
Limited Warranty

As Per

Minnesota Statute Chapter

327A

Produced by: the Builder's Association of the Twin Cities (BATC) &
Hanson Builder's Inc.

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LIMITED WARRANTY as per 327A Statutory Warranties

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

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

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

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

During the first **10 years** of ownership the **dwelling** shall be free from major structural defects due to non-compliance with **building standards**.

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

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

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

HOMEOWNER PERSONAL PROPERTY

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

**YOU NEED TO CARRY YOUR OWN
HOMEOWNERS INSURANCE ON
YOUR PERSONAL PROPERTY**

MINIMUM PERFORMANCE STANDARDS

A standard for minimum performance, which is a more specific, detailed set of requirements, is also hereby established by the Association and Hanson Builders, Inc. These minimum performance standards are necessary to clearly identify what expectations are for the public.

These minimum performance standards are adopted to insure uniform quality work by Association members whether they are new homebuilders, remodelers, or suppliers of labor or materials. Minimum performance standards serve the following worthwhile objectives:

- A. First and foremost, a uniform set of minimum performance standards should be available for review by prospective Home Owners. The public should be able to know what they may expect of a professional builder. The knowledge that one may expect a certain level of performance, through general guidelines and specific requirements, is a right of every prospective Home Owner.
- B. The minimum performance standards also serve as a guideline for corrections. We realize that perfection is not possible technologically in the housing industry and that imperfections will occur from time to time. When these problems do occur, the Home Owner can look to the Association's minimum performance standards for members for determining the cause of and responsibility for a problem. If a defect or problem is a violation of a building code or minimum standard, then this booklet will serve as the guideline on what action the builder will take.
- C. By requiring compliance with a set of minimum performance standards, the BATC established a more objective and complete means of setting and meeting the goals of the homebuyers.
- D. These minimum performance standards have been reviewed by local builders, suppliers, subcontractors, and specialty installers. They have been accepted, in writing, by the members of the Association and, therefore, constitute a written summary of the generally accepted standards of construction in the Twin Cities metro area.

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

ONE YEAR WARRANTY ITEMS

The following items are covered for the First year of occupancy. This portion of the Warranty expires 12 months from the date of closing.

THE FOLLOWING ARE ALL WARRANTIED FOR ONE YEAR FROM THE DATE OF CLOSING. THESE ARE MINIMUM PERFORMANCE STANDARDS TO WHICH HANSON BUILDERS WILL ADHERE TO FOR THE ONE YEAR WARRANTY PERIOD.

1. SITE WORK

A. Site Grading

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

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

B. Site Drainage

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

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

C. Landscaping and Trees

Trees installed by the Builder are warranted for one growing season. There is no warranty of any plant through the winter. If the tree does not survive, the replacement tree will be of a similar species but limited to 2" diameter deciduous tree and a 6'-7' evergreen tree. This is the largest we can install after the landscaping is completed.

Note: One growing season is from May to October.

D. SOD

Sod will be green and alive at installation, provide adequate water as needed – there is no warranty of any kind on sod..

E. Weeds

Builder is not responsible for weed control from an unfinished lot entering a finished lot. (Note: all unfinished lot will have “weeds”.)

2. CONCRETE

A. Cast-In-Place Concrete

1. Foundation Walls

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

2. Basement Floors

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

3. Garage Slabs and Sidewalks

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

4. Concrete Floors with Finished Flooring

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

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

5. Other Concrete Work

Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.

Builder will take whatever corrective action necessary to repair or replace defective concrete surfaces. For smaller, more localized warrantable defects, the repairs are done with latex or epoxy topical applications of concrete patch materials. **Builder is not responsible for deterioration caused by salt**, chemicals, mechanical implements and other factors beyond its control. Salt from the city will often cause “peeling” at the end of your driveway next to the street. This is NOT a warrantable item.

6. Stoops, Steps or Garage Floors

Stoops, steps, or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures. **

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

Builder shall take corrective action to meet these standards.

****NOTE:** This does not cover free-floating slabs that do not have foundations under their 4 sides (ie: driveways, sidewalks, patios, etc.).

3. **MASONRY**

A. Unit Masonry

1. Basement or Foundation Walls

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

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

2. Masonry Walls or Veneer

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

Non-uniformity in appearance of stone, brick with varying tones, Rock face

bricks or mortar is not covered. Builder will repair cracks in excess of 3/8 inch by pointing or patching. Builder will not be responsible for color variation between old and new mortar.

3. Decorative Stone or Brick on Interior Walls

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

Builder will caulk all cracks exceeding 1/8".

