Foundation - Basement and Crawlspace

The footings are formed and poured first and then the foundation wall forms on top of them. Before pouring any concrete, the third-party engineer inspects the wall forms and rebar before the placement of concrete to ensure the foundation is constructed properly. Soon after the walls are placed, the foundation will be damp proofed to help limit moisture penetration through the concrete. Next a perimeter drain system is installed. The drain system is inspected by an independent third-party engineer.

Foundation - Post Tension Slab on Grade and Raft (Monolithic Slab) Foundations

POST TENSION SLABS

The concrete slab on grade foundation of your new home is under tension from tight steel cables that run horizontally through the slab foundation. The tension from the cables strengthens the slab foundation and allows it to move as one unit.

▲ CAUTION: NEVER CUT OR PENETRATE A POST-TENSION SLAB. IF THE CABLES ARE CUT THEY CAN CAUSE EXTENSIVE DAMAGE AND SEVERE INJURY.

RAFT FOUNDATIONS

This foundation system is a monolithic pour which means all the concrete is poured at the same time, but do not have steel cables in the concrete.

Backfill

The exterior of the foundation is backfilled by compacting dirt around the walls, which will not eliminate settling but will reduce the amount and degree of settling. When removing, and replacing any soil, some settling is expected and considered normal. Please see the Homeowner Maintenance section of this guidebook for more information on your critical role in maintaining the grade around your home. Direct your questions through your New Home Counselor.

Framing, Carpentry, Plumbing, Heating and Electrical

Precision Building Systems (PBS) will frame the home per the plans and building-code requirements. Once the framing is completed, the heating, plumbing, and electrical trade partners will go to work on the inside of the house installing the 'rough-in' portion of those systems. The furnace will be set, ducts will be run throughout the house, the plumber will install the water and interior sewer pipes, and the electrician will install electrical wiring behind the walls throughout the house.

Insulation and Drywall

Once the state has approved the rough-in inspections, insulation will be installed. Following inspection, the drywall will be hung, and the base cabinetry will be installed throughout the house.

Home Delivery

Once each floor is completed in the factory, including the roof, your home will be delivered and properly set at your homesite and ready for the completion of your home.

Energy Efficiency and Sustainability

- At On2 Homes, our goal is to build high-performance, all-electric homes. Each On2 home ensures you will enjoy a more durable, livable environment that offers healthier air and increased comfort. A variety of energy-efficient features are included in every On2 home, such as Low-E rated windows, high-efficiency furnaces, and many more items designed to provide energy savings. On2 Homes hires a third-party certified Energy Rater who tests every home to ensure it meets or exceeds our high-performance standards and every On2 homeowner benefits from reduced energy costs in a healthy home.
- furnace and air conditioner (A/C) are sized based on the building techniques utilized in the construction, as well as the square footage of the home. Unfinished space is accounted for differently than finished space regarding heating, ventilation and air conditioning (HVAC) systems. The systems sized and installed by On2 Homes are designed to maintain normal temperature ranges in finished areas of the home; unfinished areas (such as a full, unfinished basement) may need additional equipment. Please consult with your New Home Counselor about your future needs in these areas.

Exterior Work

- Exterior work includes the installation of siding, brick, stone and stucco, as well as well as garage construction, if this is applicable to your homesite. Exterior concrete steps, stoops and walkways will be installed. Once the concrete flatwork is complete, the yard will be rough graded. Installation of porch rails, if applicable, and exterior painting will be accomplished during this period.
- Weather can be a factor! A variety of weather conditions can cause delays of exterior work.

Interior Work

Interior work includes the installation of hard-surface flooring, interior doors and trim, cabinets, paint, countertops. With the flooring in place, the plumbing, heating and electrical trade partners will return to your home to do the final portion of their work, called "mechanical trims." This is when your plumbing and light fixtures, appliances, thermostat and heat registers will be installed. The drywaller will return for a final walkthrough to repair any dings or dents that may occur during these final stages. All the door handles and bath hardware will also be installed now.

Final Steps

This phase includes the installation of the carpet, followed by doorstops and bypass door guides. Window screens will be installed. Windows and doors will be checked to make sure they are working properly. The home will then undergo a final cleaning and painting. Now the home is ready for final inspections by the Community Team, and a thorough list of inspections by the State to receive the final certificate of occupancy.

Community Team Acceptance

An On2 Homes Community Team is cross-functional in nature, and consists of Builders, New Home Counselors and other Associates. Together the Community Team makes decisions for the community and is the last set of eyes to examine the home and determine if it is ready to present to you. Every single On2 home is built to the highest of quality standards, and this team is committed to ensuring that.



CONSTRUCTION SITE VISITS

Construction Sites are Hazardous. Always check with a New Home Counselor before you visit your home while it is under construction. We understand that you will want to visit your new home at times during construction. A new home construction site is exciting, but it can also be dangerous. Monday through Friday, visits to homes under construction are only allowed after 4:00 p.m. Visiting your home during the week before 4:00 p.m. could cause construction delays and present safety issues; therefore, you will be asked to leave and return after 4:00 p.m. Open toed shoes are not permitted, and you must wear a hard hat during your visit.

Please observe common sense safety procedures always when visiting:

- Children under the age of 12 are not permitted on the construction site.
- Pay attention to where you are walking. Look in the direction you are moving always.
- Watch for any building materials, boards, cords, tools or fasteners that might cause tripping, cuts or any other injury.
- ▶ Do not enter any level of a home that is not equipped with stairs and rails.
- ▶ Stay a minimum of six feet from all excavations.
- Watch out for grading equipment and delivery vehicles and be sure to give them plenty of room. These vehicles are loud and big, and you need to assume that the driver can neither see nor hear you.

In addition to safety considerations, be aware that mud, paint, drywall compound, adhesives and other materials are in use and can get on you or your clothing.

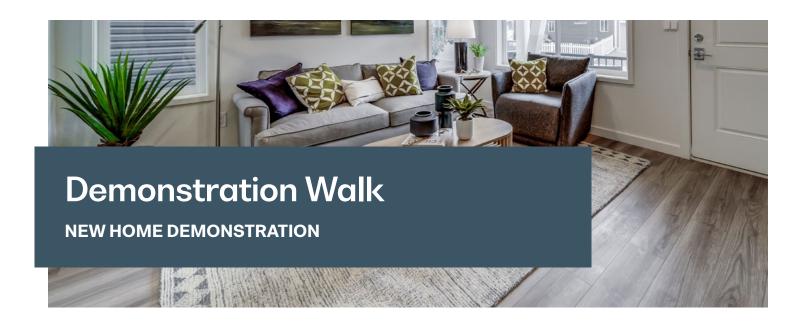
exciting process, but it can also become unnecessarily stressful. We highly encourage you to visit your home no more than once a week or on the weekends and not every day. Small issues that happen frequently during construction (e.g., a broken window or holes in drywall) may not be fixed immediately due to the scheduling of multiple trade partners across multiple homes; visiting every day can lead to you seeing the same issues for days or even weeks at a time, which can become unnecessarily frustrating during the process. We have quality-assurance processes to address repairs and corrections throughout the build to ensure we deliver a home you will love for years to come!

Additionally, we do appreciate your desire to visit your home during construction, but our insurance does not cover non-Associates who might be injured on the construction site. Please also be aware that customer construction alterations (other than those performed by On2 Homes associates or trade partners in accordance with your sales agreement) are not permitted in your new home until after closing. Any construction alterations made to the house by a buyer or a separate trade partner will be removed at your expense.



Construction Site Precautions - After Moving In

After you move into your new On2 home, construction by On2 Homes will often be an ongoing process and in close proximity to you. We encourage you to be aware of the many hazards that may affect children playing on, or around, construction areas. Children love to play around construction areas but they are not aware of the potential dangers. We rely on parents to keep their children away from the construction areas.



WHEN IS THE NEW HOME DEMONSTRATION WALK?

- Your On2 Homes Closing Coordinator will notify you of the date and time of your scheduled New Home Demonstration. This meeting is takes place Monday through Friday during normal business hours approximately one week before closing. Please be on time, meet our Associate in your new home to begin your review, and allow two to three hours for your demonstration. Be sure to dress in comfortable clothing and shoes.
- It is important that we have five full business days from the time of your New Home Demonstration to closing, so that we may address concerns listed on your Demonstration Walk, if any. It is also important that we do not rush the process. We hope you will be in your new home for many years, and having those five days will assist all of us in the process to deliver a complete home.
- If it is wet out don't forget your mud boots.) Also, be sure to bring your Homeowner Guidebook with you.

WHO ATTENDS THE NEW HOME DEMONSTRATION WALK?

We request that the parties listed on the contract to the home be present at this appointment to review the home. If you would like to have someone else inspect your new home, including a third-party inspector, it must be done prior to the New Home Demonstration Walk. Please note

- that not all findings from a third-party inspector will necessarily be changed if they don't fall within On2 Homes and industry practices and standards. Please contact your New Home Counselor for more information.
- when buyers can focus all their attention on their new home and the information presented. Although we appreciate that friends and relatives are anxious to see your new home, we don't allow other people who do not appear on the contract to participate in the New Home Demonstration; it is best that they visit later. If you are using a realtor, he or she must be present at the New Home Demonstration with you.

WHAT IS THE NEW HOME DEMONSTRATION WALK?

P The builder will review the purpose and intent of our Buyer's New Home Acceptance form with you now. During this demonstration, you will become familiar with the operation of all appliances, HVAC controls and normal homeowner maintenance procedures. These items will be helpful to you in obtaining the maximum performance from your home and the quality products utilized in its construction. At the conclusion of the New Home Demonstration, you will be asked to sign the Buyer's New Home Acceptance form, noting that any adjustments, repairs or items requiring replacement are documented on a separate form.

If you visit the home a day or two prior to your meeting, you may notice details that need attention. During the last couple of days, many trades people and On2 Homes associates will be making minor adjustments and finetuning your home. These finishing touches are normal and cannot be performed until all the parts and pieces have been installed and tested. What seems like a rush of construction activity is a normal part of the construction process.

During the New Home Demonstration Walk we will cover:

- Drainage swales
- Main water shut-off to the house
- ▶ Sewer clean-out
- Main electrical panel with breakers
- Adjustable door thresholds
- Smoke and carbon-monoxide detectors
- ▶ Garage door keys, if applicable
- ▶ AFCI breaker location and explanation
- GFCI outlet locations and explanation (all baths, kitchen, garage, and exterior)
- ▶ Thermostat operation procedures
- Furnace and air conditioner; filter size and procedure for changing
- Location of cable television wiring for future hookup
- Care and cleaning of: kitchen and bath counters, wood cabinets, bathtub and showers, appliances, windows, and flooring

- Warranty booklets: appliances, furnace, water heater, etc.
- Sump pump maintenance provisions, if applicable
- Winterization procedures: sprinkler and exterior sill cocks
- Landscape and sprinkler warranty provisions, if applicable
- Scope of Shazam's maintenance services

Deficiencies or damages in the following areas should be noted during your New Home Demonstration:

- ▶ Broken, cracked or damaged window glass and mirrors
- Damaged or missing screens
- Missing, chipped or scratched finishes on countertops and cabinets
- ▶ Broken electrical fixtures
- ▶ Broken, scratched or chipped plumbing fixtures
- ▶ Scratched, gouged, stained or broken floor coverings
- Damaged driveway, walks and porches
- Damaged or missing doors and thresholds
- Damaged cabinets, doors and drawers
- Exterior damage to house finish
- Paint touch-up
- Operation of exterior sill cocks
- Sprinkler system operation, if applicable. (Do not allow vehicles on the lawn during move-in, as this may damage the sprinkler lines.)



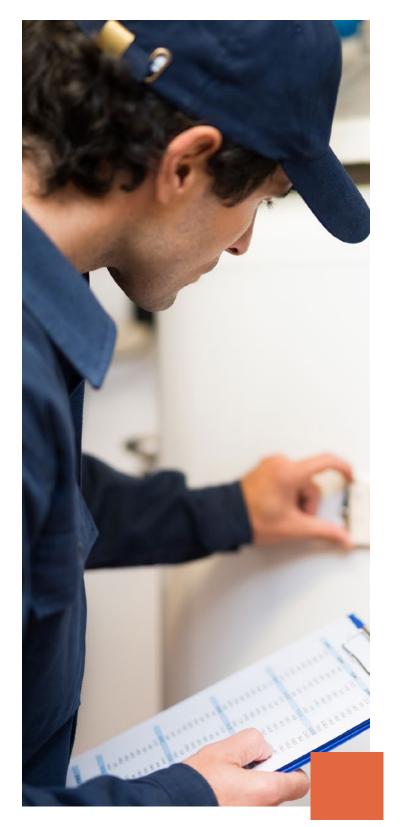
Important Note: If you do not feel that all the above items have been explained satisfactorily, do not hesitate to contact your New Home Counselor.

Purchaser's Verification of Completion Walk

- Typically, the same day or the day before your closing, your builder will review the Buyer's New Home Acceptance form and verify the completion of any items on this form. Please note that some items may become damaged during move-in, and these damages are not the responsibility of On2 Homes.
- Important Note: Due to our insurance restriction and regulations of the local building municipalities your personal belongings cannot be stored in your home or garage until you close on your home.

Independent Home inspectors

- If you elect, at your own expense, to have your new home inspected by an independent home-inspection company prior to closing, we will make every effort to accommodate this. Please schedule with your New Home Counselor before sending your inspector to the house. While independent inspections may minimize a purchaser's concerns, they sometimes create disputes as to construction methods or building-code adherence. On 2 Homes makes no representation that changes recommended by an independent inspector will be made if the items fall within our construction standards and code requirements.
- Please keep in mind that all our homes undergo a thorough quality-control process starting at excavation and ending with a community team acceptance. Your builder, local building department officials, and third-party inspectors inspect your home at various phases of construction. This ensures that your new home not only meets On2 Homes' high-quality standards but also meets or exceeds all local building-code requirements.
- **1) Important Note:** Because your home is built on site, there are slight finish sizes that can vary. You should measure for each window covering in your home rather than in any model or other home with a similar plan.





PRE-CLOSING INFORMATION

Homeowner's Insurance

Now that construction is complete, your financing has been approved, and you are ready to close on your new On2 home, please note that you must secure property hazard insurance. This must be completed in advance of the closing on your new home. Contact your mortgage company for their requirements.

Escrow

Due to weather conditions during certain times of the year, there may be some exterior work that will not be completed the day you close on your new On2 Home. Examples of exterior work that may be placed in escrow are exterior concrete work, installation of landscaping (if applicable), and exterior paint, to name a few.

Should exterior work on your home be placed in escrow, we will complete the work in the spring, as weather and scheduling allow. There are several factors involved in scheduling escrow work to be completed. For example, the weather may be appropriate to pour exterior concrete but the ground may be muddy, or the sod farms are too wet to cut sod. These and other factors impact our ability to schedule and complete escrow work.

- (a) Important Note: On2 Homes will begin exterior work on homes in production before escrow work, and you may find that another home under production will receive landscaping prior to yours. Some municipalities require exterior work to be completed to allow homes to pass inspections and close; to keep a consistent schedule and production flow for all our customers, those homes may be completed before yours. However, during those times (particularly in the spring), our trade partners will bring in additional resources to address the backlog of homes that need escrow work completed, to lessen the time needed to complete all homes.
- (3) Important Note: On2 Homes will plan to have all exterior escrow work for your home completed by the end of the following summer after your closing, but weather and the number of homes in backlog from the winter can impact the completion date. Depending on the timeframe of your home's close date/month, you may see other homes receiving landscaping before your home is completed. We know this might be frustrating but this is typically only due to parameters around time of year and ultimately weather conditions.



CLOSING DAY

On2 Homes will notify you of the date and time of your closing. If the Buyer is not able to close on the designated Closing Date, then the Seller may extend the Closing Date and the Buyer will pay a fee for extending the Closing Date equal to \$250 for each day the Closing Date is extended.

Please do not make moving plans until the closing date has been firmly set, as you cannot move into your new home until the closing occurs and you have your keys.

Please note that due to insurance regulations we are unable to allow you to leave any of your personal property in your new home prior to the closing.

Your Closing Coordinator will be responsible for scheduling your designated closing date and time with you. On closing day, you should plan on the Verification Walk taking approximately thirty minutes and the closing taking approximately one hour; it is imperative that you arrive on time.

Colorado law requires 'Good Funds' at closing. 'Good Funds' are either cashier's checks or bank-certified funds.

Colorado – funds in excess of \$25,000 cannot be accepted by cashier's check and must be wired to the title company.

The Final Numbers

The title company relies on your mortgage company to provide them with the final closing figures. Once the numbers are received, the closing company will put all the figures together and verify them with your lender. Final figures need to be received from your lender at least seventy-two hours prior to closing.

Title Company Role at Closing

The title company's role is to prepare necessary documents and protect the lender with a mortgage insurance policy. The title company is not authorized to negotiate or make representations on behalf of either party at the closing. Therefore, if you would like to review your closing documents prior to closing, contact your lender in advance so the necessary arrangements can be made. If a Power of Attorney is necessary for closing, contact the title company for the proper document. They will be happy to prepare one for you. You will also need to provide a copy of the power of attorney to your lender for approval, prior to closing.



Scheduling Delivery of Your New Home

The delivery date for your new home begins as an estimate. Weather can severely impact installation of utility services, final grading, concrete flatwork, material availability, and other conditions, to mention a few examples.

You are also welcome to check with your New Home Counselor for the most current target date. As completion nears, more factors come under our control and we can be more precise about that date.

Shazam HOME Care Program

ON2 has partnered with Shazam Home Services to provide it's HOME Care program to On2 homeowners. This program consists of three (3) visits per year, during which a Shazam representative will perform certain limited maintenance items at your home. The first year's membership fee is covered by On2 Homes at no cost to you. Shazam Home Services will contact you before each of the three (3) HOME Care visits to schedule a convenient time to conduct the visit.



On closing day you need to bring:

- > Your valid driver's license for photocopying
- ▶ Any additional documents your lender requests

▶ This Homeowner Guidebook

Your Home Warranty

Welcome to Shazam Home Services, a division of On2 Homes providing warranty and maintenance services for On2 homeowners. We strive to provide you with the best customer service experience possible. Our associates are ready to respond to your needs in a prompt and reliable manner. Realizing that a new home contains several thousand components and is constructed by numerous individual trade partners, there is the possibility that there will be conditions in your home that will require correction.

Our commitment to you is to expeditiously and professionally correct items that require attention under On2 Homes' warranty.

Our warranty commitment to you is easy to understand and based on common sense. It begins with our understanding of your point of view as a new homeowner.

You should expect:

- a clean home that is complete and free of construction defects in workmanship and materials at the time of closing,
- a home that functions properly,
- a home builder who arranges for construction defects to be repaired in a timely manner
- **1) Important Note:** On 2 Homes is not liable for any problems resulting from actions by occupants of the home or other visitors, or from ordinary wear and tear.

We will not make repairs based on the opinions from third-party home inspection reports, unless those items are qualifying construction defects or do not meet the applicable one-year performance standards. On2 Homes is proud of the home we built for you, and we look forward to working with you to ensure that you enjoy your new home now and in the future. On2 Homes has earned a solid reputation for being customer-oriented and building high-quality, energy-efficient homes.

If you have a question or concern, begin by reviewing this homeowner's manual. The Home Maintenance section of this manual will answer many of the day-to-day questions you may have.

During each of the three (3) seasonal HOME Care visits, Shazam Home Services will evaluate any warranty concerns you have, and inspect for items that need serviced.

Please consult Shazam Home Services if you need additional help or have any post-close related questions. Contact info at ShazamHomeServices.com or 303-486-8900.



WARRANTY REQUESTS

How Do I Make a Warranty Service Request?

When you have a warranty request, please go to ShazamHomeServices.com and complete an online warranty service request form. On2 Homes asks that all requests for service be submitted by the owner of the home; renters should contact the owner before submitting to Shazam.

You can also reach us:

Email: CustomerCare@ShazamHomeServices.com

Phone: 303-486-8900

Website: ShazamHomeServices.com

When we receive a warranty service request, Shazam Home Services will contact you to schedule an appointment. We inspect the items listed in your written request to confirm warranty coverage. If covered, Shazam simply handles the repairs for you. Anything that requires a third-party contractor will be scheduled and managed through the Shazam Home Services team. Warranty appointments are available Monday through Friday, 8:00 am to 4:00 pm.

Warranty Service

After you close, if you find items that are not an emergency, but require service, please submit a

Warranty Service Request via our website or email us at CustomerCare@ShazamHomeServices.com and our Shazam Home Services Consultant will schedule an appointment with your Shazam Home Services Field Representative, who will review your concerns with you to determine appropriate action.

In general, we have found that items reported to our Customer Care department will be one of the following:

Warrantable Item

On2 Homes provides you with a one-year Customer Care Program covering workmanship and materials defects. To be consistent with everyone, we utilize the typical construction standards of the industry as recognized by the National Association of Home Builders (NAHB). We will meet or exceed those standards. If an item is covered under our warranty, Shazam Home Services will perform repairs. We also provide a Construction Defect Warranty that meets the applicable state statutes.

Storm Damage or Other Disaster

We are not responsible for 'Acts of God,' natural disasters, storm damage or other damage caused by factors outside of our control. In these events, you will need to contact your homeowner's insurance company immediately. Try to limit the damage as much as possible without endangering yourself. It is a good idea to photograph or video the damage.



CUSTOMER CARE AND WARRANTY REPAIRS

Shazam's Customer Care Hours

- The Shazam Home Services operates Monday through Friday, 8:00 a.m. to 5:00 p.m.
- Shazam Home Services will make normal service calls to your home Monday through Friday. In the event that a third-party contractor is needed to complete the repair, Shazam Home Services will do our best to schedule these trade partners as promptly as possible. Many of our trade partners are smaller businesses and may not have the staff for conduct repairs the next business day. Shazam technicians will work with our trade partners to schedule repair work as quickly as possible.

Does My Request Need to be in Writing?

Yes, for your protection and per the terms of the warranty program, all service requests must be in writing (except for emergency situations). The quickest and most efficient method would be to submit an email request via our website at ShazamHomeServices.com or to email us at

CustomerCare@ShazamHomeServices.com. If Shazam discovers a potential warranty issue, Shazam will advise On2 Homes and you of the item.

If you need to report an emergency in your home, please refer to the Emergency Contact Sticker located on the cabinet door under your kitchen sink and call us at 303-486-8900. We have an after-hours answering service and someone on call to assist you for any emergencies. Please refer to the following section regarding "What is considered an emergency?"

