

The Parkways at Maui Lani

STANDARDS OF PERFORMANCE

The Standards of Performance set forth in this Section 4 describe the guidelines and tolerances of workmanship and materials within which your new home will perform during the first year following closing. They are designed to help you, the homeowner, determine the validity of any potential claim regarding construction defects in your home during this time frame. If your home does not perform within these guidelines and tolerances during the first year following closing, the Contractor will resolve the condition in accordance with the terms, conditions, and exclusions of the Limited Warranty set forth in Section 3 hereof.

It is not possible to list every component of a home in these standards so only the most frequent types of conditions, which can occur in a home during the first year, are addressed in these Standards of Performance. **Tolerances and guidelines for these Standards of Performance are similar to, but supercede where inconsistent, those listed in the National Association of Home Builders (NAHB) Residential Construction Performance Guidelines found in Section 5 hereof. The Observations listed as part of the Standards of Performance found in this Section 4 are examples of typical warranty items incurred in this geographic area. For other Observations not listed, during the first year Customer Care period, the Standards (Performance Guidelines) listed in this NAHB publication will be followed.** When a guideline or tolerance is not addressed in these Standards of Performance for a condition that occurs during the first year, we will evaluate the flaw or imperfection reported to determine whether the condition is a construction defect due to the fact that it: (1) materially affects the structural integrity of the home; or (2) has an obvious and material negative impact on the appearance of the home; or (3) jeopardizes the life or safety of the occupants; or (4) results in the inability of the home to provide the functions that can reasonably be expected in a residential dwelling.

These Standards of Performance (Section 4) and the NAHB Guidelines (Section 5), shall apply only during the first year following closing. During years 2 through 10, the Home Builder's Limited Warranty (Section 3) shall apply.

I. SITE WORK

- A. Observation: Settling of ground around the foundation of the residence, utility trenches, and other filled areas.

Standard: When the areas for the residence and the utilities serving the residence were excavated, the holes dug were larger than the actual size of the residence and the utilities installed. In certain situations, due to construction requirements, restrictions, or municipal employees or contractors installing these utilities, these areas cannot be compacted when they are backfilled and are, therefore, subject to slight settlement. If settlement of more than four inches (4") occurs, Contractor will fill the settled areas one time during the first year provided that (i) homeowner has not changed the grades, swales, and drainage patterns of the site, and (ii) homeowner assumes full responsibility for any landscaping affected thereby. Homeowner must correct any additional

The Parkways at Maui Lani

settlement. Contractor is not responsible for settlement in any non-excavated areas of the property.

B. Observation: Site Drainage.

Standard: Site drainage is limited to the immediate grades and swales affecting the structure. Contractor will establish grading of the site one time in a manner, which assures that the water falling on the site, whether from natural precipitation or from normal lawn irrigation, will flow positively away from the foundation and slabs of the residence. Drainage swales may not follow property boundaries. Contractor will not alter drainage swales to suit individual landscape plans. It is normal for the site to receive water from and/or pass water on to other sites. No standing or ponding water should remain in the immediate area of the residence longer than twenty-four (24) hours after a rain except in swales (48) hours, which may take longer to drain. Contractor will correct water, which stands for more than (24) hours or more than (48) hours in swales. Contractor is not responsible for weather-caused changes to unlandscaped yards after grading has been established or after the date of occupancy, whichever occurs last. Homeowner must maintain the grades, swales, and drainage patterns established by Contractor as part of the final grade. No grading determination is to be made when the ground is saturated. **Failure to maintain adequate drainage may result in structural damage and void the LIMITED WARRANTY.**

If homeowner makes changes in grading or drainage, has installed landscaping improperly, or failed to perform required maintenance to maintain the proper drainage and these are deemed to be the cause of the damages, Contractor may suggest corrective measures, but will not be responsible for their implementation or expense.

