Chapter Six Appendix

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APPENDIX 1

New Home Warranty Standards

NEW CASTLE COUNTY'S NEW HOME MINIMUM WARRANTY STANDARDS

All New Home Builders ("Builder") must provide to new home buyers a warranty from a provider ("Warranty Provider") that is equivalent to, or exceeds, New Castle County's New Home Warranty Standards. Such minimum standards include a one (1) year warranty on workmanship and materials, a two (2) year warranty on systems, and a ten (10) year warranty against major structural defects subject to the terms and conditions set forth herein. The Builder shall have primary responsibility to fix any defects in years one (1) and two (2) and the Warranty Provider shall have responsibility upon the Builder's default. The Warranty provider has primary responsibility to fix any defects in years three (3) through ten (10).

SECTION ONE: DEFINITIONS

For the purposes of these minimum warranty standards, the following list of definitions is applicable:

Appliances and Items of Equipment: Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets, light fixtures, switches, outlets, thermostats, furnaces and oil tanks, humidifiers, oil purifiers, air conditioning materials, in-house sprinkler systems and similar items.

Arbitrator: A representative of the Construction Arbitration Services, Inc. or another independent arbitration service agreed upon by the parties to determine coverage on any unresolved issue.

Builder: The person, corporation, partnership, or other entity which provides a new home warranty to a Homeowner(s) that meets or exceeds New Castle County's New Home Minimum Warranty Standards.

Consequential Damages: All consequential damages including, but not limited to, damage to the home that is caused by a warranted defect, but is not itself a warranted defect and costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repairs.

Cooling, Ventilation and Heating Systems: All ductwork, refrigerant lines, steam and water pipes, registers, convectors and dampers.

Defect: A condition of any item warranted by the Builder/ Warranty Provider which exceeds the allowable tolerance specified in New Castle County's New Home Minimum Warranty Standards. Failure to complete construction of the Home or any portion of the home, in whole or in part, is not considered a defect under these minimum warranty standards.

Electrical Systems: All wiring, electrical boxes and connections up to the house side of the meter base.

Homeowner: See Purchaser.

Plumbing Systems: All pipes located within the home and their fittings, including gas supply lines and vent pipes.

Purchaser: The purchaser includes the first buyer of the warranted home and any and all subsequent owners who take title within the warranty period.

Water Supply System: This system includes, but is not limited to, all supply and distribution pipes, fittings, valves, pumps and wells, outside the exterior wall of the home, which supply water to the home.

Warranty Provider: Warranty Provider means the insurance company or provider of the warranty who meets or exceeds the standards set forth herein.

Warranty Term: Warranty Term is the period during which a warranted defect must be discovered and reported, and is that period which begins on the date the certificate of occupancy is issued.

SECTION TWO : WORKMANSHIP/ SYSTEMS COVERAGE

I. **What must be covered**

A. *First Year*. The Builder shall have primary responsibility to fix any defects in year one (1) and the Warranty Provider shall have responsibility only upon the Builder's default. During the first (1st) year of the Warranty Term, which commences on the date that the certificate of occupancy is issued, the Builder must warrant that all new homes will be free from:

1. Defects in materials or workmanship as established in the Construction Performance Standards (See Section Five).

2. Defects in appliances, fixtures and equipment only if such defects are not covered under a manufacturer's warranty. The Builder is not responsible for any defect that occurs after the expiration of a manufacturer's warranty that expires within the first year.

3. Defects in the electrical, plumbing and mechanical systems as established in the Construction Performance Standards (See Section Five).

B. *Second Year*. The Builder shall have primary responsibility to fix any defects in years two (2) and the Warranty Provider shall have responsibility only upon the Builder's default. During the second (2nd) year of the Warranty Term, the Builder must warrant that all new homes will be free from defects in the electrical, plumbing and mechanical systems as specified in the Construction Performance Standards. Appliance, fixture, and equipment defects shall be covered only if such defects are covered under a manufacturer's warranty.

1. During the first two (2) years of the warranty term, any defects in the load-bearing portions of the Home (as designated in the "Major Structural Defect Coverage" section) shall be subject to coverage exclusively under the structural warranty standards, and shall not be subject to coverage under the standards set forth in "Workmanship/Systems Coverage" section.

C. *Condominiums*. Common elements of condominiums must be warranted against first (1st) and second (2nd) year defects in accordance with sections A and B above. Common elements are defined as those elements listed in the master deed on file for each such development or unit as required under law for common ownership. The Warranty Term for the common elements of a building commences on the date that the certificate of occupancy is issued.

II. **What the Builder must do:**

A. *Remedy within a reasonable time, but no longer than ninety days*. If a covered defect first occurs during the applicable Warranty Term and such defect is reported within the time period prescribed, the Builder will repair, replace or pay the Homeowner(s) the reasonable cost of repairing or replacing the defective item. The Builder's total liability under such warranty is limited to the final sales price of the Home. If the final sales price of the home is tendered by the Builder, the Builder shall then take title to the home free and clear of all liens and encumbrances. The choice to repair, replace, pay or combination thereof is solely that of the Builder. Any repair or replacement shall not extend the Warranty Term. The Builder's responsibility shall include actual reasonable shelter expenses during repairs if relocation is necessary.

III. **What the Homeowner(s) must do:**

A. *Written Notification*. If the Homeowner believes that his or her home has a defect covered (and not excluded) under the Builder's One Year Workmanship or Two Year Systems warranty and which first occurred during this warranty term, then the Homeowner must notify the Builder in writing as soon as the defect is observed. If after notification the builder has not resolved the problem within a reasonable time, the Homeowner(s) must inform the builder and the Warranty Provider in writing. The Homeowner(s) must provide the Warranty Provider in writing no later than thirty (30) days after the expiration of the applicable warranty term or risk his or her claim being denied.

B. *Emergency repairs*. In the case of an emergency, the Homeowner must contact the Builder immediately. If the Homeowner is unable to contact the builder then the Homeowner must contact the Warranty Provider in order to receive authorization to make any emergency repairs. If neither the Builder nor the Warranty Provider is available for emergency authorization then the Homeowner must make minimal repairs to mitigate further damage until authorization for more

extensive repairs have been approved and report the emergency to the Warranty Provider the next business day.

C. *Condominiums*. If the home is a condominium unit, and the warranty defect pertains to the Homeowner's unit only, then the procedures outlined above must be followed. If the warranty defect involves a common element, then the Condominium Association or any representative designated by the Association must follow the above procedures.

IV. **What the Warranty Provider must do**:

A. *Assume position of Builder in absence of remedy*. If a claim should arise during the applicable Warranty Term, and the Builder fails to perform his or her warranty obligations, the Warranty Provider will take the place of the Builder in regard to all qualified defect claims and any arbitration decisions rendered against the Builder. Within fifteen (15) days of receipt of the complaint file, the Warranty Provider will acknowledge receipt of the claim and begin the warranty process. The Homeowner(s), Warranty Provider will retain the same rights to conciliation and arbitration as the Builder. The maximum amount payable by the Warranty Provider for all claims submitted is the original final sales price of the Home. Homeowner-acknowledged preexisting conditions such as "walk-through" or "punch list" items are only covered to the extent that they qualify in accordance with the Construction Performance Standards.

SECTION THREE: MAJOR STRUCTURAL DEFECT COVERAGE

I. **What must be covered.**

A. *First Ten Years*. Major Structural Defects in the home which occur during the first Ten (10) Year Warranty Term must be covered. The Builder shall have primary responsibility to fix any major structural defects in years one (1) and two (2) and the Warranty Provider shall have responsibility upon the Builder's default. The Warranty Provider has primary responsibility to fix any defects in years three (3) through ten (10). The Warranty Term commences on the date that the certificate of occupancy is issued.

B. *Condominiums.* If the Home is a condominium unit, the warranty shall cover Major Structural Defects in common elements which occur during the Warranty Term for common elements. Common elements are defined as those elements listed in the master deed on file for each such development or unit as required under law for common ownership. Common elements covered are those structural elements contained in the building in which the Home is located and which the Home shares in common with other units in the building.

C. *Major Structural Defects*:

1. Definition: Structural defect is defined as actual physical damage to the designated load-bearing elements of the home caused by failure of such load-bearing elements which affects their load bearing functions to the extent that the home becomes unsafe, unsanitary, or otherwise unlivable. All four parts of this definition must be satisfied in order for a condition to qualify as a structural defect. This is coverage for catastrophic failure of load-bearing elements of your home. The load-bearing elements that must be covered are:

a. Foundation systems and footings (which are an integral part of the home and structurally attached);

b. Load bearing beams;

c. Girders;

d. Lintels;

e. Columns;

f. Roof Sheathing only if the home has original FHA financing still in effect;

g. Load bearing walls and partitions;

h. Roof framing systems (rafters and trusses only);

i. Floor systems (structural slabs, joists, and trusses only).

Examples of non-load-bearing elements are:

a. Non-load-bearing partitions and walls;

b. Wall tile or paper, etc.;

c. Plaster, laths, or drywall;

d. Flooring and sub-flooring material;

e. Brick, stucco, stone, or veneer;

f. Any type of exterior siding;

g. Roof shingles, roof tiles, sheathing, and tar paper;

h. Heating, cooling, ventilating, 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 floating, ground-supported concrete slabs, and;

l. Decks and porches not integral to the structure of the home.

2. A structural failure will not be considered a defect until it has been established by the Warranty Provider under the International Building Code and/or International Residential Code, as amended, in effect on the date that the Construction Permit under which the new home was constructed was issued, as an actual or pending structural failure of some part of the load bearing system as defined in subsection (1) above. To be eligible, such defect does not have to render the home uninhabitable, however, it must be such a serious nature that it vitally affects the use of the home for residential purposes.

3. The following shall not be considered major structural defects:

a. Changes by the owner to the established grade lines affecting basement and foundation walls;

b. Movement caused by flood or earthquake;

c. Actual or resultant damage caused by lightning, tornado, unnatural high winds or hurricanes;

d. Damage caused by additions or alterations to the home;

e. Improper loading over the design criteria for which that portion of the house was intended;

f. Resultant structural damage due to fire;

g. Changes in the water level which caused by new development in the immediate area or can be directly traced to an act of nature;

h. Water seepage in basement or crawlspace after the first year of coverage.

II. **What the Warranty Provider must do:**

A. Within fifteen (15) days of receiving notice of the Major Structural Defect, the Warranty Provider will acknowledge receipt of the claim and begin the warranty process. The Warranty Provider must repair all Major Structural Defects. The Warranty Provider's total liability under such warranty is limited to the final sales price of the Home. In the event that the Warranty provider finds, based on the extent of Major Structural Defects, that the home is a total loss, then the Warranty Provider may tender the amount of the warranty limits (sales price of the home) to the homeowner in full settlement of the claim. Thereafter, the Warranty Provider shall have title to the home free and clear of all liens and encumbrances.

