

Drees Custom Homes
Limited Warranty
and Guide to
Your New Home

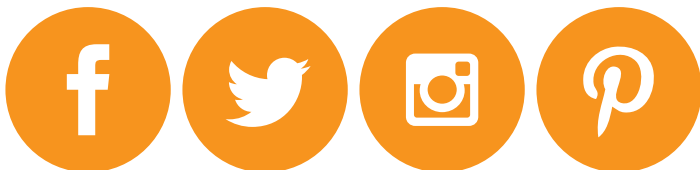


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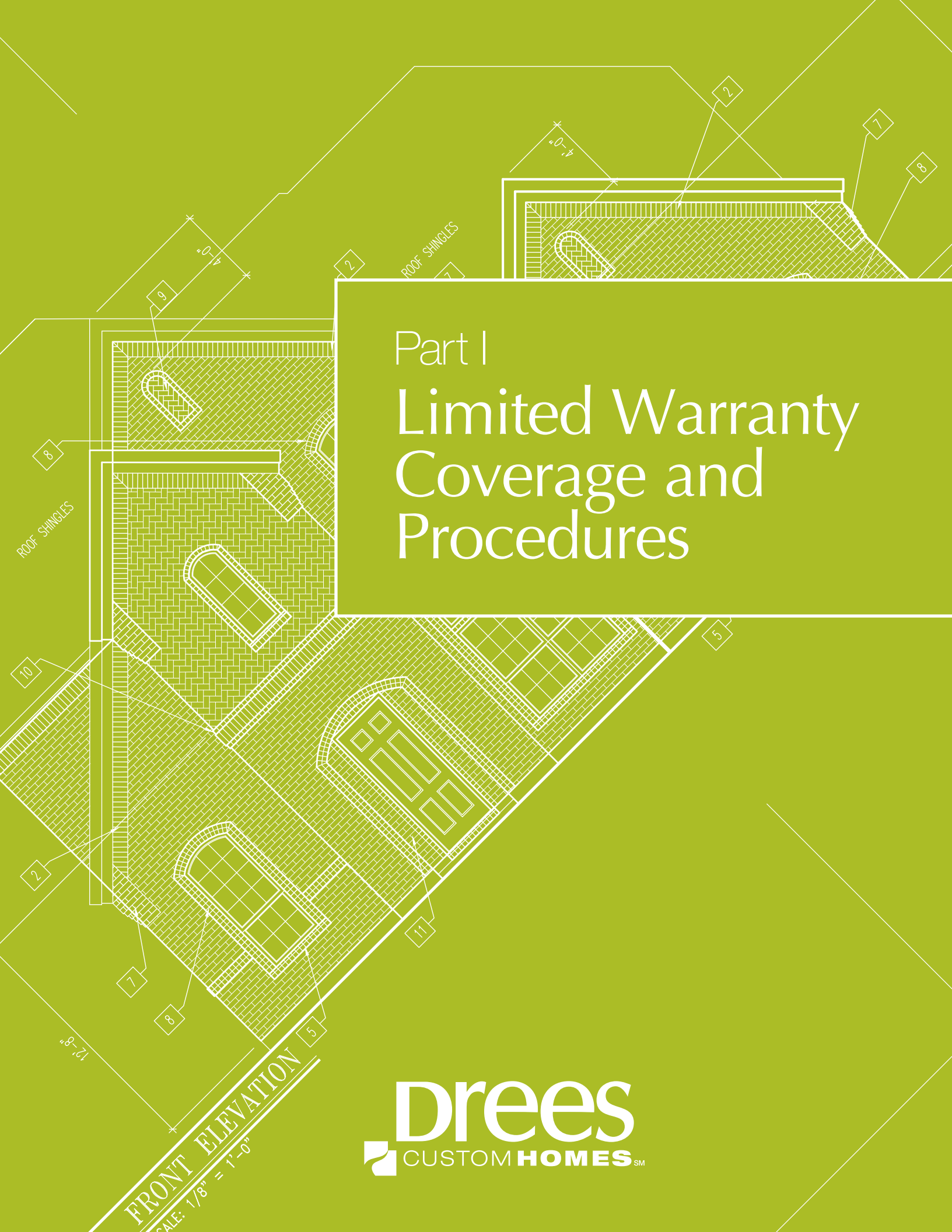


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Part I
Limited Warranty
Coverage and
Procedures

DREES CUSTOM HOMES, L.P. LIMITED WARRANTY COVERAGE AND PROCEDURES

Term: The term of this Limited Warranty begins on the date of which your home was deeded to you, the original purchaser. That date is referred to in this Limited Warranty as the “Closing”.

Coverage: Except as otherwise provided herein, the scope and limitations of Drees’ Warranty is as follows:

One-Year Coverage

Drees Custom Homes, L.P. (Drees) warrants, for a period of one-year after the date of the Closing, that we will repair or replace at no charge to you, defects in workmanship and materials in your home which are due to our non-compliance with our contractual obligations or, in the absence of a stated contractual standard, then due to non-compliance with acceptable standards and practices within the Home Building Industry as applied in the general geographical location of your home.

Ten-Year Structural Coverage

Drees warrants your home against major structural defects for a period of ten years after the date of the Closing. For purposes of this Limited Warranty, a major structural defect is defined as actual physical damage to one or more of the load bearing segments of the home causing the failure of the major structural components, which affects its load bearing function, to the degree that it materially affects the physical safety of the occupants of the home. Load bearing components of the home deemed to have major structural defect potential include the following: roof framing members (trusses and rafters), floor framing members (joist and trusses), bearing walls, columns, lintels, load bearing beams, footings and foundations. Drees will repair or replace such items, to restore their load bearing functions as designed. (Refer to Part III of this document for further explanation of the Ten-Year Structural Coverage.)

Manufacturers’ Warranties

Drees assigns and passes through to you any transferable manufacturers’ warranties on appliances and equipment. Drees will not repair or replace any item that is warranted by the manufacturer. The following are examples of such appliances and equipment, though not every home includes all of these items and some homes may include appliances and equipment not on this list: refrigerator, range, dishwasher, garbage disposal, water heater, heat pump, air conditioner, fireplace, furnace, humidifier, smoke detector, garage door opener and sump pump. If it is necessary to request warranty service for these items, the homeowner must make a request directly to the manufacturer or authorized service representative.

Transferable Warranty

The protection under this Limited Warranty is provided to the original homeowner and is automatically transferable to all subsequent homeowners who acquire title within the warranty periods specified. No warranty period herein is extended by such a transfer of title or ownership interest, only the remaining original warranty periods, if any, is so transferred.