II. CONCRETE – Flatwork and Foundation (Non-structural)

Since all cementitious products crack, and such cracking can only be minimized or controlled to a degree, concrete flatwork is not warranted against all cracking. Therefore, concrete slabs and flatwork will not be replaced due to normal cracking within these construction standards. However, as an accommodation to our homeowners, cracks in exterior concrete or slabs will be caulked one (1) time during the first year after the Warranty Commencement Date. After that anniversary, we will only repair cracks which exceed the standards set forth below.

A. Observation: Cracks in slab-on-grade floor.

Standard: Cracks that do not exceed an average of three sixteenths inch (3/16") in width, and vertical displacement (where one portion of the concrete settles to a lower point than another) that does not exceed an average of three sixteenths inch (3/16"), are to be considered normal and are a normal part of the expansion and contraction of the concrete slab. Cracks that exceed three-sixteenths inch (3/16") in width will be caulked one (1) time during the first year after the Warranty Commencement Date. Slabs with greater than three-sixteenths inch (3/16") vertical displacement will be

The Parkways at Maui Lani

replaced during the first year after the Warranty Commencement Date. Only the affected slabs or affected sections thereof will be replaced. Subsequently, floor slab maintenance is a Homeowner responsibility.

B. Observation: Cracks in garage slabs, driveway, and patio.

Standard: Cracks that do not exceed an average of three sixteenths inch (3/16") in width, and vertical displacement that does not exceed an average of three sixteenths inch (3/16"), are to be expected and will not result in replacement of the affected concrete. Homeowner must immediately seal all cracks as they appear with a concrete type caulk.

C. Observation: Cracks in walkway within property boundaries and/or driveway.

Standard: Cracks that do not exceed an average of three-sixteenths inch (3/16") in width, and vertical displacement that does not exceed an average of three-sixteenths inch (3/16"), are to be expected. Homeowner must immediately seal all cracks as they appear with concrete type caulk.

D. Observation: Cracks in foundation walls.

Standard: Cracks that do not exceed an average of one-quarter inch (1/4") in width are to be expected. Cosmetic imperfections in foundation walls are normal and will not be repaired.

E. Observations: Movement of concrete slab within the residence.

Standard: All concrete slabs are designed to "float" or move independently from the concrete foundation walls and are not a "structural" part of the residence. Extreme or excessive movement in the slab should be brought to Contractor's attention.

F. Observation: Separation of stoops and steps.

Standard: Stoops and steps should not separate, or settle, an average of more than one inch (1") from the residence. Slight settling and separation of stoops and steps are to be expected. Homeowner must immediately seal all cracks as they appear with a waterproof substance.

G. Observation: Pitting, scaling, and spalling of finished concrete surfaces.

Standard: Under normal conditions, concrete surfaces should not disintegrate to the extent that the aggregate is exposed. Pitting, scaling or spalling of concrete surfaces should be brought to Contractor's attention unless the deterioration was caused by (i) salt, (ii) chemicals, (iii) mechanical implements, or (iv) other causes beyond the reasonable control of Contractor.

The Parkways at Maui Lani

H. Observation: Standing water on slabs, patios, stoops, and steps installed by Contractor.

Standard: After a rain, some minor ponding or standing water is to be expected, but such water should not remain for more than forty-eight (48) hours. Water flow should not be impeded from stoops, patios, driveways, or steps by Homeowner's landscaping. Minor ponding may occur on interior garage slabs at slight depressions in the garage slab from water deposited on the floor by water dripping from a vehicle.

I. Observation: Settling of exterior concrete installed by Contractor.

Standard: Under normal conditions, exterior concrete should not settle, or have settled, more than one inch (1"). Excessive settling, over one inch (1"), should be reported in writing to Contractor to have inspection made on settlement. Settlement is deemed excessive if it results in negative (toward the house) drainage or hazardous vertical displacement.

J. Observation: Discoloration of existing and replacement concrete.

Standard: Due to the natural components comprised in and the weather affected application of concrete, it is common for color variations in concrete. Contractor will not repair or replace concrete due to color variations.