B. Within thirty (30) days of receiving notice of the Major Structural Defect, the Warranty Provider will inspect the alleged defect. If the Warranty Provider concludes that the defect is a Major Structural Defect, the Warranty provider will arrange to have the problem(s) corrected. The Homeowner(s) shall make both himself/herself and the Home available to the Warranty Provider for processing of the claim. If the Warranty provider does not concur with the assertions of the Homeowner(s), the Homeowner(s) can opt to arbitrate or pursue other legal remedies.

C. The repair of a Major Structural Defect may be limited to:

1. The repair of damage to the load-bearing portions of the Home themselves which are necessary to restore their load-bearing ability;

2. The repair of designated non-load-bearing portions, items or systems of the Home, damaged by the Major Structural Defect, which make the Home unsafe, unsanitary, or otherwise vitally affect the use of the home for residential purposes (such as the repair of inoperable windows, doors and the restoration of damaged electrical, plumbing, heating, cooling, and ventilating systems);

3. the repair and cosmetic correction of only those surfaces, finishes and coverings, original with the Home, damaged by the Major Structural Defect. Consequential damages to real property as a result of a Major Structural Defect or repair of such defect must be covered.

a. <u>Exception</u>: Consequential damages to personal property may be excluded except where a Major Structural Defect exists and the home is rendered uninhabitable. In such a case the Warranty Provider shall be responsible for paying for reasonable shelter expenses of the Homeowner until the home is made habitable.

III. **What the Homeowner(s) must do:**

A. *Notification.* Should a Major Structural Defect first occur during the Warranty Term, the Homeowner(s) must notify the Warranty Provider in writing fully describing the defects. The Warranty Provider will act as administrator for all claims brought under such warranty. The notification must be received by the warranty service office within a reasonable time after a major structural defect arises. The Homeowner(s) must provide the Warranty Provider in writing no later than thirty (30) days after the expiration of the applicable warranty term or his or her claim will be denied.

B. *Emergencies*. In the case of an emergency, the Homeowner must contact the Warranty Provider immediately in order to receive authorization to make any emergency repairs. If the Warranty Provider is not available for emergency authorization, the Homeowner must make minimal repairs to mitigate further damage until authorization for more extensive repairs have been approved and report the emergency to the Warranty Provider the next business day.

C. *Condominiums*. If the warranty defect involves a common element in a condominium, then the condominium Association or any representative designated by the Association must follow the notification procedures described above. The notification must list each affected unit in the building. In the event that the Builder retains control of more than fifty percent (50%) voting interest in the association, a common element claim may be made by ten percent (10%) of the voting interest in the association.

SECTION FOUR : IN GENERAL

I. **Resale**

A. Each successor in title to the Home, including any mortgagee in possession, in no way affects or reduces the coverage required under the standards set forth herein for the unexpired term of the Warranty Agreement. There is no limit to the number of successions during the warranty term, nor cost hereunder as a result of such succession. Homeowners must provide successors with a copy of the Warranty Agreement and obtain an acknowledgment that the successor has received the same.

II. **Exclusions**. **The following need not be warranted:**

A. Defects in outbuildings, swimming pools and other recreational facilities, driveways, walkways, unattached patios, boundary walls, retaining walls which are not necessary for the home's structural stability, fences, landscaping (including sodding, seeding, shrubs, trees and plantings), offsite improvements, or any other improvements not a part of the home itself.

1. Exception: outbuildings which contain the plumbing, electrical, heating, or cooling systems serving the home must be covered

B. Bodily injury, damage to personal property, or damage to real property which is not part of the home.

C. Any damage to the extent it is caused or made worse by:

1. Negligent or improper maintenance or improper operation by anyone other than the Builder or his employees, agents or subcontractors, or;

2. Failure of the homeowner to comply with the warranty requirement of manufacturers of appliances, equipment or fixtures, or;

3. Failure to give notice to the Builder of any defect within the time frame(s) as stated herein.

4. Changes of the grading of the ground by anyone other than the Builder, or his employees, agents or subcontractors, or

5. Failure to take timely action in emergency cases to mitigate any loss or damage.

D. Any defect in, or caused by, materials or work supplied by anyone other than the Builder, or his employees, agents or subcontractors.

1. Exception: The Builder shall be responsible for any defects in, or damage to, any materials or work not installed by the Builder when the defect or damage is the direct consequence of defects in materials or work installed by the Builder which is not in accordance with accepted industry standards.

E. Normal wear and tear or normal deterioration in accordance with normal industry standards.

F. Accidental loss or damage from acts of nature such as, but not limited to; fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, changes which are not reasonably foreseeable in the level of the underground water table, flood or earthquake.

1. Exception: Loss or damage caused by soil movement (from causes other than unforeseeable changes in the underground water table, flood or earthquake), including subsidence, expansion, or lateral movement of the soil, must be covered, except where such damage or loss is covered by any other insurance or for which compensation is granted by legislation soil movement must be covered.

G. Insect damage.

H. Any loss or damage which arises while the home is being used primarily for non-residential purposes.

I. Changes, alterations, or additions made to the home by anyone after initial occupancy, except those performed by the Builder as his obligation under this program.

J. Any defect caused to a finished surface or any work supplied by anyone other than the Builder, or his employees, agents, or subcontractors in that, it is determined the installer has accepted the Builder's surface to apply the finish material.

K. Any materials and/or workmanship furnished and installed by the Builder that does not comply with the specifications in a sales agreement or contract which is not defective.

L. Consequential damages to personal property.

1. Exception: consequential damages to real property as a result of a defect or repair of a defect must be covered.

M. Appliances, fixtures, and equipment if covered under a manufacturer's warranty.

III. **Conciliation and Arbitration**

A. *Conciliation*. Once the Homeowner(s) have submitted their complaints to the Builder and Warranty Provider, the Builder will have 30 days to inspect the home and to respond to the Homeowner(s) as to what action the Builder intends to take and the time by which the defect will be corrected. The Homeowner(s) shall make the home available during normal business hours for the inspection and any repairs once the builder has scheduled an appointment with the Homeowner(s). The Builder and Homeowner(s) should attempt, through informal conciliation, to resolve any disagreements with regard to what repair work is covered by the warranty. The Homeowner(s) must keep the Warranty Provider advised in writing of the status of all unresolved issues between the Builder and Homeowner(s). If more than 60 days pass without written notification from the Homeowner, then the Warranty Provider may assume that the Builder has met his obligations and no further action will be taken.

B. *Arbitration*.

1. If the Homeowner(s) and Builder do not reach an agreement on issues relating to warranty coverage, or if the Builder either does not make the repairs within the sixty (60) day time period, or if the Homeowner is not satisfied with any repair of defects made by the Builder, either the Builder or Homeowner may request an impartial third party arbitration with a County approved arbitration service. The party initiating the arbitration must pay the arbitration fee before the matter is submitted to the arbitration service. After arbitration, the Arbitrator shall have the power to award the cost of this fee to any party, or to split it among the parties to the arbitration. The Warranty Provider shall arrange for the arbitration under the procedures of the Federal Arbitration Act, 9 U.S.C. 1 et. seq. The decision of the Arbitrator shall be final and binding upon all parties. Although the Homeowner(s) have the right to pursue remedies other than conciliation and arbitration, election of other remedies may bar the Homeowner(s) from pursuing the same claim under the warranty provided by the Warranty Provider.

2. Major Structural Defect Claims. If a Major Structural Defect claim is denied, the Warranty Provider shall inform the Homeowner(s) of his or her right to arbitrate at the time of any claim denial. The Homeowner may request an impartial third party arbitration with a County approved arbitration service. The Homeowner(s) must pay the arbitration fee before the matter is submitted to the arbitration service. After arbitration, the Arbitrator shall have the power to award the cost of this fee to any party, or to split it among the parties to the arbitration. The Warranty Provider shall arrange for the arbitration under the procedures of the Federal Arbitration Act, 9 U.S.C. 1 et. seq. The arbitration service will be responsible for all correspondence that is sent out or received regarding any disputes that are entering the arbitration process, including selection of the arbitrator, notification of hearing, award, and all other matters that involve managing the arbitration process. Upon delivery of the award to the parties, either party may request

modification and/or clarification of the award. At the request of the arbitration service, the Warranty Provider will send a copy of any correspondence regarding the case previously received or sent by the Warranty Provider. If there is an unresolved dispute about the scope of repair, then such dispute will be settled by arbitration.

C. *Compliance Arbitration Process*. If the Homeowner(s) remain dissatisfied after the Builder/Warranty Provider has completed the repairs awarded after arbitration, the Warranty Provider will arrange with the arbitration service, upon the Homeowner(s) request and at the Homeowner(s) expense, to have a compliance arbitration scheduled at the home. The Homeowner(s) must request a compliance arbitration in writing no later than thirty (30) days after the Builder/Warranty Provider's work performance deadline as specified in the award. If the compliance arbitration reveals that the work has not been performed properly, then the compliance inspection fee will be refunded to the Homeowner(s). However, if the compliance arbitrator determines that the Builder/ Warranty provider has performed adequately, the inspection fee will not be refunded and no claim will be allowed by Warranty Provider on the repaired items and the file will be closed. The Homeowner(s) will be informed of the results of the compliance inspection within twenty (20) days of the date of the inspection.

IV. **Miscellaneous**

A. If the performance of the Builder's/ Warranty Provider's obligation is delayed by any event not resulting from the Builder's/ Warranty Provider's own conduct, the Builder/Warranty Provider will be excused from performing until the effects of that event are remedied. Examples of such events are lack of access to home, acts of God or the common enemy, war, riot, civil commotion, sovereign conduct, or act of persons who are not parties to the warranty agreement.

B. The warranty agreement shall be independent of the contractual agreement between the Homeowner(s) and the Builder for the construction of the Home and/or its sale. Nothing contained in such contract or any other contract between the Builder and Homeowner(s) can restrict or override the standards set forth herein. The contractual arrangement includes, but is not limited to, Builder substitutions or changes in plans, specifications or materials.

C. The Homeowner(s) must allow the Builder/Warranty Provider reasonable access to the home during normal business hours when the home requires warranty or claim servicing. The Builder/Warranty Provider will, however, arrange with the Homeowner(s) for access to perform work at least three (3) days in advance, unless otherwise agreed upon.