All other warranty service inquiries including those listed below should be emailed to Customer Care at CustomerCare@ShazamHomeServices.com:

- Questions that are not addressed in this book or the service manuals
- Questions regarding work for which a service request has already been made
- Questions regarding warranty coverage

Next Steps

Once your request for service has been received, you will be sent an email with a confirmation reference number. Within one business day, your request will be reviewed. and a Shazam Home Services Representative will contact you to arrange a time to inspect and, if possible, repair the items listed on your request form. If any of the items on the form are not warrantable, you will be notified at that time. Often, an inspection is necessary with a Shazam Home Services Field Representative to determine if an item is warrantable. It is Shazam Home Services goal to address warrantable repairs as quickly as possible. However, there could be repairs that require subsequent appointments to complete the work or require assistance from our trade partners. After an inspection, a Shazam Home Services Field Representative will either self-perform the necessary repairs if time permits, schedule a follow-up appointment to perform repairs, or for larger warranty items, schedule the appropriate trade partner to address the concerns. Once we have a scheduled date, our goal is to complete most repairs in 7 business days and to achieve 100% completion of all open service requests at this workday. There could be repairs that take longer to complete and we request your understanding and patience if this occurs. If a repair does take longer to complete we will provide you with an explanation of the process and the timeline.

Service Order

After your initial inspection has been completed, if a Shazam Home Services Representative cannot complete the requested warranty repairs, Shazam will issue a service order(s) to the appropriate trade partner(s). This authorizes trade partners to perform warranty service work. Once service orders have been issued and an agreed upon time has been scheduled, a Shazam Home Services Representative and any associated trade partners will arrive for the scheduled appointment. The service order authorizes trade partner involvement as well as outlines the scope of warranty repairs.

Do I have to be at my Home during repairs?

On2 Homes requires the homeowner or a designated adult (18 or older) to be present when our associates or trade partners are working in your home. This person must have the authority to accept the repairs. On2 Homes, Shazam, and our trade partners will NOT accept keys or access codes to your home.

We prefer that you or your representative are present for repairs to the <u>exterior of your home</u>, but this is optional. Please make sure we have access to any locked gates and pets are secured if someone is not present during this appointment.

Completing the Service Request Process

Once the item has been satisfactorily completed you will be asked to sign the service order so that the trade partner can return it to Shazam Home Services for confirmation of completed work. This allows us to properly track each item. Please note that an item on your list may require more than one trade partner to complete the work. If, for example, an item requires three trade partners, each of those contractors will have their own service order to complete and have you sign it. You must be present during all work performed at your home, and someone eighteen years of age or older must be present for the trade partners to enter the home.

For your protection, do not rely on verbal agreements. Always get them in writing. Do not assume that trade partners will communicate your needs to Shazam Home Services in a timely manner.

*Signing a service order acknowledges that work was performed in your home on the date shown and about the items listed. It does not negate any of your rights under the warranty nor does it release us from any confirmed warranty obligation. If you prefer not to sign the service order, the representative will note that, sign the service order and return it to us for our records.

Activity within a Community & Possible Property Damage

With the amount of activity present during the construction phases of a new community, there may be work performed by contractors not working for On2 Homes—utility companies, moving, furniture and delivery trucks may unfortunately cause property damage. Damage caused by these parties are outside our control and not the responsibility of On2 Homes. If your property is damaged by anyone other than our trade partner or an On2 Homes associate you should contact that party directly. If your property is damaged by our trade partner or an On2 Homes associate, please contact us.

Family Pets

On2 Homes understands that pets are part of your family. Their safety is a priority to us. To prevent the possibility of an animal getting injured, scared by unfamiliar people or loud noises, we ask that you move your animals to a place where they will feel safe during any repairs. This policy is also for the protection of our associates and trade partners.

We Will Protect the Work Area

While Shazam and our trade partners performs warranty repairs, they will try to minimize the amount of dust generated by using drop cloths when necessary to protect the work area. We require all persons performing work in your home to clean up each day after the repair is completed.

Before we start work, we will document the current condition of the work areas. We will review this documentation with you before we start work to ensure there are no misunderstandings.

Your Personal Belongings

Even though we will do our best to protect the work area in your home when warranty repairs are required, we request that you remove any delicate, electronic, or sentimental items from the work area. We don't want to take a chance that these items could accidentally be damaged.



EMERGENCY SERVICE

Simply put, a homeowner emergency is more than an inconvenience. It is an event or situation that creates the imminent threat of damage to the home, or results in an unsafe living condition. It is critical that you act quickly during an emergency. Some situations might be urgent for your household but might not require emergency warranty service from Shazam or On2 Homes. The following situations are considered an emergency by On2 Homes and our trade partners. Please contact On2 Homes immediately for these emergency situations.

On2 Homes and Shazam Home Services provides an emergency answering service for our homeowners after normal business hours. The electrician, HVAC and plumbing contractor phone numbers are listed on a sticker inside the kitchen cabinet door under the sink. You can also contact them directly for emergency situations listed below.

Please call Shazam Home Services at 303-486-8900 so we can assist you with any further questions and document the problem. Remember, call 911 for fire or life-threatening emergencies.

Shazam or On2 Homes' trade partners provide emergency responses to the following conditions:

- Total loss of heat in the cold winter months where the temperature is below 50 degrees Fahrenheit.
- ▶ Total loss of electricity of your home.
- Total loss of water to your home or a water leak that requires the water service to be shut off at the meter to avoid serious damage to your home and personal property.
- Sewer backup in main drain lines.

If a utility service such as electricity, gas or water is out in your community area, please contact the appropriate utility company.

Exterior Leak

A leak from a window, door or roof is an urgent situation. However, we can't safely or necessarily perform a repair during inclement weather conditions. Please contact our office as soon as possible regarding all water leaks and take the necessary action to minimize the damage. Please remember if you can't safely do so, then don't attempt to minimize the damage. If possible, place a bucket or pail to catch the water. If there is a water in the ceiling, make a small hole by using a tool such as a screwdriver to allow the water to escape from the ceiling into a bucket. You should contact your homeowner's insurance regarding a possible claim. Also, contact On2 Homes or Shazam Home Services to report the issue.

On2 Homes Tip: In addition to emergency situations covered by our limited warranty, be prepared for other kinds of emergencies. Remember to call 911 for any lifethreatening emergencies. Be familiar with emergency repair companies in your area in the event you need a locksmith, water extraction, glass breakage repair, or sewer rooter service.



If you are faced with a FIRE OR LIFE-THREATENING EMERGENCY, CALL 911 IMMEDIATELY!



HOMEBUILDER'S LIMITED WARRANTY

When you sign the contract for the purchase of your new On2 home, On2 Homes will provide you with a sample copy of its Home Builder's Limited Warranty.

Shortly after closing you will receive by mail the Home Builder's Limited Warranty and the Limited Warranty Coverage Validation Form. Read the warranties and warranty exclusions in the Home Warranty Section of this guidebook carefully, as they describe what is included and what is not included in the Home Builder's Limited Warranty.

If the Limited Warranty booklet is ever lost, a replacement can be obtained from Professional Warranty Service Corporation or Shazam:

1 Important Note: Some appliances, equipment and other components in your home are not warranted by On2

Homes but are covered by separate warranties provided by the supplier or manufacturer. If you made a claim under one of these warranties without response, Shazam will assist you in attempting to resolve the problem with the manufacturer or supplier (see "Manufacturers' Warranties" later in this section).

PERFORMANCE STANDARDS AND GUIDELINES

On2 Homes uses the NAHB Residential Performance Standards for explanation of specific responsibility and coverage. The Performance Standards describes the tolerance of workmanship and materials within which your new home will perform. These standards are designed to help you, On2 Homes and Shazam understand the performance guidelines around many of the common questions from homeowners. When necessary, the standards are also utilized by an assigned arbitrator to rule on the presence of a workmanship or material defect claim made during the warranty period.

It is not possible to list every component of your home in these Performance Standards, so only the most common areas of concern are addressed. If we do not enumerate a Performance Standard for a given item listed in the current Residential Performance Guidelines (published by the National Association of Home Builders) to the item in question, we will refer to the generally accepted local building practices and standards.

(a) Important Note: The Professional Warranty Service
Corporation (PWSC) Home Builder's Limited Warranty
is transferable with the sale of your home. In addition,
certain manufacturer's warranties will also continue to
be in effect. Please review all warranties and warranty
registration forms provided by the manufacturers to
determine mailing requirements and warranty length

MANUFACTURER WARRANTIES

Defects in appliances and other manufactured products installed in your new On2 home are covered by a separate manufacturer's warranty. These items, and others that may be included in your new home, are Consumer Products and are therefore not covered by the warranty. We have assigned these manufacturers' warranties to you; please follow their procedures for warranty claims.

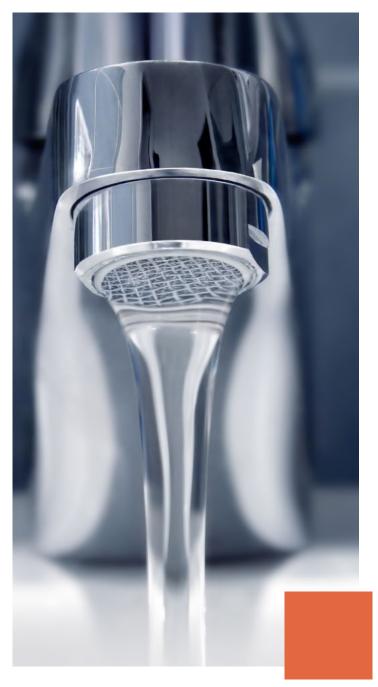
A warranty registration card for each appliance purchased with your new home is left in the home. As the homeowner, it is your responsibility to fill out the registration cards online or mail them per the individual instructions to register your warranty. For most products, there is also additional information on line regarding the manufacturer's warranty, customer service contact information and recommended care and maintenance guidelines.

If you find a defect in a manufactured product, contact the manufacturer directly. If you need help in resolving a complaint with a manufacturer, please contact Shazam's Customer Care in writing for assistance and a Shazam Home Services Representative will help you.

These manufactured items may include, but are not limited to:

- Air conditioner unit
- Appliances
- ▶ Vacuum systems
- Garbage disposal
- ▶ Furnace
- ▶ Smoke detectors
- ▶ Thermostat
- ▶ Garage-door opener
- Asphalt shingles
- Windows and sliding-glass doors
- ▶ Siding
- On2 Homes Tip: Be sure to activate specific manufacturer's warranties by either completing the warranty information online or completing and mailing any registration cards included with their materials. This is important so that in the event of a recall, the company can contact you and arrange to provide the needed correction.





ENERGY AND WATER CONSERVATION

Good planning and thoughtful everyday habits can save significant amounts of energy and water. In the process of conserving, you also save money as an additional benefit. Keep these hints in mind as you select and use your home's features:

Heating and Cooling

- Maintain all your home's systems in clean and good working order to prevent maintenance issues and maximize efficiency. Schedule heat and air conditioning systems inspection a minimum of once every year.
- ▶ Keep filters clean and replace them regularly.
- Learn how to use your thermostat for comfort and efficient energy use.
- If you have a zoned system, think through operating schedules and temperature settings to maximize comfort and minimize energy consumption.
- During cold days, open window coverings to allow the sun to warm your home. Close them when the sun begins to set.
- During the winter, humidifying the air in your home allows the air to retain more heat and is a general health benefit. If condensation develops on your windows, you have taken a good thing too far and need to lower the setting on the humidifier
- ▶ Ceiling fans cost little to operate, and the moving air allows you to feel comfortable at temperatures several degrees higher.
- On hot days, close all windows and the window coverings on windows facing the sun to minimize solar heating and reduce demands on your air conditioner.
- ▶ Keep the garage overhead doors closed.
- ▶ Plan landscaping elements that support efficient energy use:
- Deciduous trees provide shade during the summer and permit solar warming in winter.
- Evergreen trees and shrubs can create a windbreak and reduce heating costs.
- Position trees to shade the roof and still allow good air flow ground the home.
- Plant shrubs and trees to shade the air conditioner without obstructing air flow around the unit.

Water and Water Heater

- Follow the steps outlined in the manufacturer's directions for draining water from your water heater to remove accumulated hard-water scale that builds up inside the tank. Timing will depend on the nature of your water supply.
- Maintain the recommended temperature setting on the water heater.
- Correct plumbing leaks, running toilets, or dripping faucets ASAP.
- ▶ Keep aerators clean.
- Schedule a maintenance inspection for your water heater a minimum of once every year.

Electrical

- Use energy efficient light bulbs.
- Turn lights and other electric items off when you finish using them or leave the room.

Maintenance Tips

- Caulk during dry weather when temperatures are moderate. Check all locations such as:
- Q Foundation penetrations (electrical, phone, water, cable TV, and gas line entrances).
- Q Around fans and vents.
- Q Joints between door or window frames and siding.
- Check weather stripping on all exterior doors and adjust as needed.
- Ensure that door thresholds are a good fit most are adjustable.
- Do not store items in the attic where they would compress the insulation.



Home Maintenance

On2 Homes has prepared helpful tips to guide you in performing preventive maintenance. Some items require attention as needed on a daily or weekly basis, such as cleaning up spills and splatters immediately. Other items require attention on a monthly, quarterly or annual basis. This overview is a basic list of required maintenance items for most homes. This is not an all-encompassing list of required maintenance. Some items may not be applicable for your home. Please consult the maintenance and care information on the products installed in your home. There are also many home care guides available to homeowners for purchase.



APPLIANCE LOG AND SERVICE RECORD

This log is provided for your convenience. For warranty service on an appliance, contact the appropriate manufacturer directly at the service number provided in the appliance literature. You will need to supply the model and serial number (usually located on a small metal plate or seal attached to the appliance in an inconspicuous location), and the date of purchase (your settlement date).

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| APPLIANCE | MANUFACTURER | MODEL# | SERIAL# | SERVICE PHONE # |
|--------------------|--------------|--------|---------|-----------------|
| Range | | | | 9 |
| Range Hood | | | | |
| Oven | | | | |
| Microwave | | | | |
| Dishwasher | | | | |
| Disposal | | | | |
| Washer | | | | |
| Dryer | | | | |
| Refrigerator | | | | |
| Garage Door Opener | | | | |

Helpful Tools

You will need a few basic tools and supplies to keep your home like new. At a minimum, we suggest you keep the following on hand:

- Medium adjustable wrench
- ▶ Standard pliers
- Screwdrivers—small, medium and large, flathead and Phillips head
- ▶ Claw hammer
- ▶ Hand saw
- Assorted brads, nails and screws

- ▶ Sturdy penknife
- Quality interior and exterior caulk
- Caulking gun
- Matching interior and exterior paint and different size paint brushes
- Sandpaper (medium and fine grit)
- ▶ Silicone lubricant spray
- **1** Important Note: Should a problem occur during your warranty period (see Your Home Warranty Section) that cannot be solved by the maintenance information contained in this guide, contact Shazam Home Services. Other courses of action may affect your coverage under the warranty agreement.

YEARLY MAINTENANCE SCHEDULE OVERVIEW

This overview is a basic list of required maintenance items for most homes. This is not an all-encompassing list of required maintenance. Some items may not be applicable for your home. Please consult the maintenance and care information on the products installed in your home. There are also many home care guides available to homeowners for purchase. Routine maintenance is necessary to keep your home properly functioning as designed. Defects in the components due to your failure to perform the necessary maintenance are not covered under your warranty.

MONTHLY:

Furnace & Air Conditioner: For furnace safety and efficiency, inspect filter for dirt and debris monthly. Clean and/or replace filters monthly. Furnace filters are available at grocery and home care stores.

YOUR FILTER SIZE IS:

- Wood Cabinets: Clean per manufacturing recommendations. Use a product to help prevent cabinets from drying out and developing cracks.
- Plumbing: Check under kitchen and bathroom cabinets for leaks. Check the area around the water heater for leaks. Keep sinks sealed to countertops with caulking or silicone.
- Kitchen Exhaust: Remove and clean the filter. Clean accumulated grease deposits from the fan housing.
- ▶ Fences: Inspect iron fencing for rust spots and standing water around fence posts. Sand and touch-up rust spots promptly. Fill in spots where water may be standing around fence posts.
- ▶ Caulking: Inspect caulking around sinks, tubs and showers. Give special attention to the area where the tub meets vinyl or tile flooring and under corian seats in showers. Inspect around windows and doors, along baseboards, and all staircases. Re-caulk as necessary.
- Sump Pit/Pump: Inspect the pit for signs of water and verify the pump works by pouring in enough water to submerge the pump. If the pump does not turn on and clear the pit, it needs to be serviced or replaced.

EVERY THREE MONTHS:

- ▶ **Dryer Vents:** Check the exterior dryer vents and remove lint as needed. **This could be required to check monthly depending on use of dryer.
- ▶ **Electrical:** Test the GFCI receptacles.
- ▶ Exterior Doors: Oil hinges and locks if required. Inspect finish for cracks and peeling. Repaint if necessary. As always, call your Community Managers before you change any exterior color.
- ▶ Interior Doors: Lubricate hinges.
- Garage Door: Lubricate hardware. Inspect mechanism to ensure free travel. Adjust if necessary.
- ▶ Wall & Bath Tile Grout: Inspect for loose or missing grout.

 Re-grout if necessary. Re-caulk at the edge of the kitchen,
 bath and all areas with a back splash if necessary.
- ▶ Floor Tiled Areas: Inspect caulked areas for missing or damaged caulking. Re-caulk if necessary.
- Faucet Aerators: Check for proper flow of water. If the flow is reduced, clean the aerator screens. During the first two months, the faucet aerators could require more frequent cleaning.
- Shower Doors: Inspect for proper fit. Adjust if necessary. Inspect caulking and re-caulk if necessary.
- ▶ **Tub Enclosures:** Inspect for proper fit. Adjust if necessary. Inspect caulking and re-caulk if necessary.



EVERY SIX MONTHS:

- Exterior Paint: Inspect the exterior of your home for cracked or peeling paint. Repair and repaint if necessary. Your Community Managers may have regulations regarding exterior colors. Please call your Community Managers before you change the exterior paint colors. Southern and western exposures are more susceptible to cracking and peeling. Repair and paint before water and ice can get into the wood and cause more extensive damage.
- Roof: Inspect for damaged shingles and/or tiles after storms and high winds. An annual inspection by a roofing professional is recommended.
- ▶ **Gutters:** Clean debris from gutters every six months and after storms.
- Smoke and Carbon Monoxide Detectors: Replace the batteries every six months, even if the unit tests okay. The unit will test okay even when the batteries have only a few days or weeks of charge remaining. This could save your life!

YEARLY:

- ▶ Floor Coverings: depending on foot traffic, carpet could require cleaning more. Refer to the manufacturer recommendations for cleaning carpet and various hard surface flooring.
- **Furnace:** Contact a heating professional to inspect your furnace.
- Doors: French doors and wood doors should be repainted annually or biannually, depending on paint quality and the amount of use.
- Outside Faucets: Disconnect hoses before temperatures drop below freezing.
- ▶ Water Heater: Check the water heater for signs of rust or corrosion at all connections. Flush the water heater to remove sediment and mineral build up in the bottom of the tank.

HOME MAINTENANCE SCHEDULE

Begin care of your home with organized records, including information about all its components and your furnishings. We have listed some of the common elements of the home that need routine maintenance to ensure the home continues to function efficiently.

Features of Your Home

AIR CONDITIONING

Your On2 home's air conditioning system is easy to use and maintain. Using your programmable thermostat, select a temperature that is comfortable and forget it!

Make sure the fan switch is set in the ON position, since constant air circulation keeps the temperature even. Do not cycle the system on and off. Leave the system on through the entire summer/cooling season. There is an exception, however, when outside temperatures increase through the hottest part of the summer. You may wish to increase the thermostat setting to provide a more reasonable difference between inside and outside temperatures. This avoids overworking the cooling system. The system cannot be expected to reduce and maintain interior temperature more than thirty degrees lower than the outside temperature.

To increase the system's efficiency and conserve fuel, close windows and doors tightly. Turn off unused lights and heat-producing appliances. Cover windows in direct sunlight with shades, blinds, draperies or awnings.

• Important Note: The temperature in your new home can vary by approximately five to ten degrees from room to room. This variation is normal. It is due to differences in your home's orientation to the sun, shade from neighboring homes, trees, landscaping and other factors.

On 2 Homes and our trade partners will make every effort to balance your system to achieve overall efficiency and comfort.

If your air conditioning system fails to operate properly, follow this checklist before calling for service:

Check the thermostat setting and the thermostat thermometer. The thermostat setting should be below the temperature on the thermometer to operate. Check the thermostat selector. It should be set on COOL. The A/C condenser should be wired to an A/C disconnect switch box with an on/off switch. This box is located close to the A/C condenser outside of the home. Check the main electrical switch. It should be set to the ON position. Work the switch several times to remove any dirt from the contacts. Check all circuit breakers in the main switch box. They should be set to the ON position. Remember to work them several times. Inspect filters to make sure they are not clogged. If your unit is not operating properly after checking all of the above, call the service number provided in your move-in package and on the furnace. Humidifiers: The humidistat and humidity levels in the house should be monitored closely when turned on each season. Depending on atmospheric conditions, condensation may build on glass windows. This is not uncommon, but excess condensation can cause damage to wood materials (especially sills) around the glass. Adjust the humidistat as needed.

AIR CONDITIONING FILTER:

Your furnace system has an air filter to help keep the air in your home clean. You were shown its location during your New Home Demonstration. For maximum efficiency, this filter should be replaced roughly every thirty days. Be sure to buy the right size filter. The size is usually printed along the filter edge.

On2 Homes Tip: Since your home and furnace is new, it is recommended to check your furnace and/or air conditioning air filters weekly for the first two-three months after moving in.



APPLIANCES

The operational manuals and manufacturer information are provided during your New Home Demonstration for your appliances. Look through them carefully, fill them out and return the information necessary to record warranties. Should you require service on any of your new appliances, please contact the manufacturer directly to arrange for an appointment:

On2 Homes Tip: Before calling for service, always check the electrical breakers and GFCI switches. For gas appliances, be sure the gas is turned on at the valve.

CABINETS AND VANITIES

Homeowner Use and Maintenance Guidelines

Your kitchen cabinets and bathroom vanities are factory finished and should be cared for much like fine wood furniture. Never clean with harsh abrasive products or use wax products. Refer to the manufacturer's recommendations on maintenance of your cabinets and their components. The wood grain and color will vary from cabinet to cabinet and this is normal

SPILLS AND WATER EXPOSURE

Clean up spills immediately. Do not keep a damp towel on door knobs of a cabinet or drawer. Prolonged moisture can cause the doors to warp. Appliances such as rice cookers, crock pots or coffee pots can generate moisture and excessive and/or repeated operation of these types of devices can cause damage to the cabinet. Do not place these appliance directly under a cabinet.



CARPET

If you have carpet in your home it comes from the mill in standard twelve foot widths. Every effort has been made to limit the number of seams and locate them as unobtrusively as possible. However, seaming is unavoidable. Some grades, brands or colors of carpeting may show seams more readily than others, but this is not necessarily a reflection of the quality of carpet you have chosen.

FUZZING

After the initial installation of the new carpet, you will notice that excess yarn may appear on the carpet surface; this is fuzzing and is normal. Please do not be concerned, as this will dissipate after repeated vacuuming.