III. CARPENTRY

A. Observation: Expansion and contraction of exterior trim.

Standard: Open joints between exterior trim elements, including siding and masonry, are to be expected. Certain materials, including siding, have been installed to allow for expansion and contraction, but these areas should be properly caulked to exclude the entry of water. If open joints in excess of three-sixteenths inch (3/16") in width occur, Contractor will recaulk the open joints once during the first year after the Warranty Commencement Date. All other recaulking is the responsibility of the homeowner.

B. Observation: Cracks and shrinkage of exterior trim boards and decking.

Standard: Cracks not exceeding one eighth inch (1/8"), twisting not exceeding three eighths inch (3/8"), shrinkage not exceeding one quarter inch (1/4"), and the raising of the grain of exterior trim boards and decking, are considered normal and are part of the natural expansion and contraction of the wood. They are not covered by the Limited Warranty unless they constitute a Construction Defect. The homeowner should regularly maintain these cracks with caulking.

C. Observation: Discoloration and repairing of exterior decking.

The Parkways at Maui Lani

Standard: All exterior decking is delivered in its natural condition. The Contractor does not stain or waterproof the decking. **Because of the effects of weather on decking material, the Contractor strongly recommends that all exterior decking be stained or waterproofed by the homeowner. The Contractor is not responsible for any decking repairs that result from the homeowner's failure to stain or waterproof the deck. This includes twisting, warping, splitting, or discoloration of deck materials.**

D. Observation: Loose or squeaky subfloors.

Standard: The plywood or OSB subfloors shall be glued and nailed to the floor joists to minimize squeaky floors. Floor squeaks and loose floors may appear due to normal expansion and contraction of materials in both the flooring system and systems attached to the flooring system, such as ductwork and plumbing. A squeak-proof floor cannot be guaranteed. **Contractor does not warrant against floor squeaks and loose floors unless they are the result of a CONSTRUCTION DEFECT.**

E. Observation: Deflection in floors.

Standard: Properly installed floors may deflect when walked on with the deflection more noticeable near heavy furniture. This is not a structural deficiency and no corrective action is required.

F. Observation: Level floors.

Standard: Wood floors should be level to within one half inch (1/2") within any twenty foot (20') distance. Floors shall not have more than a one-quarter inch (1/4") ridge or depression within any thirty-two inch (32") measurement.

G. Observation: Out-of plumb or bowed walls.

Standard: Walls that are out of plumb or bowed by more than one half inch (1/2") over an eight foot (8') distance will be corrected. Minor framing imperfections in interior and exterior walls are to be expected.

H. Observation: Roof sheathing is wavy or appears bowed.

Standard: Roof sheathing shall not bow more than one half inch (1/2") in two feet (2').

I. Observation: Joints in interior mouldings.

Standard: Open joints in mouldings or between mouldings and adjacent surfaces that do not exceed an average of one-eighth inch (1/8") in width are to be expected. If open joints in excess of one-eighth inch (1/8") occur, Contractor will recaulk the open joints once during the first year after the Warranty Commencement Date.

The Parkways at Maui Lani

IV. INSULATION AND MOISTURE PROTECTION

- A. Observation: Entry of rain in attic.

Standard: To properly ventilate the residence, attic vents and/or louvers must be installed and the entry of rain through the vents and/or louvers may be expected under severe weather conditions, such as hard blowing rain.

- B. Observation: Insufficient insulation.

Standard: Insulation will be installed in accordance with applicable energy and building code requirements when air conditioning is selected as an option.

V. ROOFING

- A. Observation: Leaks in roof or flashing.

Standard: The roof or flashing should not leak unless caused by severe weather conditions such as hard blowing rain.

- B. Observation: Tile roofing vibrates during high wind conditions.

Standard: Tile roofing on occasion may vibrate or rattle during high wind conditions. This is considered to be normal.

- C. Observation: Gutters and/or downspouts leak.