D. If the Home is a condominium unit, the Homeowner(s) must allow access to, on, through, or within the premises during normal business hours (after receiving proper notice from the Builder/Warranty Provider) so that repairs may be made to any adjoining or adjacent unit or common elements area, should this access be the reasonable and practicable way to make such repairs. If emergency repairs are required (which would be the responsibility of the Builder/Warranty Provider) and the Homeowner(s) cannot be contacted within a reasonable period of time, notice of entry will be waived in accordance with the condominium's master deed, or the Builder/ Warranty Provider may obtain permission from the condominium association or its designated agent. Such entry, with or without notice, shall be made with as little inconvenience as possible to the Homeowner(s) and/or Condominium Association.

E. Where the Warranty Provider shall become responsible to pay the reasonable costs of repair or replacement for Workmanship/Systems Defects arising at any time during the Warranty Term, payment shall be made to or on behalf of the Homeowner(s) and the mortgagee or successor mortgagees. A mortgagee shall be fully and completely bound by any conciliation or arbitration between the Warranty Provider and Homeowner(s) relating to such Workmanship/Systems Defects. The Homeowner(s) must provide the name and address of the mortgage company when a claim is filed on a financed Home.

SECTION FIVE: CONSTRUCTION PERFORMANCE STANDARDS

I. The following Construction Performance Standards are standards that have been developed and accepted by the residential construction industry in general. While it is virtually impossible to develop a Construction Performance Standard for each possible deficiency, New Castle County has isolated the most common

deficiencies that occur, and in so doing, list the extent of Builder's/ Warranty Provider's responsibility[1]. The following Construction Performance Standards are expressed in terms of required standards that the Builder's construction must meet. Noncompliance with these construction standards calls for corrective action by the Builder/ Warranty Provider. The Builder shall have primary responsibility to fix any defects in years one (1) and two (2) and the Warranty Provider shall have responsibility upon the Builder's default. All defects or deficiencies described in the following Construction Performance Standards are for the first year workmanship warranty except for those items for which two years of coverage is specifically provided.

1. **SITE WORK**

1.1 GRADING

(a) Possible Deficiency: Settling of ground around foundation walls, utility trenches or other areas on the property where excavation and back fill have taken place that affect drainage away from the house.

(1) Performance Standard: Settling of ground around foundation walls, utility trenches or other filled areas which exceeds a maximum of six inches from finished grade established by the Builder. Positive grade within 5 feet of the building must be maintained by builder for first year.

(2) Builder/ Warrantor Responsibility: If Builder has provided final grading, Builder shall fill settled areas affecting proper drainage, one time only, during the first year warranty period. Builder is then responsible for removal and replacement of shrubs and other landscaping installed by the Builder affected by the placement of fill.

1.2 DRAINAGE

(a) Possible Deficiency: Improper grades and swales which cause standing water and affect the drainage in the immediate area surrounding the home.

(1) Performance Standard: Necessary grades and swales shall be established to provide proper drainage away from the house. Site drainage under warranty may be limited to those immediate grades and swales surrounding the home. Standing or ponding water within the immediate surrounding area of the home shall not remain for a period longer than 24 hours after a rain. Where swales are draining from adjoining properties or where a sump pump discharges, an extended period of 48 hours is to be allowed for the water to dissipate. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not to be considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.

Exception: Standing or ponding water on the property which does not directly affect the immediate area surrounding the foundation of the home, caused by unusual grade conditions, retainage of treed areas, or sodding done by the homeowner is not considered a defect.

(2) Builder/ Warrantor Responsibility: Responsible for initially establishing the proper grades, swales and drainage away from the home.

Exception: The owner is responsible for maintaining such grades and swales once properly established by the Builder to prevent runoff and erosion of the soil. Soil erosion and runoff caused by the failure of the owner to maintain the properly established grades, drainage structures and swales, stabilized soil, sodded, seeded and landscaped areas need not be covered.

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[1] Homeowner(s) should be aware that all new homes go through a period of settlement and movement. During this period, the home may experience some minor material shrinkage, cracking and other events which are unavoidable and considered normal. The Homeowner(s) should also be aware that they are responsible for property home maintenance, such as maintaining builder set grades around the house. Damage caused by Homeowner□s negligence, improper maintenance or changes, alterations or additions performed by anyone other than the Builder, his/her employees, or subcontractors is not covered under New Castle County's Minimum New Home Warranty Standards.

(b) Possible Deficiency: Grassed or landscaped areas which are disturbed or damaged due to work on the property in correcting a deficiency.

(1) Performance Standard: Landscaped areas which are disturbed during repair work is a defect.

(2) Builder/ Warrantor Responsibility: Restore grades, seed and landscape to meet original condition.

Exception: Replacement of trees and large bushes which existed at the time the house was constructed or those added by the owner after occupancy or those which subsequently die are excluded.

2. CONCRETE

2.1 CAST-IN PLACE CONCRETE.

(a) Possible Deficiency: Basement or foundation wall cracks other than expansion or control joints.

(1) Performance Standard: Non-structural cracks are not unusual in concrete foundation walls. Cracks 1/8 inch in width or greater are considered excessive. Any crack that allows water to enter the basement shall be repaired.

(2) Builder/ Warrantor Responsibility: Repair non-structural cracks in excess of 1/8 inch or cracks which allow water to enter, shall be repaired by injecting water proof compound. These repairs should be made toward the end of the first year of ownership to permit normal stabilizing of the home by settling. Any crack which allows water to penetrate is a deficiency.

(b) Possible Deficiency: Cracking of basement floor.

(1) Performance Standard: Minor cracks in concrete basement floors are common. Crack exceeding 1/8 inch width or 1/8 inch in vertical displacement is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair cracks exceeding maximum tolerance by surface patching or other methods, as required. Preparation prior to repair will include chipping and/or vee notching.

(c) Possible Deficiency: Cracking of attached garage floor slab.

(1) Performance Standard: Cracks in garage floor slabs in excess of 1/8 inch in width or 1/8 inch in vertical displacement is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair excessive cracks by chipping out surface patching or other methods, as may be required.

(d) Possible Deficiency: Cracks in attached patio slab.

(1) Performance Standard: Cracks in excess of 1/4 inch in width or 1/4 inch in vertical displacement are defects. An “attached patio” is defined as a concrete patio slab on grade which is an integral part of the home being structurally supported by footings, block walls, or reinforced concrete and connected to the foundation.

Exception: Patio slabs which are poured separately, and abut the house need not be covered.

(2) Builder/ Warrantor Responsibility: The builder shall make repair as required. Where cracks are caused by settlement or improper installation, Builder shall replace that portion which has settled and finish as close as possible to match the existing surface. Where a major portion of the patio has cracked, the entire slab shall be replaced.

(e) Possible Deficiency: Cracks in concrete slab-on grade floors, with finish flooring.

(1) Performance Standard: Cracks which rupture or significantly impair the appearance or performance of the finish flooring material, is a deficiency.

(2) Builder/ Warrantor Responsibility: Determine the cause for the cracking, and correct (remove and replace if required). Repair cracks as required, so as not to be apparent when the finish flooring material is in place. Repair or replace finish flooring. (See FINISHES).

(f) Possible Deficiency: Uneven concrete floor slabs.

(1) Performance Standard: Except for basement floors or where a floor or a portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or area of unevenness exceeding 1/4 inch in 32 inches, or slopes in excess of 1/240 of room width or length (i.e. 10.0 wide room-not to exceed □ inch out of level).

(2) Builder/ Warrantor Responsibility: Determine cause and repair/replace to meet the Standard. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.

(g) Possible Deficiency: Pitting, scaling or spalling of concrete work.

(1) Performance Standard: Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use is a deficiency.

(2) Builder/ Warrantor Responsibility: Take whatever corrective action is necessary to repair or replace defective concrete surfaces.

Exception: Deterioration caused by salt, chemicals, implements used and other factors beyond Builder control.

(h) Possible Deficiency: Excessive powdering or chalking of concrete surfaces.

(1) Performance Standard: Excessive powdering or chalking of concrete surfaces is a deficiency, but should not be confused with normal surface dust that may accumulate for a short period after the home is occupied.

(2) Builder/ Warrantor Responsibility: Take whatever corrective action is necessary to treat, repair or resurface defective areas.

(i) Possible Deficiency: Separation of brick or masonry edging from concrete slab and step.

(1) Performance Standard: It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of 1/4 inch is a deficiency.

(2) Builder/ Warrantor Responsibility: Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required.

2.2 CONSTRUCTION AND CONTROL JOINTS

(a) Possible Deficiency: Separation or movement of concrete slabs within the structure at construction and control joints.

(1) Performance Standard: None.

Exception: Concrete slabs within the structure are designed to move at construction and control joints and is not a deficiency.

(2) Builder/ Warrantor Responsibility: None.

(3) Homeowners Responsibility: Maintenance of joint material.

3. MASONRY

3.1 UNIT MASONRY (BRICK, BLOCK AND STONE)

(a) Possible Deficiency: Cracks in non-bearing or non-supporting walls.

(1) Performance Standard: Small shrinkage cracks are not unusual running through masonry and mortar joint. Cracks in excess of 1/8 inch in width is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair non-structural shrinkage cracks in excess of 1/8 inch by pointing or patching. Repairs shall be made near the end of the first year warranty period.

(b) Possible Deficiency: Cracks in bearing or supporting masonry walls.

(1) Performance Standard: Vertical or diagonal cracks which do not affect the structural ability of the masonry bearing walls, are not unusual. Cracks in excess of 1/8 inch in width are a deficiency. Any crack allowing water to penetrate is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair shrinkage cracks in excess of 1/8 inch pointing or patching. Where the structural integrity of the wall is affected, suitable repair or replacement shall be done to eliminate the condition. Repairs to crack shall be waterproof.

(c) Possible Deficiency: Horizontal cracks in basement and foundation walls.

(1) Performance Standard: Horizontal cracks in the joints of masonry walls are not common but may occur. Cracks 1/8 inch or more in width are deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall repair cracks between 1/8 and 3/16 inch in width by pointing and patching. Cracks exceed 3/16 inch shall be investigated by Builder to determine the cause. Builder shall take the necessary steps to remove the cause and make repairs by pointing and patching, reinforcement or replacement of the defective courses.

(d) Possible Deficiency: Cracks in masonry walls or veneer above grade.

(1) Performance Standard: Small cracks are common in mortar joints of masonry construction. Cracks 1/8 inch or greater in width are deficiencies.

(2) Builder/ Warrantor Responsibility: Repair cracks and voids in excess of 1/8 inch by surface pointing. These repairs should be made toward the end of the first year warranty period to permit the home to stabilize and normal settlement to occur. Builder is not responsible for color variations between existing and new mortar, however, it shall be made to match as close as possible.

(e) Possible Deficiency: Cracking, settling or heaving of stoops and steps.