EXCLUSIONS FROM COVERAGE

Drees does not assume legal liability or responsibility for any of the following, all of which are, to the fullest extent allowed by law, excluded from coverage of the Limited Warranty:

1. Minor defects including but not limited to any and all chips, scratches, mars and similar defects in tile, woodwork, walls, painting, porcelain, brick, cabinets, countertops, mirrors, carpeting, marble, glass and plumbing fixtures.
2. Landscaping, including sod, seed, shrubs, plantings, newly planted trees and existing trees.
3. Accumulation or drainage of water in the vicinity of a drainage easement or natural drainage area.
4. Appliances, fixtures, equipment and other like items (including any accessories such as fittings, attachments, wires, controls and appurtenances) which are determined by law to be “consumer products” as defined by the Magnuson Moss Act (Public Law 93-637) – “defined as tangible personal property normally used for personal, family, or household purposes.”
5. Ordinary wear and tear and deterioration of your home.
6. Loss or damages caused by: (i) your failure to perform routine maintenance on your home; (ii) your failure to keep and maintain your home in good repair and condition or immediately inform Drees in writing of disrepair or construction defects; (iii) your failure to maintain proper temperatures (heating and cooling) within the home; or (iv) dampness or condensation due to your failure to maintain adequate ventilation.
7. Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; fading, chalking and checking of paint due to sunlight; cracks due to the drying, curing, expansion and contraction of concrete, stucco, plaster, bricks and masonry; melted or discoloration of siding due to reflection of sunlight; drying, shrinking and cracking of caulking or conditions resulting from condensation.
8. Defects, damages, changes or alterations in items completed or installed by you or any person, trade contractors, agents, or agency under your custody or control or any one not under the control of Drees.
9. Accidental loss or damage due to elements, including but not limited to fire, smoke, lightning, hail, windstorm, snow, ice, heavy rains and expansive soils.

10. Consequential, incidental or secondary damages, including damage to any item, personal or otherwise, that was not supplied or installed by Drees.
11. Conditions resulting from condensation on materials, or expansion or contraction of materials.
12. Matching of paint, stain, mortar, or grout repairs on interior and exterior surfaces.
13. Cracks, deflection, surface deterioration and/or separation of exterior concrete within tolerance.
14. Any damage to the extent it is caused by or made worse by changes in the grading of the ground around the home by anyone other than Drees, its agents, or trade contractors.
15. Loss or damage to the home, persons, or property directly or indirectly caused by termites, other insects, birds, vermin, rodents, or other wild or domestic animals.
16. Loss or damage caused by, or resulting either directly or indirectly from, accidents, civil commotion, theft, vandalism, fire, explosion, power surges or failures, water escape, acts of nature, lightening, windstorms, earthquakes, or other unusual weather or other natural event or conditions.
17. Any damage to the extent that is caused or made worse by your failure to give timely written notice to Drees of any defects, damage or disrepair.
18. Consequential, indirect, special or unforeseeable damages including, but not limited to, costs of shelter, food and transportation; moving and storage; and other expenses related to inconvenience or relocation during repairs to the home; and any diminution of the market value of the home.
19. Any improvement on the real property Drees deeded to you, which improvements are designed, engineered or constructed by someone other than Drees or under Drees' control.
20. While Drees takes numerous precautions to reduce noise between adjacent multi-family homes, all noises cannot be completely eliminated and therefore are not warranted.

The provisions and obligations of this Limited Warranty shall not be enforceable by you or be an obligation of Drees so long as you owe any money to Drees pursuant to the Contract or any Contract Documents you have with Drees.

Customer's independent home inspection reports will not become part of this Limited Warranty.

No Other Warranties

THIS LIMITED WARRANTY IS THE ONLY EXPRESS OR IMPLIED WARRANTY WE GIVE COVERING ANY PROPERTY, WHETHER REAL OR PERSONAL, INCLUDING THE IMPROVEMENTS ON THE PROPERTY CONVEYED TO YOU BY THE DEED TO THE PROPERTY YOU RECEIVE AT CLOSING. IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY,

GOOD AND WORKMANLIKE CONSTRUCTION, FITNESS FOR A PARTICULAR PURPOSE, AND HABITABILITY, ARE LIMITED TO THE WARRANTY PERIOD SET FORTH IN THIS DOCUMENT AND ARE PROVIDED ONLY TO THE EXTENT REQUIRED BY LAW. IF ANY SUCH IMPLIED WARRANTY IS NOT REQUIRED BY LAW, IT IS HEREBY WAIVED, RELEASED AND DISCLAIMED BY DREES. DREES DOES NOT PROVIDE ANY EXPRESS OR IMPLIED WARRANTIES HEREUNDER OR OTHERWISE FOR IMPROVEMENTS ON YOUR PROPERTY THAT WERE NOT SUPPLIED, DESIGNED BY, ENGINEERED BY or CONSTRUCT BY DREES OR ANYONE ACTING UNDER THE CONTROL OF DREES, SUCH AS DEVELOPER BUILT RETAINING WALLS, FOR EXAMPLE.

Limitation of Remedies

IT IS UNDERSTOOD AND AGREED THAT, TO THE EXTENT ALLOWED BY LAW, DREES' LIABILITY UNDER THIS LIMITED WARRANTY, WHETHER IN CONTRACT, IN TORT, IN NEGLIGENCE OR BY OMISSION OR OTHERWISE, IS LIMITED TO THE REMEDIES PROVIDED IN THIS LIMITED WARRANTY. THE HOMEOWNERS' REMEDIES AS SET FORTH HEREIN ARE EXCLUSIVE. TO THE FULLEST EXTENT ALLOWED BY LAW, AND DREES SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, ANY DAMAGES BASED ON A CLAIMED DIMINUTION IN THE VALUE OF THE PROPERTY OR FOR PERSONAL INJURY, EVEN IF DREES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT ALLOWED BY LAW, THE LIABILITY OF DREES WITH RESPECT TO THIS LIMITED WARRANTY WHETHER ARISING OUT OF CONTRACT, NEGLIGENCE OR TORT, OR UNDER ANY WARRANTY OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE OF THE HOME OR THE PRODUCTS OR SERVICES UPON WHICH SUCH LIABILITY IS BASED. THE PROVISIONS OF YOUR DREES CONTRACT SHALL SUPPLEMENT THIS LIMITED WARRANTY AS FAR AS LIMITING DREES' LIABILITY FOR WARRANTY CLAIMS OR DISPUTES, FOR LIMITING THE REMEDIES AVAILABLE TO YOU AGAINST DREES AND FOR THE DISPUTE RESOLUTION PROCESS WHICH YOU MUST FOLLOW IN THE EVENT A WARRANTY ISSUE OR DISPUTE IS NOT RESOLVED AMICABLY, SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THESE LIMITATIONS AND EXCLUSIONS MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS, WHICH VARY FROM STATE TO STATE. DREES' OBLIGATIONS UNDER THIS LIMITED WARRANTY, AND UNDER THE DREES CONSTRUCTION AND PURCHASE AGREEMENT ("DREES CONTRACT"), ARE LIMITED TO REPAIR AND REPLACEMENT, NOT DAMAGES, COSTS OR EXPENSES, TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW.