STATIC ELECTRICITY

Removing or preventing a buildup of static charge can be as simple as opening a window or using a humidifier to increase the moisture content of the air, making the atmosphere more conductive. Air ionizers can perform the same task.

Helpful Tips

- Vacuum the traffic lanes frequently. For maximum soil removal use short and slow movements, about two or three strokes in each spot.
- Vacuum your entire carpet at least once a week. Failure to vacuum regularly causes significantly greater wear and tear on your carpets.
- Remove spots quickly so they do not become permanent stains. Refer to the manufacturer's recommendations for stain removal. If a non-recommended stain-removal process is used, the warranty on your carpet may be invalidated. Always test a stain remover on a piece of leftover carpet, or in a corner of a closet, prior to use elsewhere in a room.
- ▶ Consult with the carpet manufacturer if you intend to shampoo using water. Some manufacturers will advise against this procedure. For further information on stain removal, you may contact the carpet manufacturers directly.
- Shampoo as soon as soil that cannot be removed by vacuuming is evident. Vacuum as soon as carpet is dry to remove soil loosened by shampooing.
- Do not rely on foam cleaning products as they cannot remove deeply embedded soil. Some foam products leave a residue in the carpet that attracts and holds soil.
- ▶ Use scissors to clip sprouts and snags. Don't pull on them—you might damage the carpet.
- Remove heavy furniture dents by stroking the dented area with the edge of a coin. You can also use a hair dryer or a steam iron, but be very careful not to touch the carpet with the iron.

Some substances which may cause permanent damage to your carpet include the following:

- X Acids such as toilet bowl cleaners and tile grout cleaners
- × Rust from metal furniture on freshly shampooed carpet
- X Acne medications containing Benzyl Peroxide
- X Chlorine bleaches
- × Oxygen bleaches
- × Insecticides

- × Plant foods
- **X** Drain cleaners
- × Oven cleaners
- × Urine
- × Vomit

CAULK: EXTERIOR AND INTERIOR

Caulk has been applied to your home around doors, windows, exterior vents, air conditioning line, gas piping and brick or wood abutments. Interior caulk has been applied around tubs, sinks, countertops, stair stringers, baseboards, windows and door casing, thresholds, etc. Even properly installed caulking will shrink and show surface cracks due to settlement, expansion and contraction.

Check the interior and exterior caulking around the house monthly and re-caulk as necessary. Select a high-quality brand and use the correct caulk for each application. Generally, the silicone caulks are superior and last longer and work best where there is moisture present. Some caulks, such as latex caulk can be painted, while others cannot such as silicone caulk.

Regular caulking is considered part of home maintenance, which is not repaired by On2 Homes.



CONCRETE: FOUNDATIONS, EXTERIOR AND INTERIOR CONCRETE

Concrete, by the very nature of the material, has a propensity to crack. To date, no known prevention has been found for this. The major reason for concrete cracking is settlement. Also, the expansion and contraction of concrete surfaces, due to temperature changes during the year, can cause cracking. On 2 Homes does provide control and expansion joints in the concrete to minimize and control cracks. However, we have no control over such factors as severe frost, settlement and aggravation from the use of salt and/or other de-icing chemicals. Even though you may not use these chemicals yourself, they can be tracked in from the public streets, causing surface problems on concrete.

Helpful Tips: Exterior Flatwork

- As you see minor cracks appearing, apply a thin coat of latex crack sealer to arrest this problem. Purchase this crack sealing material from your local homecare or hardware store. This is a normal part of homeowner maintenance; failure to seal cracks in a timely manner may lead to additional movement of concrete flatwork, which may not be covered under warranty.
- Minor spalling or pitting is normal. Avoid the use of any salt or de-icing chemicals in the winter months, as these products can cause significant damage to the concrete; many contain ammonium sulfate or ammonium nitrate, which will rapidly disintegrate concrete. Plain sand works best to keep the concrete surface slip-resistant. Also, please remember to avoid the spread of inorganic fertilizer on your concrete as it can also cause concrete deterioration and/or staining. For further protection against the effects of these chemicals, apply a quality seal coat material to exterior concrete surfaces on an annual basis. Surface deficiencies to exterior concrete or concrete exposed to the elements is not a warrantable condition.
- If you decide to pour a patio or service walk at your home (with Community Managers approval), make sure to keep the grade at the top of the patio or walk at least six inches below the bottom course of the siding and window wells. This will help ensure that drainage water will not infiltrate the basement over the foundation or through the basement window wells. The concrete slab should not be tied into the foundation, or damage to one or both could occur. Make sure to provide under drains to redirect water out to the swales. Additions which effect the original pour



would not be covered under the warranty. Do not block drainage swales around the house.

- Remove snow and ice from driveways and patios as soon as possible. It is recommended that a surface sealer be applied annually in the fall. Check with a concrete contractor about sealers. These can be painted or sprayed onto the concrete.
- Apply a weather resistant caulk to control joints within the driveway to prevent water accessing the soil below. Failure to do this can result in deterioration of the concrete, which may not be covered under warranty.
- ▶ Changes or alterations to concrete flatwork made after closing (including additional pours, staining, and adding structures with significant weight) may damage the concrete and are not covered under warranty and may void your warranty.
- If repairs to concrete are necessary, On2 Homes cannot guarantee an exact color match. As concrete cures and ages it will change color, and in most cases, separate pours will turn to similar shades.



★ Helpful Tips : Foundations and Soils

In the event a foundation crack allows the entry of water to the inside of your home, please notify On2 Homes' Customer Care immediately. We will notify you of the type of action to be taken to correct this situation.

SOILS SUMMARY REPORT: COLORADO FRONT RANGE

Virtually all soils along Colorado's Front Range contain some degree of expansive soil potential. This is not the case as much for homes built in other areas of Colorado and Utah. For homes built along Colorado's Front Range, the Special Bulletin No. 43 delivered with this manual—as well as references in this manual to foundations, basements and grading—are intended to inform you of some of the challenges confronting all homebuilders in this area and to provide you with home-maintenance recommendations.

In addressing soils with expansive potential, On2 Homes follows specific procedures for foundation design that are

founded upon accepted industry standards, directions from geo-technical engineers whom we believe to be qualified, and our extensive experience. Our procedure begins with commissioning a geo-technical engineer to complete a subsoil investigation for each On2 Homes community in which we build. Foundations are then designed by a structural engineer to support design loads and resist heaving forces of the soil types exposed in the subsoil investigation. Supported by the data from the subsoil investigation, a soils engineer will physically inspect the soils on each homesite prior to home construction and recommend the proper foundation type for the home. A soils summary report and analysis, with respect to the community in which the property is located, will be supplied to you with your Purchase Agreement.

The type of foundation for your home will depend on the foundation recommendation made by the engineer upon their inspection of the specific homesite you are purchasing. On 2 Homes will provide you with a copy of the engineer's foundation recommendation.

Expansive Soils

The subject of this section is Swelling Soils—also known as Expansive Soils. In certain areas of the country these soils may underlie a home. They can cause severe damage to the foundation and other parts of the structure. This section will describe in detail how On2 Homes has taken steps to eliminate these potential problems through proper engineering and construction techniques. Later, you will learn how you, the homeowner, can safeguard your investment for years to come by adhering to a few basic maintenance procedures. For now, please be aware that many of the precautionary systems incorporated into the design of your home can be defeated. Problems may arise from improper landscaping techniques, improper construction in the finishing of basement areas, and neglect in maintenance. Please read this carefully. The more you know about your home, the more you can help protect it through proper maintenance.

If the following conditions are not maintained, then your home maybe be adversely impacted:

- Neglecting to maintain proper drainage through sufficient slopes away from the foundation.
- Failing to keep gutters and downspouts unobstructed, or the removal of downspout extensions, which direct water away from backfill areas.
- Inadvertently changing homesite-drainage patterns through improper placement of fences, patios, retaining walls, gardens, sandboxes, or other obstructions that can cause water to pond.
- Selecting the wrong species of trees, shrubs, and other vegetation for the location and climate.
- Planting vegetation with high moisture requirements too close to the foundation.
- Locating irrigation equipment too close to the foundation, and excessive watering of live material.

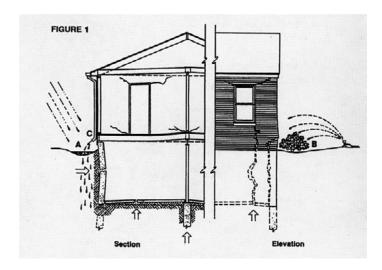
- Failing to maintain exterior concrete walks, drives and patios. Minor cracks may develop in concrete, which can readily be sealed. Unattended, cracks in concrete provide access for water and accelerate the rate of deterioration to the surrounding concrete and saturation of sub-soils. These conditions can also occur due to the use of salt or deicers.
- Failing to install landscaping in a timely manner after closing, resulting in erosion and washout.
- Employing improper construction techniques in the finishing of basement areas. Most common errors negate the intent of the 'floating' basement slab design and special partition provided in wall framing.

WHAT ARE SWELLING SOILS?

Simply put, swelling soils are those containing montmorillonite clay minerals that take on water and expand. Conversely, if water is taken away they can shrink fifteen times its original volume. While most soils containing montmorillonite will not expand more than thirty-five to fifty percent in volume, it is this expansion in volume that causes the pressure and movement leading to foundation, slab, and other swelling-soil damage. The amount of volume change that can take place depends on several factors, including:

- The amount of expansive clay in the soil or shale.
- The type of minerals in the clay.
- ▶ Soil density.
- ▶ Water tables that rise due to 'Acts of God.'
- The amount of structural loading.
- The amount of moisture change.

For example, assume a home is built on expansive soil, which has sufficient moisture to be in an expanded state, and the optimal moisture content is maintained over the life of the home. Little movement or damage would occur. Such ideal conditions, however, are rarely achieved. Many factors, such as changes of grading, planting of trees, shrubs, and lawn, watering and climate patterns contribute to changes in the amount of moisture available to the soil.



HOW DO YOU KNOW IF YOUR HOME IS BUILT ON EXPANSIVE SOILS?

Soils samples have been taken and subjected to testing in a laboratory under controlled conditions. Recorded data obtained onsite during the soils sampling and the laboratory results have been evaluated by a licensed professional engineer to determine if swelling soils exist. If they do, they must determine the amount of swelling that can be anticipated. The engineer's conclusions and recommendations are the basis for the type of foundation placed beneath your home, as well as other precautionary construction details designed for movement.

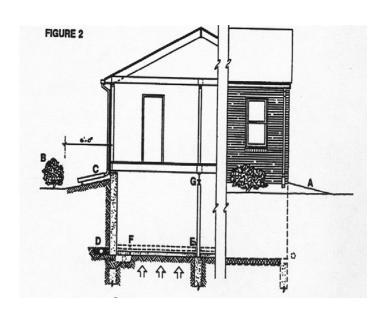
If swelling soils exist beneath your home, On2 Homes has provided you with a copy of the soils report and a description of steps taken during the building of your home to minimize damage due to potential swelling. Let's look at an example of how a home can be seriously damaged by the action of expansive soils when several of these factors are involved (see Figure 1).

The home shown in Figure 1 is constructed on a typical form of foundation design used in moderately to highly expansive soils: concrete walls (designed to act as beams) supported by and anchored to piers—drilled to a depth below the ground where seasonal moisture changes—will not affect the soils. A steel column supporting a beam or girder that supports the floor above and a concrete basement floor slab.

LET'S LOOK AT THE PROBLEMS:

- A. Poor grading prevents the ground from sloping away from the foundation, which allows water to collect at the foundation wall.
- **B.** Foundation plantings being watered by a irrigation system are too close to the foundation.
- **C.** A downspout is discharging at the foundation, rather than being diverted away by an extension and/or splash block. Extensions may have been provided, but were removed or left tipped up.
- **D.** Heavy rains or 'Acts of God' may further weaken the foundation.

Water soaking into the soil has caused the expansion of the soil adjacent to the walls, as well as under the walls and basement slab—expanding and exerting pressure both horizontally and vertically. In the section shown, this expansion has buckled the wall inward. In the elevation, upward pressure has cracked the foundation vertically. Pressure from beneath the slab has caused it to rise and buckle and has caused uplift of the column, raising the center of the house and causing damage to the floor, walls, ceiling and roofing system.



CAN YOU BUILD SAFELY ON THESE SOILS?

Yes. There are construction techniques that your builder has adopted to address the problem. The next illustration (*Figure 2*) is essentially the same house as the one above (*Figure 1*), but with some extremely important differences:

- **A.** The land slopes away from the foundation. Again, there are no flat homesites!
- **B.** Shrubbery requiring low moisture is located away from the house and is hand watered as needed.
- **C.** Downspouts have extensions above the ground, and are fixed in place to direct rainwater away from the house.

Several construction details have also been changed:

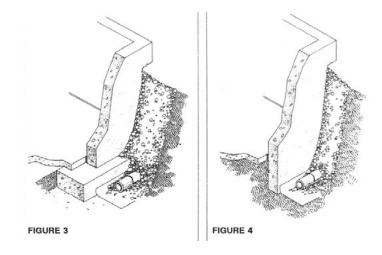
- **D.** A foundation drain is installed to remove any water that might reach the basement level.
- **E.** The concrete floor slab has been installed to 'float.' It is isolated from the walls and the interior column so that, theoretically, as it is raised by soils expanding, it does not bind or 'hang up' and damage the walls or lift the center column and damage the home.

Also shown are two additional precautions taken:

- **F.** Control joints in the slab will minimize damage to other parts of the home should severe swelling occur.
- **G.** The interior column has been fitted with an adjustable screw jack to allow for correction of any heave.

BUILDING ON EXPANSIVE SOILS

There are some state-of-the-art foundation designs, construction methods and standard details that can be used to minimize the damage to your home, illustrated above. These and other ideas presented later are based on engineering and experience, and are typical of some designs currently utilized in your area. There may be other designs available; however, these are the most commonly used.

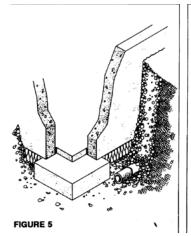


STEP ONE: DETERMINATION OF EXPANSIVENESS AND FOUNDATION DESIGN

Through onsite observations and laboratory test results of soils samples taken from the site, determinations can be made by an experienced soils engineer on the relative expansiveness of the soil, and recommendations can be made to the architect or engineer designing the foundation. In soils classified as, or determined to be, non-expansive or of extremely low swell potential, the most common design used is continuous spread footing (*Figure 3*).

Depending on current or predicted site conditions, a perimeter drain, as shown, is installed if applicable. For soils ranging from low to moderate swelling potentials, designs such as those pictured in Figure 4 are often used to concentrate the building loads to resist the swelling pressure of the soil. Figure 4 depicts an extended bearing wall. Unlike the spread footing of Figure 3, which distributes the weight over a wider area, the footing wall concentrates it.

Figure 5 shows a method of further concentration. The weight is carried entirely by the 'pads.' The bottom of the wall between the pads is kept above contact with the soil by a product known as a collapsible void (visualize a corrugated cardboard box). It is carefully installed to prevent collapse during construction. The void material will compress to allow expansion of the soil, should it occur, between the load (weight carrying) pads.



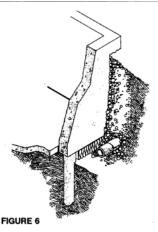
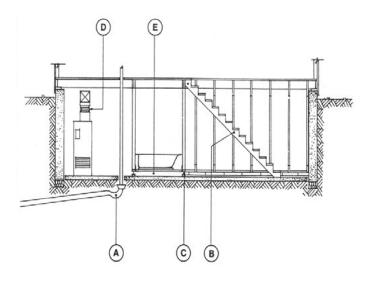


Figure 6 illustrates the most generally recommended foundation for soils classified as moderately to highly expansive. This is a drilled pier and grade beam design. Based on the engineer's calculations for size and spacing, holes are drilled deeply into the soil—into underlying rock or well below the zone of soil predicted to be affected by seasonal moisture changes. The holes are filled with concrete and reinforced with steel rods. The rods extend above the piers. On these piers, the basement walls or grade beams are built with steel-rod reinforcement. This provides anchorage between the piers and the walls, also providing the strength to resist horizontal and vertical pressures against the walls. As in Figure 5, void space is designed beneath the walls between the piers to concentrate the weight of the house on the piers and to isolate the bottom of the walls from the soil.



STEP TWO: INTERIOR DESIGN DETAILS

Unlike the foundation, which is designed and built to resist pressure, other portions of your home have been constructed or installed to be flexible, to move with the soil as it expands or shrinks. The principal item in this category is the floating floor slab in the basement, garage, or other areas where slabs are resting on the soil. As described earlier—the slab is 'isolated'—kept from direct contact with the walls and other weight-carrying items such as steel columns. While some cracking can be anticipated, the slab essentially can float—rising and falling—without causing damage to the structure.

It likewise follows that any other utilities passing through the floating slab must be isolated or otherwise flexible (Figure 7):

- **A.** Sewer lines, vent lines, and other utilities passing through the slab are isolated.
- **B.** Stairs to the first floor are floated by a hinged connection to the first-floor joists and rest with no connection on the slab.
- C. Interior non-load-bearing walls forming rooms or enclosing the stairway are hung from the framing above, leaving a void space between the wall and floor.
- **D.** Flexible connections are used between the furnace and ductwork and all service lines.
- **E.** The basement tub or shower is hung from the bottom-voided framing.

AN ALTERNATIVE DESIGN DETAIL

Whereas the home in Figure 7 employs a floating slab, a more recent development in expansive soil construction technology has been the introduction of the structural wood floor system. Your home may be constructed utilizing this system, which can readily be identified by the difference in materials. The floating floor system is a concrete floor, and the 'structural' is a wood floor. There can be exceptions. There are floating wood floor systems and structural concrete floor systems, but these are not generally seen. On 2 Homes may decide to employ the structural wood floor system, depending on recommendations from the engineer pursuant to site and soil conditions.

The structural wood floor is a structural element. Therefore, it is not designed to either rise or fall, as is the case with the floating slab. The floor is suspended from the concrete foundation wall and supported by a system of beams and floor joists. The floor achieves isolation from the normal movement of soil material underneath by means of a voided area directly underneath. If you have such a floor, you may have an access cover that enables you to inspect the area underneath the floor. You will find a minimum clearance between the floor and soil, as established by local codes in your area for crawlspace configurations. In fact, that is exactly what the structural wood floor is: a crawlspace design at a below-grade level. Since your builder has exercised a great deal of care in the design. engineering and construction of the basement areas of the home, either the floating or structural system will perform well. Problems resulting from improper maintenance as discussed in this section could impact either system. Generally, site conditions determine which design is appropriate. The structural wood floor does have certain advantages if you later proceed to finish off this space. Conventional framing techniques can be utilized and the result will feel more akin to the upper sub-floor levels by it being the same type of wood construction.

Structural problems resulting from work on your home by persons other than On2 Homes contractors will not be covered under your home warranty (see the Home Warranty Section in this manual).

GENERAL MAINTENANCE REQUIREMENTS

As part of your home maintenance, it is critical to keep water away from your foundation. To do this:

- Check the ground around the foundation during rains.
 Fill in low spots with dirt so that water drains away from your home.
- Keep downspout extensions and/or splash blocks in place.
- Keep your house gutters and downspouts clean and in good repair. Overflows can be dangerous to the health of your home.
- Do not change the grade of the soil away from your foundation by building planters, raised beds or retaining walls.
- Be certain that all paving or patio slabs abutting your home slope away from the foundation. Check seasonally that they remain that way.
- Be cautious in your planting of trees, shrubs, and plants (see Landscaping Section).
- Do not water your foundation. Sprinkle properly.
- ► Avoid over-watering.

BACKFILL AREAS

We construct the foundation of your home beginning with an excavation into the earth. When the foundation walls are complete, the area surrounding them is backfilled. Soil in this area is not as compact as undisturbed ground.

Backfill areas will settle and require prompt attention to avoid damage to your home and voiding of the structural warranty. Water can penetrate through the backfill area to the lower areas of your foundation. This can cause potentially severe problems such as wet basements, cracks in foundation.

CONDENSATION

Homeowner Use and Maintenance Guidelines

When warm, moist air meets cooler surfaces, the moisture condenses. Outside we see this as dew; inside you may see it as a layer of moisture on glass windows and doors. This condensation comes from high humidity within the home combined with low outside temperatures and inadequate ventilation. Family lifestyle significantly influences two out of three of these conditions.

HUMIDIFIER OPERATION

If your home includes a humidifier, closely observe manufacturer's directions for its use. Instructions to turn the humidifier off during air conditioning season are typical.

Moderate settings in winter can maintain desired comfort levels without contributing too much moisture to your home. You may need to experiment to find the correct level for your family's lifestyle.

NEW CONSTRUCTION

Some experts have estimated that a typical new home contains 50 gallons of water. Water is part of lumber, concrete, drywall texture, paint, caulk and other materials used in building. While the amount of water contained in an On2 Home is less considering it was built in a factory and brought to site after it was weatherized, still know there will be some moisture content that will diminish over time.

NORMAL ACTIVITIES

As you live in your home, your daily lifestyle contributes to the moisture in the air, as well. Cooking, laundry, baths and showers, aquariums, plants, and so on all add water to the air in your home. Likewise, your daily routine can mitigate the amount of moisture in your home and reduce condensation on interior surfaces.

TEMPERATURE

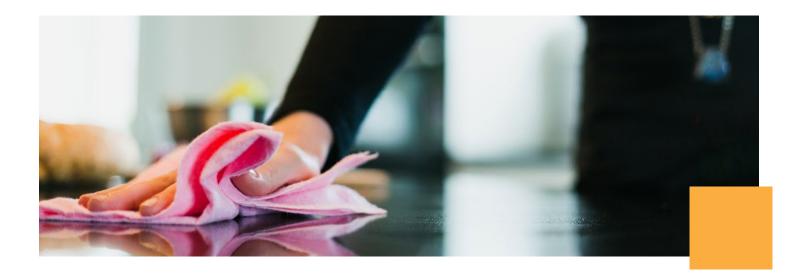
Avoid setting your thermostat at extreme temperatures. Heating your home will cause the materials to dry out faster, generating more moisture into the air; drying the materials out too fast also increases shrinkage cracks and separations.

VENTILATION

Develop the habit of using exhaust fans in bathrooms and over the stove. When weather conditions permit, open windows so fresh air can circulate through your home. Keep the dryer exhaust hose clean and securely connected.

On2 Homes Limited Warranty Guidelines

Condensation results from weather conditions and a family's lifestyle. On 2 Homes has no control over these factors. The limited warranty coverage excludes condensation.



COUNTERTOPS

SOLID SURFACE

Solid surface provides for a lifetime of easy care. Just follow the simple guidelines listed here to keep your solid surfaces looking as fresh as the day they were installed. Always remember to use a cutting board and don't cut anything directly on the countertop.