Standard: Gutters and downspouts should not leak although gutters may overflow during heavy rains.

- D. Observation: Standing water in gutters.

Standard: Since gutters are installed approximately level, small amounts of standing water, but not exceeding one half inch (1/2") in depth, are to be expected. Homeowner must keep the gutters free from obstructions.

VI. DOORS AND WINDOWS

- A. Observation: Warped interior doors.

Standard: Interior doors should not warp to exceed the National Woodwork Manufacturer's Association Standards (one fourth inch [1/4"]).

- B. Observation: Warped exterior doors.

Standard: Exterior doors are subject to a great deal of stress due to extreme differences in temperature from inside to outside, and some warpage is to be expected. However,

The Parkways at Maui Lani

the wood exterior doors and fiberglass exterior doors should remain operable and weather resistant and should not warp to exceed the National Woodwork Manufacturer's Association Standards (one fourth inch [1/4"]). This is provided proper humidity levels are kept in the house. Even with properly installed weather stripping, some movement of the door, when closed, may be expected. Homeowner maintenance is required for minor adjustments to thresholds and other parts of the door.

C. Observation: Shrinkage of interior and exterior door panels.

Standard: Panels will shrink and expand and may expose unpainted wood surfaces. Paint or stain on interior and exterior doors will be touched up once during the first year after the Warranty Commencement Date.

D. Observation: Split in interior and exterior door panel.

Standard: Panels will shrink and expand and may expose unpainted wood surfaces. Split panels should not allow light to be visible through the door. If light is visible, Contractor will fill the split and match the paint or stain as closely as possible once during the first year after the Warranty Commencement Date. Thereafter, the maintenance of such interior and exterior doors is the homeowner's responsibility.

E. Observation: Garage doors fail to open properly.

Standard: Contractor shall install garage doors within the manufacturer's installation tolerances and the doors should operate properly. Some entrance of rain is to be expected under normal circumstances.

F. Observation: Doors and/or windows do not fit properly, do not lock, or malfunction.

Standard: Doors and windows should operate with reasonable ease and should lock and unlock freely. Homeowner must keep the window tracks and the sliding door tracks free from dirt and obstructions and all sliding mechanisms properly lubricated.

G. Observation: Infiltration of air, dirt, and dust around windows and doors.

Standard: Contractor shall properly install exterior doors and windows. Even with proper installation, some air and dust infiltration will occur around windows (especially prior to the installation of landscaping in the general area). Contractor does not warrant exterior doors and windows against air and dust infiltration.

H. Observation: Chips, dents, and scratches in doors and hardware.

Standard: Some chips, dents, and scratches in doors and hardware are normal. **Contractor will only repair the chips, dents or scratches that are noted within ten (10) days of occupancy.**

The Parkways at Maui Lani

- I. Observation: Broken glass and torn screens.

Standard: There should be no broken glass or torn screens at the time title to the residence was delivered to homeowner. Homeowner must note any broken glass or torn screens within ten (10) days of occupancy.

- J. Observations: Scratches and imperfections on glass.

Standard: Some scratches and imperfections in window and door glass are normal. Scratches or glass imperfections that are visible from a distance of ten feet (10') will be repaired or the glass replaced, if the scratches are noted within ten (10) days of occupancy. Thereafter, scratches and glass imperfections become the responsibility of the homeowner. **Only the scratches that were noted within ten (10) days of occupancy will be repaired.**

- K. Observations: Hardware.

Standard: Doorknobs and locks should operate correctly upon delivery of the residence. Occasionally, doorknobs and locks will cease to operate properly, largely because of poor maintenance or misuse. Contractor will make adjustments or replacements as required during the first year after the Warranty Commencement Date. Hardware that tarnishes due to exposure to weather will not be replaced.

VII. FINISHES

- A. Observation: Imperfections in drywall and gypsum wallboard.