Arbitration Agreement

IF HOMEOWNER COMPLAINS OF ANY MATTER REGARDING A DEFECT, PROBLEM OR DIFFICULTY OF ANY KIND RELATING TO THE HOME WITHIN THE COVERAGE OF THIS LIMITED WARRANTY, THEN ALL SUCH DISPUTES SHALL BE RESOLVED BY DISPUTE RESOLUTION PURSUANT TO THE ARBITRATION OF DISPUTES PROVISION CONTAINED IN THE DREES CONTRACT. ALL SUCH DISPUTES WHICH ARE NOT FULLY RESOLVED PURSUANT TO SUCH DISPUTE RESOLUTION PROVISION IN THE DREES CONTRACT SHALL THEN BE RESOLVED BY BINDING ARBITRATION AS GENERALLY DESCRIBED THEREIN. THE DUTY TO ARBITRATE IS MANDATORY AND EITHER PARTY MAY COMPEL ARBITRATION, WHICH ARBITRATION IS SUBJECT TO THE FEDERAL AND APPLICABLE STATE ARBITRATION ACTS, AND ACCORDANCE WITH APPLICABLE LAW, THE RESULT OF ANY SUCH ARBITRATION, WHETHER OR NOT ACCEPTED, IS BINDING.

WARRANTY PROCEDURES

IN ADDITION TO THE CLAIM PROCESS OUTLINED IN YOUR DREES CONTRACT, THE FOLLOWING SHALL BE A MATERIAL PART OF YOUR WARRANTY CLAIM PROCESS:

1. Approximately 60 days after closing, a warranty appointment will be scheduled to take place at your residence. At this meeting, a Warranty Representative will review your Limited Warranty and answer any questions you have concerning warranty or homeowner maintenance issues. Documented warranty items will then be completed by a Warranty Representative or Trade Contractor.
2. Approximately one year after your closing, but not later than 30 days prior to the one year end of warranty deadline, a second warranty appointment will be scheduled to take place at your residence, if necessary. If you do have additional warranty needs, a Warranty Representative will address your warrantable concerns at that time.
3. If there is more than one party involved in the original contract with Drees, each party shall attend the warranty appointment or the person attending shall be considered the representative of all parties.
4. Warranty repairs needed will be coordinated by a Warranty Representative and you are obligated to cooperate with the Warranty Representative in coordinating the warranty work by Drees.
5. Warranty work performed on your home will be done Monday through Friday from 8:00 a.m. to 5:00 p.m. Maintenance items for which you are responsible are excluded in this Limited Warranty.
6. Emergency Responses: We have provided you with the names and telephone numbers of the primary trade contractors used in the construction of your home. In the event of an emergency, you should first contact the appropriate trade contractor and then contact the Drees Warranty Department. Emergencies are defined as:

- a) Water leaking into or out of your home.
- b) Total stoppage of the plumbing sewer system.
- c) No hot water.
- d) A plumbing leak, which requires the water service to be shut off to avoid serious damage to your home and/or furnishings.
- e) Total loss of electrical power.
- f) Total loss of heating or cooling system.
- g) Frozen water or plumbing lines.
- h) Leaks from rain storms that are causing damage to your home or furnishings. Call Drees Homes.

Ten-Year Structural Warranty Repair Procedure

If the homeowner has identified a defect believed to be covered by the Ten-Year Structural Warranty, in addition to the claim process and procedures set forth in your Drees Contract, you shall also send a written letter or email to Drees outlining, in detail, the nature and extent of the defect. Letters should be addressed to the Customer Care Department and contain homeowner name, address and telephone number of the residence and owner's workplace. Telephone call requests for ten-year structural warranty repairs will not be accepted.

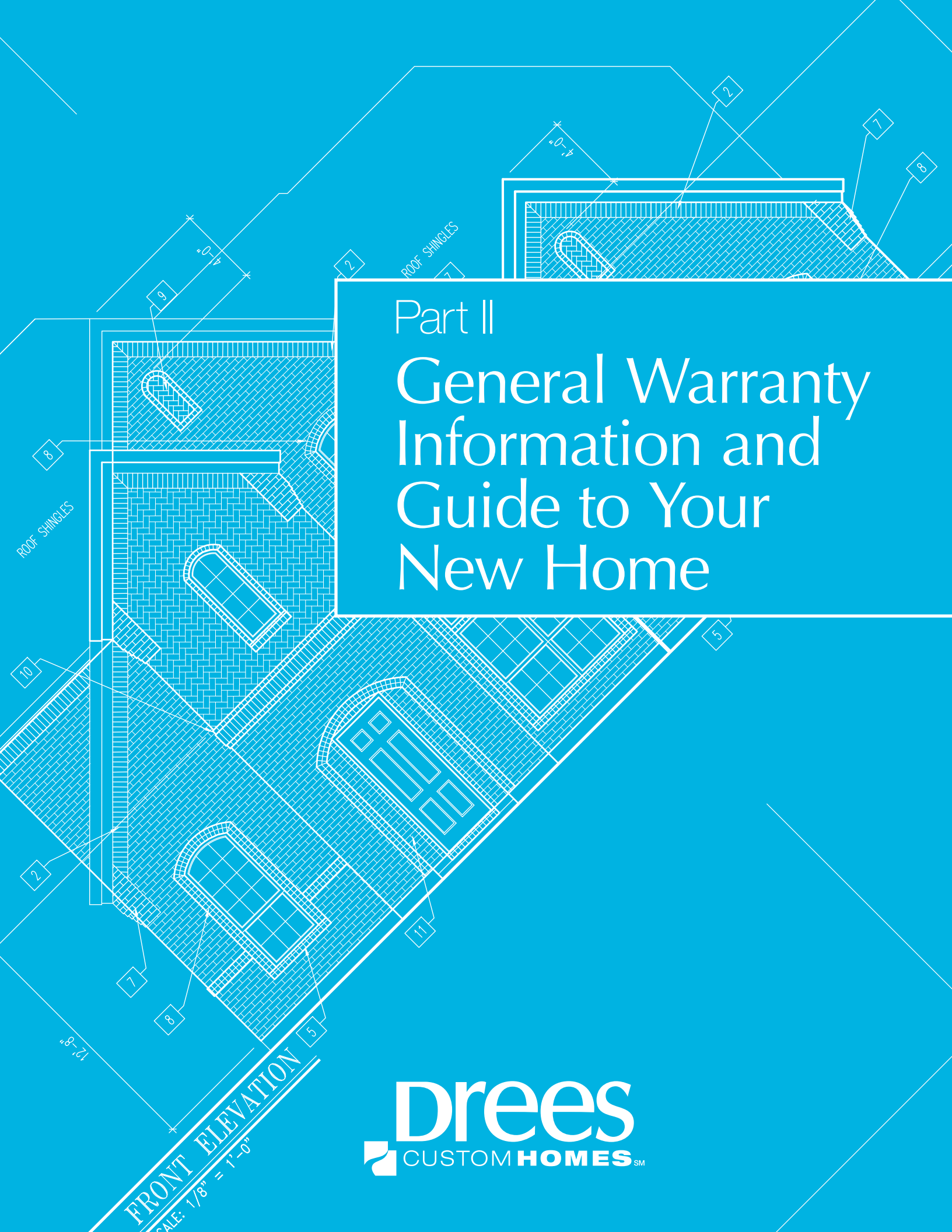
Within 15 days of receipt of a structural warranty letter, a Warranty Representative should contact the homeowner and discuss the nature of the believed defect and take any possible remedial action, following the claim resolution process set forth in your Drees Contract.