- ▶ Routine care: soapy water or ammonia-based cleaners will remove most dirt and stains. However, slightly different techniques must be used to remove difficult stains.
- Cleaning: For most dirt and stains, follow the manufacturers recommendations.
- ▶ Water marks: Wipe with a damp cloth, towel dry.
- Difficult stains: Avoid abrasive cleaners that will damage the luster of the surface.
- Preventing heat damage: solid surface withstands heat better than ordinary surface materials. However, hot pans—as well as some heat-generating appliances such as frying pans or crock-pots—can damage the surface. To prevent heat damage, always use a hot pad or trivet with rubber feet to protect your countertop.
- Preventing other damage: In most cases, solid surface can be repaired if accidentally damaged. However,

be sure to follow the guidelines here to prevent any permanent damage to the countertop.

- Avoid exposing your solid surface to strong chemicals, such as paint removers, oven cleaners, etc. If contact occurs, quickly flush the surface with water.
- Do not cut directly on your countertops.
- Run cold water when pouring boiling water into sinks.
- Damage to tops after closing would not be warrantable.

QUARTZ

Quartz surfaces are very easy to maintain. Quartz is a durable, nonporous, chemical-resistant surface. Quartz is also heat and scratch resistant, but not heat and scratch proof. Therefore, the use of a cutting board is recommended when using a knife. Quartz keeps its lustrous gloss and ultra-smooth surface without polishing. Because it is non-porous, quartz does not require sealants or waxes.

For routine cleaning, use a damp cloth or paper towel and, if necessary, a small amount of non-bleach, nonabrasive cleanser. Even though quartz resists permanent staining when exposed to liquids (such as wine, vinegar, tea, lemon juice and soda) or fruits and vegetables, wipe up food and liquid spills as soon as possible.

For stubborn or dried spills, use a nonabrasive cleaning pad such as a white 3M Scotch-Brite scrub pad along

with Formula 409 Glass and Surface Cleaner or a comparable cleaning product. Avoid using cleansers that contain bleach.

Quartz can withstand exposure to normal cooking temperatures from pots, pans and dishes without being damaged. To maintain the beauty of quartz, do not place hot skillets or roasting pans directly onto the surface. It is recommended to use a trivet and/or hot pad.

Remove materials that have hardened and dried onto the surface (such as gum, food, grease, nail polish or paint) by gently scraping away the excess with a plastic putty knife.

Permanent markers and inks may adhere to the surface and should be avoided.

Avoid exposing quartz surfaces to strong chemicals and solvents, especially paint removers or furniture strippers containing trichloroethane or methylene chloride. Keep nail polish remover, bleach, bluing, permanent markers, inks, and oil soaps away from the surface. While casual exposure to alkaline materials may not damage quartz, highly alkaline cleaners are not recommended for cleaning. If any of the substances listed above come into contact with the surface, rinse the exposed surface immediately and thoroughly with water.

GRANITE

While stone is a porous material, granite is the least-porous stone. A sealer is also applied to the stone when it is installed to further protect it from staining.

Water left on a granite countertop will show evidence of moisture if left on for a long period. However, the water will evaporate and the spot will disappear. Oil left on a granite surface will slowly be absorbed into the stone. It is recommended that any spills be wiped up immediately. If the spill is not caught in time and a stain does develop, a poultice may be applied to draw the oil back out of the stone. Over time the oil will naturally redistribute itself in the stone until the stain becomes virtually undetectable.

The manufacturer recommends using a sealer once every six to twelve months. It is a simple wipe-on, wipe-off

procedure that takes about the same amount of time as general cleaning. Carefully follow the product directions for best results. The tops will be initially installed with a sealer applied.

With normal daily use, even cutting directly upon granite will not mar its finish. Unlike other surfaces, granite will not lose its shine.

For daily cleaning, a cleaner designed for granite should be used. Do not use glass cleaners as they may contain ammonia and can cause spotting.

It is also important to note that color variation in natural stone can be quite pronounced, even when derived from the same quarry. The samples shown at the New Home Center will be like what is installed in the house but no two slabs are exactly alike. This includes granite tile as well.

CAULKING

It is important to maintain the seal of the caulking between the countertop and the wall, along the joint at the backsplash on the wall and around the sink. It is not uncommon for the caulk to shrink and separate from the surface. If the caulking is not maintained in this area, water can penetrate and cause damage to the cabinet below and countertop base surface.

DECKS

Your new On2 home may feature decks. They require care and are designed to last for many years. If the deck boards are constructed with wood, sealing is an essential part of maintaining your deck and is considered the homeowner's responsibility. Do not install heavy equipment or nail anything to your deck. The hole caused by the installation could allow water to enter your home and cause damage. Any damage would be your responsibility.

DOORS AND LOCKS

Most door problems can be handled with minimum maintenance procedures:

- Sticking caused by shrinkage and swelling, especially during summer humidity, is the most common problem with doors. It is also a common characteristic in new homes.
- Interior doors, bi-pass and bi-folds, often stick or warp due to various weather conditions. Interior panel doors may show raw wood if panels shrink more than the frame. Exterior doors will warp to some degree due to a temperature differential between indoor and outdoor surfaces. Winter conditions may change the moisture content of wood doors, causing temporary warping. These conditions are normal.

Common Maintenance Tips

- Sticking: If swelling in damp weather causes the sticking, fold sandpaper around a wood block and sand the edge that binds.
- ▶ Uneven alignment: If uneven alignment is the cause, check to see that hinge screws are tight and holding the door in place properly. If the door is still out of alignment, sand or plane the edge that binds. Always paint or varnish areas you have sanded or planed to protect the wood from moisture and prevent further problems.
- ▶ Weatherstripping: To maintain a proper seal, you will periodically need to adjust the weather stripping on your exterior doors. You can do this easily by running a flathead screwdriver firmly up and down the groove in the weather stripping and/or adjusting the bottom threshold height to be snug with the bottom of the door.

A well-sealed door should be somewhat hard to open and close. A slight air crack is normal. Sometimes a hard wind may cause howling. Adjusting as mentioned above will solve the problem, unless the winds are very strong.

- Painting: Whenever you paint your house or trim, also paint the wood or steel exterior doors. Natural-finished doors require more frequent recoating.
- ▶ Adjustable thresholds: Many exterior doors are equipped with adjustable thresholds. These are easily adjusted with a large screwdriver as the seasons and humidity change.
- ▶ Bi-fold or sliding doors that stick: Keep tracks free of dirt and grit. Occasional application of silicone lubricating spray will enable doors to slide easily and prolong their life. Be sure to protect surrounding floor surfaces.

Keys and Locks

No key used during the construction of your On2 home will operate the locks after you have taken possession. The first time you use the keys you receive at closing, the tumblers inside the lock will change to fit only your key.

Most exterior hardware comes finished with a sealant. Sometimes this sealant can wear and tarnishing will occur. To minimize this condition, a regular cleaning and clear lacquer application will prolong the look of the hardware.

Passage-door hardware in any home can work loose through use. Keep a careful watch to avoid excessive play in the doorknob escutcheon plate. If a doorknob or privacy lock becomes inoperable, it is usually because looseness has allowed the interior mechanism to slip out of place. Removal and re-installation of the fixture, a simple process, will usually correct the problem. Doors with key-type hardware are more complicated and usually require the services of a locksmith.

On2 Homes Tip: Periodic application of powdered graphite or silicone spray to keyholes and lock mechanisms can help to keep them operating smoothly.



DRYWALL

The interior walls of your home have been constructed of gypsum wallboard (drywall). Slight imperfections such as shrinkage, settlement cracks, minor lifting of baseboards, nail pops and/or seam lines do appear during the drying and settling process of your home. This is a normal condition of drywall construction.

Also, please note: 'Critical lighting', which is artificial or natural lighting that strikes the glossy drywall surface at an oblique angle, will also accentuate even the slightest surface variations. Typically, additional patching, painting or other applications cannot improve this condition. On 2 Homes does not repair drywall imperfections that are only visible in certain lighting conditions. For example, if you can only see a condition at sunset, sunrise or when different lighting is used, this is not a defect.

Helpful Tips

- Use a product called Spackle to fill in any slight imperfections. Spackle can be obtained in any hardware or home care store, in either powder or paste form. Follow the instructions on the container and follow up with the use of touch-up paint. Some spackle products, like the one shown in the photograph above, go on pink and dry to a white color, indicating that the spackle may be sanded and painted.
- For nail/screw pops: putting a piece of cardboard, such as a matchbook cover, over the nail and then gently tapping with a hammer can reset a nail pop. When redecorating, knock the loose paint and plaster off the top of the nail pop and fill and repaint that area. In the case of a screw pop, a Phillips head screwdriver can be used to reset the screw. Hairline cracks may be repainted or filled with patching material and repainted.
- Important Note: Drywall patches will have variations in texture.

EASEMENTS AND PROPERTY BOUNDARIES

Homeowner Use and Care Guidelines

A licensed professional engineer has completed a plot plan showing the boundaries and easements for your homesite. At your closing, the title company should give you a copy of this plot plan. Homes closed from mid-October through March may not have boundaries set and final grading completed. Completion will be scheduled for the following spring after the ground thaws and dries.

Your plot plan shows homesite size and the location of homesite boundaries. It also reveals, via dotted and broken lines, whether there are any easements affecting your property. An easement grants certain rights to various utility companies, even though you own the property. In addition, side yard easements with specific fence-location requirements may be applicable in certain communities. Contact your New Home Counselor with any questions regarding easements shown on your plot plan. The most common type of easement is the utility easement, including clusters of mailboxes, usually located parallel to the rear or side homesite lines. It is important that you never obstruct an easement in a way that prevents access. If you have any questions regarding your rights or responsibilities relating to an easement, please contact the title company.

LOCATING YOUR PROPERTY BOUNDARIES

It is very important that you determine the exact location of your homesite prior to constructing fences, installing landscaping or making any other improvements to your property (see LANDSCAPING / FENCING section).

WHAT TO LOOK FOR

The rear corners of your homesite are generally marked by a steel bar or pin. This steel property pin may have a plastic cap indicating the registration number of the land surveyor supervising the placement of the pin. The top of the pin should be visible, or typically within approximately six feet of the ground surface. **DO NOT REMOVE THESE PINS OR MARKERS.**

WHERE TO LOOK

You will find that a wooden stake bearing the homesite numbers to which that pin applies marks rear property pins. A steel fence post further protects them. Both the stake and the fence post will usually be placed within approximately two feet of the property pin. Crosses and/or disks marking the property sidelines will be found in the sidewalk, the curb or the gutter. Please be aware that these crosses and/or disks do not mark the actual front boundary of your homesite. The actual front property boundary is generally located at a point behind the sidewalk in the front yard. The distance from the crosses and/or disks to the property corners varies with the street size and community. This distance can be found by measuring the dimensions of your homesite from the rear pins, and then noting the distance remaining to the front cross and/or disk.

SIDE YARD EASEMENTS

Side Yard Easements, also referred to as 'Use Easements,' may exist in some communities, and may affect the placement of your fencing. Please refer to your Sales Agreement and plot plan for additional information.

UTILITY BOXES

Your Easements may include the placement of utility (telephone, cable, and electric) boxes on your property lines. If you encounter any problems with these boxes, or see that they are sinking or damaged, contact the appropriate utility company as soon as possible. Please note that these boxes are installed by the utility companies and the locations are not determined by On2 Homes.



ELECTRICAL SYSTEM

The wiring of your new On2 home meets the code requirements and safety standards for the normal use of electrical appliances. Ordinarily, small appliances—which require your presence for their operation—may be plugged into any electrical receptacle without fear of overloading a circuit. However, the use of larger appliances, or the use of too many appliances on the same circuit, may cause an overload of the circuit and trip a circuit breaker, which protects the wiring and equipment in your home. They are the safety valves of your home's electrical system. The circuit breaker panel may be located on an outside wall of your home near the electric meter, or in the garage.

POWER SURGE

Power surges are the result of conditions beyond the control of On2 Homes and are not covered by our warranty. Power surges can be due to a lightning strike or changes in the electrical service provided by your local utility company and can result in burned-out bulbs or damage to sensitive electronic equipment such as TVs, alarm systems and computers. It is recommended that you consider the use of surge protectors.

ELECTRICAL SYSTEM COMPONENTS

- Master circuit breaker: Your home has a master circuit breaker. The compressor, range and other 220-volt circuits are also located in this box. When the master circuit breaker is tripped, the electricity to the entire house is shut off.
- Electrical outlets: Three-holed grounded receptacles are standard in your home and will accept standard two-prong plugs. Please note that wall switches control some outlets.
- Arc Fault Circuit Interrupters (AFCI): The AFCI is an electrical device designed to protect against fires caused by arcing faults in the home electrical wiring.
- Presently, AFCIs are designed into conventional circuit breakers combining traditional overload and short-circuit protection with arc fault protection. They are on all bedroom circuits installed by On2 Homes.

- The AFCI serves a dual purpose. Not only will it shut off electricity in the event of an 'arcing fault,' but it will also trip when a short circuit or overload occurs. It provides protection for the branch circuit wiring and limited protection for power cords and extension cords.
- AFCIs have a test button and look similar to ground fault circuit interrupter (GFCI) circuit breakers. They should be tested once a month to ensure they are working properly to provide protection from fires initiated by arcing faults. The test button is located on the front of the device in the main electrical panel. If the device does not trip when tested, the AFCI is defective and should be replaced.
- Ground fault circuit interrupter (GFCI) electrical outlets: These are special circuit breakers that are designed to break the flow of electricity, in the event of a short circuit, and prevent dangerous electrical shock. These electrical safety devices are installed outdoors, in bathrooms, kitchens, garages and other selected areas where water is present. They may be tripped by an electrical short, as well as moisture, and should be checked during an electrical failure.
- 1 Important Note: Do not plug refrigerators, freezers, landscape times and air conditioners into GFCI outlets or circuits. Any losses due to a power outage is the homeowner's responsibility.
- GFCI troubleshooting: If any receptacle on a GFCI circuit collects any moisture, as sometimes occurs during a period of high humidity or after a rainstorm, the receptacle may trip and automatically shut off all power. If this happens, the power will remain off until the receptacle dries and is reset by you. The receptacle cannot be reset until it dries. Opening any outside covers may reduce the drying time by letting the air and sun dry the receptacle.
- On2 Homes Tip: One GFCI may control several electrical outlets. Garage outlets are often required to be on GFCIs, in which case it is advisable to install a separate circuit should you wish to keep a freezer or refrigerator in your garage. Appliances that need continuous power (such as air conditioners, freezers, landscape timers and refrigerators) should not be plugged into GFCI outlets.

- Circuit breakers: Circuit breakers may be reset by first switching the breaker to Full Off and then back to Full On.
- Power failures: In the event of a loss of electrical power in your home, follow these steps:

Step #1: If the power loss is confined to one area of your home, chances are that an individual circuit breaker has turned off. Unplug any appliances in the area that are without power and turn other appliances off as well. Check the circuit breaker and, if necessary, reset it. Plug your appliances back in. If the circuit breaker fails repeatedly, you have either a short circuit in one of your appliances or a short circuit in the electrical system in your home. Do not attempt further repair. Call a licensed electrician or Shazam's Customer Care if your home is still covered under our limited warranty.

Step #2: If electrical power is lost throughout your home, first check to see if your neighbors are without power. If the outage is neighborhood wide, contact your local electrical service provider. If just your home's power is out, check the master circuit breaker. If the master circuit breaker has tripped, reset it. To reset, turn all breakers off, turn the master breaker on, and then turn the other breakers on one-by-one.

Step #3: If the master circuit breaker trips repeatedly, refer the problem to a licensed electrician.

- ▶ Electrical Troubleshooting: If electrical outlets won't work, make certain the circuit breaker has not been tripped. If it has, reset it. If not, make sure a wall switch that is in the OFF position does not control the outlet.
- If individual ceiling lights or lamps don't turn on, check the bulb in another fixture. If the bulb is good, check the circuit breaker to see if it is tripped, and reset if necessary. Also, check for wall switches that may be turned off. Make sure you use the correct size light bulb, DO NOT use a light bulb with wattage that is too large for the device.

- If an outlet sparks when plugged into, be certain the appliance is turned off before plugging it in. If it still sparks, try another outlet. If you get sparks from a second outlet, the problem may be in the appliance cord. If you do not get sparks, have the receptacle inspected. Please note that sparks from wall switches should be checked by an electrician.
- If a wall switch or receptacle is hot to the touch, immediately trip the circuit breaker serving that fixture and contact an electrician.
- (1) Important Note: On2 Homes highly recommends that you consult a licensed electrician to make any changes or additions to your electrical system. A permit may be required. Any changes to the electrical system could void the warranty.
- A CAUTION: Respect your electrical system. Do not insert metal objects into wall outlets. Use child safety covers, available at grocery and homecare stores, for outlets that are accessible to small children.

LIGHTING FIXTURES

The lighting fixtures in your new On2 home are designed for standard wattage bulbs. To avoid excessive heat and potential damage, you should not exceed sixty watt bulbs or wattage indicated on fixture. Always follow the manufacturer's wattage rating inside the fixture.

EXTERIOR LIGHTS

The exterior lights on your On2 home may have a variety of finishes.

Helpful Tips

- Replace the light bulbs with the same wattage bulbs as those that were originally installed in the fixture.
- Protect the finish with a wax or protectant product to avoid corrosion and discoloration.
- Replacement bulbs can be purchased at home centers, lighting and hardware stores.
- Make sure to purchase interior or exterior-rated bulbs, depending on location.



EXTERIOR MATERIALS AND CLADDING/FINISH

Siding expands and contracts in response to changes in humidity and temperature. Some expansion, shrinkage and separation may be noticeable under different weather conditions. Those behaviors cannot be entirely eliminated.

CEMENT BASED SIDING

Cement based siding will require repainting and caulking just as wood products do.

VINYL

- **x** Never use paint removers or Goof Off on vinyl siding, as it will damage the material.
- Vinyl siding will occasionally require cleaning. Start at the top to avoid streaking and use a cleaning product recommended by your siding manufacturer. Follow directions carefully.

FENCING

Homeowner Use and Care Guidelines

If you elect to add a fence to your property, employ a professional fencing contractor. In this regard, it is your responsibility to locate the property lines and have your fencing installed per local building codes and the Conditions, Covenants & Restrictions of your Community Managers. Before you install fencing, refer any questions to your Community Managers for approval of new fencing. Check with your Community Managers before changing the paint color of your fencing. Always call for locates (811 on your phone) before digging, and verify the location of any sprinkler lines near the property lines and sides of the house (see also Easements section).

Depending on the community in which your home is located, fencing may be included with your home, it may be an optional item, or it may be an item you consider adding after your move-in. When On2 Homes installs fencing as part of your new home, we confirm it is in good condition during your demonstration meeting. All types of fencing require some routine maintenance.

PLACEMENT OF FENCE

Once the location of the property pins, crosses and/or disks have been located on your property, a string line can be stretched between them to determine the proper alignment for a fence. It is a good idea to place your corner fence posts slightly inside your homesite from the property lines. Also, please note that since the pins are also the property markers for your side neighbor's homesite, you and/or your fence contractor should leave the pins undisturbed. This procedure may vary by community; therefore, you should refer to your community Covenants and Restrictions and Design Guidelines. You may also contact your New Home Counselor should you have any questions and they can direct you to your property management representative.

1 Important Note: Since the distance from the property line

markers to the property varies from street to street, and since various city and county regulations apply to the distance inside the property within which a fence may be built, you should contact your city and county zoning or building department for the necessary permits and information.

FENCE INSTALLATION BY ON2 HOMES - COMMUNITY SPECIFIC

So that we can complete fence installation in a timely and cost-effective manner, On2 Homes reserves the right to schedule installation of fences on several homes at a time that complies with our scheduling needs and requirements. If your home comes with corner fencing, it will be installed either before or after the closing, at On2 Homes' discretion. If not previously installed, the fence will be installed by On2 Homes as promptly after the closing as our scheduling permits, subject to weather and other causes beyond our control.

INSTALLING YOUR OWN FENCE

When installing your own perimeter fencing, be aware that it must be installed within your property line and must not encroach on the boundaries of an adjacent homesite. However, there may be some community-specific exceptions to the placement of fences. All fencing must be approved by the Architectural Review Committee. Be sure to contact your utility and cable companies before digging.

- 1 Important Note: No portion of a fence may be outside the limits of your property line. Under no circumstances may you make any arrangements with your potential neighbors to install fencing located on or encroaching upon the property you are purchasing from On2 Homes until after the closing of your home and the respective closing of your neighbors' homes. This is due to the strict requirements that must be adhered to in the transfer of title from owner to purchaser. A title cannot be transferred if an encroachment exists.
- 1 Important Note: If any encroachment occurs, the adjoining property owner has the right to have the fence removed at your expense. If you install a fence that encroaches onto On2 Homes' property, the fence will be removed by On2 Homes at your expense.



GRADING AND DRAINAGE

THE IMPORTANCE OF GRADING

Prior to the construction of your home, the elevation—the height of the finished first floor above the immediate surrounding land—was established. This height was established to make certain that the slope of the land was adequate to drain water away from the foundation. Obtaining and maintaining this slope is critical. It is recommended that this slope be a minimum drop of six inches from contact at the foundation wall to five feet away from it. Water must not be permitted to flow against or puddle adjacent to the walls. On 2 Homes will have established this initial grading from the home (documented on the Final Grading Certificate) to direct surface water to streets, storm sewers or areas of disposal. Other possible grading features on the property are swales, draining channels or depressed grading. Once established, these must be properly maintained by you (see also Gutters and Downspouts / Landscaping section).



RETAINING WALLS

Retaining walls are installed on a homesite-by-homesite basis when required by the grade and civil engineer. On 2

Homes will install a retaining wall when the slope of the grade is thirty-three percent or more. Final grades around your home have been inspected and approved for proper drainage of your homesite. Yards can drain from one to another. You and your neighbors share an overall drainage plan for the community. Use caution when installing landscaping, fencing or additions to your home to prevent causing water problems on adjacent homesites.

WHAT SHOULD I DO AS A HOMEOWNER?

First, check to ensure that the soil slopes away from the foundation. If it does not, please contact On2 Homes. We will repair any settlement around the home's foundation in excess of 6 inches. We will make this repair one time only during the first year of the limited warranty period. You will generally be required to remove landscaping affected by the placement of additional fill. Thereafter, it becomes your responsibility to maintain it.

You should continue to check the slope frequently during the first few years. Further settlement may occur due to the consolidation of earth that was placed against the foundation after its construction. Fill any depressions that occur. Watch for settlement that reverses the drainage away from foundation, as well as telltale signs such as puddling after rains. Before planting, consider the impact to the land adjacent to the foundation. If one is not initially installed by On2 Homes, consider a sloped bed of decorative rock, gravel or bark mulch, about three inches in depth, installed over geotextile fabric or plastic sheets, and extending out a minimum distance of six feet from the foundation line. This increases surface runoff at the most critical areas immediately adjacent to your foundation. You may utilize a geotextile fabric or equivalent breathable membrane, such as Mirafi 140S. Gluing and lapping the material would also be advisable with the geotextile fabrics. It is important that a high-quality non-woven material be used that is not subject to rapid deterioration if exposed to ultraviolet radiation. This type of membrane will control weeds and retard water infiltration, while still allowing the soil underneath to dry normally through evaporation.