Standard: Slight imperfections, such as hairline cracks, nail pops, and seam lines, not visible from a minimum distance of six feet (6') under normal lighting conditions are acceptable. An imperfection caused by defects in workmanship, such as excess compound in joints, trowel marks, cracked corner beads, and blisters in tape, is not acceptable. Slight variations in texture are acceptable. Repairs will not be made for minor imperfections that are only visible under certain lighting conditions. Areas repaired will be touched-up with original paint. All repairs, to some degree, will be visible upon inspection.

Homeowner is responsible for custom paint colors or wallpaper that is applied after closing. Contractor will not be responsible for color variations in the paint. As an accommodation to our homeowners, **Contractor will repair drywall that does not conform to the standards listed above that were not noted on the pre-closing inspection one (1) time during the one year Customer Care Program.**

- B. Observation: Ceramic tile cracks or comes loose.

Standard: Ceramic tile should stay firmly in place and should not crack provided that the tile is not intentionally or accidentally struck with a hard object or, provided that the tile has been properly maintained. Contractor will reattach loose tiles, which have not been cracked or come loose due to neglect. Contractor is not responsible for color variations

The Parkways at Maui Lani

or discontinued patterns. **Contractor will repair only the chipped or damaged tile noted within ten (10) days of occupancy.**

C. Observation: Cracked ceramic grout joints.

Standard: Due to normal expansion and contraction of the materials, cracks will appear in ceramic tile grout lines, particularly at the junction of the bathtub and tile or shower pan and tile. Regrouting of these cracks is a maintenance responsibility of the homeowner within the life of the home. Contractor will repair grout one (1) time during the first year after the Warranty Commencement Date, assuming that the Contractor has been notified of the cracking in a timely manner, and that no damage has been incurred to the installation due to neglect. Care must be taken to inspect the tile on a monthly basis.

D. Observation: There is excessive "lippage" of adjoining tile, brick, marble or stone flooring.

Standard: "Lippage" greater than one-eighth inch (1/8") is considered excessive and will be corrected.

E. Observation: Surface deficiencies in finished woodwork.

Standard: **Contractor will only correct readily apparent splits, cracks, hammer marks, and exposed nail heads that are documented within ten (10) days of occupancy.** Subsequent to then, these items are not covered by the Limited Warranty.

F. Observation: Cracks between floorboards of finished wood flooring.

Standard: Cracks not exceeding an average width of one-eighth inch (1/8") are to be expected due to normal expansion and contraction of the materials. More cracks may be expected in areas of high heat.

G. Observation: Squeaks/creaking of hardwood floors.

Standard: Hardwood floors are installed using individual boards and many hundreds of nails. The natural expansion and contraction of this material make it impossible to eliminate floor squeaks in hardwood floors.

H. Observation: Excessive "lippage" is located at junction of wood flooring and different floor material.

Standard: "Lippage" greater than one-sixteenth inch (1/16") is considered excessive and will be corrected.

I. Observation: Exterior paint, stain, or varnish prematurely peels, deteriorates, or fades.

The Parkways at Maui Lani

Standard: Exterior paint and stain shall be installed according to manufacturer's specifications and should not peel or deteriorate during the first year after the Warranty Commencement Date. Fading is to be expected and the degree is dependent upon climatic conditions and the shade of the paint or stain. Varnish, lacquer, or sealed stain on exterior surfaces will deteriorate rapidly and is not covered by the Limited Warranty. Repairs to exterior paint, stain, and varnish are the homeowner's responsibility after the first year anniversary of the Warranty Commencement Date.

J. Observation: Interior varnish or lacquer finish prematurely deteriorates.

Standard: Interior varnish or lacquer shall be installed according to manufacturer's specifications and should not deteriorate during the first year after the Warranty Commencement Date. Due to the characteristics of wood, there will be variations in stain color with no corrective action required. Fading is to be expected and the degree is dependent upon the amount of sunlight that enters the residence.