(1) Performance Standard:

a. Settlement: Stoops and steps are not to settle or heave in excess of one inch in relations to the house structure. In no case shall settlement be greater than the adopted Code riser height.

b. Cracking: Cracks, except hairline cracks less than 1/8 inch, are not acceptable in concrete stoops.

c. Separation: A separation of up to 1/2 inch is permitted where the stoop or steps at the house or where the expansion strip has been installed.

(2) Builder/ Warrantor Responsibility: Take whatever corrective action is required to meet acceptable standards. In a case where repair is made to the concrete surface, it is required that such repair match the adjoining surfaces as closely as possible or the entire area be resurfaced or replaced.

(f) Possible Deficiency: Standing water on stoops, steps, porches and attached concrete patios.

(1) Performance Standard: Standing water is a deficiency if it is a hazard to individuals and/or cause damage to the home, or in cases where standing water exists due to settlement or heaving as defined under the above paragraph.

(2) Builder/ Warrantor Responsibility: Take whatever corrective action is necessary to eliminate standing water.

3.2 STUCCO AND CEMENT PLASTER

(a) Possible Deficiency: Cracking or spalling of stucco and cement plaster.

(1) Performance Standard: Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back up. Cracks greater than 1/8 inch in width or spalling of the finish surface is a deficiency.

(2) Builder/ Warrantor Responsibility: Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible.

Note: Builder not responsible for failure to match color or texture, due to nature of the material.

4. CARPENTRY

4.1 ROUGH CARPENTRY

(a) Possible Deficiency: Floors squeak, due to improper installation or loose subfloors.

(1) Performance Standard: Floor squeaks which are noticeable, loud and objectionable is a defect.

(2) Builder/ Warrantor Responsibility: Correct the problem if caused by faulty construction if repairs are reasonable under the circumstances. Where a finished ceiling exists under the floor, the corrective work may be attempted from the floor side. Where necessary, remove the finish floor material to make the repair and reinstall or replace if damaged.

(b) Possible Deficiency: Uneven wood framed floors.

(1) Performance Standard:

a. Floors which are more than 1/4 inch out of level within any 32 inch measurement is a deficiency.

b. Floor slope within any room which exceeds 1/240 of the room width or length is a deficiency (that is 10'0" wide - not to exceed 1/2 inch out of level).

(2) Builder/ Warrantor Responsibility: Correct or repair to meet the allowances at the above standard.

(c) Possible Deficiency: Bowed stud walls or ceilings.

(1) Performance Standard: All interior or exterior frame walls or ceilings have slight variations on the finish surfaces. Bowing should not be visible so as to detract from the finished surfaces. Walls or ceilings which are bowed more than 1/4 inch within a 32 inch horizontal or vertical measurement is a deficiency.

(2) Builder/ Warrantor Responsibility: Exterior and interior frame walls or ceilings bowed in excess of the allowable standard shall be corrected to meet the allowances of the above standard.

(d) Possible Deficiency: Wood frame walls out of plumb.

(1) Performance Standard: Wood frame walls which are out of plumb more than 3/4 inch in an 8 foot vertical measurement is a deficiency.

(2) Builder/ Warrantor Responsibility: Make necessary repairs to meet the allowable standard.

(e) Possible Deficiency: Warping, checking or splitting of wood framing which affects its intended purpose is a deficiency.

(1) Performance Standard: Minor warping, checking or splitting of wood framing is common as the wood dries out and is not considered a deficiency. A condition which affects the integrity of the member or any applied surface material is a deficiency.

(2) Builder/ Warrantor Responsibility: Where a problem exists and the surface material is affected, builder shall repair, replace or stiffen the frame member as required.

(f) Possible Deficiency: Exterior sheathing and subflooring which delaminates or swells.

(1) Performance Standard: Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied, is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible.

4.2 FINISH CARPENTRY

(a) Possible Deficiency: Unsatisfactory quality of finished exterior trim and workmanship.

(1) Performance Standard: Joints between exterior trim elements, and siding or masonry which are in excess of 3/8 inch is a deficiency. In all cases, the exterior trim abutting masonry and siding shall be capable of performing its function to exclude the elements.

(2) Builder/ Warrantor Responsibility: Repair open joints and touch up finish coating where required to match existing as close as possible. Caulk open joints between dissimilar materials.

(b) Possible Deficiency: Unsatisfactory quality of finished interior trim and workmanship.

(1) Performance Standard: Joints between moldings and adjacent surfaces which exceed 1/8 inch in width is a defect.

(2) Builder/ Warrantor Responsibility: Repair defective joints and touch up finish coating where required to match as close as possible.

(c) Possible Deficiency: Surface defects in finished woodwork and millwork such as checks, splits, and hammer marks.

(1) Performance Standard: Finished woodwork and millwork is to be smooth and without surface marks. Finished surfaces which fall beyond the limits of the Quality Standards of the Architectural Woodwork Institute is a deficiency.

(2) Builder/ Warrantor Responsibility: Correct repairable defects; sanding, filling or puttying is acceptable to return the surface to it original condition. Replace material not repairable, refinish and restore to match surrounding surfaces as closely as possible.

(d) Possible Deficiency: Exposed nail heads in woodwork.

(1) Performance Standard: Material used to fill nail holes has a tendency to shrink and dry up after a period of time and is not considered a deficiency. Nail holes which have not been filled on finished painted wood work is a deficiency.

Exception: Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product.

(2) Builder/ Warrantor Responsibility: Fill nail holes where required and if necessary, touch up paint to match as close as possible.

5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING

(a) Possible Deficiency: Leaks in basement or in foundation/crawlspace.

(1) Performance Standard: Leaks resulting in actual and natural trickling of water through the walls or seeping through the floor are deficiencies.

Exception: Leaks caused by landscaping improperly installed by owner, or failure by owner to maintain proper grades are exempted from coverage. Dampness in basement and foundation walls or in concrete basement and crawlspace floors is often common to new construction and is not a deficiency.

(2) Builder/ Warrantor Responsibility: Take such action as is necessary to correct basement and crawlspace leaks, except where the cause is determined to be the result of owner negligence.

5.2 INSULATION

(a) Possible Deficiency: Insufficient insulation.

(1) Performance Standard: Insulation which is not installed around all habitable areas in accordance with established codes is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall install insulation of sufficient thickness and characteristics to meet the codes. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior conditions is to be borne by the homeowner if it is found that the standard has been met by the builder.

5.3 LOUVERS AND VENTS

(a) Possible Deficiency: Insufficient attic or crawlspace ventilation.

(1) Performance Standard: Attics and crawlspaces which are not properly vented causing moisture to accumulate resulting in damage to supporting members or insulation is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall install properly sized louvers or vents to correct deficiency.

(b) Possible Deficiency: Leaks due to snow or driven rain through louvers and vents.

(1) Performance Standard: Improperly installed louvers and vest that permit penetration of the elements under normal conditions is a deficiency.

Exception: Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and is not a deficiency.

(2) Builder/ Warrantor Responsibility: Take necessary steps to eliminate penetrating of rain or snow under normal conditions if it is determined the installation was improper.

5.4 EXTERIOR SIDING

(a) Possible Deficiency: Delamination, splitting, joint separation or deterioration of exterior siding.

(1) Performance Standard: Exterior siding with joint separations or which delaminates, splits or deteriorates is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair/replace only the damaged siding. Siding to match the original as close as possible, however, the owner shall be aware that the new finish may not exactly match the original surface texture or color.

(b) Possible Deficiency: Damaged siding or broken shingles.

(1) Performance Standard: Damaged siding or broken shingles is a deficiency if documented on a pre-closing walk-through inspection form.

(2) Builder/ Warrantor Responsibility: The Builder shall replace or repair damaged siding if noted on a pre-closing walk-through inspection form.

(3) Owner Responsibility: If a pre-closing walk-through inspection is performed, the deficiency should be reported on such report. If no walk-through report exists, the deficiency shall be reported in writing within 30 days of occupancy.

(c) Possible Deficiency: Loose or fallen siding.

(1) Performance Standard: All siding which is not installed properly, so as not to come loose or fall off, is a deficiency.

(2) Builder/ Warrantor Responsibility: Reinstall or replace siding and make it secure.

5.5 ROOFING

(a) Possible Deficiency: Roof or flashing leaks.

(1) Performance Standard: Roof or flashing leaks that occur under normal weather conditions is a deficiency.

Exception: Where cause of leaks is determined to result from severe weather conditions such as ice and snow build-up, high winds and driven rains, such leaks are not a deficiency.

(2) Builder/ Warrantor Responsibility: Correct any roof or flashing leaks which are verified to have occurred under normal weather conditions.

(b) Possible Deficiency: Lifted, curled or torn roof shingles.

(1) Performance Standard: Roof shingles which lift or curl during the first year of warranty coverage or tear loose during normal weather conditions is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair or replace lifted, curled or torn shingles.

Exception: Accidental loss or damage to shingles from acts of nature such as, but not limited to; fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood and earthquake.

(c) Possible Deficiency: Standing water on built-up roofs.

(1) Performance Standard: A properly pitched built-up roof is to drain water except for minor ponding. Dead flat roofs will retain a certain amount of water. Excessive ponding of water which causes leaking of the build-up roof is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair all leaks due to or caused by standing water.

Exception: Standing or ponding water is not considered a deficiency.

5.6 SEALANTS

(a) Possible Deficiency: Water or air leaks in exterior walls due to inadequate caulking.

(1) Performance Standard: Joints and cracks in exterior wall surfaces and around openings which are not properly caulked to exclude the entry of water or excessive drafts is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency one time during the first year of the warranty period.

(3) Owner Responsibility: Maintain caulking once the condition is corrected.

5.7 SHEET METAL

(a) Possible Deficiency: gutters and downspouts leak.

(1) Performance Standard: Gutters and downspouts which leak is a deficiency. Gutters which are improperly pitched to drain water is a deficiency.

Exception: Standing water in gutters is acceptable if it does not exceed 1 inch in depth.

(2) Builder/ Warrantor Responsibility: Repair leaks and pitch gutters to drain property to meet standard.

(3) Owner Responsibility: Responsible to keep gutters and downspouts free from leaves and debris to prevent overflow.

6. DOORS AND WINDOWS

6.1 DOORS: INTERIOR AND EXTERIOR

(a) Possible Deficiency: Warpage of interior or exterior doors.

(1) Performance Standard: Interior and exterior doors that warp so as to prevent normal closing and fit is a deficiency. The maximum allowable warpage of an interior door is 1/4 inch when measured from top to bottom vertically or diagonally. Any air or water infiltration caused by warpage is a deficiency.

(2) Builder/ Warrantor Responsibility: Repair or replace as may be required. New doors to be refinished to match the original as close as possible.

(b) Possible Deficiency: Door binds against jamb or head of door frame. Does not lock.

(1) Performance Standard: Passage doors that do not open and close freely without binding against the door frame is a deficiency. Lock bolt is to fit the keeper to maintain a closed position.