4. **WOOD AND PLASTIC**

A. Rough Carpentry

1. Floor squeaks

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

Builder will correct the problem only if caused by an underlying construction defect.

2. Evenness of Wood Floors

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

Builder will correct or repair to meet these specifications.

3. Bowing of Walls

All interior and exterior walls have slight variances on their finished surfaces. Bowing of wall should not detract from or blemish the wall's finished surface. Walls should not bow more than 3/8" out of line within any 32" horizontal or vertical measurement.

Builder will repair to meet these specifications.

B. **Interior Finish Carpentry**

Joints in moldings or joint between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width. Some season shrinkage is normal.

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

C. **Decorative Interior Solid Wood Beams**

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

D. **Exterior Finish Carpentry**

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

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

5. **THERMAL AND MOISTURE PROTECTION**

A. **Waterproofing**

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

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

B. **Insulation**

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

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

C. **Louvers and Vents**

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

Note: During some blizzard type snowstorms, some snow may blow through the roof vents. This is not preventable.

D. **Roofing and Siding**

1. **Roof or Flashing Leaks**

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

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

2. **Standing Water on Flat Roof**

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

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

3. **Delamination of Veneer Siding or Joint Separation**

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

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

E. **Sheet Metal**

1. **Gutters and Downspouts**

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

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

2. **Water Standing in Gutters**

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

Builder will correct to meet these standards.

F. **Sealants**

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

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

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

6. DOORS AND WINDOWS

A. Wood and Plastic Doors

1. Warpage of Exterior Doors

Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (Warpage must exceed 1/4" on a 6'8" door and 3/8" on an 8' door, measured diagonally from corner to corner.)

Builder will correct, adjust or replace and refinish defective doors.

See note for wind under sealants.

2. Warpage of Interior Passage and Closet Doors

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

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

3. Shrinkage of Insert Panels

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

4. Split in Door Panel

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

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

B. **Glass**

1. **Broken or Scratched Glass**

Broken or scratched glass not reported to the Builder **prior** to closing is the Home Owner's responsibility.

Window stress cracks are warranted for 12 months from the date of closing. No further warranty exists on stress cracks in glass.

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

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

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

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

C. **Garage Doors on Attached Garages**

Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under certain inclement weather conditions especially with high winds. Note: When snow and ice melt off of cars in the winter, the water will run towards the garage door and it will freeze there. This is not a warranty issue.

D. **Wood, Vinyl and Metal Windows**

1. **Operation of Windows**

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

2. Condensation on Windows

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

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

E. Weather stripping and Seals

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

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

7. **FINISHES**

A. Gypsum Wallboard

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

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

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

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

B. **Ceramic Tile**

Ceramic tile shall not crack or become loose.

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

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

C. **Finished Wood Flooring**

Builder will repair cracks in excess of 1/8 inch by filling as needed. **Entire wood floors are never removed or replaced because of shrinkage cracks.** It is normal for floors to shrink in the winter and swell up and close during the summer. **All cracks will be measured during normal summer and fall times, NOT during the winter.**

A humidifier will often help to reduce the shrinkage that occurs in the winter. (Be careful as to not allow too much moisture to build up on window sashes.) If you have questions on how to balance your humidity, call your builder.

D. **Resilient Flooring**

1. **Nail Pops on Surface of Resilient Flooring**

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

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

Readily apparent depressions or ridges exceeding 1/8" shall be repaired.

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

3. Adhesion of Resilient Flooring

Resilient flooring shall not lift, bubble or become unglued.

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

4. Gaps or Seams at Joints

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

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

E. Painting

1. Peeling or Fading of Exterior Paint

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

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

2. Painting Required as Corollary Repair because of Other Work

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

3. Deterioration of Varnish or Lacquer Finishes

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

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

4. Enamel Touch-up

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

5. Mildew or Fungus on Painted Surfaces

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

6. Angle Iron Metal Supporting Brick

Angle iron is primed and painted at installation. It is common after the 1st year for this metal to develop some rust – this cannot be prevented. Painting after the initial paint installed by the builder becomes the homeowner's responsibility.

F. Wallpaper

Wallpaper installation is not recommended for the first year. Builder will not warrant any wallpaper failure. If there is any drywall repair necessary under wallpaper, the homeowner must first remove the wallpaper before the builder will repair the wall.

G. **Carpeting**

1. **Open Carpet Seams**

CARPET SEAMS WILL SHOW. However, no visible gap is acceptable and the Builder will correct the problem if the Builder performed the original installation. It is more difficult to hide the seams in Berber type carpet. These seams will be more apparent.