K. Observation: Interior paint improperly applied.

Standard: Interior paint shall be applied in a manner that visually covers all wall, ceiling, and trim surfaces. Defects visible from a minimum distance of six feet (6') in normal lighting conditions shall be corrected. However, paint wears, and after the first year anniversary of the Warranty Commencement Date, interior paint maintenance and repair is the homeowner's responsibility.

L. Observation: Paint touch-ups are visible.

Standard: Paint touch-ups may be visible under certain lighting conditions. The Contractor will not repaint walls or ceilings due to variations in the paint as a result of touch-ups.

M. Observation: Carpet seams are visible.

Standard: Carpet seams may be visible; however, gaps in the backing or carpet sections with naps running in different directions are not acceptable. **Contractor does not warrant carpet seams and will only repair seams that become loose as the result of CONSTRUCTION DEFECT.**

N. Observation: Carpet comes loose, seams separate, or excessive stretching occurs.

Standard: Wall-to-wall carpeting should not come loose, separate or stretch excessively during the first year after the Warranty Commencement Date. Edges along baseboards and on edges of stairs should be held firmly in place.

O. Observation: Minor fading of, and spots on, carpet.

Standard: Exposure to light will cause spots on carpet and minor fading. **Only the spots noted on the pre-closing inspection will be cleaned.**

The Parkways at Maui Lani

- P. Observation: Premature wearing of carpet.

Standard: Excessive wear in high-traffic areas is normal. Wear ability is directly related to the quality of the carpet. Contractor will take no action on premature wearing of carpet.

- Q. Observation: Discoloration of carpet at perimeters.

Standard: Carpet may become discolored at room perimeters, on stair treads, and under doors. This is normal. It is caused by dust and impurities entering the residence and being circulated by the heating and air conditioning system throughout the residence and trapped in the carpet in those areas. Contractor will not repair or replace carpet for these reasons.

- R. Observation: Cracks in exterior stucco wall surfaces.

Standard: Stucco is a cementitious product, and will crack to some degree. Cracks that do not exceed an average of one-eighth inch (1/8") in width are to be expected. Any areas exceeding this Standard will be repaired by the Contractor during the first year after the Warranty Commencement Date. Thereafter, cracking in stucco becomes the homeowner's responsibility, unless it is excessive, and is caused by a Construction Defect. Discoloration between the patched areas and the original stucco is to be expected and within industry standards, and Contractor will not restucco entire walls or homes because of discoloration. Contractor will not repaint any areas where stucco has been patched during the first year after the Warranty Commencement Date.

- S. Observation: Cracks in exterior masonry.

Standard: Cracks that exceed one-quarter inch (1/4") will be repaired one (1) time during the first year after the Warranty Commencement Date. Thereafter, cracks in masonry are to be expected, and are considered homeowner maintenance.

VIII. VENTILATION

- A. Observation: Inadequate ventilation of attics and crawl spaces.

Standard: The attic and crawl spaces shall be ventilated in accordance with the requirements of local building codes in effect in the jurisdiction in which the residence is constructed at the time of construction.

IX. COUNTERTOPS AND CABINETS

- A. Observation: High-pressure laminate (Formica) surfaces crack, chip, delaminate, or are burned or scratched.

Standard: There should be no imperfections in the high-pressure laminate surfaces at the time title to the residence was delivered to homeowner. **Homeowner must note any defects within ten (10) days of occupancy.**

The Parkways at Maui Lani

- B. Observation: Blemish, scratch, nick or chip in countertop.

Standard: Contractor will repair any blemish, scratch, nick or chip reported to Contractor prior to closing. Contractor is not responsible for discontinued patterns or differences in color between old and new.

- C. Observation: Cabinets and/or countertops separate from walls and/or ceilings.

Standard: Gaps that do not exceed an average of one-quarter inch (1/4") in width are to be expected due to normal shrinkage of materials and wall imperfections. The cabinet and countertop installation should remain secure notwithstanding the gap(s). Contractor will repair all gaps exceeding one-quarter inch (1/4"). Caulking is an acceptable industry repair. Cabinet faces more than one eighth inch (1/8") out of line, and cabinet corners more than three sixteenths inch (3/16") out of line are unacceptable and shall be corrected.