The use of plastic sheeting is more common, but is less preferable because it tends to trap moisture and prevent evaporation. Nonetheless, if plastic is to be used, it is important that there be no holes or gaps in the sheets. The material should be overlapped at least one foot and should be glued to the foundation wall just above grade with a waterproof adhesive such as PL 400. This will prevent water from finding its way around the plastic and soaking the soil adjacent to the foundation. Watch also for weeds or vegetation that might penetrate the material. This could indicate either tearing or deterioration of the fabric, eventually requiring replacement.

If plastic or metal edging materials are used to define the rock, gravel, or mulch bed and lawn boundary, ensure that they do not block the flow of surface drainage. It is not uncommon to witness a dam effect at this lawn and dry-landscaped border. Where possible, it is desirable to eliminate the edging entirely. At a minimum, gaps should be left in the edges or holes drilled for drainage. Ensure that gaps or holes are at a level where drainage will occur, and that there are no protruding sharp edges that may be a hazard for people or pets. At this time also check to make sure your downspout extensions still run beyond the edging into lawn areas or drainage swales. Where this is not the case, additional extension material, which is readily available at hardware stores, is recommended. Under no circumstances should you ever remove the roof drainage downspout extensions to water flowerbeds, shrubs, or other vegetation. During torrential rains, a single downspout can discharge at a rate upwards of 500 gallons per hour. Failure to properly direct this water away from your foundation is a recipe for disaster.



GUTTER AND DOWNSPOUTS

The gutter and downspout system on your new home is made of aluminum or galvanized steel, which will be painted per your exterior color scheme. Gutters and downspouts should be kept free of tree limbs, leaves, balls and other obstructions that will stop the system from functioning properly and which may, in time, cause leaks. You should make sure that all downspouts are directed away from the building to eliminate pooling at the foundation, which may cause a foundation leak. Do not leave the tip-out portion of the downspout in the upright position because you may inadvertently cause water to accumulate next to your foundation.

Also, it is not recommended that downspouts be connected to underground drains. Blockage or breakage may occur, causing water to be discharged around the foundation.

As part of your home maintenance is critical is to keep water away from your foundation (see also Concrete Foundation / Grading and Drainage section).

To do this:

- ▶ Check the ground around the foundation during rains. Fill in low spots with dirt so that water drains away from your home.
- ▶ Keep downspout extensions and/or splash blocks in place.
- Keep your house gutters and downspouts clean and in good repair. Overflows can be dangerous to the health of your home.
- Do not change the grade of the soil away from your foundation by guiding planters, raised beds or retaining walls.
- Be certain that all paving or patio slabs abutting your home slope away from the foundation. Check seasonally that they remain that way.
- Be cautious in your planting of trees, shrubs, and plants (see guidelines in LANDSCAPING section).

- Do not water your foundation. Sprinkle properly.
- Avoid over-watering.
- (1) Important Note: Should you have drainage pipes connected to your downspouts, be sure the pipes are unobstructed and can carry water into existing swales.

 Any damage to your concrete flatwork or foundation because of buried drainage pipes is not covered under your warranty.

Exterior Grading Guidelines

Provide a minimum slope of six inches in the first five feet out from the house. Roof gutter downspouts and extensions should extend beyond the membrane and any edging.

There should be a metal or wood edge with weep holes, or a half-inch space, at the bottom to allow the release of water.

When adding walk paths or sidewalks, changing the grade, or impeding the drainage with walk areas, it is required to add collection drains and/or extensions to aide in the flow of water. Premature settling will occur if provisions for water flow are impeded by homeowner improvements.

See details in the diagram below.

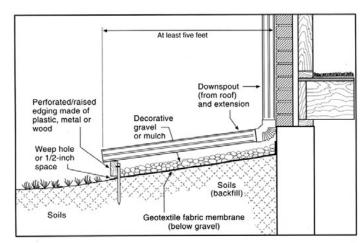


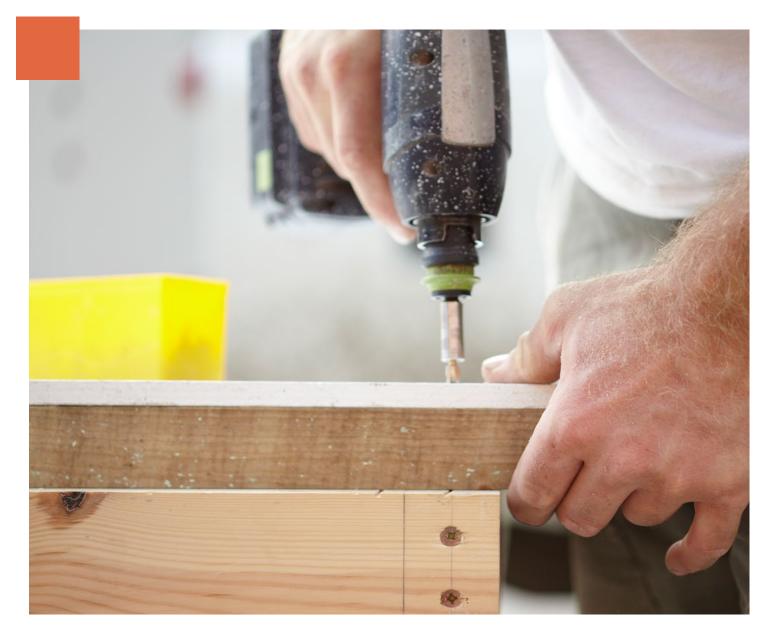
Figure 28. Properly designed runoff slope next to a house foundation. Note that roof drainage is carried by a downspout extension to a point beyond the slope. (From Holtz and Hart. 1978.)

HARDWARE

Quality hardware has been used throughout your home. Do not use ammonia-based products for cleaning.

Helpful Tips

- Initial care requires periodic cleaning with mild non-abrasive soap and light buffing with a soft cloth.
- If peeling, spotting or discoloration occurs, you can restore the beauty by completely removing the remaining coating and hand polishing with a suitable brass polish.
- Normal usage may loosen screws secured to the door; periodic checking and tightening is a part of home maintenance.



HEATING SYSTEM

Your On2 home's heating system should give you many years of comfort with a minimum of attention. It is best not to over-heat a home during the first few months of occupancy, because this may cause excessive shrinking of framing lumber and other materials. Begin with as little heat as possible and increase it gradually.

• Important Note: The temperature in your new home can vary by approximately five to ten degrees from room to room. This variation is normal. It is due to differences in your home's orientation to the sun, shade from neighboring homes, trees, landscaping and other factors. On 2 Homes and our trade partners will make every effort to balance your system to achieve overall efficiency and comfort.

YEARLY CHECKUPS

To keep your system operating efficiently, have a yearly service checkup by a licensed heating contractor.

TROUBLESHOOTING STEPS

If you experience heating problems, here are basic steps to take before calling your heating contractor for service:

- ▶ Read the instruction manual for your unit.
- Set the thermostat above room temperature and set the thermostat to HEAT.
- Make sure the main electric switch is set to ON and that the furnace doors are securely seated into the furnace frame.
- Check to see that the circuit breakers are not tripped to OFF.
- Make sure filters are not clogged. Change furnace filters every thirty days. It remains your responsibility to change the filters regularly.
- Make sure the fuel line to the burner is turned on.
- Your furnace requires a yearly service checkup by a licensed contractor. Neglect or lack of maintenance may affect the manufacturers' warranty.

- Check your thermostat to see if the batteries need to be changed.
- If the system still will not work, phone your heating and air-conditioning contractor for service.
- **1)** Important Note: Your furnace does not have a standing pilot, as there is no pilot light to be lit. It does have an automatic pilot.

CONTROLS:

Your heating and/or cooling system controls are engineered for many years of carefree service. However, sometimes they need adjustment or calibration. If this is the case, call a trained professional.

REGISTERS

The registers throughout your home help to regulate the flow of air and maintain the desired temperature. By opening and closing the registers, you can determine the amount of air that enters a room. Once adjusted, the registers and the thermostat will maintain the temperature of your home. Registers should be balanced seasonally to adjust for changes in temperature.

RETURN AIR VENT OR AIR INTAKE:

In addition to air outlets, your home has air intake grills. Some homes have more than one. Be sure to keep all registers and grills unobstructed by furniture, drapes and other objects.

On2 Homes Limited Warranty Guidelines

Isolated duct pops are a common occurrence and not guaranteed to be warranted.

Refer to the manufacturer warranty for any additional warranty coverage.

INSULATION

A properly insulated home will keep the warm air in during the winter and the cool air in during the summer. Insulation requires very little maintenance; however, if you are ever working in the attic, make sure you don't disturb the insulation. If you must remove insulation, make sure you put the insulation back the way it was installed. Walk on joists or truss chords, not exposed ceiling drywall or insulation—you can fall through the drywall. In addition, watch out for sharp nails sticking through the roof deck!

LANDSCAPING

RECOMMENDED RULES FOR PLANTING

Do not plant any shrub, groundcover, perennial or bedding plant closer than five feet from the foundation to the center of the plant. Moderation in the number of plantings and use of only those requiring minimum moisture is advised. Where rock or decorative gravel covering has been used, plantings must be tolerant to heat and sun-scald from reflected sunlight. Suggestions include, but are not limited to: yarrow, sedums, potentilla, mountain common juniper, and creeping juniper. Determine the mature height and spread of trees that you intend to plant, and plant them at a distance equivalent to at least half of their mature spread away from your home.

Even small ornamental trees should be located at least ten feet away from the foundation. Keep lawn and turf grass areas at least five feet away from your home.

BEFORE YOU PLANT OR INSTALL IRRIGATION

If your home is built on potentially expansive soils, On2 Homes has taken steps to prevent and minimize potential problems. To maintain the stability of the foundation of your home it is critical you do NOT:

- change the established slope that directs surface water away from your foundation.
- ✓ improperly plant in relation to the home.
- ✓ poorly install sprinkler system heads.
- ✓ install retaining walls or bury downspouts.

(for additional information see Foundations / Grading and Drainage sections).

PLANTINGS

It is recommended that all plant material be kept at least 5' away from your home's foundation. This allows room for the root system and future plant growth. Any plant material located within five feet of your foundation should be hand watered or drip irrigated (drip irrigation does not include bubblers or low-pressure spray systems of any kind). If you are hand watering, it is advised not to use a hose, as this generally results in too much water running against the foundation. Again, if you have followed the recommendations of only minimal planting with low-moisture requirements, little or no water will be needed. By following the recommended use of planting types, vegetation should have developed sufficient root systems after the initial growing season to discontinue supplemental watering. Your choice of plantings, the type of turf grass for your lawn areas, your soil preparation, and irrigation methods all have significant effects on water usage. Mistakes can be costly and detract from the value of your home. We recommend that you seek the assistance of a qualified landscape architect familiar with landscaping criteria in your area. If you wish to design your own landscaping, please refer to your Design Guidelines for approved plant materials. You can also get help from your County Extension Agent in choosing the most appropriate installation methods.

Parkway trees: If applicable, trees are planted through the build process unless prevented by inclement weather. In winter months, the tree will be escrowed and will be completed in the spring as weather permits. **Trees and Shrubs**: During the first year, your trees and shrubs will require more frequent watering. A good rule of thumb is to wait until the surface soil is dry between watering. After the first year, watering once or twice a week is normal.

- Signs of under-watered plants include yellowed or browned leaf tips.
- 1 Trees and shrubs may be pruned as needed.
- If trees or shrubs begin to show signs of insect damage or disease, consult an arborist, extension service or nursery.
- Seasonal planting considerations: For homeowners who may not have had the sod or landscaping completed at the time of move-in due to the season, all exterior work will be completed in the following planting season when weather and soil conditions permit. Establishing a sodded lawn is a delicate process that requires special care and daily maintenance for the first four to five weeks after application.
- Adding Soil: If your landscaping projects require that additional soil be added to your homesite, be careful that the drainage is not altered significantly. Keep the surface of the soil at least six inches below the level of stucco screed or siding materials. This will aid in preventing wood rot. A civil engineer can verify that any proposed grading changes will meet drainage requirements.
- ▶ Flowerbeds: Flowerbeds can significantly change drainage patterns. We suggest that you consult a professional landscape contractor before you dig flowerbeds. In any case, keep plantings of flowerbeds a minimum of five feet away from the foundation.
- New plantings: When your landscaping is installed, the plant material is guaranteed to be alive. However, when transplanting live material such as shrubs and trees, they may become stressed and go into shock (dropping leaves and stopping new growth immediately). This can also be caused by heat and other weather conditions. Your landscaping is covered during the first growing season for a one-time replacement; if trees and shrubs do not survive the winter following planting after they go into hibernation

and there is no chance of recovery they will be replaced. However, On2 Homes cannot be responsible for extreme weather conditions considered 'Acts of God' including hail, extreme wind, extreme temperatures, and insect and rodent infestations. The replacement type and size of planting cannot be guaranteed to match exactly what was installed originally.

Maintaining the grade of your yard: The grading on your property was designed to promote proper drainage. Before you undertake a project that will alter the drainage grading on your property, consider consulting with a professional contractor or landscape architect. Significant changes to the grade could void your warranty.

IRRIGATION SYSTEMS

Do not install spray heads, rotors (low-pressure spray heads), bubblers or similar sprinklers within five feet of your foundation. Watch to ensure that no sprinkler, regardless of location, is installed in such a way that the water spray pattern falls within five feet of the foundation.

Keep all piping for your sprinkler system running parallel to your building line, a minimum of ten feet from the foundation. Sprinkler heads located between five and ten feet from the foundation should be supplied by laterals from the main line perpendicular to the building line.

Check your irrigation system regularly. Look for clogged, cracked or broken heads, as well as leaks. If a line is broken, consult with a sprinkler-system professional. Avoid digging or trenching around the location of your irrigation lines and avoid directing the spray at the home.

It is your responsibility to be familiar with proper operation of the irrigation system, timer, and recommended watering guidelines for your area.

Abnormal freezing conditions may occur and it remains your responsibility as a homeowner to ensure the irrigation systems have been properly prepared for winter.

Helpful Tips

- Do not let water stand (pond) near your home. If you notice ponding after watering or beyond twenty-four hours after a rain, correct the problem as soon as possible.
- Take steps to prevent water runoff to neighboring properties. You could be liable for damage.
- Clear surface drains of debris after each rainfall and whenever necessary during the rest of the year.

DRAINAGE SWALES

You should pay careful attention to the placement of trees, shrubs, fences, sandboxes, swing sets, etc., in the rear and side yards. This could interfere with the drainage swales and affect the proper flow of water off the property. Failure to do so could allow water to swell the soil and cause foundation damage, as well as mildew under the sod.

- Whether your landscaping is a do-it-yourself project or one installed by a professional landscaper, it should be completed in a manner that ensures proper drainage so that your property, as well as your neighbor's, is protected from surface waters.
- Maintain the drainage pattern from the rear yard through the side yard and/or to the street, utilize drainage pipes, rock, ground covers or grasses to prevent erosion along the side yard and in swales (low points in the grade around the house meant to direct water off the homesite).
- Swales that have been graded around your home or on the homesite pad should not be blocked. If you have any questions regarding drainage patterns, refer to your homesite plan. These shallow ditches have been placed there for quickly removing water toward the driveway, street or another positive outlet. It is your responsibility to maintain the condition of your drainage swales.

RETAINING WALLS

- ▶ Do not let water gather against your foundation using retaining walls. These walls are built to withstand the ordinary moisture in the ground. If water is permitted to pond against them, it may cause structural damage due to erosion or expansion.
- Do not create depressed planter boxes, areas, or install retaining walls next to foundations so that irrigation or rainwater collects in them.

DRAINAGE AND NEW PATIO, SIDEWALKS OR WALKING PATHS

- Sometimes it is desirable to install concrete patios at the rear, sides or front of the house. In order that such installations do not have a detrimental effect on your house, observe the following rules. Patio slabs can be constructed as desired while preserving the integrity of the drainage pattern of your homesite:
- Patio slabs should be poured up to house foundations wherever possible, and a planting strip between the patio slab and foundation should not be left unless proper under-slab drainage (away from the foundation) is provided.
- Since patio slabs are usually much larger than sidewalks, there is more of a chance that drainage patterns will be obstructed, particularly at the rear of the house. It is therefore emphasized that positive drainage is restored around the perimeter of the slab by constructing drainage swales or by other means. It is extremely important that this be done if patio slabs are covered.
- Patio slabs should slope slightly away from the foundation to avoid pooling water in heavy rain.
- When adding walk paths or sidewalks, changing the grade, or impeding the drainage with walk areas, additional collection drains and/or extensions will be required to aid in the flow of water. Premature settling will occur if provisions for water flow are altered or impeded by homeowner improvements and as such is not covered under the warranty.

MILDEW AND MOLD

Homeowner Use and Maintenance Guidelines

Mildew and mold are fungi that spread through the air in microscopic spores and occur naturally in our environment, both inside and outside of the home. Mildew thrives on wet or damp surfaces where organic material is present such as dirt, wood or dust. On siding, mildew or mold may look like a layer of dirt. The routine cleaning of mildew and mold from your home is your responsibility.

Our Advice: Solutions that remove mildew are available from local paint or home improvement stores. Wear protective eye wear and rubber gloves for this task; the chemicals that remove mildew and mold are unfriendly to humans.



OVERHEAD DOORS

If you have selected a homesite with a garage, the overhead garage door on your new On2 home is mounted with rollers and tension springs for easy operation. Garage doors do not seal against the elements in the same manner as your other exterior doors, and may show some light at the edges. It is not uncommon for water, snow and even small field mice to enter at the edges. This is not considered a defective installation.

The door hardware does require periodic maintenance. You should oil the locking mechanism, pulley and rollers at least twice per year with a light oil or silicone spray (follow recommendations in the manual). Due to regular use of garage doors, it is not uncommon for hardware to loosen over time. It is our recommendation that a periodic check and tightening of garage door hardware will greatly help to lengthen the life of your garage door.

Helpful Tips

- When locking the door, you should step down on the lock plate to line up the locking mechanism to avoid damage to the lock.
- ▶ You may want to add a weather strip to seal the edges tighter against the elements. Most hardware stores carry this product.
- If you add a garage door opener, make the proper adjustment for tension and pressure. You might consider having it installed by the same contractor who installed your garage door. If you select another contractor, it will affect your garage door's warranty. It is also important to test the eyes and alignment.

PAINT

INTERIOR PAINT

Touchup paint should only be used on interior walls. Refrain from using on woodwork or doors unless otherwise noted. If you elect to wallpaper after your first year, you must prepare all painted surfaces for wallpapering with an appropriate sizing material. This product can be purchased at any wallpaper, paint or hardware store. Follow the instructions on the container

1) Important Note: Failure to prepare your walls could result in the wallpaper not adhering to the surface or pulling the paint or drywall surface material off the wall.

EXTERIOR

High-quality paint has been used on the exterior surfaces and doors of your On2 home. Depending on climate exposure, some paints, particularly those with dark colors, will fade more readily than others.

- On2 Homes Tip: Cleaning painted areas routinely will preserve the appearance of your home.
- Poil-Based Paint: Should you ever choose an oil-based paint for your home, please be aware that all oil-based paints are subject to yellowing. The action of the sun usually minimizes yellowing on exterior surfaces. However, yellowing can be noticeable on interior surfaces. The natural drying and aging of the paint can cause yellowing by exposure to certain chemicals, such as ammonia fumes and others that are found in some household cleaners. White painted surfaces and light colors are more subject to yellowing than the darker colors are.

1 Important Note: Yellowing of oil-based paints is unavoidable in some areas. Because yellowing tends to take place over time and relatively evenly on given surfaces, it may not be noticeable until you use touch-up paint. Your paint store can assist you in selecting a touch-up paint that will be a close match for yellowed paint. Climatic conditions impact the paint used on the exterior.

Over time, this finish will fade and dull a bit. Depending on the exposure to weather of each surface, the paint on some parts of your home may begin to show signs of deterioration sooner than others.

During your Demonstration Walk, we will confirm all painted or stained surfaces are in acceptable condition. On2

Homes will touch up paint as indicated on the meeting list.

You are responsible for all subsequent touch-up except painting we perform as part of another warranty repair.

If we perform a warranty repair that involves painting, we will use the same paint that was on the surface when the home was delivered. We are not responsible for painting or matching custom colors.

*Painted touch-ups may not match in color and texture of existing paint.

STAINED AREA AND WOOD GRAIN

Because of wood characteristics, color variations will result when stain is applied to wood. This is natural and requires no repair. Today's water-based paints often make wood grain visible on painted trim. On2 Homes does not provide corrections for this condition.



PESTS AND WILDLIFE

Insects such as ants, spiders, wasps, bees and animal life such as birds, squirrels, rodents and snakes, may fail to recognize that your home belongs to you. Addressing concerns involving these pests and wildlife goes with being a homeowner and are not considered a warrantable item. Informational resources include among others, the state wildlife service, animal control authorities, the county extension service, pest control professionals, Internet and public library.

MEDIA OUTLETS

Your home is equipped with media outlets as shown on the selection sheets.

TELEVISION CABLE - CABLE TV AND INTERNET

The utility provider supplies your cable television and internet. Please contact them directly if your service is faulty or requires repair.

PLUMBING SYSTEMS

A licensed plumbing contractor has installed the plumbing system and fixtures in your On2 home. Each phase of construction has been inspected by On2 Homes and the local building department and has met all applicable requirements and plumbing standards in your area. This includes the requirement for the water-saver features on all residential plumbing fixtures.

Your plumbing should serve you well for many years if properly cared for. To avoid costly major repairs, promptly address minor problems as soon as they occur.

DRAINS

Each plumbing fixture in your home has a J-shaped pipe (called a P-trap) designed to provide a water barrier between your home and the odor of sewer gas. The trap holds water, which keeps airborne bacteria and the odor of sewer gas from entering your home. Unused drains—such as those in mechanical rooms—can dry out, and will need to be flushed periodically by adding water.

- P-Traps: If you seldom use a fixture, turn it on at regular intervals to replace evaporating water and keep the barrier intact. Because of their shape, traps are the point at which drains are most likely to become clogged.
- ▶ **Bathtub, sink and shower drains:** If a drain in these fixtures becomes clogged, first use a plunger.

Be sure the rubber cup covers the drain opening and that the water comes up well over the cup edge. Working the plunger up and down rhythmically ten or twenty times in succession will build up pressure in the pipe and be more effective than sporadic, separated plunges. If the sink is clogged be sure to plug the overflow outlet, if there is one, with a piece of old cloth, and close the other drain when working on a double sink. If the plunger does not solve the problem, use a plumber's snake. These can be rented or purchased at a rental yard, hardware or homecare store. Always turn the handle of the snake in the same direction when removing it as you did when inserting it. This will prevent matter attached to the snake from coming loose before the snake is removed.