2. **Stretching or separation of seams**

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

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

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

H. **Exterior Stucco Wall Surfaces**

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

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

8. **SPECIALTIES**

A. **Louvers and Vents**

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

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

B. **Fireplaces**

1. **Draft**

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

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

2. **Chimney Separation from Structure to which it is Attached**

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

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

9. **EQUIPMENT**

A. **Countertops and Cabinets**

1. **Countertop Lamination**

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

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

2. **Kitchen Cabinets**

Warpage not to exceed 1/4 inch as measured from face frame to point to point of furthest warpage with door or drawer front in closed and adjusted position.

In the case of a pair of doors, the front edges of the doors should be adjusted to within 1/8" of each other by the hinge adjustments.

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

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

3. Cabinets, Ceiling or Wall Gaps

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

10. PLUMBING

A. Water Supply System

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

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

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

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

B. **Plumbing System**

1. **Leaks**

No valve or faucet shall leak due to defects in workmanship and materials.

Builder will repair or replace the leaking faucet or valve during the 1-year warranty.

Note: If a leak causes any water damage to other parts of the home, that damage must be submitted to your Homeowners Insurance Co. Hanson Builders does not insure your home against any damage of water, fire, wind, tornado, etc.

2. **Defective Plumbing Fixtures or Trim Fittings**

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

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

3. **Noisy Water Pipes**

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

4. **Cracking or Chipping of Porcelain or Fiberglass Surfaces**

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

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

C. **Septic Tank System**

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

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

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

D. **Piping**

1. **Leaks**

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

Builder will make repairs to eliminate leakage.

2. **Stopped-up Sewers, Fixtures and Drains**

Sewers, fixtures and drains shall operate properly.

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

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

3. Refrigerant Lines

Refrigerant lines shall not develop leaks during normal operation.

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

11. HEATING AND COOLING

A. Heating

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

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

B. Refrigeration

Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees F, as measured at an inside wall in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in the ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees F, a differential of 15 degrees F from the outside temperature will be maintained. (ex: If outside temperature is 99⁰, the inside temperature shall not exceed 84⁰.) Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted. NOTE: If off peak cooling is selected, no guarantee of cooling capability is given due to the uncertainty of how long and how many times the power company turns off the power to the condensing unit.

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

C. Condensation Lines

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

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

D. **Evaporative Cooling**

Equipment shall function properly at normal temperature.

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

12. **VENTILATION**

A. **Ductwork**

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

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

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

B. **Outlets, Switches and Fixtures**

1. **Drafts from electrical outlets**

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

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

All switches, fixtures and outlets shall operate as intended.

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

C. **Ground Fault Interrupter**

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

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

D. **Wiring**

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

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

TWO YEAR WARRANTY ITEMS

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

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

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

1. WATER SUPPLY SYSTEM

- A. **Deficiency:** Plumbing pipes freeze and cause leaks.
NOTE: This does NOT include lines that are part of the homeowner's responsibility to drain.
- Construction Standard:** Drain, waste and vent or water pipes should be adequately protected, as required by applicable codes, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures to prevent freezing.
- Builder Correction:** The Builder shall correct the condition responsible for the pipes freezing and repair piping damage caused by freezing except where there has been an obvious lack of heat and/or Homeowner(s) neglect.
- B. **Deficiency:** Water supply system fails to deliver water.
- Construction Standard:** All service connections to municipal water main and private water supply are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
- Builder Correction:** Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond his/her control disrupt or eliminate the source of the supply then it is not his responsibility.
- C. **Deficiency:** Drinking water supply from private well is not potable.
Construction Standard: All water must be free from contamination that would affect its potability. Potable water is defined as water fit for human consumption. In many cases, well water tests will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards; however, it may still be considered potable. In order to make this determination, the Owner must provide written documentation from an independent testing laboratory or a board of health providing such service stating that the water is unfit for human consumption. Water test reports furnished by a commercial water treatment company cannot be used to make such a determination. Water is considered potable when a local/county board of health issues a certificate of compliance. Any recommendation for treatment of the water by the local/county board of health is contractual between Owner and Builder and cannot be considered a deficiency. Furthermore, water that becomes non-potable after certification by source beyond the control of the Builder shall be excluded from coverage. Potable water from municipal supply is NOT warranted by the builder. The city is responsible for maintaining the purity of municipal water.