This concludes Part I of your Limited Warranty & Guide to Your New Home.

The Drees Company



David G. Drees
President & CEO



Part II

General Warranty Information and Guide to Your New Home

FRONT ELEVATION
SCALE: 1/8" = 1'-0"



Welcome to Your New Drees Home

Thank you for purchasing a Drees home. Our professional Customer Care staff is committed to satisfying you during your warranty period.

In the preceding pages, we have itemized the exclusions from the Drees Limited Warranty. In addition we have outlined the customary procedure for scheduling warranty service. In the following pages we will explain many of the aspects common with a new home.

This information has been provided in an effort to reduce your concern over incidents routinely encountered in the early months of home ownership. Knowing what to expect will assist you in anticipating events that might otherwise generate unnecessary worry.

Active Soils

A. INTRODUCTION

Many homes are built on soils, which are referred to as expansive or active. This type of soil generally contains clay minerals which expand and contract depending on their moisture content. Areas of the country with extended dry or wet periods require special homeowner maintenance and precautions. Improper homeowner maintenance can adversely affect the performance and structural integrity of the foundation constructed on active soils.

To minimize damage caused by shrinking and swelling of expansive soils, you should:

- a. maintain an even moisture content in the soil around the footing/foundation;
- b. maintain the grading around the footing/foundation;
- c. maintain the landscaping.

If you are unsure about the active nature of your soil, simply consider it active and follow the following guidelines.

B. MAINTENANCE

1) Trees and Shrubbery

a. Trees and shrubbery absorb large amounts of water daily, reducing the moisture in the soil and causing shrinkage. Soil shrinkage near the footing/foundation causes settlement in that area. Soil in areas around trees and shrubbery must be adequately watered to prevent settlement and shrinkage. In extreme drought conditions, areas around trees and shrubbery will need more water applied.

b. Trees especially can damage the structural integrity of the footing/foundation. Root systems of trees can penetrate the footing/foundation, reduce moisture and cause soil shrinkage and movement to the house structure. Homeowner

maintenance may include the placement of root shields, which reduce the absorption of moisture from the soil between the shield and the footing/foundation.

c. Prior to planting trees and shrubbery, and if existing tree branches extend over your roof or the root system extends into the footing/foundation area, you should contact a nursery or agricultural extension agent who is experienced in planting trees and shrubbery to discuss proper planting and maintenance necessities.

2) Final Grade

a. When a final grade is provided on your yard causing water to flow from your home, it is your responsibility to maintain these grades. Make sure water does not collect or become trapped in localized areas near the footing/foundation. These conditions can cause changes in moisture content that can damage the footing/foundation.

b. Drees has directed surface water to disposal areas (such as streets, storm sewers, etc.) by way of drainage channels called swales. Swales must be maintained and not left to erode or fill up.

c. Fences installed over drainage swales must be kept off the ground so water can drain properly under them. Obstructions in the drainage swale can interrupt proper drainage of water from the lot.

3) Landscaping and Yard Maintenance

a. Maintaining adequate ground cover such as grass is essential to maintaining uniform moisture content in the soil. The presence of ground cover minimizes evaporation of moisture. When watering grass, shrubbery and other plantings, you should use a systematic, uniform manner of watering so soil on all sides of the foundation is kept moist, NOT SATURATED. Just as too little moisture causes soils shrinkage, too much moisture causes swelling. Both conditions can damage a footing/foundation. Areas of soil that do not have ground cover may require additional watering as they are more susceptible to evaporation, causing an imbalance in soil moisture.

b. Position sprinkler heads so water is directed away from the footer/foundation. Shrubs planted close to the foundation may have to be watered by hand.

c. When landscaping, be sure that flowerbeds do not trap water next to the footer/foundation. Planters and curbs often hold water, causing increased moisture in localized areas. This can cause swelling damage to the footing/foundation. If curbs and planters are installed, drainage holes must be provided to maintain balanced soil moisture around the footing/foundation.

d. Do not plant trees within 10 feet of the foundation.

4) Gutters and Downspouts

If the home is equipped with a roof drainage system such as gutters and downspouts, water discharged from the downspouts should be directed to flow away from the foundation. When downspout extensions are removed for mowing or other maintenance, they must be returned for proper surface drainage. Rainwater should not be routed through flower beds or other areas near the footing/foundation. This can cause localized soil saturation or uneven soil moisture, which may damage the footer/foundation. Placement of gutters and downspouts is a homeowner responsibility if not installed by Drees.

5) General Information

- a. When very hot and dry conditions exist and soil begins to pull away from the footing/foundation, you should provide a watering system immediately to correct the situation. If you will be away from home during these conditions, you should plan to have someone provide maintenance during your absence.
- b. Uneven moisture content of the soil surrounding the footer/foundation can cause movement of the footer/foundation. If moisture content in one area of the home is substantially different than another, differential movement can occur and cause the footer/foundation to bend or move. This movement may cause distress cracks on walls and ceilings, drywall tape separations, doors that stick or swing open or closed on their own, window frames out-of-square, and cracks in brick veneer and mortar joints.