Helpful Tips

If a plunger or snake can partially open a drain, often hot water (no hotter than 140 degrees for plastic pipe) will finish the job. If not, open the P-trap, putting a bucket or pot under it to catch the water. A piece of wire may help dislodge the blockage. The snake can also be run in at this point.

DRAIN CLEANERS

Although it is sold commercially as a drain cleaner, never use caustic soda (also sold as lye, or identified as "sodium hydroxide" on consumer packaging) to open a drain. It will combine with the grease from soap or food waste to form an insoluble compound. To avoid stopped-up drains, never pour grease into a drain or toilet. "Washing soda" (identified as sodium carbonate), not baking soda (sodium bicarbonate), added to a drain on a regular basis will help keep it clear of grease from soap and cooking utensils.

Run hot water through the drain, turn off the water, add three tablespoons of washing soda and follow it with just enough hot water to wash it down the drain opening. Let it sit for fifteen minutes and run more hot water. **Washer Drain**: The wall-mounted overflow drain in the washer area is intended to handle minor leaks and overflows and may not handle water flooding caused by incorrect installation, broken hoses, major overflows or leaks from a washing machine. On 2 Homes is not responsible for damages caused by a washing machine.

GARBAGE DISPOSAL

The garbage disposal in your new On2 home will be one of two types: continuous-feed or batch-feed with locking cover. The instructions on the side of the unit will give precise directions for its operation.

Though the garbage disposal can grind up most food, the unit is not capable of eliminating grease and other substances one would not otherwise pour down a drain. For proper operation, turn on the cold water and then turn on the garbage disposal. Run the water to run 10–15 seconds after the disposal is shut off. Grinding ice cubes will help sharpen the blades and grinding the rinds of citrus fruit will help with cleaning the unit.

Helpful Tips

- When grinding greasy substances, use plenty of cold water. Always use cold water when the disposal is on. Should the drain become clogged, do not pour chemicals down the disposal.
- Avoid putting fibrous material, such as banana peels, celery, cornhusks, etc., down your disposal.
- Avoid putting fruit pits and bones down the disposal.
- Preset Buttons: Most disposals have a reset button that works in much the same way as a circuit breaker. Should the disposal become overloaded with a substance it cannot grind, it will turn itself off. If this happens, turn the switch off, remove the substance obstructing the disposal's operation, wait about three minutes, push the reset button (see your instruction booklet for its location), and turn the switch back on.

If the disposal still does not start, turn it off again and check to see if you have tripped a circuit breaker. If the circuit breaker has not interrupted the flow of current, trip the circuit breaker. Disposals come equipped with a special wrench that can be inserted in a hole in the bottom of the disposal, which is under the sink. Others have a two-pronged wrench that fits in the top of the circulating plate. Turning the wrench a couple of times will usually loosen the material enough so that the disposal will turn. Restore the current, push the reset button again, and turn the disposal on.

▲ CAUTION: Be absolutely sure that the circuit breaker is off before inserting your hand to remove material when the disposal is stalled. Also, be sure it is off before using the wrench.

Faucets/Fixtures: The plumbing fixtures in your new On2 home are plated with a variety of finishes. The finishes are not covered by the One-Year On2 Homes Customer Care Program, but may be covered by the manufacturer's warranty. These surfaces are resistant to water corrosion. However, the brass and chromium plating materials are relatively soft, which means abrasive cleaners, scouring pads and tools, and ammonia-based products can damage them.

Helpful Tips

- Clean your plumbing fixtures with warm soapy water and a soft cloth or sponge. Rinse with clear water and wipe dry to prevent spotting and soap buildup.
- If water is permitted to accumulate and stand at the base of your fixtures, corrosion and tarnishing can result. Always wipe the area dry.
- Avoid excessive force when you turn your faucets on and off. The seals in the faucets can be damaged in a short time. Because they have moving parts, faucets are more likely than plumbing with no moving parts to require repair from time to time.
- Aerators: To maintain your faucets, clean the aerators by soaking them in undiluted vinegar every three to four months. This attachment to the faucets adds air to the water to reduce splashing and water usage. It is your

responsibility to maintain and clean aerators annually.

- Faucet Leaks: If a faucet leaks, usually you can fix it by replacing the washers. Instead of washers, some new single-control faucets for hot and cold water have cartridges that last longer, but still must be changed. Be sure to turn off the water at the shut-off valve before repairing a faucet.
- Faterior Faucets: Be sure to remove any garden hoses from the exterior sill cocks and turn the faucet off prior to temperatures falling below thirty-two degrees, the temperature at which water freezes. Failure to do so will cause damage to the frost-proof sill cock, as the frozen water in the hose will be forced back into the faucet as it expands. By state law, these frost-proof sill cocks have a back-flow prevention method to avoid foreign matter from entering the fresh water supply.
- **Leaking Pipes**: The copper and CPVC pipes installed in your new On2 home should last the lifetime of the home. If your washing machine, dishwasher or other water-using appliances seem to be leaking, check the trap to see that the drain is not clogged.
- Preventing frozen water pipes: These procedures are especially important should you be away from the home during cold weather:
- Never turn the thermostat below 60 degrees.
- Ask a neighbor or friend to check your home every day to make certain the furnace is working properly. If a problem should arise, a heating contractor should be contacted as soon as possible.
- Never leave your garage door open for extended periods of time in cold weather. On some homes, the water line above the garage might freeze.

DRAINING THE WATER LINES:

Step 1: Shut off the main water valve.

Step 2: Turn sink, vanity faucets and showerheads on to about half flow, both hot and cold water.

Step 3: Leave all faucets on so that the lines are relieved of pressure, then flush all toilets.

TURNING THE WATER BACK ON:

Step 1: Turn water on at the main water valve. Allow water to run through faucets and shower heads for a few minutes to get air out of the lines. Shut off all faucets. Toilets should fill up.

Step 2: If a toilet, faucet or shower head is lacking water flow, you could have a frozen line. A plumber should be called as soon as possible. If left unattended, broken pipes could result.

(1) Important Note: During sub-freezing temperatures, when you feel the pipes may freeze, turn the faucets on and let the water run slowly overnight. Open the cabinet doors for sinks on exterior walls, as this will allow warm air to circulate near the pipes at the back of the cabinet.

FIBERGLASS TUBS AND SHOWER BASES

If fiberglass tubs and shower bases are installed in your On2 home, here are some "Helpful Hints" that will keep them looking like new:

Helpful Tips: keep them looking like new

- Avoid using abrasive cleaners that will scratch the surface.
- For normal cleaning, use warm water and liquid detergent, with a sponge, nylon, polyethylene or non-scratch cleaning pad.
- ▲ Warning: The use of scouring pads, steel wool or scrapers, or abrasive cleaning agents can result in surface scratches, dullness, or discoloration of the finish. Do not use cleaning agents which have an acid base. Follow manufacturer's directions when using cleaning agents.
- If your shower has glass, it is recommended that a squeegee should be used on the glass after every shower.

Caulking around the tub must be maintained regularly.

- Avoid dropping objects on fiberglass surfaces or striking the surfaces with sharp objects; chipping or cracking could result.
- For scratches and dull areas, rub vigorously with automotive rubbing compound, such as DuPont, and a white cotton rag. Then buff vigorously with a carnaubabased wax. If done twice a year, this will maintain a lustrous finish after cleaning as above.
- Monitor caulking at joints and edges and replace as necessary, including at the floor.

TOILETS

Water-saver toilets are required by local and national plumbing codes. These toilets do not have the same flushing capacity that you may be accustomed to, as they are designed to use less water. Never flush hair, grease, lint, diapers, cotton swabs, paper towels, trash, etc. down the toilet drain. These wastes will clog drains and sewer lines.

- Toilet cleaning: Many commercial products are available for toilet cleaning. Use them as directed, but do not mix them or use them with household bleach or other cleaning products. Never use toilet-cleaning products to clean anything but your toilets. Do not use cleaning tabs in the upper tank.
- Toilet leaks: If the water chamber appears to be leaking, this may be resulting from condensation on the outside of the toilet tank. If this is a problem, you may wish to use a cloth tank cover. If water leaks into the bowl through the overflow pipe, try adjusting the rod that holds the float so that it is closer to the bottom of the tank. Flush the toilet; if it still leaks, you may need to have the inlet valve washer replaced.
- If the water trickles into the bowl but is not coming through the overflow pipe, it is coming through the flush-ball valve. The rods between the ball valve and the flushing handle may need aligning so that the ball drops straight down after the handle has been pushed. Water will leak through into the bowl if the ball valve is worn or if there is dirt or rust on the ball or ball seat. If the latter.

- remove dirt and rust. If the ball is worn, turn off the water, unscrew the ball and replace it with a new one.
- Stopped-Up Toilet: Use a coil-spring steel auger, which you can rent or purchase at a home-care store or rental yard. Insert the auger so that the point goes up into the trap. Turning the auger's handle will break up the blockage or catch it so it can be removed.
- **1 Important Note:** On 2 Homes and its plumbing trade partner will not be responsible for stopped-up toilets.

WATER HEATER

Your water heater is covered by a warranty from its manufacturer. Please read the operating instructions that the manufacturer provides. In the event of a leak in your water heater, close the shut-off valve on the top of the water heater and turn off the unit. Call the manufacturer listed on the front of the water heater to request service. All water heaters, whether gas or electric, have a control mechanism to govern water temperature. For electric heaters, the dial setting should be set at about one-hundred-twenty degrees. Set gas heaters on NORMAL or 'A.' Do not store anything near the heater that may block airflow and create a fire hazard.

▲ CAUTION: Excessively hot water can be dangerous.

Monitor the temperature of the hot water in your home and adjust if necessary. The water temperature can be adjusted on the control panel of your water heater.

Adjust the temperature so that comfortably warm water is delivered. This will avoid scalding and reduce energy costs.

While some water heaters do not require additional insulation, we suggest that you consider an inexpensive water-heater blanket (as appropriate and when permitted by local building codes). This will save significantly on the cost of operating the water heater. These products are available at home care centers and hardware stores. Check local building codes and refer to the operating manual that came with your water heater before you add an insulating blanket.



Your water heater should be drained and flushed per the manufacturer's suggestions. This simple procedure will remove accumulated silt and debris so that the water heater is efficient and has a long life. It is your responsibility to drain and flush your water heater annually to check its pressure-relief safety valve.

HEATING ELEMENT

The heating elements in the water heater will require periodic cleaning or replacement. The frequency is determined in part by the quality of the water in your area. Refer to the manufacturer's recommendations and authorized plumber for cleaning and replacing the heating element

PRESSURE RELIEF VALVE

At least once each year, operate the pressure relief valve. Remember to stay away from the discharge line to avoid injury. Refer to the manufacturer for additional information.

ROOF

The roof of your new On2 home consists of architectural asphalt shingles or concrete tile and should last you for many years with little maintenance.

Helpful Tips

- Annually inspect the flashing where your roof meets walls and dormers, and where two roof slopes meet.
- ▶ Refrain from walking on the roof to avoid damage to the concrete tiles or the granules in your shingles.
- During heavy winds it is not uncommon for shingles to blow off the roof. Should this occur, replace them

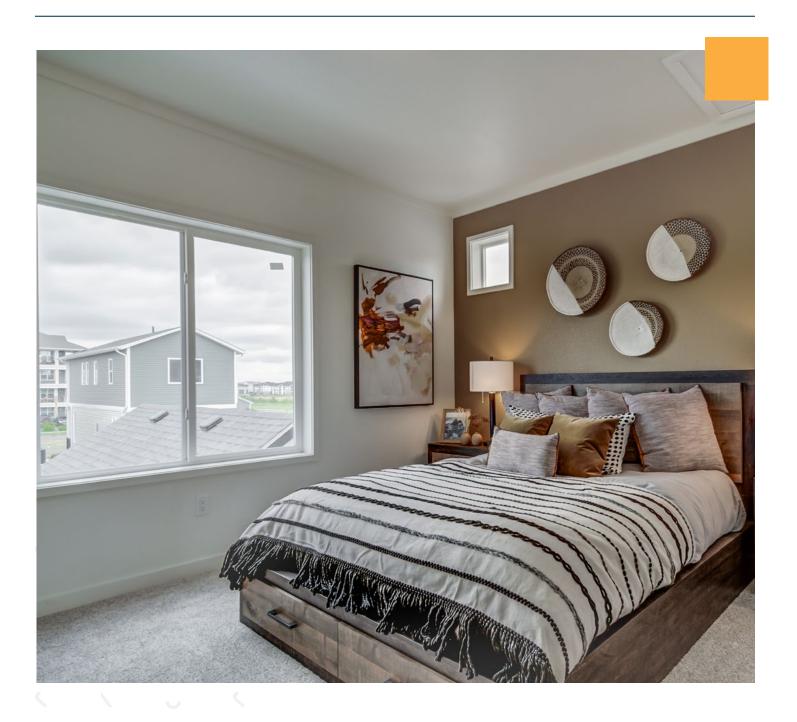
- immediately to prevent damage. Depending on the extent of the blow-off you may want to contact your insurance company.
- Keep your gutters free and clear of debris.
- Ice damming is not warrantable and is a homeowner maintenance item. You may need to install heat tape to help prevent ice damming during the winter months.

ROUGH CARPENTRY

Some floor and stair squeaks are unavoidable. Although On2 Homes does not generally warranty floor squeaks, a reasonable effort will be made to correct persistently loud squeaks that cover a large surface area.

FLOOR DEFLECTION

Floors will deflect (bend) when walked on. This will be more noticeable next to hutches, bookcases, pianos, chairs and other heavy furniture. This is not a structural deficiency and On2 Homes will take no action for this occurrence.



SMOKE/CARBON MONOXIDE DETECTORS

Your On2 home has a combination smoke and carbon-monoxide detector on each floor and throughout your home. Your smoke detectors are all interconnected, so if one detector's alarm sounds, all the detector alarms will sound. Smoke from kitchen cooking, as well as water vapor from bathroom showers, can set off the smoke detectors. This is normal even if you are a good cook.

Your smoke detectors are all wired into the home's electrical system. In addition, your smoke detectors are equipped with a battery back-up system, ensuring that if the electrical power fails for any reason, your smoke detectors will still operate properly.

These are installed and required by building codes because they save lives. Please familiarize yourself with their operation.

1 IMPORTANT:

- The batteries in your smoke detectors should be replaced twice a year. Choose replacement intervals that are easy to remember, such as daylight saving time.
- Testing Smoke Detectors: It is recommended that you test your smoke detectors once a month to ensure they are operating properly. The test function will be explained during your New Home Demonstration. If you ever find that your smoke detectors are not working properly, take steps to remedy this immediately. IT IS YOUR RESPONSIBILITY TO ENSURE YOUR SMOKE DETECTORS ARE WORKING CORRECTLY. Please call Shazam Home Services if you have any questions about your smoke detectors.
- Smoke detectors do need to be replaced eventually; check the manufacturers website to verify the life expectancy of the unit.

SUMP PUMP

When necessary, sump pits and sump pumps are installed in On2 homes. The pit is connected to the perimeter foundation drain that is located just outside and/or inside the foundation perimeter. Ground water is collected in the perimeter drainpipe and is carried to the sump pit. As the water level rises in the pit, a float activates the pump and water is discharged to the exterior of the house and away from the foundation at the sump pump discharge pipe.

- 1 Important Note: Make sure that the discharge pipe is always connected and is taking water away from the house. Never slope the pipe toward the house or block the end of the pipe with dirt or other landscape material.
- ▶ Sump Pump Maintenance: Sump pits and pumps are not maintenance free. The water that is carried to the pit carries with it sand and silt. This can build up over time in the bottom of the pit and clog the pump. If the pump is clogged, the motor will eventually burn out. In

extreme cases, there could be flooding of the basement if the pump is not draining the pit. To prevent this from occurring, the pit should be inspected at least once a month and cleaned if necessary. Always keep the pump plugged in. Test the pump once a month by pouring water into the pit to ensure that the pump is being activated properly. An alarm system to monitor pump failure is recommended. On2 Homes is not responsible for sump pits that overflow.

• Ground Water: Ground-water levels can change over time and may cause the pump to run very frequently or not at all. Many factors determine how much water reaches the perimeter drain including weather, drainage around the house, irrigation systems, etc. On2 Homes is not responsible for changes in ground water levels. Regardless of how often the pump activates, it should be checked regularly.

VENTILATION

Homeowner Use and Maintenance Guidelines

Homes today are built more tightly than ever. This saves energy dollars but creates a potential concern. Condensation, cooking odors, indoor pollutants, radon and carbon monoxide may all accumulate. We provide mechanical and passive methods for ventilating homes.

Your attention to ventilation is important to health and safety. Building codes require attic and crawl space vents to minimize accumulation of moisture.

ATTIC VENTS

Attic ventilation occurs through vents in ridge or top of the roof and the soffit (the underside of the overhangs). Driving rain or snow sometimes enters the attic through these vents. Do not cover them to prevent this.

DAILY HABITS

Your daily habits can help keep your home well ventilated:

- Do not cover or interfere in any way with the fresh air supply to your HVAC system.
- Develop the habit of running the hood fan when you are cooking.
- Turn on the bath fans when bathrooms are in use.
- Air your house by opening windows for a time when weather permits.

Proper ventilation will prevent excessive moisture from forming on the inside of the windows. This helps reduce cleaning chores considerably.

On2 Homes Limited Warranty Guidelines

On 2 Homes warranty guidelines for active components (for example, exhaust fans) are discussed under the appropriate headings (such as electrical systems, heating system, etc.).





■ VINYL FLOORING

Homeowner Use and Maintenance Guidelines

The resilient floor covering used in your new On2 home is no-wax flooring. With the proper care and maintenance your vinyl flooring should provide beauty and resilience for many years to come.

Helpful Tips

- Asphalt compounds tracked in from the street can permanently stain resilient flooring. Utilize mats at doors to help minimize this.
- **1) Important Note:** Do not use rubber-backed mats as they can cause floors to discolor in time.
- Care for your floors daily by removing loose dirt with a broom, dust mop or vacuum. Wipe up spills immediately. If a spot dries, use a damp sponge, cloth or mop. Do not wax the floors. Follow the manufacturer's recommendations for any additional cleaning or steps to protect the finish.
- Occasionally damp-mop the floors between cleanings.

 When floors are dull and cannot be refurbished by mopping, clean them thoroughly with a good detergent.

 Limit mopping with water; excessive amounts of water on resilient floors can penetrate seams causing the flooring to lift and curl.
- Use floor protectors on legs of furniture to minimize scratches and indentations.
- ▶ High heels (especially stilettos) may damage all resilient, and sheet vinyl. Avoid this damage by removing shoes.
- Vinyl floors are particularly subject to damage resulting from the installation and removal of appliances. It is recommended that you employ professionals when you encounter such tasks. If you choose to move appliances yourself, consider purchasing a one-eighth inch by four foot by eight foot sheet of Masonite and utilize it as a moving aid.
- Avoid leaving water on any seam for extended periods of time. Seams are sealed, but prolonged exposure can lead to edge lifting and bubbling. Check the caulking at bathtubs regularly for cracks, and replace as needed.

WINDOWS AND SLIDING GLASS DOORS

The vinyl windows and the sliding-glass doors used by On2 Homes are selected in accordance with our high-efficiency energy standards.

Windows are naturally a source of heat loss and you may feel cold emanating even from a properly installed and functioning window. In periods of significant differences between interior and exterior air temperatures you may experience what feels like a slight draft or air leak around the window; this is caused by thermal movements and is usually not a problem with the window.

CONDENSATION AND ICE BUILDUP

Since you live in a modern, energy-efficient home, you may experience ice buildup on windows when you have a combination of cold weather and high humidity. This is a common occurrence, and does not necessarily indicate a defect in the window or its installation. If you are experiencing a severe ice buildup on your windows, investigate the humidity level in your home. Your living habits influence the humidity level within your home; On2 Homes provides no corrective measure for this condition.

Condensation that accumulates between the panes of glass in dual-glazed windows indicates a broken seal. On 2 Homes will replace any necessary components if this occurs during the warranty period and not due to wear and tear. Water damage due to over-humidification is expressly excluded from your One-Year On 2 Homes Customer Care Program.

Helpful Tips

- ▶ Keep all windowsill channels and sliding-glass door tracks free of dirt and particles for proper seal and operation.

 Use your vacuum's crevice attachment to remove any dirt in your sills. In the event you feel a draft from your sliding glass door or windows make sure to check the track for buildup of dirt before requesting warranty service.
- To ensure proper drainage, periodically check the weep holes in windows and doors to see that they are free of dirt.
- Use a silicone spray to lubricate the tracks. Do not use WD-40, as it can damage the window.
- ▲ CAUTION: You may damage the finish or sealed glass unit if you use solvents, petroleum products or caustic chemicals, such as acetone or paint thinner, to clean window or door frames. This damage is not covered by your warranty.

AIR INFILTRATION

If you find that you have an actual draft from a window or door, please contact On2 Homes' Customer Care. They will investigate the problem and take corrective action, if required. Please note that some drafts are inevitable and some fine dust may get through and into the track. This is normal, especially in high winds.

SCRATCHES

On2 Homes confirms that all window glass is in acceptable condition prior to closing. Minor scratches on windows can result from delivery, handling and other construction activities. On2 Homes will replace any necessary components of the window if scratches are readily visible from four feet. On2 Homes does not replace windows that have scratches visible only under certain lighting conditions.



WOOD TRIM

Like other organic materials, wood is affected by heat, cold and humidity. Therefore, it may contract or expand with weather changes. Thus, minor shrinkage and swelling is unavoidable.

The primary areas that may be affected include doors, baseboards, wood floors, handrails, paneling and shelving. Slight cracks around doorways, arches, windows, joints in door casings, and nail pops around baseboards may appear.

When cleaning any wood trim, make sure to use only a clean, dry dust cloth. Use of water or chemical cleaners may affect some finishes.

EXTERIOR

On2 Homes will correct any separation at joints that allows water to enter the home. We will caulk and apply touch-up paint to cracks in exterior trim components that exceed industry tolerances. We provide this repair one time only near the end of the first year. Paint or stain touch-up may not match. Climatic conditions impact exterior paint, and finishes will fade and dull over time.

RAISED GRAIN

Because of the effects of weather on natural wood, you should expect raised grain to develop. This is normal and not a defect in the wood or paint. Warranty coverage excludes this condition.

WHAT IS NOT COVERED?

For the most part, those items not covered by the warranty are:

Repairs or Alterations by Owner

On 2 Homes is not responsible for repair of any part of your home, whether structural or not, which you (or someone you hired) have repaired, altered or attempted to repair.

Ordinary Wear and Tear

The warranty does not cover damage due to ordinary use, wear and tear. This would include cuts, scratches, gouges or wear from foot traffic.

Major Catastrophes

Major natural catastrophes (such as earthquakes, floods, tornadoes or hurricanes), other acts of God (such as hail, severe rainstorms, lightning or excessive winds) or war. The National Weather Bureau defines excessive wind as "wind gusts of 57 mph or greater accompanying a severe thunderstorm." You may refer to your homeowner insurance company for coverage of damages from these causes.