(2) Builder/ Warrantor Responsibility: Adjust door and keeper to operate freely.

(c) Possible Deficiency: Door panels shrink and expose bare wood.

(1) Performance Standard: None.

Exception: Door panels will shrink due to the nature of the material, exposing bare wood at the edges and is not a deficiency.

(2) Builder/ Warrantor Responsibility: None.

(d) Possible Deficiency: Door panels split.

(1) Performance Standard: Door panels that have split to allow light to be visible through the door is a deficiency.

(2) Builder/ Warrantor Responsibility: If light is visible, fill crack and finish panel to match as close as possible. Correct one time during first year of warranty. If panel cannot be repaired to hide crack, the panel or the door itself shall be replaced and finished to match original.

(e) Possible Deficiency: Bottom of doors rub on carpet surface.

(1) Performance Standard: Where it is understood by Builder and Homeowner that carpet is planned to be installed as a floor finish, whether by the Builder or Homeowner, the bottom of the doors which rub or disturb the carpet is a deficiency.

Exception: Where carpet is selected by the Homeowner having excessive high pile, the Homeowner is responsible for any additional door undercutting.

(2) Builder/ Warrantor Responsibility: Undercut doors as required.

(f) Possible Deficiency: Excessive opening at the bottom of interior doors.

(1) Performance Standard: Passage doors from room to room that have an opening between the bottom of the door and the floor finish material in excess of 1 and 1/2 inches is a deficiency.

(2) Builder/ Warrantor Responsibility: Make necessary adjustment or replace door to meet the required tolerance.

6.2 GARAGE DOORS (ATTACHED GARAGE)

(a) Possible Deficiency: Garage door fails to operate or fit properly.

(1) Performance Standard: Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances is a deficiency. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.

(2) Builder/ Warrantor Responsibility: Make necessary adjustments to meet the manufacturer's installation tolerances.

Exception: No adjustment is required when cause is determined to result from the owner's installation of an electric door opener.

6.3 WOOD, PLASTIC, AND METAL WINDOWS

(a) Possible Deficiency: Malfunction of windows.

(1) Performance Standard: Windows which do not operate in conformance with manufacturers' design standards is a deficiency.

(2) Builder/ Warrantor Responsibility: Correct windows so that they open, close and lock with reasonable pressure.

(b) Possible Deficiency: Double hung windows do not stay in place when open.

(1) Performance Standard: Double hung windows are permitted to move within a two-inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.

(2) Builder/ Warrantor Responsibility: Adjust sash balances one time only during the first year warranty period. Where possible, instruct the owner on the method of adjustment for future repair.

(c) Possible Deficiency: Condensation or frost on window frames and glass.

(a) Performance Standard: None.

Exception: Window glass and frames will collect condensation on the frame and glass surface when humidity and temperature differences are present. Condensation is usually the result of temperature/humidity conditions in the home.

(b) Builder/ Warrantor Responsibility: None.

6.4 HARDWARE

(a) Possible Deficiency: Hardware does not work properly, fails to lock or perform its intended purpose.

(1) Performance Standard: All hardware installed on doors and windows which does not operate properly is a deficiency.

(2) Builder/ Warrantor Responsibility: The builder shall adjust, repair or replace hardware as required.

6.5 STORM DOORS, WINDOWS AND SCREENS

(a) Possible Deficiency: Storm doors and windows do not operate or fit properly.

(1) Performance Standard: Storm doors and windows, when installed, and do not operate or fit properly to provide the protection for which they are intended is considered a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall make necessary adjustments for proper fit and operation. Replace when adjustment cannot be made.

(b) Possible Deficiency: Screen panels do not fit properly. Screen mesh is torn or damaged.

(1) Performance Standard: Rips or gouges in the screen mesh reported on a pre-closing walk through inspection report or openings between the screen panel and frame are deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace rips and gouges in the screen mesh if reported on the pre-closing walk through inspection. The screen panels shall be adjusted to fit properly in frame one time only during the first year of warranty.

(3) Owner Responsibility: The owner shall be responsible to notify Builder of screens that do not fit properly or if screen mesh is torn or damaged within thirty (30) days of the first month of summer during the first year of occupancy if there was no pre-closing walk through inspection.

6.6 WEATHERSTRIPPING AND SEALS

(a) Possible Deficiency: Drafts around doors and windows.

(1) Performance Standard: Weatherstripping is required on all doors leading directly to the outside from a habitable area. Some infiltration is normally noticeable around doors and windows, especially during high winds. Excessive infiltration resulting from opening in poorly fitted doors or windows, or poorly fitted weatherstripping is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall adjust or correct poorly fitted windows or doors, or poorly fitted weatherstripping.

6.7 GLASS AND GLAZING

(a) Possible Deficiency: Broken glass.

(1) Performance Standard: Broken glass is a deficiency if it is reported on a pre-closing walk through inspection report.

(2) Builder/ Warrantor Responsibility: The Builder shall replace if reported on a pre-closing walk through inspection report. If no report exists, the Builder shall replace if deficiency is reported by owner.

(3) Owner Responsibility: Owner shall notify the Builder within 30 days of occupancy if no pre-closing walk through inspection report exists.

(b) Possible Deficiency: Clouding and condensation between panes of insulated glass.

(1) Performance Standard: Insulated glass which clouds up or has condensation on the inside surfaces of the glass is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall replace glass in accordance with window and glass manufacturers' requirements.

7. FINISHES

7.1 LATH AND PLASTER

(a) Possible Deficiency: Cracks in plaster wall and ceiling surfaces.

(1) Performance Standard: Noticeable cracks in plaster wall and ceiling surfaces is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall repair cracks and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of the first year warranty date to allow for normal movement in the home.

7.2 GYPSUM WALLBOARD

(a) Possible Deficiency: Defects caused by poor workmanship (e.g., cracks around door and window frames, over archways, blisters in tape, excess compound in joints, exposed corner beads, nail pops, or trowel marks).

(1) Performance Standard: Slight defects such as occasional nail pops, seam lines and cracks are common to gypsum wallboard installation. Blisters in tape, cracks over door and window frames and over archways, excess compound in joints, trowel marks, nail popping and exposed corner beads are deficiencies. Nail pops are a defect only when there are signs of spackle compound cracking or falling away.

Exception: Depressions or slight mounds at nail heads are not considered deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall correct such defects to acceptable tolerance and repair affected areas one time only to match as close as possible. Where excessive repair has been made, the entire area shall be painted. Such conditions shall be reported near the end of the first year warranty date to allow for normal settlement of the home.

7.3 HARD SURFACE FLOORING (FLAGSTONE, MARBLE, QUARRY TILE, SLATE, CERAMIC TILE, ETC.)

(a) Possible Deficiency: Flooring cracks or becomes loose.

(1) Performance Standard: Ceramic tile, flagstone or similar hard surfaced sanitary flooring which crack or become loose is a defect. Subfloor and wallboard are required to be structurally sound, rigid and suitable to receive finish.

(2) Builder/ Warrantor Responsibility: The Builder shall determine and correct the cause for the cracking or loosening of the finish material. Replace cracked material and reset loose flooring.

Exception: Cracking and loosening of flooring caused by the Owner's negligence is not a deficiency. The Builder is not responsible for slight color and pattern variations or discontinued patterns of the manufacturer. It shall not be required to replace the entire finish when the new material consists of less than 25 percent of the finish area.

(b) Possible Deficiency: Cracks appear in grouting of ceramic tile joints or at junctions with other material such as a bathtub or shower.

(1) Performance Standard: Cracks in grouting of ceramic tile joints are deficiencies. Regrouting of these cracks is a maintenance responsibility of the homeowner within the life of the home after the first year of warranty.

Exception: Open cracks or loose grouting, where the wall surface abuts the flashing lip at a tub or shower basin, are considered owners maintenance and any resultant damage to other finish surfaces due to leaks, etc. are not considered a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall repair grouting as necessary one time only within the first year of warranty.

7.4 RESILIENT FLOORING

(a) Possible Deficiency: Nail pops appear on the surface of resilient flooring.

(1) Performance Standard: Readily apparent nail pops are a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall correct nail pops that have caused damage to the floor material and repair or replace damaged floor covering in the affected area. The Builder is not responsible for discontinued patterns or color variations.

(b) Possible Deficiency: Depressions or ridges appear in the resilient flooring due to subfloor irregularities.

(1) Performance Standard: Readily apparent depressions or ridges exceeding 1/8 inch is a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6 inch straight edge placed over the depression or ridge with 3 inches on one side of the defect held tightly to the floor.

(2) Builder/ Warrantor Responsibility: The Builder shall take required action to bring deficiency within acceptable tolerances so as to be not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering, owner neglect or abuse, nor installations performed by others.

(c) Possible Deficiency: Resilient flooring or base loses adhesion.

(1) Performance Standard: Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace resilient flooring or base as required. Builder is not responsible for discontinued patterns or color variation.

(d) Possible Deficiency: Seams or shrinkage gaps show at resilient flooring joints.

(1) Performance Standard: Gaps in excess of 1/8 inch in width in resilient floor covering joints is a deficiency. Where dissimilar materials abut, a gap in excess of 3/16 inch is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall take required action to correct the cause of the deficiency. The Builder is not responsible for discontinued patters or color variations of floor covering.

7.5. PLYWOOD WALL COVERING

(a) Possible Deficiency: Variations in paneling color; scratches or checks on the finished surface.

(1) Performance Standard: Plywood paneling pattern and color will often vary and this is not a deficiency. Scratches on the paneling surface are deficiencies if reported on a pre-closing walk through inspection report.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace damaged paneling utilizing a reasonable standard of good materials and workmanship when the deficiency has been reported on the pre-closing walk through inspection report. Builder is not responsible for discontinued panel or color variations.

(3) Owner Responsibility: Owner shall notify the Builder within 30 days of occupancy if no pre-closing walk through inspection report exists.

7.6 FINISHED WOOD FLOORING

(a) Possible Deficiency: Dents, chips, knotpops, open joints or cracks in wood flooring.

(1) Performance Standard: Dents and chips, knotpops, open joints or cracks in floor boards of finished wood flooring which exceed the manufacturer's quality standards of the wood flooring grade are considered deficiencies. Manufacturers' grade quality shall be as defined by: Wood and Synthetic Flooring Institute, National Oak Flooring Association and Maple Flooring Manufacturer's Association.

(2) Builder/ Warrantor Responsibility: The Builder shall determine the cause for deficiencies and correct. Dents and chips are to be corrected if reported on a pre-closing walk through inspection report. If the inspection was not conducted, then the Builder shall correct if notified by the owner.