Cabinets

There may be variations of tone, color and grain appearance in your cabinetry. These are all characteristics of wood and the finishing process, and can be expected to appear in your cabinets. These characteristics are not warranted items.

Most real wood cabinetry has a polyurethane finish and cleaning products which contain waxes and lemon oil should be avoided. For laminated plastic surfaced cabinets, simply wash with a mild soap and water, rinse and dry. **DO NOT USE ABRASIVE CLEANERS.**

- Cabinet doors and drawers should operate smoothly and be free of any warping and twisting. For the term of the one-year coverage, Drees shall perform all necessary repairs to ensure smooth and unencumbered operation of cabinet doors and drawers.
- For the term of the one-year coverage, Drees shall repair or replace any doors or drawers that exhibit signs of twisting or warpage. However, color variations will be noticeable between other doors.

Carpeting

Carpeting is relatively easy to care for, and a regular schedule of vacuuming will go far in maintaining the original appearance for many years.

Carpeting installed as a floor covering should not become loose, separate or stretch at its point of attachment. Due to standard widths, carpet seams are required as part of the installation process. Some seams will be more noticeable than others depending upon the particular type and profile of carpeting selected. No seam will be totally invisible.

Carpeting carrying certain trademarks such as Stain Master or Scotch Guard is not impervious to staining. It is, however, less prone to ordinary staining common to normal, every day wear.

- For the term of the one-year coverage, Drees shall repair any carpet seams that have separated or become unraveled.
- For the term of the one-year coverage, Drees shall re-stretch any carpet that has loosened or pulled away from its tack strip.

Note

Any caulking, interior or exterior that has deteriorated (i.e., cracked, pulled away, etc.) will remain the homeowner's responsibility.

Caulking

If the caulking around your bathtub, shower, sink, windows, or other areas of the interior or exterior of the home becomes dried or cracked, remove the old caulking and replace it with new. Caulking is the homeowners responsibility after the initial application by Drees. These caulked areas should be checked at least twice a year. Any areas where water can seep in around windows, siding, tubs, showers, etc. could result in interior damage and mold growth in your home.

Note

Please remember re-caulking and re-filling grout joints are your responsibility. Drees will not be responsible for any damage caused by lack of homeowner maintenance.

Ceramic or Natural Stone Tile

While ceramic or natural stone tile presents a luxurious finish, it does require a considerable amount of homeowner maintenance. Ceramic or natural stone tile may be affected by normal wood shrinkage and settling of the home. Cracks in the grouting joints are commonly due to this shrinkage. Re-grouting of these joints are considered homeowner maintenance and should be done or checked on a yearly basis. A caulk separation between the tub and tile or between the floor and tub may also occur because of this shrinkage. Prompt attention to re-caulking these areas is important to avoid possible damage to underlying areas.

Concrete Floors

Your concrete floor may develop cracks due to expansion/contraction and the curing process. These cracks do not affect the structural integrity of your home in any way. The tolerance for concrete floor cracking is 1/4 inch average in separation or displacement. Concrete floors may be discolored due to uneven curing. This occurrence is a non-warranted item.

- For the term of the one-year coverage, Drees shall repair any cracks in excess of the normal tolerance by surface patching. In the event the crack surfaces are mis-matched in height in excess of the normal tolerance, Drees shall repair by surface grinding before filling.
- Cracks in concrete that leak water shall be investigated by Drees to determine the cause. Drees shall perform the necessary corrections to the drainage system to prevent leakage.

Condensation

Condensation takes place in a home wherever warm, moist air comes into contact with colder surfaces such as windows, basement walls or exposed pipes. There is more condensation in our homes today because they are built tighter, insulated better and have improved doors and windows that have greatly reduced air infiltration. Many gallons of water are contained in the materials used in building your new home. Because of this, condensation is at its peak during the first year. In addition, a family of four can put as much as 18 gallons of water per week into the indoor air of a home through normal activities, i.e., laundry, bathing, showering and dish washing.

Condensation can range from water droplets on the lower corners of the windows to excessive moisture on basement wall surfaces. If condensation is a problem in your home, we strongly recommend that you take the following steps to help control it and keep it to a minimum:

1. Exhaust fans have been provided in each bathroom (and laundry room in Texas). Be sure to run them during and after moisture events to carry off excess humidity.
2. It is helpful to open windows in laundry rooms or basements while washing and drying clothes.
3. Make sure that your clothes dryer is properly connected to the exterior vent provided and clean your dryer lint filter after each use.
4. If your home has a humidifier, reduce the settings to not exceed humidity levels of 40%.
5. Purchase or rent a dehumidifier as necessary.
6. A large quantity of houseplants may cause excessive moisture and should be placed in well-ventilated areas of the home.

Countertops

Kitchen and bath tops are made of high-pressure laminated plastic, ceramic, marble, slate, granite and a variety of other products. As durable as they may seem, they are not resistant to burns, scratches, cuts, abrasions, hot pans, etc. These types of tops are easily scratched, dulled or stained through improper care or use of abrasive cleaners. Countertops may contain seams that join two pieces together. No seam can be completely invisible and it's important to keep these areas clean to avoid buildup of dirt or materials that may accumulate.

By providing proper care, your tops will retain their newness and luster. Some easy reminders to follow are:

1. Hot pans or activated electrical appliances should not be placed on laminated surfaces. Use protective insulating pads.
2. Abrasive cleaners or steel wool should never be used.
3. Household bleach should not be allowed to remain on the surface.
4. Do not use the surface as an ashtray or cutting board.
5. Avoid a concentration of water or wet cloths at or near the junction of the countertop and back splash or other joints.
6. Clean with a damp soapy cloth. For stubborn stains, consult with a countertop expert for proper cleaning methods.

Doors – Interior and Exterior

INTERIOR DOORS

Interior doors may warp or stick due to various humidity ranges.

Separation or cracks in the door trim may also develop and can be readily repaired the first time the door is repainted.

On bi- or multi-folding doors, adjustments will most likely become necessary. You should apply a silicone spray to the hinges and tracks of swing, bi-pass and bi-fold doors to make them operate more efficiently.

- For the term of the one-year coverage, Drees shall replace any interior door that warps in excess of 1/4 inch, as measured diagonally from corner to corner.
- Drees will also perform all necessary finishing to the original specifications on any replaced or repaired interior doors.
- For the term of the one-year coverage, Drees shall perform all necessary repairs to interior doors and door frames that rub or stick.

EXTERIOR DOORS

Fully insulated metal, fiberglass or solid wood doors are often used today. You will observe that some of these doors are equipped with adjustable thresholds,

enabling you to maintain a proper seal year round. These adjustments should coincide with the change of seasons as building materials undergo natural expansion/contraction. Keep the channel of sliding glass door units and metal thresholds clean for ease of operation and drainage of storm water. High winds and rain can cause air and water infiltration in the home. Storm door units can be added to improve year round performance as well as providing increased convenience and comfort. However, adding a glass storm door may magnify the sun's heat and void a manufacturer's warranty.