Lack of Normal Maintenance or Abuse

The warranty does not repair damage caused by improper home maintenance or abuse of your home.

Weathering of Paint and Wood

On2 Homes cannot be responsible for the fading, cracking or peeling of original exterior paint caused by exposure to the elements. Since wood is porous, it shrinks as it dries, sometimes leaving minor cracks and other slight imperfections. Due to this natural characteristic, On2 Homes will not repair such items unless the condition is abnormal such that it would not meet industry structural standards.

▶ Hairline Cracks

After construction of a new home, there is a period of normal adjustment and settling that often results in hairline cracks in concrete, drywall, tile, grout and other rigid materials. Since settling is normal and unavoidable, we will not repair hairline cracks in concrete, drywall, tile, grout and other rigid materials.

Damage Caused by Water Beds, Pool Tables, Hot Tubs

The floor truss framing systems and decks are NOT designed to accept the extra load placed by water beds, pool tables, hot tubs or other heavy items. Before installing these items to your home, you will need to check with the manufacturer and engineer regarding the loads imposed on your home by these items.

On 2 Homes and the warranty does not cover any resulting damage caused by the addition of these or any other heavy items.

▶ Consequential and Incidental Damages

On2 Homes is not responsible for consequential or incidental damages caused by a defect, including bodily injury and/ or damage to your belongings, personal property or improvements, inconvenience, temporary loss of use of items or home areas, lodging, meals or other personal expenses, unless required by applicable State laws.

Cost of Moving Furniture or Personal Items

On 2 Homes will not move or be responsible for the cost of moving furniture or personal items required for the completion of warranty repairs. This is a homeowner responsibility.

Injury to Pets

This includes pets that may get loose while warranty work is being conducted where access is necessary through a gate or doorway, or injury to pets that are disturbed by activity, construction noise, debris or dust.

▶ Cleaning of Clothing, Furniture or Personal Items

It is the homeowner's responsibility to move or adequately cover and protect clothing, personal items prior to and during the warranty repair work. We are not responsible for any items not adequately protected that become dirty because of debris and dust caused by warranty repairs.

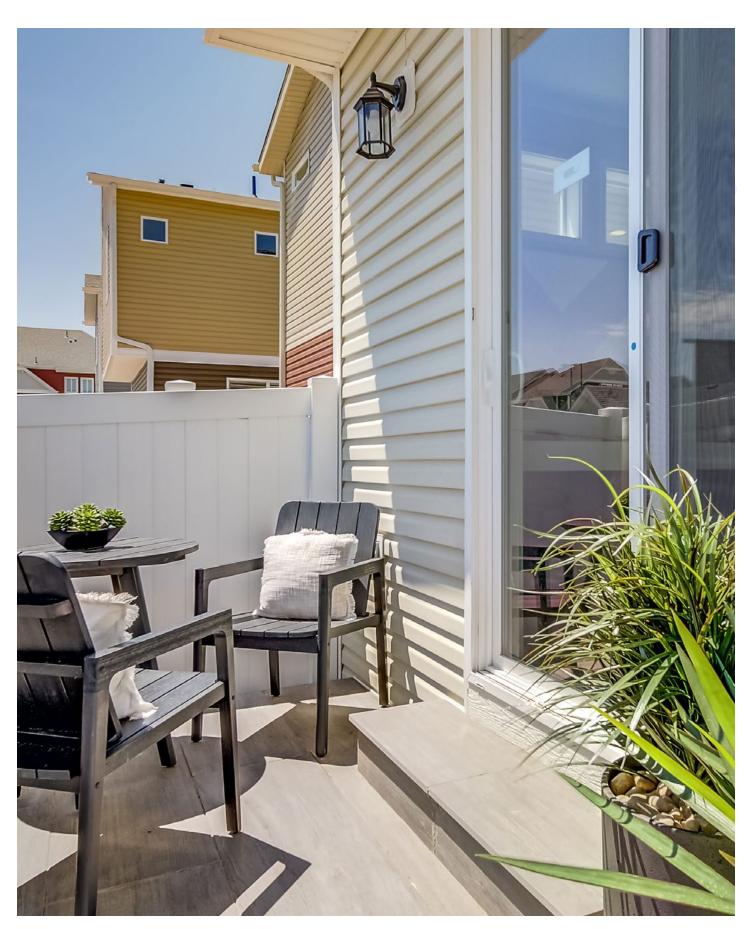
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HOME BUILDER'S LIMITED WARRANTY

Administered by Professional Warranty Service Corporation ("PWC")

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THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY EITHER PARTY

Throughout this HOME BUILDER'S LIMITED WARRANTY, referred to hereinafter as the "LIMITED WARRANTY", the words "YOU" and "YOUR" refer to the HOMEOWNER, including any subsequent owners, and, where applicable, a HOMEOWNERS ASSOCIATION. The words "WE", "US" and "OUR" refer to the BUILDER. The other words and phrases which appear in boldface uppercase type also have special meaning. Refer to the Section IX. Definitions, so that YOU will understand the terminology applicable to this LIMITED WARRANTY.

This LIMITED WARRANTY establishes an agreed method for determining when a CONSTRUCTION DEFECT exists and a clear understanding of OUR responsibilities for remedying any such CONSTRUCTION DEFECT. This LIMITED WARRANTY also helps distinguish a CONSTRUCTION DEFECT that is OUR responsibility from those minor imperfections that can reasonably be expected in a HOME or the COMMON ELEMENTS, or that result from normal wear and tear or the neglect of routine HOMEOWNER or HOMEOWNERS ASSOCIATION maintenance responsibilities.

This LIMITED WARRANTY contains the procedures YOU must use to notify US of a condition in YOUR HOME or the COMMON ELEMENTS which YOU believe may constitute a CONSTRUCTION DEFECT. In the event a condition occurs in the HOME or the COMMON ELEMENTS that YOU believe may constitute a CONSTRUCTION DEFECT, YOU agree to submit any request for warranty performance in accordance with the procedure described in this LIMITED WARRANTY. Based on the information YOU provide and, where WE deem it necessary, information obtained from OUR onsite investigation, inspection and/or testing of the HOME or the COMMON ELEMENTS, WE will determine whether WE agree with YOU that the condition constitutes a CONSTRUCTION DEFECT. If WE determine that the condition reported by YOU is a CONSTRUCTION DEFECT, WE will remedy the condition in accordance with the remedies prescribed in this LIMITED WARRANTY. WE will make this determination in accordance with Section II, OUR Warranty Obligations, contained in this LIMITED WARRANTY.

THIS LIMITED WARRANTY PROVIDES THAT ANY AND ALL CLAIMS AND DISPUTES BETWEEN YOU AND US WHICH YOU AND WE ARE UNABLE TO RESOLVE BY MUTUAL AGREEMENT, SHALL BE RESOLVED SOLELY AND EXCLUSIVELY THROUGH FINAL AND BINDING ARBITRATION IN ACCORDANCE WITH THE TERMS AND PROCESS DESCRIBED WITHIN THIS DOCUMENT. BY THIS AGREEMENT, BOTH YOU AND WE ARE WAIVING THE RIGHT TO LITIGATE DISPUTES IN COURT.

To the extent permitted by law, all express or implied warranties other than this **LIMITED WARRANTY**, including any oral or written statement or representation made by **US** or any other person, and any implied warranty of habitability, merchantability or fitness for a particular purpose, are hereby disclaimed by **US** and are waived by **YOU**. **YOUR** only remedy in the event of a **CONSTRUCTION DEFECT** in or to the **HOME** or the **COMMON ELEMENTS** or to the real property on which the **HOME** or the **COMMON ELEMENTS** is situated is that provided to **YOU** under this **LIMITED WARRANTY**.

Enclosed with this **LIMITED WARRANTY** is a Limited Warranty Validation Form. The Limited Warranty Validation Form is a part of the **LIMITED WARRANTY** and provides the dates on which the warranty coverage period begins and expires. It is important that this form be retained with the **LIMITED WARRANTY**.

WE have contracted with **PWC** for certain administrative services relative to this **LIMITED WARRANTY**. **PWC's** sole responsibility is to provide administrative services as set forth herein. Under no circumstances or conditions is **PWC** responsible for fulfilling **OUR** obligations under this **LIMITED WARRANTY**.

There may be instances where an additional **PWC** administered Builder's Limited Warranty is issued together with this **LIMITED WARRANTY**. If both of these warranties are issued to **YOU**, **YOU** agree to request warranty performance under either warranty relative to warrantable issues on the **HOME** or the **COMMON ELEMENTS**. **YOU** may not collect twice relative to the same issue.

If any provision of this **LIMITED WARRANTY** is determined to be unenforceable, such a determination will not affect the remaining provisions. If this **LIMITED WARRANTY** or any provision herein is determined to be

unenforceable as to a **HOMEOWNERS ASSOCIATION** or a specific **HOMEOWNER**, such a determination will not affect the enforceability of this **LIMITED WARRANTY** or such provision as to any other **HOMEOWNERS ASSOCIATION** or any other **HOMEOWNER**. Any dispute as to the enforceability of any provision of this **LIMITED WARRANTY**, including any dispute as to the scope or enforceability of the arbitration provision contained herein, shall be determined by binding arbitration as provided for in this **LIMITED WARRANTY**.

I. Warranty Coverage

Coverage under this **LIMITED WARRANTY** is expressly limited to **CONSTRUCTION DEFECTS** which occur during the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form and which are reported by **YOU** in accordance with the notification requirements of **Section VI**. **Procedure to Request US To Perform Under This LIMITED WARRANTY**. **OUR** obligations under this **LIMITED WARRANTY** apply to workmanship actually performed and materials actually installed in the **HOME** or the **COMMON ELEMENTS**. Any failure by **US** to complete construction of the **HOME** or **COMMON ELEMENTS**, where such failure is apparent and obvious, is not covered by this **LIMITED WARRANTY** and is not a **CONSTRUCTION DEFECT**.

During the WARRANTY PERIOD indicated on the Limited Warranty Validation Form, WE warrant that the HOME and the COMMON ELEMENTS will be free of CONSTRUCTION DEFECTS. OUR obligation to perform under this LIMITED WARRANTY requires that WE must receive <u>written notice</u> from YOU of the alleged CONSTRUCTION DEFECT as soon as reasonably possible after YOU become aware of a CONSTRUCTION DEFECT but not later than thirty (30) days after the expiration of the coverage. Telephonic or face-to-face discussion is not a substitute for required written notice and will not protect YOUR rights under this LIMITED WARRANTY (see Section VI. Procedure to Request US To Perform Under This LIMITED WARRANTY).

II. OUR Warranty Obligations

Upon OUR timely receipt of written notice from YOU alleging a CONSTRUCTION DEFECT during the WARRANTY PERIOD, WE, or parties acting on OUR behalf, will, where WE deem it necessary, inspect, investigate and/or test (including destructive testing) the condition alleged to be a CONSTRUCTION DEFECT. If WE determine that a CONSTRUCTION DEFECT exists, WE, or parties acting on OUR behalf, will (1) repair or replace the CONSTRUCTION DEFECT, (2) pay to YOU the actual amount it would cost US to repair or replace the CONSTRUCTION DEFECT, or (3) pay to YOU an amount equal to the diminution in fair market value caused by the uncorrected CONSTRUCTION DEFECT. Subject to the limitations described in Section IV. Coverage Limitations, if the HOME is rendered temporarily uninhabitable by a CONSTRUCTION DEFECT or by work necessary to repair a CONSTRUCTION DEFECT, WE shall pay the reasonable cost for YOUR alternate shelter until the HOME is restored to a habitable condition. Additionally, in connection with OUR remedy of a CONSTRUCTION DEFECT, and subject to the limitations described in Section IV. Coverage Limitations, WE shall repair, replace or pay the reasonable cost for:

- Those surfaces, finishes and coverings that are part of the HOME and that are damaged directly by a CONSTRUCTION DEFECT or that are damaged in the course of OUR repair of a CONSTRUCTION DEFECT.
- Home furnishings, carpet or personal property damaged directly by the CONSTRUCTION DEFECT.

The decision to repair, replace, or to make payment in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole discretion. These remedies are **OUR** only obligations under this **LIMITED WARRANTY**.

A. Standards By Which the Existence of a CONSTRUCTION DEFECT Will Be Determined:

The following factors will be considered in determining whether a condition constitutes a **CONSTRUCTION DEFECT**. If **WE** dispute the existence of a **CONSTRUCTION DEFECT** and that dispute is submitted to binding arbitration, the parties agree these same factors will be considered by the arbitrator:

- 1. Any performance standards, tolerances or guidelines contained in documents provided to YOU by US at or prior to closing on the HOME or, in the case of a HOMEOWNERS ASSOCIATION, prior to transferring title or control to all the COMMON ELEMENTS. In the absence of a specific standard, tolerance or guideline in the documents for a condition occurring during the first year of the WARRANTY PERIOD, the Residential Construction Performance Guidelines published by the National Association of Home Builders, in effect at the time of construction of the HOME or, in the case of the HOMEOWNERS ASSOCIATION, at the time of construction of the COMMON ELEMENTS, shall apply. If no specific standard, tolerance or guideline is contained in any of the documents identified above, generally accepted local building practices and standards shall apply;
- 2. Consideration as to whether the condition:
 - materially affects the structural integrity of the HOME or COMMON ELEMENTS; or
 - has an obvious and material negative impact on the appearance of the HOME or COMMON ELEMENTS; or
 - jeopardizes the life or safety of the occupants of the **HOME** or the users of the **COMMON ELEMENTS**; or
 - results in the inability of the **HOME** or a **COMMON ELEMENT** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.
- 3. Consideration as to whether a condition is the result of normal wear and tear. Conditions that are normal wear and tear, or that are caused by normal wear and tear are not **CONSTRUCTION DEFECTS**:
- 4. Consideration as to whether the condition was caused by, or in any way resulted from, the failure of the HOMEOWNER or HOMEOWNERS ASSOCIATION to perform normal or routine maintenance. Any condition that is determined to be a HOMEOWNER or HOMEOWNERS ASSOCIATION maintenance issue, or any condition that results from improper or inadequate HOMEOWNER or HOMEOWNERS ASSOCIATION maintenance, is not a CONSTRUCTION DEFECT:
- 5. Consideration as to whether the condition was caused by persons or entities other than US or someone acting on OUR behalf. Damage caused by persons or entities other than US or someone acting on OUR behalf is not a CONSTRUCTION DEFECT. For example, a large, visible scratch on marble tile in the entry foyer that was not noted in the pre-closing walk through inspection, but was reported after furniture was moved into the HOME, will not be considered a CONSTRUCTION DEFECT;
- 6. Recognition that any condition resulting directly or indirectly from or worsened by changes, additions, alterations or other actions or omissions by persons or entities other than **US** or someone acting on **OUR** behalf, will not be considered a **CONSTRUCTION DEFECT** (this includes, for example, changes to the topography, drainage or grade of the property);
- 7. Any **Exclusions** contained in this **LIMITED WARRANTY**.

III. Homeowner Maintenance Obligations

Maintenance of the HOME and the COMMON ELEMENTS is YOUR responsibility. All homes and common elements require periodic maintenance to prevent premature deterioration, water intrusion, and to ensure adequate performance of the SYSTEMS. WE will make a "Homeowner Maintenance Manual" or similar publication available to YOU upon request. Whether from this document or others that are readily available to YOU, YOU must understand and perform the maintenance that the HOME and COMMON ELEMENTS require. WE are not responsible for HOME or COMMON ELEMENTS maintenance issues or for damage that results from YOUR failure to maintain the HOME or the COMMON ELEMENTS.

IV. Coverage Limitations

Surfaces, finishes and coverings in the **HOME** which require repair due to damage caused by a **CONSTRUCTION DEFECT**, or such damage caused in the course of **OUR** repair of a **CONSTRUCTION DEFECT**, shall be repaired and restored to approximately the same condition as existed prior to the **CONSTRUCTION DEFECT**, but not necessarily to a like new condition. When repairing or replacing surfaces, finishes and coverings, the repair or replacement will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but an exact match cannot be guaranteed due to such factors as fading, aging and unavailability of the same materials.

Home furnishings, carpet or personal property damaged by a **CONSTRUCTION DEFECT** shall be repaired or replaced at market value of the item at the time of damage. "Market value" shall mean the amount it would cost to repair or replace the damaged item with material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

Alternate shelter during such time as the **HOME** is uninhabitable due to a **CONSTRUCTION DEFECT** or uninhabitable during work to repair a **CONSTRUCTION DEFECT**, shall be limited to those shelter costs expressly pre-approved by **US** or **OUR** designated representative.

V. Exclusions

A. This **LIMITED WARRANTY** does not cover:

- 1. Any loss or damage resulting, either directly or indirectly, from the following causes, or occurring in the following situations:
 - a. Fire (unless caused by a **CONSTRUCTION DEFECT**);
 - b. Lightning;
 - c. Explosion (unless caused by a **CONSTRUCTION DEFECT**);
 - d. Riot and Civil Commotion:
 - e. Smoke (unless resulting from a **CONSTRUCTION DEFECT**);
 - f. Hail:
 - g. Aircraft;
 - h. Falling Objects;
 - i. Vehicles:
 - j. Floods;
 - k. Earthquake;
 - I. Landslide or mudslide originating on property other than the site of the **HOME** or the **COMMON ELEMENTS** or other property developed by the **BUILDER**;
 - m. Mine subsidence or sinkholes;
 - n. Changes in the underground water table not reasonably foreseeable by the **BUILDER**;

- o. Volcanic eruption; explosion or effusion;
- p. Wind including:
 - (i). Gale force winds;
 - (ii). Hurricanes;
 - (iii). Tropical storms;
 - (iv). Tornadoes:
 - (v). Rain or water intrusion or moisture within the **HOME** resulting from any wind forces described in p. (i) (iv) above.
- q. Insects, animals or vermin;
- r. Changes to the grading of the ground, or the installation or alteration of improvements such as drain or gutter outlets by anyone other than **US** or **OUR** agents, or subcontractors which results in surface drainage towards the **HOME**, or other improper drainage that permits water to pond or become trapped in localized areas or against the foundation;
- s. Changes, additions, or alterations made to the **HOME** or the **COMMON ELEMENTS** by anyone after the **WARRANTY PERIOD** begins, except those made or authorized by **US**;
- t. Any defect in material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors, including any loss or damage to the **HOME** or the **COMMON ELEMENTS** resulting from material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors:
- u. Improper maintenance, negligence or improper use of the **HOME** or the **COMMON ELEMENTS** by **YOU** or anyone other than **US** that results in rot, dry rot, moisture, rust, mildew or any other damage;
- v. Dampness or condensation due to **YOUR** failure to maintain adequate ventilation;
- w. Damage resulting from the weight and/or performance of any type of waterbed or other furnishings which exceeds the load-bearing design of the **HOME** or the **COMMON ELEMENTS**;
- x. Normal wear and tear or normal deterioration of materials;
- y. Economic damages due to the **HOME'S** or the **COMMON ELEMENTS**' failure to meet expectations of the **HOMEOWNER** or **HOMEOWNERS ASSOCIATION**.
- Any loss or damage resulting from the actual, alleged or threatened discharge, dispersal, release or escape of POLLUTANTS. WE will not cover costs or expenses arising from the uninhabitability of the HOME or the COMMON ELEMENTS or health risk due to the proximity of POLLUTANTS. WE will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor POLLUTANTS;
- 3. Any loss or damage resulting from the effects of electromagnetic fields (EMF's) or radiation;
- 4. Any damage to personal property that does not result from a **CONSTRUCTION DEFECT**;
- 5. Any CONSEQUENTIAL OR INCIDENTAL DAMAGES;
- 6. Any CONSUMER PRODUCTS;
- 7. Any **CONSTRUCTION DEFECT** as to which **YOU** have not taken timely and reasonable steps to protect and minimize damage after **WE** or **OUR** authorized representative have provided **YOU** with authorization to prevent further damage;
- 8. Any damage to the extent it is incurred after or as a result of **YOUR** failure to notify **US** in the manner and time required under this **LIMITED WARRANTY**;
- 9. Any costs or obligations paid or incurred by **YOU** in violation of **Section VI. C.** below;
- 10. Any non-conformity with local building codes, regulations or requirements where the condition does not meet the definition of a **CONSTRUCTION DEFECT**. While **WE** acknowledge **OUR** responsibility

to build in accordance with applicable building codes, this **LIMITED WARRANTY** does not cover building code violations in the absence of a **CONSTRUCTION DEFECT**;

- 11. Any deviation from plans and specifications where the condition does not meet the definition of a **CONSTRUCTION DEFECT**.
- B. **OUR LIMITED WARRANTY** does not cover any **CONSTRUCTION DEFECT** which would not have occurred in the absence of one or more of the excluded events or conditions listed in the Exclusions above, regardless of:
 - 1. The cause of the excluded event or condition;
 - 2. Other causes of the loss or damage; or
 - 3. Whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

VI. Procedure to Request US To Perform Under This LIMITED WARRANTY

If YOU become aware of a condition that YOU believe is a CONSTRUCTION DEFECT under this LIMITED WARRANTY, YOU have the following responsibilities:

A. Notification

YOU must notify US in writing as soon as reasonably possible after YOU become aware of a condition that YOU believe may constitute a CONSTRUCTION DEFECT, but in no event may YOUR written notice of a CONSTRUCTION DEFECT or YOUR written request for warranty performance be received by US later than thirty (30) days after this LIMITED WARRANTY has expired. This extended period for providing notice of a CONSTRUCTION DEFECT shall not operate to extend the WARRANTY PERIOD.

If the written notice is received by **US** more than thirty (30) days after the expiration of this **LIMITED WARRANTY**, **WE** shall have no obligation to remedy the **CONSTRUCTION DEFECT**. Because of the importance of this written notice requirement, **WE** recommend that notice always be sent by Certified Mail, return receipt requested, in order to establish a record.

B. Cooperate With US

YOU must give US and any third parties acting on OUR behalf reasonable help in inspecting, investigating, testing (including destructive testing), monitoring, repairing, replacing or otherwise correcting an alleged CONSTRUCTION DEFECT. Help includes, but is not limited to, granting reasonable access to the HOME or COMMON ELEMENTS for the forgoing purposes. If YOU fail to cooperate or provide US reasonable access to the HOME or COMMON ELEMENTS, WE will have no further obligation under this LIMITED WARRANTY.

C. Do Not Make Voluntary Payments

YOU agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **YOU** believe is a **CONSTRUCTION DEFECT** without prior written approval from **US**, or other parties authorized to act on **OUR** behalf. **WE** will not reimburse **YOU** for costs incurred where **YOU** did not obtain prior written approval.

However, YOU may incur reasonable expenses in making repairs in an EMERGENCY CONDITION without prior written approval, provided the repairs are solely for the protection of the HOME or COMMON

ELEMENTS from further damage or to prevent an unsafe living condition and provided **YOU** notify **US** as soon as is reasonably possible. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **YOU** must provide **US** with an accurate written record of the repair costs.