- D. Observation: Warped cabinet door and/or drawer front.

Standard: Cabinet doors and drawer fronts should not warp to exceed one-quarter inch (1/4") as measured from face to a point of furthest warpage with door or drawer front in closed position. Because of variations in wood, replacement doors or drawer fronts are not guaranteed to match the originals. Variations in wood grain and color should be expected.

- E. Observation: Variations in cabinet door panels, drawer fronts, and cabinet rails stain color.

Standard: All cabinets constructed of natural wood, both solid and veneers, will have some variation in stain color. **Replacements will not be made due to such variations.**

X. PLUMBING

- A. Observation: Leakage of any kind from piping.

Standard: No leaks of any kind should exist in any drain, waste, vent, or water pipe, except where leakage is caused by flooded or inoperative septic system not caused by Contractor. **Contractor will repair leakage only when it results from a CONSTRUCTION DEFECT.** Condensation on piping does not constitute leakage and is considered to be a normal occurrence.

- B. Observation: Faucet or valve leak.

Standard: Faucets and valves should not leak because of defects in either material or workmanship. Leakage caused by worn washers and/or seals are the responsibility of homeowner.

The Parkways at Maui Lani

- C. Observation: Fixtures do not hold water.

Standard: Stoppers on fixtures should retain water for sufficient length of time to accomplish the intended use of the fixture.

- D. Observation: Defective plumbing fixtures, appliances, trim fittings or fixture finish.

Standard: Fixtures, appliances, and fittings should comply with the manufacturer's standards. Fixtures, which have been cleaned in a manner that does not comply with the manufacturer's recommended method and are losing their original finish or are tarnishing or discoloring, will not be covered by the Limited Warranty.

- E. Observation: Noise in water pipes and drain system.

Standard: Due to expansion, contraction, and the flow of water through the pipes, there will be noise emitted from the water pipes and drain systems. Only "water hammer" or pipe vibrations should be brought to Contractor's attention.

- F. Observation: Stopped up sewers, fixtures, or drain systems.

Standard: Sewer lines, fixtures, and drains should operate properly to accomplish their intended function. The main causes of stopped-up sewer lines and toilets are papers, diapers, sanitary products (including feminine hygiene products), and excessive amounts of toilet paper, Q-tips, dental floss, hair, and children's toys. Stoppages due to these causes will be considered homeowner negligence and the homeowner shall be responsible for the costs of corrective measures. Floor drains in upper level laundry rooms are installed for the benefit of appliance repair technicians; these drains are not installed to prevent flooding in the event of a water leak.

If defective installation is the cause, the Contractor is responsible for correcting the problem. If the homeowner's actions or negligence is the cause, the homeowner is responsible for correcting the problem.

- G. Observation: Porcelain or fiberglass surfaces crack or chip.

Standard: There should be no cracks or chips in the porcelain or fiberglass surfaces at the time title to the residence was delivered to homeowner. **Any cracks or chips must be noted by homeowner within ten (10) days of occupancy. Those noted will be repaired by Contractor.** Thereafter, they become homeowner's responsibility.

- H. Observation: Water supply system does not deliver water.

Standard: Contractor shall properly install the service connections to the municipal water main or the private water supply, as appropriate. Private systems shall be designed and installed in accordance with the applicable building, plumbing, and health codes.

- I. Observation: Fiberglass tub or shower enclosure base flexes.

The Parkways at Maui Lani

Standard: Under normal conditions, preformed bathtubs and shower pans may squeak or flex when in use.

J. Observation: Manufactured marble and solid surface vanity top cracks at drain.

Standard: Vanity tops shall not crack when installed with proper sealants at drain connections. The contractor shall repair any deficiencies to meet the performance guidelines within warranty period.