Note

It is impossible to provide a seal that will keep out tiny insects. Consult with a pest control expert if you experience this after adjusting the threshold.

In some instances, your home may have a stained wood door. The finish has been applied per the manufacturer's specifications. Wood doors, by the nature of the product, many times will split, crack and check. These will not be considered a defect and the door will not be replaced or repaired. Additionally, the finish of this door may deteriorate and is not covered by this Limited Warranty.

Should you need to refinish, we suggest at least two coats of clear topcoat (oil-base, alkyd resin-base, polyurethane, resin-based). Sand lightly between all coats and use products from the same manufacturer. Do not use lacquer finishes for exterior surfaces.

When you wish to paint, apply one coat of an oil-based primer followed by two coats of latex or oil-based paint.

- For the term of the one-year coverage, Drees shall perform any necessary repair to hinges, doorknobs or locksets to ensure smooth operation and proper locking functions.

Note

Please remember to check and adjust your door thresholds as explained to prevent water penetration and subsequent floor damage.

Drainage

Drees has graded your yard very carefully to direct the flow of water away from your home. In some cases, lots are subject to drainage easements in order to provide for the proper drainage within the neighborhood. It should be noted that it is common for water to be visible in such drainage areas during wet conditions and for the drainage areas to remain soggy several days after periods of heavy rain. No structure, planting or other material should be placed in any drainage easement or drainage channel that would interfere with the direction or flow of water in these areas. You are required to maintain the area within the drainage swale so that the direction and flow of water is not inhibited or diverted.

Note

Homeowners living in communities with varying topography may experience some water run off from adjoining properties. This situation has been taken into consideration when designing the drainage for the community and therefore is not warrantable.

- For the term of the one-year coverage, Drees shall repair *major erosion* in swales carrying large amounts of water. However, it is common for water to remain standing in drainage areas during wet weather for a period of 48 hours or more. It is recommended that you and your neighbors establish a common watering schedule that will allow the drainage swale the opportunity to dry between irrigation cycles.

Drees has formed drainage patterns that meet the city-approved grading plan and is confirmed by the final grade survey (where applicable) provided at closing.

Property owners are required to maintain the area within the drainage swale so that the direction and flow of water within the swale is not inhibited or diverted. Please note that structures such as storage sheds, swimming pools, swing sets or large plant beds that are installed after the time of closing that could alter the established drainage pattern, will terminate Drees' warranty for yard drainage.

Driveways, Walks, Patios and Steps

Pitting, scaling or spalling of concrete driveways is common in concrete. Drees has taken various measures to reduce these conditions, but they cannot be totally prevented. We recommend that you seal your exterior concrete every fall with a high quality professional grade penetrating sealer. Concrete material suppliers are typically a good resource for finding products. This sealant will help resist the effects of common concrete deterioration. Do not broadcast de-icing chemicals or fertilizer on your concrete. Drees will not warrant the occurrence of concrete surface deterioration.

It is impossible to prevent cracking in concrete because of the nature of the material and the stresses of expansion and contraction. Drees has placed isolation and control joints in concrete in an attempt to control cracking. When these control joints crack, caulk these cracks with a self-leveling concrete filler. This is a homeowner maintenance item.

In the event of cold weather concrete replacement, it may be necessary to cover your driveway, sidewalk or patio with concrete blankets to protect the concrete from freezing. The blankets may discolor the surface of the concrete. The discoloration will dissipate over time with sun exposure. Drees does not warrant discoloration due to concrete blankets.

Note

Do not permit any heavy equipment such as concrete trucks or moving vans to drive on your concrete, as it was not designed for these heavy loads.

All exterior concrete flatwork has a normal tolerance for cracking of 1/4 inch average in width and 1/4 inch average vertical displacement.

- For the term of the one-year coverage, Drees shall repair or replace any square or section of concrete having cracked or vertically separated in excess of the normal tolerance. Color variation will occur when replaced.

Drees cannot assume responsibility for asphalt areas damaged by gasoline, oil or sharp objects such as outdoor furniture or bicycle kickstands, etc.

Stoops or steps should not settle, heave or separate in excess of 1 inch from the house structure.

- For the term of the one-year coverage, Drees shall repair or replace stoops and/or steps that have heaved or separated in excess of the normal tolerance.

Water should not accumulate on exterior concrete surfaces in excess of 3/8 inch.

- For the term of the one-year coverage, Drees shall fill, repair or replace any concrete areas holding water in excess of the normal tolerance.

Drywall

Gypsum wall board has become the standard type of material used for the construction of interior walls. Exterior corners are protected by corner beads. Drees has made every effort to minimize the necessary joints where drywall boards butt together. No installation, however, can completely conceal this joint. Regardless of workmanship, jointing can be detected upon close inspection, or if lighting is very angular. This requires no action.

Some cracking or nail popping will probably occur due to wood shrinkage and settling. It is suggested that nothing be done about these cracks or pops until the end of the one-year warranty period.

While every effort is made to insure a uniform surface finish, there will be irregularities and trowel marks. Our Inspection process requires that irregularities are not visible at a distance greater than 6 feet from the textured surface.

- At or about the end of the term of the one-year coverage, Drees shall perform drywall repairs including nail pops, cracks in corner bead and cracks in excess of 1/8 inch wide.
- For the term of one year, Drees will repair any seam or “bow” in drywall that produces a gap in excess of 3/8 of an inch in a 32 inch measurement.
- Upon completion of drywall repairs, Drees will touch up paint on repaired areas.

Note

1. We caution you that no touch-up paint or textured ceiling repair will be an exact match due to differences in age, batch numbers, dye lots, etc. Drees is not responsible for color variations, especially on custom colors.

2. If drywall repairs are necessary, Drees is not responsible for repairing, replacing or touching up homeowner installed decorator paint, wallpaper, wall coverings, etc.

Easements

Most lots have easements granted for items such as storm water run off and public utilities so that installation, maintenance and necessary services can be provided to these utilities. These easements are not subject to relocation.

Where services are underground, we advise you to contact the appropriate utility company prior to any digging for fencing, tree planting, flower beds, etc. In most communities, the utility company will mark the location of their services at no expense to you.

In the event any work is performed in the given easement, restoration of the area to its former condition is the responsibility of the utility company or agency involved.