For repairable deficiency, repair cracks, chips or dents by filling and refinishing to match the wood surface as close as possible. For non-repairable deficiencies, replace and finish affected area to match remaining flooring as closely as possible.

(3) Owner Responsibility: Owner shall notify the Builder within 30 days of occupancy if no pre-closing walk through inspection report exists.

7.7 PAINTING

(a) Possible Deficiency: Knot and wood stains appear through paint on exterior.

(1) Performance Standard: Excessive knot and wood stains which bleed through the paint are considered deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall seal affected areas where excess bleeding of knots and stains appear and touch up paint to match.

(b) Possible Deficiency: Exterior paint or stain peels, deteriorates or fades.

(1) Performance Standard: Exterior paints or stains that peel or deteriorate during the first year of ownership is a deficiency.

Exception: Fading, however, is normal and subject to the orientation of painted surfaces to the climatic conditions which may prevail in the area. Fading is not a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish repairs affect the majority of the surface area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period.

(c) Possible Deficiency: Painting required as corollary repair because of other work.

(1) Performance Standard: Necessary repair of a painted surface required is to be done so that the repair matches the surrounding areas as closely as possible.

(2) Builder/ Warrantor Responsibility: The Builder shall refinish repaired areas to meet the standard as required.

(d) Possible Deficiency: Mildew or fungus forms on painted or factory finished surfaces.

(1) Performance Standard: None.

(2) Builder/ Warrantor Responsibility: None.

(e) Possible Deficiency: Deterioration of varnish or lacquer finishes.

(1) Performance Standard: Natural finish on interior woodwork which deteriorates during the first year of ownership is a deficiency.

Exception: Varnish-type finishes on exterior will deteriorate rapidly and need not be covered by the warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall refinish affected areas of natural finished interior woodwork, matching the color as closely as possible.

(f) Possible Deficiency: Interior paint coverage.

(1) Performance Standard: Interior paint not applied in a manner sufficient to visually cover wall, ceiling and trim surfaces is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall repaint wall, ceiling or trim surfaces where inadequate paint has been applied. Where a large area is affected, the entire surface shall be repainted.

(g) Possible Deficiency: Paint splatters and smears on finish surfaces.

(1) Performance Standard: Paint stains on porous surface which are excessive that detract from the finish and which cannot be removed by normal cleaning methods and are reported on a pre-closing walk through inspection report are considered deficiencies.

Exception: Minor paint splatter and smears on impervious surfaces which cannot be easily removed is considered as homeowner maintenance and not a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall remove paint stains without affecting the finish of the material, or replace the damaged surface if stain cannot be removed, if reported on a pre-closing walk through inspection report.

(3) Owner Responsibility: Owner shall notify the Builder within 30 days of occupancy if no pre-closing walk through inspection report exists.

7.8 WALL COVERING

(a) Possible Deficiency: Peeling of wall covering installed by builder.

(1) Performance Standard: Peeling of wall covering is a deficiency, unless it is due to owner's abuse or negligence.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace defective wall covering.

(b) Possible Deficiency: Mismatching in wall covering pattern.

(1) Performance Standard: Mismatched wall covering pattern over a large area that severely detracts from its intended purpose due to poor workmanship is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall remove mismatched wall covering and replace. Builder is not responsible for discontinued patterns or variations in color.

(c) Possible Deficiency: Lumps and ridges and nail pops in wallboard which appear after owner has wall covering installed by others.

(1) Performance Standard: None.

Exception: Owner shall insure that the surface to receive wall covering is suitable and assumes full responsibility should lumps, ridges and nail pops occur at a later date.

(2) Builder/ Warrantor Responsibility: None.

7.9 CARPETING

(a) Possible Deficiency: Seams in carpet.

(1) Performance Standard: Seams in carpeting that separate due to improper installation is a deficiency.

Exception: Defects in the carpeting material need not be covered under this warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall correct to eliminate the separation.

(b) Possible Deficiency: Carpeting comes loose or excessive stretching occurs.

(1) Performance Standard: Wall to wall carpeting that comes loose is a deficiency.

Exception: Stretching that may occur in the carpeting is subject to the quality and surface over which it is laid and is not a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall resecure loose carpeting one time during the first year of warranty coverage.

(c) Possible Deficiency: Spots on carpet, minor fading.

(1) Performance Standard: Spots or stains on carpeting is a deficiency if reported on a pre-closing walk through inspection report.

(2) Builder/ Warrantor Responsibility: The Builder shall remove spots and stains on a one time basis if reported on a pre-closing walk through inspection report, and replace when excessive spots and stains cannot be removed. If pre-closing inspection report exists, the Builder shall correct when notified by owner.

Exception: Fading is not a deficiency and builder has no responsibility.

(3) Owner Responsibility: Owner shall notify the Builder within 30 days of occupancy if no pre-closing walk through inspection report exists.

8. SPECIALITIES

8.1 FIREPLACES

(a) Possible Deficiency: Fireplace or chimney does not draw properly causing smoke to enter the house.

(1) Performance Standard: A properly designed and constructed fireplace or chimney is to function as intended. It is normal to expect that high winds can cause temporary negative draft situations. Similarly, negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. In addition, the geographic location of the fireplace or its relationship to adjoining walls and roof may cause negative draft conditions. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary the owner substantiate the problems to the Builder by constructing a fire so the condition can be observed.

(2) Builder/ Warrantor Responsibility: When it is determined that the malfunction is based upon improper construction of the fireplace then take the necessary steps to correct the problem.

Exception: Where it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond the builder's control, builder is not responsible.

(b) Possible Deficiency: Chimney separation from structure to which it is attached.

(1) Performance Standard: Newly built fireplaces will often incur slight amounts of separation. Separation which exceeds 1/2 inch from the main structure in any 10 foot vertical measurement is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall determine the cause of separation and correct. Caulking or grouting is acceptable up to 1/2 inch displacement.

8.2 BUILT-IN SAUNA AND STEAM BATH UNITS

(a) Possible Deficiency: Refer to the pertinent section of these Standards for deficiencies that may exist in construction, materials, finish and equipment of a steam bath or sauna unit constructed on-site.

(1) Performance Standard: Built-in equipment such as sauna and steam bath units are to be constructed and must operate properly under the same applicable standard for finishes and mechanical and electrical equipment involved. Any deficiencies in finish materials or equipment referred to in these standards are considered deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall make all necessary repairs or replacements including equipment covered under a manufacturer's warranty.

9. EQUIPMENT

9.1 KITCHEN CABINETS AND VANITIES

(a) Possible Deficiency: Kitchen or vanity cabinet doors and drawers malfunction.

(1) Performance Standard: Cabinet doors, drawers and other operating parts that do not function as designed are deficiencies.

Exception: Kitchen or vanity cabinet doors and drawers that malfunction are not considered deficiencies if malfunction is caused by the negligence of the Homeowner(s).

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace operating parts.

(b) Possible Deficiency: Surface cracks, delaminations and chips in high pressure laminates of vanity and kitchen cabinet countertops.

(1) Performance Standard: Countertops fabricated with high pressure laminate coverings that delaminate, have chips, scratches, or surface cracks or joints between sheets exceeding 1/16 inch are considered deficiencies.

Exception: Surface cracks, delaminations and chips in high pressure laminates of vanity and kitchen cabinet countertops are not considered deficiencies if caused by the negligence of the Homeowner(s).

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace laminated surface covering having chips, cracks, scratches or joints exceeding the allowable width.

(c) Possible Deficiency: Warping to kitchen and vanity cabinet doors and drawer fronts.

(1) Performance Standard: Warpage that exceed 1/4 inch as measured from the face of the cabinet frame to the furthermost point of warpage on the drawer or door front in a closed position is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall correct or replace door or drawer front as required.

(d) Possible Deficiency: Gaps between cabinets, ceiling and walls.

(1) Performance Standard: Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of 1/4 inch between wall and ceiling surface is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall make necessary adjustment of cabinets and countertop or close gap by means of molding suitable to match the cabinet or countertop finish; or other acceptable means.

10. MECHANICAL SYSTEMS

10.1 SEPTIC TANK SYSTEMS

(a) Possible Deficiency: Septic system fails to operate properly.

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

(2) Builder/ Warrantor Responsibility: The Builder shall take corrective action as required if it is determined that malfunction is due to improper design or construction. Builder is not responsible for malfunctions which occur through owner negligence or abuse. Builder is also not responsible for malfunctions which occur due to acts of nature such as freezing and changes in the ground water table.

Exception: The following are considered owner negligence or abuse and coverage need not be provided 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; or excessive amounts of bleaches or drain cleaners.

e. Use of a food waste disposer not supplied by builder.

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.

Note: Coverage is for first two years of warranty.

10.2 PLUMBING

(a) Possible Deficiency: Plumbing pipes freeze.

(1) Performance Standard: Drain, waste and water pipes are to be adequately protected to prevent freezing during normally anticipated cold weather. Freezing of pipes is a deficiency and covered only during the first and second years of the warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall correct the condition responsible for pipes freezing, and repair piping damaged by freezing. The owner is responsible for maintaining suitable temperature in the home to prevent pipes from freezing. Homes which are periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure that a reasonable temperature is maintained. Leaks occurring due to owner's neglect and resultant damages are not the builder's responsibility.

(b) Possible Deficiency: Leakage from any piping.

(1) Performance Standard: Leaks in any sanitary soil, waste, vent and water piping are deficiencies and are covered during the first and second year of the warranty.

Exception: Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required.

(2) Builder/ Warrantor Responsibility: The Builder shall make necessary repairs to eliminate leakage.

Note: Coverage of this item is for first two years of warranty.

(c) Possible Deficiency: Faucet or valve leak.

(1) Performance Standard: A valve or faucet leak due to material or workmanship is a deficiency and covered only during the first year of the warranty.

Exception: Leakage caused by worn or defective washers or seals are a homeowner maintenance item.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace the leaking faucet or valve. The Builder is responsible for defects in appliances, fixtures and equipment only if such defects are not covered under a manufacturer's warranty. The Builder is not responsible for any defect that occurs after the expiration of a manufacturer's warranty that expires within the first year.

(d) Possible Deficiency: Defective plumbing fixtures, appliances or trim fittings.

(1) Performance Standard: Fixtures, appliances or fittings are to be judged according to the manufacturer's standards as to use and operation.

(2) Builder/ Warrantor Responsibility: The Builder shall replace or repair any defect caused by faulty workmanship or materials as defined by the manufacturer. The Builder is responsible for defects in appliances, fixtures and equipment only if such defects are not covered under a manufacturer's warranty. The Builder is not responsible for any defect that occurs after the expiration of a manufacturer's warranty that expires within the first year

(e) Possible Deficiency: Stopped up sanitary sewers, fixtures and sanitary drains are deficiencies.