K. Observation: Septic system does not operate properly (if installed).

Standard: If applicable, Contractor shall design and install a septic system capable of handling the normal flow of household effluent in compliance with the applicable state, county, and local regulations. Maintenance of the septic system and damage caused by conditions beyond the reasonable control of Contractor, e.g., soil saturation, increase in water table, and excessive use, are the responsibility of homeowner.

XI. AIR CONDITIONING

Note: Thermostats and registers are installed in the general locations indicated on floor plans and may vary from locations shown in models or similar floor plans.

A. Observation: Ductwork noise.

Standard: When metal is heated, it expands and when cooled, it contracts. The result is “ticking” or “cracking”, which is to be expected and is considered acceptable.

B. Observation: Ductwork separates or becomes unattached.

Standard: Ductwork should remain intact and securely fastened unless misused.

C. Observation: Insufficient cooling.

Standard: When air conditioning is provided, Contractor shall install a system in accordance with the design conditions specified in the ASHRAE Handbook, which is capable of maintaining an inside temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of five feet (5') above the floor, at design temperature. If the outside exceeds 95 degrees Fahrenheit, a differential of 15 degrees from the outside temperature will be maintained. Due to design and layout of cooling runs, there will be cooling fluctuations throughout the residence. These fluctuations are normal and do not require repair. The homeowner is responsible for balancing dampers and registers to accommodate for cooling fluctuations.

D. Observation: Refrigerant lines leak.

Standard: Under normal conditions, refrigerant lines should not develop leaks.

The Parkways at Maui Lani

- E. Observation: Condensation lines clog.

Standard: At the time title to the residence is delivered to homeowner, the condensation lines shall be unobstructed. Thereafter, under normal use, condensation lines occasionally will clog and must be maintained by homeowner.

XII. ELECTRICAL

Note: Light fixtures, switches, and outlets are installed in the general locations indicated on floor plans and may vary from locations shown in models and similar plans.

- A. Observation: Wiring does not carry its designed fuse load to the electrical box.

Standard: Wiring shall conform to the applicable electrical code requirements and shall be capable of carrying the designed load for normal residential use to the electrical box.

- B. Observation: Lighting fixtures, switches, or electrical outlets do not work.

Standard: All lighting fixtures, switches, and electrical outlets shall be operative upon delivery of the residence.

- C. Observation: Lights flicker in part of the residence.

Standard: Flickering may occur during starting of some motor-driven equipment or household appliances and is considered acceptable.

- D. Observation: Circuit breakers trip off.

Standard: Circuit breakers should not trip off under normal usage, except in the case of ground fault interrupters and arc fault breakers, which are susceptible to moisture and/or weather conditions. Ground fault interrupters and arc fault breakers are sensitive safety devices installed into the electrical system to protect against electrical shock and shall be installed in accordance with the applicable electrical code.

- E. Observation: Drafts from electrical outlets.

Standard: The electrical junction box on exterior walls may produce an airflow whereby cold or hot air can be drawn through the outlet into a room and is considered normal.

- F. Observation: Power surges.

Standard: Power surges may occur. The Contractor is not responsible for damages caused by power surges to any of the homeowner's electrical appliances. Homeowner should use surge protectors on equipment, such as computers, that may be of concern.

- G. Observation: Telephone jacks, CATV outlets, and computer wiring.

The Parkways at Maui Lani

Standard: Telephone jacks, CATV outlets, and computer wiring installed by the Contractor should work for their intended purposes when connected for service by the appropriate utility companies.

H. Observation: Smoke detectors.

Standard: Smoke detectors will function as designed. During the first year after the Warranty Commencement Date, Contractor will repair or replace smoke detectors that do not operate properly when tested. Thereafter, homeowner is responsible for periodic testing and maintenance. Contractor does not represent that smoke detectors will provide the protection for which they are intended during an emergency. **The homeowner is responsible for battery replacements.**