Electrical Systems

The wiring in your home, which meets local code requirements and safety standards, will accommodate a certain number of electrical appliances. Occasionally, you may find an outlet or circuit that does not operate when you first move into the home. If this problem arises check your circuit breaker panel. Your electrical wiring and appliances are protected by circuit breakers located in the main panel box. Check to see that all circuit breakers are in the “on” position. You may need to move the circuit breaker from the “on” position to the “off” position and back to the “on” position to get the electric current moving.

If breakers for the same circuit fail repeatedly, it is essential to locate the cause. If it is the result of a short-circuit as opposed to an appliance overload, repairs should be made by an electrician. On several circuits in your home, “Ground Fault Interrupters” - GFCI's - are installed. The purpose of the GFCI is to provide special protection against possible electrical shock. The GFCI is very simple to operate and can be installed at the outlet. You should familiarize yourself with this circuit and its operation.

Items that cause circuit breakers to trip are:

1. Worn out cords or defective plug connections.
2. Defects within the appliances themselves.
3. Starting an electrical motor (motors require more current to start than they use when running).

If after resetting the circuit breaker, it again becomes tripped, call Drees for repair.

If the outlets have no power, check the switch in the room that controls the outlet. Normally one outlet in each room is operated by a wall switch. If this does not work, check for a burned out bulb in the light fixture. If the trouble is not found here, then check the circuit breaker and reset any tripped breakers.

If appliances such as your garbage disposal and dishwasher do not operate, check to see if their switch is in the “on” position. If you cannot locate the trouble after checking the switch and circuit breakers, then contact Drees.

It is recommended that a yearly homeowner maintenance procedure be established to inspect for any loose wires and/or connecting devices used in supplying electric power to the equipment in your home. Regardless of installation procedures, no electric connections are free from loosening. Licensed electricians should be capable of performing this inspection and we strongly urge you not to attempt this yourself due to the risk of electrical shock.

Many fires occur each year from misuse of electrical equipment. Avoid alterations to your wiring by amateurs. Contact an electrician or recognized appliance agent.

Exterior Cladding

Exterior sidings (aluminum, vinyl or steel) are covered by a manufacturer's warranty. Siding failure (fading or peeling of enamel) should be reported to Drees Homes. Due to its smooth texture, siding can normally be kept clean with some light scrubbing and use of a mild detergent. Vinyl siding will expand and contract due to weather changes. Therefore, vinyl siding will be nailed loose to a wall surface. Vinyl siding may also produce a clicking or rattling sound during high wind periods. This is a non-warranty issue. It is recommended that you inspect your exterior siding and re-caulk when and where necessary. Also check for loose siding after a high wind/rain storm.

Exterior Brick and Other Masonry

Your exterior masonry walls have been constructed with high quality, weather resistant materials. Don't expect each brick, block, stone or mortar joint to be identical or perfectly spaced. Surface chips, cracks and slight variations in size, color and placement are normal and help to create texture, beauty and interest.

Mortar joints in masonry are subject to deterioration from the normal weathering process. When this condition is evident, the joints should be repaired to maintain a weather resistant exterior.

- For the term of the one-year coverage, Drees shall perform any necessary repairs to the mortar joints in the wall surface. It is highly recommended to wait until the the yearly warranty visit to address cracks in mortar to allow the home to experience all 4 seasons.

Brick efflorescence is also common in masonry veneer products. The white residue that occurs can be cleaned off the brick and the brick sealed to prevent re-occurrence. This cleaning and sealing is considered homeowner maintenance.

Exterior Lot and Property Lines

We are oftentimes asked to identify boundary lines for homeowners who wish to install a fence, hedge or other boundary feature. Drees recommends you enlist the services of a qualified surveyor to establish the lot lines. This will ensure that you do not encroach upon the property of others. Do not rely on any existing objects or other physical features as evidence of boundary markers.

Exterior Painting

If your home has exterior painted siding or trim, you can expect some shrinkage as the material continues to season and dry out. Grain raising, knotholes and bleeding oftentimes accompany such shrinkage throughout this weathering process and will necessitate subsequent caulking and/or refinishing efforts by the homeowner.

Consequently, all exterior siding and trim applications will require regular inspections by you to evaluate its present condition and determine the appropriate maintenance required.

- For the term of one-year, paint will be applied to exterior siding and trim repairs performed by Drees Homes. A slight color variation is unavoidable.

Foundation Walls *(Where Applicable)*

Your house rests on the foundation, which consists of a footing and a foundation wall. Foundation walls are usually made of poured concrete or masonry block.

Do not be alarmed if you experience cracks in your foundation. These are fairly common and will not affect the overall strength of the wall in any way. There are two basic causes for these cracks:

1. expansion and contraction of materials; and
2. minor stress or settlement

The acceptable tolerance on basement foundation wall cracks is 1/4 inch in width.

- For the term of the one-year coverage, Drees shall repair all cracks in excess of the normal tolerance by surface patching.
- Drees shall repair any foundation wall crack, regardless of width, that leaks water within the term of the one-year coverage.

It will be your responsibility to remove and replace any owner-completed improvements.

Fireplaces

Before starting a fire, be sure the damper is open and operational. If your fireplace is equipped with an outside combustion vent, familiarize yourself with its location and use. If you have a gas ceramic log fireplace, familiarize yourself with the correct log positioning for complete fire combustion. Incomplete fire combustion will result in a sooting problem that can be broadcast throughout your home. Drees will take no responsibility for smoke or soot damage to your home.

Metal fireplaces will feel cold to the touch in winter months. Due to the convection of cold temperatures through the metal flue pipe to the metal fire box, it is common to feel a cold surface on the metal firebox. This is not warranted. If your home is equipped with a metal fireplace, please consult your manufacturer's instructions for proper operation and care. Fireplaces located in an outdoor living area are not

designed to be located in an enclosed space. Please consult with the fireplace manufacturer if you plan to enclose an outdoor living area.

Your new home may be designed with an outdoor fireplace. This outdoor fireplace is not designed to be placed in a fully enclosed structure such as a sunroom. Enclosing a fireplace in a sealed room will cause carbon monoxide poisoning that could lead to serious health problems including death.

Floors

The structural lumber in your house has been selected in sizes and grades to provide the strength required to carry the designed load. Excessive loads caused by heavy furniture or appliances, such as a pool table, can result in damage to the floor. Care must be taken by you to avoid overloading.

Like other building materials, wood will shrink as it dries out and swell under high humidity conditions. Some unevenness in floors may occur because of slight “crowning” or “bowing” of floor joists. Floors should not be more than 1/4 inch ridge or depression in a span of 32 inches. Sub floors should not slope more than 1/2 inch in 20 feet.