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

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

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

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

Builder Correction: Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions, which occur through Owner negligence or abuse and from conditions that are beyond his/her control. The following are considered Owner negligence or abuse as an exclusion under the warranty:

- A. Excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use;
- B. Connection of sump pump, roof drains or backwash from water conditioner, to the system;
- C. Placing of non-biodegradable items in the system;
- D. Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners;
- E. Use of a food waste disposer;
- F. Placement of impervious surfaces over the disposal area;
- G. Allowing vehicles to drive or park over the disposal area;
- H. Failure to periodically pump out the septic tank, when required. (We recommend once a year. Keep your receipts for proof of maintenance)

3. **PLUMBING**

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

Construction Standard: No leaks of any kind should exist in any soil, waste, vent, water or gas pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the Homeowner(s) should call the appropriate public utility service immediately, and then report the leak to the Builder.

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

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

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

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

4. **COOLING**

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

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

Builder Correction: Repair leaking cooling lines and recharge unit.

5. **ELECTRICAL CONDUCTORS**

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

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

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

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

TEN YEAR WARRANTY ITEMS

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

Right to Cure (State Statute Amendment to 327A)

If a structural failure is discovered during the 10 year warranty period, a description of the alleged defect must be given to the Builder in writing. The Builder will make an inspection within 30 days and give a response on what repairs (if any) are to be made. The Homeowner must be willing to give the Builder access to the home to make any necessary repair to the structure.

Ten Year Structural Coverage Structural Defect Limited Warranty Coverage

The Builder warrants against loss to the Home caused by Structural Defects, which first occur during the Warranty Term, under the terms, and conditions stated in the following sections.

What is Covered:

1. This limited warranty covers Structural Defects in the Home, which occur during the ten (10) year Warranty Term, which commences on the day that title transfer, or first occupancy occurs (which ever occurs first).
2. "Structural Defect" is actual physical damage to the following designated load-bearing portions of the Home caused by failure of such load-bearing portions which affect their load-bearing function to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable:
 - a. Foundation systems and footings;
 - b. Beams;
 - c. Girders;
 - d. Lintels;
 - e. Columns;
 - f. Walls and partitions;
 - g. Floor systems; and
 - h. Roof framing systems.

Examples of non-load bearing elements, which are deemed NOT to have Structural Defect potential, are:

- a. Non-load bearing partitions and walls;
- b. Wall tile or paper, etc.
- c. Plaster, laths, or dry wall;
- d. Flooring and sub-flooring material;
- e. Brick, stucco, stone or veneer;
- f. Any type of exterior siding;
- g. Roof shingles, sheathing, and tarpaper;
- h. Heating, cooling, ventilation, plumbing, electrical and mechanical systems;
- I. Appliances, fixtures or items of equipment;
- j. Doors, trim, cabinets, hardware, insulation, paint, stains;
- k. Basement and other interior flooring, ground-supported concrete floor slabs.
- l. Any exterior element (sidewalks, patios, driveways, landscape, retaining walls, etc.)

NOTE: Damage caused to load-bearing structure due to neglect or lack of maintenance from some other element (example: leaking roof that was not identified and repaired, leaky windows or flashing allowing water to leak over time and causing rotting of structure, salt running off your car in the winter and collecting against the garage foundation, etc.) is NOT covered under the warranty.

What the Builder will DO:

1. Subject to the warranty limits, if a Structural Defect is covered by this warranty, the Builder will repair the Structural Defects or make arrangements for such repairs. The Builder shall have complete discretion as to the methods and manners for repairing and/or replacing Structural Defects. No repairs or replacements made under the terms and conditions of the warranty shall act to extend the Warranty Term.
2. The repair of a Structural Defect is limited (1) to the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing ability; and (2) to the repair of those items of the Home damaged by the Structural Defect which make the Home unsafe, unsanitary or otherwise unlivable.

Warranty Limits:

The Insurer's total liability for all Structural Defects arising during the Warranty Term limited to the original sales price of the unit NOT including the parcel of land on which the unit was constructed nor the landscape, nor any other items not done in the original contract. Refer to the original building contract and proposal for exact amounts.

ACKNOWLEDGEMENT

I have received a copy of the 1, 2, & 10 Year Limited Warranty Agreement. I have read or will read the Warranty on my new home.

Buyer's Signature

Date

Buyer's Signature

Date

CUSTOMER COPY

ACKNOWLEDGEMENT

I have received a copy of the 1, 2, & 10 Year Limited Warranty Agreement. I have read or will read the Warranty on my new home.

Buyer's Signature

Date

Buyer's Signature

Date

HANSON BUILDERS COPY