(1) Performance Standard: Sanitary sewer fixtures and sanitary drains should operate and drain properly and are covered during the first and second year of the warranty.

(2) Builder/ Warrantor Responsibility: Where defective construction is shown to be the cause, the builder shall make necessary repairs.

Exception: Sewers, fixtures, and drains which are clogged through the owner□s negligence, the owner shall assume repair costs.

Note: Builder responsibility for defective sewer lines extends to the property line on which the home is constructed.

Note: Coverage of this item is for first two years of warranty.

(f) Possible Deficiency: Chipped or damaged plumbing fixtures and appliances.

(1) Performance Standard: Chips, cracks or other such damage to plumbing fixtures and appliances are deficiencies if they are included in a pre-closing walk through inspection report.

(2) Builder/ Warrantor Responsibility: The Builder shall repair any chips or cracks if included in the pre-closing inspection report. If repair cannot be made, the fixture or appliance is to be replaced to match the original as closely as possible.

Exception: Where a fixture is built into surrounding wall areas such as a tub or shower basin which requires repair, replacement need not be covered under the warranty except where the deficiency causes the fixture to be unusable.

(3) Owner's responsibility: The owner shall notify Builder within 30 days of occupancy if no pre-closing walk through inspection was performed.

10.3 WATER SUPPLY

(a) Possible Deficiency: Staining of plumbing fixtures due to high iron content in water.

(1) Performance Standard: High iron content in the water supply system will cause staining of plumbing fixtures.

(2) Builder/ Warrantor Responsibility: None. Maintenance and treatment of the water is the homeowner's responsibility.

(b) Possible Deficiency: Drinking water supply is not potable.

(1) Performance 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 test will show contamination that exceeds the recommended amounts permitted under applicable Federal and State standards, however, it still may 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 certificate of compliance is issued by the local/county board of health. 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.

Exception: Water which becomes non-potable after certification by a source beyond the control of the builder shall be excluded from coverage.

(2) Builder/ Warrantor Responsibility: The Builder shall supply potable drinking water.

(c) Possible Deficiency: Water supply system fails to deliver water; or pressure is low.

(1) Performance Standard: All service connections to municipal water main or private water supply are the Builder's responsibility when installed by him.

Note: Low water pressure is defined as follows: Use of the cold water supply at any one single fixture drastically reduces the cold water supply at any one other single fixture.

(2) Builder/ Warrantor Responsibility: The Builder shall repair as required, if failure to supply water is the result of deficiency in workmanship or materials. If conditions exist which disrupt or eliminate the sources of water supply that, are beyond his control, then the builder is not responsible.

(d) Possible Deficiency: Noisy water pipes.

(1) Performance Standard: Some noise can be expected from the water pipe system, due to the flow of water. Water hammer in the supply system is a deficiency and is covered only during the first year of the warranty. Noises due to water flow and pipe expansion are not considered deficiencies.

(2) Builder/ Warrantor Responsibility: The Builder shall correct to eliminate "water hammer."

10.4 HEATING AND AIR CONDITIONING

(a) Possible Deficiency: Inadequate heat.

(1) Performance Standard: A heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor, under local outdoor winter design conditions as specified in the latest edition of the ASHRAE Handbook in effect at the time the home was constructed.

Note: The outdoor design temperate established by ASHRAE varies geographically through the State of Delaware. There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in the home. Orientation of the home and location of room will also provide a temperature differential, especially when the heating system is controlled by a single thermostat for one or more floor levels.

(2) Builder/ Warrantor Responsibility: The Builder shall correct heating system as required to provide the required temperatures. Builder shall balance dampers, registers, and make minor adjustments one time only, during the first year of the warranty.

(b) Possible Deficiency: Inadequate cooling.

(1) Performance Standard: When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78 degrees Fahrenheit as measured in the center of each room at

height of five feet above the floor, under local outdoor summer design conditions as specified in the latest edition of the ASHRAE Handbook in effect at the time the home was constructed.

Note: There may be periods when the outdoor temperature rises above the design temperature, thereby raising the temperature in the home. Orientation of the home and location of room will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more floor levels.

(2) Builder/ Warrantor Responsibility: Correct cooling system to meet the above temperature requirements during the first year of the warranty.

(c) Possible Deficiency: Duct work and heating piping not insulated in an uninsulated area.

(1) Performance Standard: Duct work and heating pipes that are run in an uninsulated crawlspaces, garages or attics are to be insulated. Basements are not "uninsulated areas", and no insulation is required. Basement duct work and pipes to be insulated as required by model energy code.

(2) Builder/ Warrantor Responsibility: The Builders shall install required insulation.

(d) Possible Deficiency: Refrigerant lines leak.

(1) Performance Standard: Refrigerant lines that develop leaks during normal operation are deficiencies during the first year and second year of the warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall repair leaking lines and recharge until as required.

Note: Coverage of this item is for first two years of warranty.

(e) Possible Deficiency: Condensate lines clog-up.

(1) Performance Standard: Condensate lines will clog under normal conditions.

(2) Builder/ Warrantor Responsibility: The Builder shall provide clean and unobstructed lines on the first day the condensate line is used within the first year.

(3) Owner Responsibility: Continued operation of drain lines is homeowner maintenance item.

(f) Possible Deficiency: Improper mechanical operation of evaporative cooling system.

(1) Performance Standard: Equipment that does not function properly at temperature standard set, is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder/Warrantor shall correct and adjust so that blower and water system operate as designed during the first year of the warranty.

(g) Possible Deficiency: Duct work noisy.

(1) Performance Standard: Noise in duct work may occur for a brief period when the heating or cooling begins to function and is not considered a deficiency. Continued noise in the duct work during its normal operation is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall take necessary steps to eliminate noise in the duct work.

(h) Possible Deficiency: Duct work separates, becomes unattached.

(1) Performance Standard: Duct work that is not in tact or securely fastened is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall reattach and resecure all separated or unattached duct work.

11. ELECTRICAL SYSTEMS

11.1 ELECTRICAL CONDUCTORS

(a) Possible Deficiency: Failure of wiring to carry its designed circuit load to switches and receptacles.

(1) Performance Standard: Wiring that is not capable of carrying the designed load, for normal residential use to switches and receptacles and equipment is a deficiency.

(2) Builder/ Warrantor Responsibility: The Builder shall check wiring and replace wiring if it fails to carry the design load.

Note: Coverage of this item is for first two years of warranty.

11.2 SWITCHES AND RECEPTACLES

(a) Possible Deficiency: Fuses blow, or circuit breakers kick out.

(1) Performance Standard: Fuses and circuit breakers which deactivate under normal usage, when reset or replaced is a deficiency during the first year of the warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall check wiring and replace wiring or breaker if it does not perform adequately or is defective.

(b) Possible Deficiency: Drafts from electrical outlets.

(1) Performance Standard: The electrical junction box or exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new home construction.

(2) Builder/ Warrantor Responsibility: None.

(c) Possible Deficiency: Malfunction of electrical outlets, switches or fixtures.

(1) Performance Standard: All switches, fixtures and outlets which do not operate as intended are considered deficiencies only during the first year of the warranty.

(2) Builder/ Warrantor Responsibility: The Builder shall repair or replace defective switches, fixtures and outlets.

11.3 SERVICE AND DISTRIBUTION

(a) Possible Deficiency: Ground fault interrupter trips frequently.

(1) Performance Standard: Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These devices are sensitive and can be tripped very easily. Ground fault outlets which do not operate as intended are considered deficiencies. Ground fault interruptors shall be installed as required by national electric code.

(2) Builder/ Warrantor Responsibility: The Builder shall replace the device if defective.

APPENDIX 2

Testing Policies and Procedures

TESTING POLICIES AND PROCEDURES

For Hydronic, Forced Hot Air, Refrigeration, Air Conditioning, or Hood Licenses:

Licensed contractors desiring to secure a hydronic, forced hot air, refrigeration, air conditioning, or hood license must satisfy the requirements of § 6.03.008 of the New Castle County Code. Included in that section are provisions requiring an applicant to achieve a passing grade on an examination involving the particular trade. The tests are currently given at the New Castle County Land Use Department and are conducted and graded by the Plumbing and Mechanical Contractor Technical Advisory Committee (PMTAC). The following rules apply to testing:

1. Applications may be obtained at the New Castle County Department of Land Use.

2. For an application to be accepted and processed, it must be completed in its entirety, signed and notarized. There is a $50.00 application fee associated with this submission.

3. The PMTAC will review the application at its next scheduled meeting – generally held the 1st Thursday of each calendar month.

4. After the application is reviewed by PMTAC, a Department representative will send a letter of confirmation or denial to the applicant. If approved, the applicant will be scheduled for the next testing date. If denied, the applicant will be informed as to why he or she was denied.

5. If an applicant desires to request an alternative testing date, he or she may call the Department at 302-395-5400.

6. Tests are generally scheduled on the 2nd Thursday of each calendar month.

7. The $100 examination fee shall be produced on the day of the test.

8. Although the number of questions may vary, each test is designed to last approximately ninety (90) minutes.

9. All tests are graded by PMTAC and a failed test may not be reviewed. An applicant must achieve a grade of at least 75%. The first time an applicant fails a test, the applicant may take a re-examination following a ninety (90) day waiting period measured from the date the failed test was taken. An applicant must wait an entire year if the applicant fails the second test measured from the date the second test was taken.

10. After the test is graded by PMTAC, a Department representative will send a letter to the applicant confirming the test score. A license packet will be included with the letter if the applicant achieves a passing score.

11. Upon notification of a passing score, the applicant shall have no more than sixty (60) days to file an application for a permit contractor endorsement license or to place the license in escrow.

For Decorative Gas Burning Appliance or Solid Fuel Burning Appliance Licenses:

Licensed contractors desiring to secure a decorative gas burning appliance or a solid fuel burning appliance license must satisfy the requirements of § 6.03.008 of the New Castle County Code. Included in that section are provisions requiring an applicant to present proof of certification through an approved program in gas burning hearth systems*. The certification programs currently approved by the Plumbing and Mechanical Contractor Technical Advisory Committee (PMTAC) are listed below and the following rules shall apply:

* Licensed forced hot air contractors may install both decorative appliances without obtaining a separate decorative appliance license, while licensed plumbing contractors are limited to gas burning appliances only.

National Fire Institute (NFI)

For a decorative gas burning appliance license, an applicant is required to be certified as a NFI Gas Specialist.

For a solid fuel burning appliance license, an applicant is required to be certified as a NFI Woodburning Specialist.

1. All certifications must remain current for the period in which the contractor is registered with New Castle County. Contractors who do not maintain certification will void their permit contractor endorsement.