D. Sign A Release

When **WE** or a third party acting on **OUR** behalf have completed repairing, replacing or paying **YOU** as to any **CONSTRUCTION DEFECTS** and related damage covered by this **LIMITED WARRANTY**, **YOU** may be requested to sign a full release of **OUR** obligation for the **CONSTRUCTION DEFECTS**. The release shall be applicable to the **CONSTRUCTION DEFECTS** and shall not prevent **YOU** from notifying **US** should **YOU** become aware of a subsequent **CONSTRUCTION DEFECT**.

E. If YOU Disagree With US

If YOU believe WE have not satisfactorily responded to YOUR request for warranty performance or satisfactorily worked with YOU to resolve any other claim or dispute between YOU and US, YOU should provide written notice to PWC requesting Mediation. Upon PWC's receipt of written notice from YOU, PWC may review and mediate YOUR request. PWC may communicate with YOU, US, and any other individuals or entities that PWC believes may possess relevant information. If after forty-five (45) days, PWC is unable to successfully mediate YOUR claim or dispute, or at any earlier time when PWC determines that YOU and WE are at an impasse, PWC will notify YOU that YOUR request remains unresolved and that YOU may elect to initiate binding arbitration. Binding arbitration as described in the following section is the sole remedy for the resolution of disputes between YOU and US.

VII. Binding Arbitration Procedure

Following commencement of the WARRANTY PERIOD, any claim, controversy or dispute (hereafter collectively referred to as "dispute") between YOU and US, or parties acting on YOUR or OUR behalf, including PWC, and any successor, or assign of either YOU or US, which relates to or arises from this LIMITED WARRANTY, or the design or construction of the HOME or the COMMON ELEMENTS, or the sale of the HOME or transfer of title to the COMMON ELEMENTS, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, OUR contractor, subcontractors, agents, vendors, suppliers, design professionals, materialmen, and any of OUR direct or indirect subsidiaries or related entities alleged to be responsible for any CONSTRUCTION DEFECT. Disputes subject to binding arbitration include, but are not limited to:

- A. Any disagreement that a condition in the **HOME** or the **COMMON ELEMENTS** is a **CONSTRUCTION DEFECT**;
- B. Any disagreement as to the method or scope of repair required to correct a CONSTRUCTION DEFECT or whether a CONSTRUCTION DEFECT has been corrected in compliance with this LIMITED WARRANTY;
- C. Any alleged breach of this **LIMITED WARRANTY**;
- D. Any alleged violation of consumer protection, unfair trade practice, or any other statute;
- E. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and any other claims arising in equity or from common law;
- F. Any dispute concerning the interpretation of this arbitration provision or the arbitrability of any issue;

- G. Any dispute concerning the timeliness of OUR performance and/or YOUR notifications under this LIMITED WARRANTY:
- H. Any dispute as to the payment or reimbursement of the arbitration filing fee;
- I. Any dispute as to whether this **LIMITED WARRANTY**, or any provision hereof, including, but not limited to, this arbitration clause and any waiver hereunder, is enforceable;
- J. Any other claim arising out of or relating to the sale, design or construction of YOUR HOME or the COMMON ELEMENTS, including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by this LIMITED WARRANTY.

The arbitration shall be conducted by DeMars and Associates, Ltd. (www.demarsassociates.com) pursuant to its Construction Arbitration Program ("CAP"), or by such other neutral, independent arbitration service that PWC shall appoint. If YOU object to the arbitration service appointed by PWC, YOU must so inform PWC, in writing, within ten (10) days of YOUR receipt of PWC's written notice informing YOU of the appointed arbitration service. PWC will then appoint an alternative neutral arbitration service provider. If YOU object to this alternative provider and if YOU and WE are unable to agree on another alternative, then either party may, pursuant to the applicable provisions of the Federal Arbitration Act (9 U.S.C.§ 1, et seq.), apply to a court of competent jurisdiction to designate an arbitration service provider, which designation shall be binding upon the parties. Selection of the arbitrator shall be the responsibility of the appointed arbitration service. The rules and procedures of the arbitration service, including its rules and procedures pertaining to its selection of the arbitrator who will conduct the arbitration, that are in effect at the time the request for arbitration is submitted will be followed unless the parties expressly agree otherwise. PWC will obtain and provide to YOU and US, upon request, the rules and procedures of the arbitration organization appointed to administer the arbitration. The arbitration service finally appointed or designated as aforesaid shall administer the arbitration of any and all disputes required to be joined under the law.

This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by and interpreted under the Federal Arbitration Act now in effect and as it may be hereafter amended (the "FAA") to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own attorney's fees and costs (including expert's costs) for the arbitration. If **YOU** initiate the arbitration request, the arbitration filing fee and other fees charged by the arbitration service shall be divided and paid equally by **YOU** and **US**, unless **YOU** and **WE** have otherwise agreed in writing to a different allocation. If **WE** initiate the request for arbitration, **WE** shall pay the entire arbitration filing fee as well as all other fees charged by the arbitration service.

As part of any arbitration award, the arbitrator may, at his/her discretion, direct that **WE** reimburse **YOU** some or all of the arbitration filing fee and other arbitration fees **YOU** paid to the arbitration service, but under no circumstances shall **YOU** be required to reimburse **US** any portion of the arbitration filing fee and other arbitration fees **WE** paid.

Arbitration filing fees and other arbitration fees vary among arbitration service providers. Before submitting a Binding Arbitration Request Form, **YOU** may contact **PWC** to obtain information on the fees charged by the appointed arbitration service provider. The arbitration service's filing fee and other arbitration fees in effect at the time arbitration is requested shall apply.

The process for initiating arbitration is described below.

- Step 1 The Initiating Party Completes A Binding Arbitration Request Form And Mails It To PWC Along With Their Share Of The Arbitration Filing Fee. A Binding Arbitration Request Form is attached to this LIMITED WARRANTY. YOUR Binding Arbitration Request Form must be received by PWC no later than ninety (90) days after the WARRANTY PERIOD expires. Please Note that while YOU have ninety (90) days after the WARRANTY PERIOD expires to file for arbitration, this time period does not extend the WARRANTY PERIOD for CONSTRUCTION DEFECTS. Additionally, no investigation, inspection, testing, repair, replacement, or payment, nor any promise of same by US under this LIMITED WARRANTY, nor any dispute resolution efforts, shall extend the term of this LIMITED WARRANTY or extend or toll any statutes of limitations or any of YOUR rights or remedies.
- Step 2 The Arbitration Service Will Arrange For The Arbitration. The arbitrator or arbitration organization will notify YOU and US of the time, date and location of the arbitration hearing. If the dispute involves the allegation of a CONSTRUCTION DEFECT or OUR performance under this LIMITED WARRANTY, most often the hearing will be conducted at the HOME or, if applicable, the location of the COMMON ELEMENTS. Other disputes between YOU and US that are subject to arbitration, but which do not include a CONSTRUCTION DEFECT claim, may be scheduled for hearing at the HOME or another location within the county where the HOME is located. In scheduling the hearing the arbitrator will set a time and date that is reasonably convenient to all the parties.
- Step 3 The Arbitration Hearing. The parties at the arbitration hearing will include the arbitrator, YOU, US and/or a third party designated by YOU or US or acting on YOUR or OUR behalf. Any party to the proceeding may be represented at the hearing. All persons who are parties to the arbitration, as well as representatives and witnesses, are entitled to attend hearings.

After evidence is presented by **YOU**, **US** or **YOUR** or **OUR** representatives, a decision will be rendered by the arbitrator. The decision is final and binding on **YOU** and **US**. The arbitrator may grant any remedy, including statutory remedies, and other relief that the arbitrator deems just and equitable and within the scope of this **LIMITED WARRANTY** or other applicable agreements.

The arbitrator will decide any dispute between the parties, as described above. Where a CONSTRUCTION DEFECT is alleged, the arbitrator will determine whether the alleged CONSTRUCTION DEFECT exists and whether it is OUR responsibility. If the arbitrator finds US responsible for a CONSTRUCTION DEFECT, WE shall be obligated to perform in accordance with OUR Warranty Obligations as described in Section II above.

In connection with a **CONSTRUCTION DEFECT** dispute, the arbitrator retains jurisdiction and authority to decide any dispute as to the required scope of repair and the cost to repair the **CONSTRUCTION DEFECT**. In deciding such disputes, the arbitrator considers the terms of this **LIMITED WARRANTY**, any third-party evaluations, binding bids for repair work supplied by either of the parties, any estimates of diminished fair market value, and such other information submitted by the parties and deemed relevant by the arbitrator. Except where otherwise directed by the arbitrator's award, the decision to repair, replace, or to make payment to **YOU** in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole option. The arbitrator will also render a decision as to any other claims, disputed matters or issues stated in the Binding Arbitration Request Form.

- Step 4 OUR Arbitration Performance Obligations. If an arbitrator concludes that WE are responsible for a CONSTRUCTION DEFECT, WE will perform in accordance with the arbitrator's decision within sixty (60) days from the date of the award or such greater time as may be allowed by the arbitrator's decision. Delays caused by circumstances beyond OUR or OUR representative's control shall be excused.
- Step 5 Disputes As To Compliance With The Award. If there is any dispute as to OUR compliance with an arbitrator's award, either party shall so inform PWC in writing at its mailing address specified in this LIMITED WARRANTY. PWC will mediate this dispute and if it cannot be resolved, either party may request a compliance inspection arbitration to decide the question of compliance with the arbitration award. If it is determined that WE have not properly performed, WE will be obligated to immediately

comply. As with the original arbitration award, any such subsequent arbitration rulings shall be enforceable by any court of competent jurisdiction.

VIII. General Conditions

A. Separation of This LIMITED WARRANTY From The Contract Of Sale

This **LIMITED WARRANTY** is separate and independent of the contract between **YOU** and **US** for the construction and/or sale of the **HOME** or transfer of the **COMMON ELEMENTS**. Except as otherwise expressly provided herein, the provisions of this **LIMITED WARRANTY** shall in no way be restricted or expanded by anything contained in the construction and/or sales contract or other documents between **YOU** and **US**.

B. Transfer to Subsequent HOMEOWNERS

This **LIMITED WARRANTY**, subject to all of its terms and conditions, including, but not limited to, its mandatory binding arbitration provision, will transfer to new owners of the **HOME** for the remainder of the **WARRANTY PERIOD**. **YOU** agree to provide this **LIMITED WARRANTY** to any subsequent purchaser of the **HOME** as a part of the contract of sale of the **HOME**. Please see the form "SUBSEQUENT HOME BUYER ACKNOWLEDGEMENT AND TRANSFER" contained at the end of this document.

C. Transfer of Manufacturer's Warranties

WE assign to YOU all the manufacturer's warranties on all appliances, fixtures and items of equipment that WE installed in the HOME. Should an appliance or item of equipment malfunction YOU must follow the procedures set forth in that manufacturer's warranty to correct the problem. OUR obligation under this LIMITED WARRANTY is limited to the workmanlike installation of such appliances and equipment. WE have no obligation for appliances and equipment defined as CONSUMER PRODUCTS.

D. Recovery Rights

If **WE** or a third party designated by **US** or acting on **OUR** behalf repairs, replaces or pays the cost to repair or replace **CONSTRUCTION DEFECT**, or other related damage to the **HOME** or the **COMMON ELEMENTS** covered by this **LIMITED WARRANTY**, or if **WE** elect to pay the diminished market value of the **HOME** in lieu of repair or replacement of a **CONSTRUCTION DEFECT**, **WE** are then entitled, to the extent of **OUR** cost or payment, to take over **YOUR** related rights of recovery from other people and entities, including but not limited to, other warranties and insurance. **YOU** have an obligation not to make it harder for **US** to enforce these rights. **YOU** agree to sign any papers, deliver them to **US**, and do anything else that is necessary to help **US** exercise **OUR** rights.

E. General Provisions

- 1. If any provision of this LIMITED WARRANTY is determined to be unenforceable, such a determination will not affect the remaining provisions. If this LIMITED WARRANTY or any provision herein is determined to be unenforceable as to a HOMEOWNERS ASSOCIATION or a specific HOMEOWNER, such a determination will not affect the enforceability of this LIMITED WARRANTY or such provision as to any other HOMEOWNERS ASSOCIATION or any other HOMEOWNER. The issue of enforceability, as well as all other issues, will be determined by Binding Arbitration as provided for in this LIMITED WARRANTY.
- 2. This **LIMITED WARRANTY** and the binding arbitration process are binding on **YOU** and **US**. It is also binding on **YOUR** and **OUR** heirs, executors, administrators, successors, and assigns.
- 3. As may be appropriate, the use of the plural in this **LIMITED WARRANTY** includes the singular, and the use of one gender includes all genders.

IX. Definitions

BUILDER means the individual, partnership, corporation or other entity which participates in the Warranty Program administered by the Professional Warranty Service Corporation and provides **YOU** with this **LIMITED WARRANTY**. Throughout this document the **BUILDER** is also referred to as "**WE**", "**US**" and "**OUR**".

COMMON ELEMENTS means the property as specified in the recorded Covenants, Conditions and Restrictions as common area and any other property as to which the **HOMEOWNERS ASSOCIATION** has standing under the law to make a claim. This may include, but is not limited to, streets, slopes, the structure or components of enclosure or other parts of the **HOME**, corridors, lobbies, vertical transportation elements, rooms, balconies, clubhouses or other spaces that are for the common use of the residents of the development in which the **HOME** is located. **SYSTEMS** serving two or more **HOMES**, and the outbuildings that contain parts of such **SYSTEMS** are also included in this definition.

CONSEQUENTIAL OR INCIDENTAL DAMAGES means any loss or injury other than:

- A. **OUR** cost to correct a **CONSTRUCTION DEFECT** including the correction of those surfaces, finishes and coverings damaged by the **CONSTRUCTION DEFECT**;
- B. **OUR** cost to repair or replace, at market value, furniture, carpet or personal property damaged by the **CONSTRUCTION DEFECT**;
- OUR cost to repair damage to the HOME which occurs in the course of OUR repair or replacement of a CONSTRUCTION DEFECT;
- D. The reasonable cost of the **HOMEOWNER'S** alternative shelter when the **HOME** is temporarily unhabitable due to a **CONSTRUCTION DEFECT** and while the **HOME** is rendered uninhabitable by the work necessary to repair a **CONSTRUCTION DEFECT**.

Time YOU take off from work and/or YOUR inability to work from the HOME as a result of a CONSTRUCTION DEFECT or the repair/replacement of a CONSTRUCTION DEFECT, are among those damages considered "CONSEQUENTIAL OR INCIDENTAL DAMAGE" and are excluded under this LIMITED WARRANTY. Diminished fair market value of the HOME is also among those damages considered "CONSEQUENTIAL OR INCIDENTAL DAMAGE" and is excluded under this LIMITED WARRANTY notwithstanding that WE reserve the right to elect to pay YOU diminished fair market value in lieu of OUR repair, replacement or payment for the cost to repair or replace a CONSTRUCTION DEFECT.

CONSTRUCTION DEFECT(S) means a condition in the materials or workmanship used in constructing the **HOME** and/or the **COMMON ELEMENTS** that:

- materially affects the structural integrity of the HOME or the COMMON ELEMENTS; or
- has an obvious and material negative impact on the appearance of the HOME or the COMMON ELEMENTS; or
- jeopardizes the life or safety of the occupants of the HOME or the users of the COMMON ELEMENTS;
 or
- results in the inability of the **HOME** or the applicable **COMMON ELEMENTS** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.

CONSUMER PRODUCT means any piece of equipment, appliance or other item that is a **CONSUMER PRODUCT** for purposes of the Magnuson-Moss Warranty Act (15 U.S.C.§ 2301, et seq.) installed or included in the **HOME**. Examples of Consumer Products include, but are not limited to, dishwasher, garbage disposal, gas or electric cook-top, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, automatic garage door opener, clothes washer and dryer, hot water heater, solar water heater, solar water heating panels, furnace, boiler, heat pump, air conditioning unit, humidifier, thermostat, and security alarm system.

EMERGENCY CONDITION means an event or situation that creates the imminent threat of damage to the **HOME** or **COMMON ELEMENTS**, or results in an unsafe living condition due to a **CONSTRUCTION DEFECT** that **YOU** (or as applicable, the **HOMEOWNERS ASSOCIATION**) become aware of at a point in time other than **OUR** normal business hours and **YOU** were unable to obtain **OUR** or **OUR** authorized representative's

prior written approval to initiate repairs to stabilize the condition or prevent further damage.

HOME means a single family residence either attached or detached covered by this **LIMITED WARRANTY** and the land on which it sits, or a condominium or cooperative unit in a multi-unit residential structure/building covered by this **LIMITED WARRANTY**, and the land on which it sits, except to the extent such unit, structure/building or land is part of the **COMMON ELEMENTS**.

HOME BUILDER'S LIMITED WARRANTY means only this express warranty document provided to **YOU** by **US**.

HOMEOWNER means the first person(s) to whom a **HOME** (or a unit in a multi-unit residential structure/building) is sold, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and such person's(s') successors in title to the **HOME**, or mortgagees in possession and any representative of such person(s) who has standing to make a claim on that person(s) behalf, including any class representative or **HOMEOWNERS ASSOCIATION** making a claim in a representative capacity.

HOMEOWNERS ASSOCIATION means a profit or nonprofit corporation, unincorporated association, organization, partnership, assessment district, limited liability company, limited liability partnership or other entity of any kind that owns, manages, maintains, repairs, administers, or is otherwise responsible for and has standing to make a claim as to any part of the **COMMON ELEMENTS**.

POLLUTANTS means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

PWC means Professional Warranty Service Corporation which administers the warranty program in which WE participate. As such, PWC assumes no other liabilities in connection with this LIMITED WARRANTY. The PWC mailing address is:

Professional Warranty Service Corporation
P.O. Box 800 Annandale, VA 22003-0800

SYSTEMS means the following:

- (a) Plumbing system gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
- (b) Electrical system all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.
- (c) Heating, Cooling, and Ventilation system all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

WARRANTY PERIOD shall commence on the date the title to the HOME is transferred to the first HOMEOWNER. Notwithstanding anything to the contrary set forth in this LIMITED WARRANTY, the WARRANTY PERIOD for the COMMON ELEMENTS of an individual structure/building commences on the date the title for the first HOME in the structure/building is transferred to the first HOMEOWNER or, as concerns clubhouses or outbuildings or other COMMON ELEMENTS not part of the HOME, the earlier of the date of substantial completion or the date title to these structures is transferred to the HOMEOWNERS ASSOCIATION. The dates the WARRANTY PERIOD begins and ends are indicated on the Limited Warranty Validation Form which is attached to and made part of this LIMITED WARRANTY.

WE, US, OUR means the BUILDER.

YOU, YOUR means the HOMEOWNER and the HOMEOWNERS ASSOCIATION.

BINDING ARBITRATION REQUEST FORM

Prior to requesting binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY, the initiating party should have sent the other party a clear and specific written request outlining the claim(s) or dispute(s) that are being submitted for decision through binding arbitration. If you have taken this step and believe the other party has not satisfactorily responded in accordance with the HOME BUILDER'S LIMITED WARRANTY, fill out this form and send it to PWC along with the arbitration filing fee. Be sure to attach a copy of all pertinent correspondence between you and the other party relative to the issue.

The information you need to fill out this form can be found on the Limited Warranty Validation Form. However, if you do not know the answers to any questions, write "Don't Know." <u>Please do not leave any item blank.</u>

| Homeowner r | name(s): | | | | |
|------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
| Address: _ | | | | | |
| - | | CITY | STA | ATE | ZIP |
| Home Phone | :() | | _ Business Phone:(|) | |
| LIMITED WAF | RRANTY #: | | _ Date Warranty Period | d begins: | |
| Builder's Nan | ne: | | | | |
| Address: | | | | | |
| Business Pho | one: () | | _ | | |
| Describe the LIMITED WAR construction if necessary). | dispute that you RRANTY. If the d defect(s) first occ | wish to submit to be ispute is relative to a curred or when you fi | oinding arbitration under a construction defect plears rst noticed the constructi | the terms of ase include ir on defect. (A | the HOME BUILDER's formation on when th ttach additional sheets |
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| | | | | | |
| | | | | | |
| | | | | | |
| ve are hereby re | equesting PWC to | initiate a binding arb | itration to resolve the dis | pute describe | ed herein above. |
| Signature | | Date | Signature | | Date |
| STRUCTIONS: | Photo-copy this f | orm and complete the | fields. | | |
| | Obtain the require | ed arbitration filing fee | by contacting PWC at 1-80 | 0/850-2799 | |

PROFESSIONAL WARRANTY SERVICE CORPORATION
P. O. BOX 800
ANNANDALE, VIRGINIA 22003-0800

Send this Binding Arbitration Request Form and the arbitration filing fee to:

SUBSEQUENT HOME BUYER ACKNOWLEDGMENT AND TRANSFER

Any coverage remaining under the **HOME BUILDER'S LIMITED WARRANTY** applicable to the home specified on the Limited Warranty Validation Form is transferred to the subsequent homeowner.

The undersigned home buyer(s) hereby acknowledge and agree:

I/we acknowledge that I/we have reviewed, understand and agree to all the terms of the HOME BUILDER'S LIMITED WARRANTY document (PWC Form No. 117).

I/we understand and acknowledge that Professional Warranty Service Corporation ("PWC") is not the warrantor of the HOME BUILDER'S LIMITED WARRANTY.

I/we understand that I/we am/are responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the Builder shall not be responsible for any defect or damage to the home which is the result of my/our failure to maintain the home.

I/we acknowledge and agree to the Binding Arbitration Procedure contained in the HOME BUILDER'S LIMITED WARRANTY.

| Signature(s) of Subsequent Home Buyer(s): | Date: |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>-</u> | Date: |
| Print above name(s) | |
| necessary for you to receive the coverage Upon receipt of this signed form, PWC will upon want PWC to issue another Limited check the box below and send a check in the of this form. | dation Form with the name(s) of the new Home Buyer(s) is not remaining under the HOME BUILDER'S LIMITED WARRANTY . update its records to reflect the name(s) of the new homeowner(s). Warranty Validation Form with your name(s) on the form, please the amount of \$20.00 made payable to "PWC" with your submission on Form in the above name(s) (check box) Initial |
| Limited Warranty No.: | |
| space provided (this number is provided or number where you can be reached (| rovide information requested, sign, fill in Limited Warranty # in the h the Limited Warranty Validation Form), and provide a telephone) If you want the Limited Warranty Validation r check to PWC in the amount of \$20.00 (check box above and 00/850-2799. |
| Mail this form and a photocopy of applicable | e settlement/closing documents indicating transfer of title, to: |

PROFESSIONAL WARRANTY SERVICE CORPORATION P.O. BOX 800 ANNANDALE, VA 22003-0800

On2 Homes Homeowner Guidebook

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Shazam Customer Care Department
CustomerCare@ShazamHomeServices.com