2. The NFI can be contacted at 703-524-8030 or www.nficertified.org

APPENDIX 3

Standard Valuation Procedures and Policies

STANDARD VALUATION PROCEDURES AND POLICIES

Determination of Valuation: The fee charges for permits shall be based upon standard construction values for the types of construction as provided by the International Code Council (ICC) or as modified by the Code Official for particular applicability to New Castle County. Standard construction values shall be updated annually to reflect change in construction price indexes. Construction price indexes to be used for valuation include, but are not limited to, *Marshall & Swift* or similar price indexes. The Code Official may acquire input and consultation from local industry representatives prior to making a determination of standard construction values.

Computation of Valuation: Valuation computation for residential projects shall be performed on a permit valuation form supplied by the Department and as prescribed by the Code Official. The permit valuation form shall be based on the valuation identified above.

APPENDIX 4

Miscellaneous Fees

DEPARTMENT OF LAND USE
MISCELLANEOUS FEES

Licensing Fees

Contractors License

Business entities having no employees (sole proprietor) to five (5) employees.....$150
Business entities having six (6) employees to ten (10) employees.....$250
Business entities having eleven (11) or more employees.....$400

Contractors License with Permit Endorsement

For Building Contractors .....$400 per license category
License Categories:
- Class U
- Class A
- Class B
- Class C

For Utility Contractors .....$400 per license category

Working without a Contractors License .....$400 plus applicable license fee

Re-Application Fee ..... Three times (3x) the current contractor license fee

Inspection Section Fees

Expedited Inspection Fee ..... $150 per inspection

Re-Inspection Fees

.....$50 for the 1st re-inspection after the failed initial inspection
.....$75 for the 2nd re-inspection after the failed initial inspection
..... $125 for the 3rd and any additional re-inspection after the failed initial inspection

Temporary Certificate of Occupancy

..... $500 per month or any portion thereof for the first, second, and third month
..... $2,000 per month or any portion thereof for the fourth, fifth, and sixth month
..... $3,500 per month or any portion thereof for the seventh, eighth, and ninth month
..... $5,000 per month or any portion thereof for the tenth and any additional months

Use or Occupancy without required certificate

..... $500 per month or any portion thereof for the first, second, and third month
..... $2,000 per month or any portion thereof for the fourth, fifth, and sixth month
..... $3,500 per month or any portion thereof for the seventh, eighth, and ninth month
..... $5,000 per month or any portion thereof for the tenth and any additional months

Violations, Enforcement, and Penalties Section Fees

Administrative Appeal Fee $500

Show Cause Hearing Fee $300

Other Miscellaneous Fees

Certificate of Awareness $250

Certificate of Use $50*

Certificate of Use for Manufactured Home Installation

Single-wide Manufactured Home Installation.....$200
Double-wide Manufactured Home Installation.....$300

Class C Letter (to retire a mobile home).....$50

Code Modifications
Associated with Residential Group R-3.....$50
All other classifications.....$150

Elevator Certificate of Compliance.....$75

Revision to Permit Application $25
..... Pertains to a revision to project information on the building permit application only

Temporary Certificate of Use.....$100*

Temporary Miscellaneous Sales.....$50*

Refund Fee – A $3.00 fee per $1,000 of valuation will be charged for Department review and processing with a minimum of $10.00. All costs incurred for reviews performed by design professionals shall also be deducted from any refund.

* In addition to any applicable site plan review fee.

APPENDIX 5

Statutory Compliance Bond Form and Bond Schedule

Department of Land Use
Statutory Compliance Bond – 2009 License Period

Surety:
(Address)

Bond No.

Penal Sum:

Effective Date:

Principal:
(Address)

Expiration Date: January 1, 2010

License Period: January 1, 2009 to January 1, 2010

KNOW ALL PERSONS BY THESE PRESENTS, that Principal and Surety are held firmly bound unto New Castle County, a political subdivision of the State of Delaware, in the penal and full amount of this bond, for the payment of such sum shall well and truly be made, we bind ourselves and our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bound Principal has made application to New Castle County for a contractor license with permit endorsement in the following category(s):

Class U Building Contractor	$200,000	Forced Hot Air Contractor	$10,000
Class A Building Contractor	$150,000	Air Conditioner Contractor	$10,000
Class B Building Contractor	$50,000	Refrigeration Contractor	$10,000
Class C Building Contractor	$25,000	Hydronic Contractor	$10,000
Plumbing Contractor	$10,000	Hood Contractor	$10,000
Sewer and Drain Cleaner	$10,000	Combined Hot Air/Hydronic	$10,000
Outside Utility Contractor	$50,000	Decorative Appliance Contractor	$10,000
Third Party Inspector	$		

NOW THEREFORE, in consideration of the contractor license with permit contractor endorsement now or hereafter being granted or continued, Principal and Surety shall:

I. Comply with all provisions of the New Castle County Building Code and all applicable federal and State of Delaware laws and regulations affecting or relating to the business or occupation that the contractor license with permit contractor endorsement is issued the same as if such requirements and provisions were fully set forth in this bond and by reference such requirements and provisions are made a part hereof.

II. Faithfully correct any and all violations of the New Castle County Building Code and all laws, ordinances, and regulations affecting or relating to the business or occupation that the contractor license with permit contractor endorsement is issued discovered within three years from the date of the issuance of the certificate of occupancy or the certificate of completion subject to tolling and accrual provisions of 10 *Del. C.* § 8106.

III. Indemnify and hold harmless New Castle County, its officers, employees, agents, and representatives from any and all liability, loss, damage, or expense of any kind whatsoever that New Castle County, its officers, employees, agents and representatives may sustain or that may be recovered from it or them by reason of the issuance of a contractor license with permit endorsement or from claims related or connected to the execution of work performed by Principal, its, his or her agents and employees, or any subcontractor or any other person under Principal's supervision, direction or control.

IV. Pay all penalties, fees, and charges that are imposed by New Castle County pursuant to Chapter 6 of the New Castle County Code if Principal fails to pay such charges within thirty (30) days after they are due.

PROVIDED, HOWEVER, that this bond is subject to the following conditions and provisions:

1. If Principal fails to correct any code violations after being noticed and having the opportunity to contest such violations pursuant to the applicable violation, enforcement, and penalty provisions enumerated in the New Castle County Building Code, then Surety shall remedy the default within sixty (60) days of notification by New Castle County.

2. The aggregate penalty of this bond shall not exceed the penal sum stated in this bond.

3. Any claim under this bond shall be instituted before the expiration of three years from the date the certificate of occupancy or certificate of use is issued subject to tolling and accrual provisions of 10 *Del. C.* § 8106.

4. This bond applies to work permitted during the License Period only.

5. Surety may cancel this bond by giving forty-five (45) days advanced notice in writing to the Principal and the New Castle County Code Official at:

Office of the Code Official
New Castle County Department of Land Use
87 Reads Way
New Castle, DE 19720

Surety's liability shall cease upon effective date of cancellation, except with respect to losses, claims or obligations associated with work permitted during the License Period before the effective date of cancellation.

6. This bond may not be continued in whole or in part past the Expiration Date.

IN WITNESS THEREOF, Principal and Surety hereby sign and seal this Bond:

Principal (SIGNATURE)

By:_____
Signature

_____
Print Name

_____
Title

Date:_____

Surety (SEAL) (Agent must attach proof of authority to act as Attorney-in-fact for Surety.)

By:_____
Signature (Seal)

_____
Print Name

_____
Title

Date:_____

Claim Contact Information (include address and phone number):

_____

_____

2009 LICENSE AND BONDING INFORMATION SHEET

Building Contractor License with Permit Endorsement - Commercial and Residential				
License Category	**Maximum Project Valuation**	**Required Surety Bond**	**Additional Category Options/Info**	**License Fees**
Class U	Unlimited Value	$200,000.00	-Home Builder[1] -HUD Approved[2]	1 year – expires 2009 – $400.00
Class A	$200,000.00	$150,000.00	-Home Builder[1] -HUD Approved[2]	2 year – expires 2010 – $800.00
Class B	$100,000.00	$50,000.00	-HUD Approved[2]	3 year – expires 2011 $1200.00
Class C	$ 50,000.00	$25,000.00		

Utility Contractor License with Permit Endorsement			
License Category	**Required Surety Bond**	**Additional Category Options/Info**	**License Fees**
Licensed Forced Hot Air Contractor	$10,000.00	Includes Hood work	1 year – expires 2009 $400.00 for up to four (4) license categories per year $100.00 for each additional license category after the initial four (4) per contractor per year
Licensed Hydronic Contractor	$10,000.00		
Licensed Hood Contractor	$10,000.00		
Combined License (Licensed Forced Hot Air/Hydronic Contractor)	$10,000.00	Available only to License Holders registered prior to 1991	2 year – expires 2010 $800.00 for up to four (4) license categories per year $200.00 for each additional license category after the initial four (4) per contractor per year
Licensed Decorative Appliance Contractor (Gas and/or Solid Fuel)	$10,000.00		
Licensed Air Conditioner Contractor	$10,000.00		
Licensed Refrigeration Contractor	$10,000.00		
Licensed Plumber – *New applicants that do not have a State of DE Plumbing License issued prior to January 2000, must take a gas test.*	$10,000.00	Includes Sewer & Drain and Outside Utility work	3 year – expires 2011 $1200.00 for up to four (4) license categories per year $300.00 for each additional license category after the initial four (4) per contractor per year
Sewer & Drain Cleaner	$10,000.00		
Outside Utility Contractor	$50,000.00		
Escrow - Annual fee to place utility license(s) in escrow			$50 per license category – expires 2009[3]

[1] **New Home Builders** – All New Home Builders must, at a minimum, be licensed as a Class A building contractor. All New Home Builders must provide proof of membership with a New Castle County approved warranty company. A list of the approved warranty companies is available at the Department of Land Use.

[2] **New HUD Approved Manufactured Home Dealers** – All New HUD Approved Manufactured Home Dealers must, at a minimum, be licensed as a Class B building contractor and provide proof of membership with an approved warranty company.

[3] **Escrow of Utility License** – Utility license holders may only escrow their license for the current license period.

APPENDIX 6

Local Service Functions to Municipalities

LOCAL SERVICE FUNCTION
PROPERTY TAX CREDITS
GRANTED TO MUNICIPALITIES
FISCAL YEAR 2010

	Arden	Ardencroft	Ardentown	Bellefonte	Delaware City	Elsmere	Middletown	New Castle	Newark	Newport	Odessa	Townsend	Wilmington
Land Use:													
Advanced Planning (Long Range)	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Zoning & Subdivision Regulations & Enforcement	no	no	no	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Building Inspection/Plan	no	no	no	yes	no	yes	yes	yes	yes	yes	yes	yes	yes

yes = Municipality provides this
no = NCC provides this service