- For the term of the one-year coverage, Drees shall perform any necessary floor repairs to conform to the normal tolerance.

Floor squeaks and loose areas of subfloors are nearly impossible to prevent. Considering the fact that new homes are constructed mostly of wooden components, it is to be expected that incidental creaking and squeaking will be heard from time to time.

- For the term of the one-year coverage, Drees shall correct major floor squeaks.

HARDWOOD FLOORS

Hardwood floors provide your home beauty and performance if maintained properly. Hardwood, in spite of its name, will indent under high heel shoe traffic or other concentrated loads such as furniture legs. Pets can also cause damage to wood floors. You must take necessary precautions to prevent such damage.

Although your hardwood was installed tightly together, you can expect movement between boards as a result of moisture level variations from one season to another. Such movement will account for spaces between boards at times, along with minor creaking noises which are unavoidable. For further hardwood information and cleaning instruction, consult with a hardwood manufacturer. A humidifier is also recommended to be used during the heating months to insure indoor humidity remains constant.

Note

Gaps appearing after closing are most likely caused by fluctuations in the relative humidity of the home. This is a common seasonal phenomenon in certain climates; as certain areas of the home experience shifts in humidity. It is important to allow a one year acclimation period. Any gaps in excess of 1/4 inch should be addressed.

RESILIENT FLOORS

Your new home may have been equipped with resilient vinyl floors in the kitchen and bathrooms. These floors were chosen for their cleaning convenience. You should, however, be aware of some of the inconveniences associated with these floors. The following are some examples:

Discoloration – Water or moisture that penetrates under vinyl at bathtub and shower areas, for example, will discolor vinyl. This usually occurs because of cracking or shrinkage of caulking. Drees will not warrant this condition because of the lack of homeowner maintenance.

Raised Nail Heads – These are caused by movement of the floor joists due to shrinkage and deflection. Drees has attempted to minimize this problem by using special underlayment fasteners.

Seam Lifting – This is caused by water seepage through the seam. It usually occurs in the bathroom near the shower or tub. It is your responsibility to take precautionary measures to avoid getting water on the floor from the baths and showers.

Ridging of Underlayment – Ridge lines may appear beneath resilient flooring due to slight subfloor irregularities. These are cosmetic in nature and result from butt joints in the underlayment telegraphing through the surface of the flooring material. They are not structural defects and as such will not be warranted by Drees.

- For the term of the one-year coverage, Drees will take corrective action if the defect represents a performance problem rather than a cosmetic defect. If the resilient flooring lifts, bubbles or becomes unglued, Drees will repair or replace the affected area.

It is not uncommon at times for squeaks to develop beneath resilient flooring. Although a squeak proof floor cannot be guaranteed, most isolated cases can be remedied. In light of how resilient flooring is installed, however, it will be necessary to cut or plug the section(s) affected. Such repairs will be performed and new seams sealed by flooring professionals.

- For the term of the one-year coverage, Drees shall repair floor squeaks beneath vinyl in the manner defined above.

CAUTION: Do not use rubber backed throw rugs on vinyl floors. These rugs, when wet, will cause vinyl floors to discolor and stain.

CAUTION: Sharp edged furniture legs and those with small surfaced areas on the bottom as well as small heeled shoes will cause permanent damage to any resilient flooring material. To minimize this damage, use casters and other devices available at your local hardware dealer. Also, take special care when moving heavy furniture or appliances to avoid “scuffing” or tearing of finished floor materials

TILE FLOORS

Ceramic or slate floors offer a high quality finish to any room of the home. However, these types of floors require a higher degree of homeowner maintenance than hardwood, carpet or resilient floors. Because of shrinkage, expansion and contraction, tiles and grout joints may become loose and need repairing from time to time. Also, because of the manufacturing process, tiles vary in thickness, overall size, squareness and color.

- For the term of the one-year coverage, Drees will repair tiles that become loose or crack due to concrete slab movement, the deflection of floor joist or the shrinkage of framing members one time at the end of the limited warranty period. Please note that color variations between new and old tile and new and old grout may occur. Drees is not responsible for these color variations.

Garage Door

Your garage door is constructed of high quality components to provide you with years of service. The garage door hardware should be oiled and tightened periodically. The garage door is constantly under extreme spring tension. Repairs and adjustments, especially to cables and spring assemblies, can be hazardous and should be performed only by qualified personnel. Some entrance of snow and/or rain can be expected during blowing storms as these doors are not designed to be air or water tight.

- For the term of the one-year coverage, Drees will perform any necessary adjustments to the overhead door to ensure proper and normal operation.

Gutters

Gutters that are installed on your home must be maintained throughout the year. If gutters become clogged with leaves, debris or ice, they cannot function properly and water damage could result. Keep gutters clear of tree limbs, leaves and other debris. Shingle granules can also settle in gutters and should be removed. Gutters should be checked and cleaned regularly.

- For the term of the one-year coverage, Drees shall reseal any joints leaking water in the gutters or spouting material.

Industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in various sections of your gutters after a rain. During heavy rains, gutters, downspouts and conductor lines may not be able to handle the volume of water that collects in them. Some spillage of water may occur on landscape areas, drives, etc. This occurrence is a non-warranted item.

Note

WE STRONGLY CAUTION YOU ON THE HOMEOWNER INSTALLATION OF AUTOMATIC DOOR OPENERS AS SEVERE DAMAGE CAN EASILY RESULT FROM NEGLIGENT AND/OR CARELESS INSTALLATIONS.

We recommend having a professional garage door company install your garage door opener. Drees will assume no responsibility for any homeowner installed electric openers. Garage door warranties are also voided when a garage door opener is installed by anyone other than the garage door company who installed the door.

Hardware

Because of the weathering process, the original finish on exterior locks and door handles will deteriorate with normal use. Polishing this exterior hardware will help prolong its life but deterioration can't be eliminated.

Lubricate and tighten exterior and interior locks periodically. For keyed exterior locks, spray powdered graphite (dry lubricant) into the keyhole and on the latch bolt to ensure smooth operation.

- For the term of the one-year coverage, Drees will repair or replace any door handles or locking hardware that fail to lock or operate properly.

Note

Drees will not replace tarnished locksets, kick plates or door handles. Also, adjustment of door thresholds is a homeowner maintenance item.

Heating, Ventilating and Air Conditioning

The heating system installed in your home is designed to maintain an inside air temperature of 70 degrees Fahrenheit at an outside ambient temperature of 0 degrees F. During periods where outdoor temperatures fall below 0 degrees F, a corresponding reduction of indoor temperature can be expected.

Conversely, the cooling system in your home is capable of maintaining an indoor setting of 75 degrees F at an outdoor temperature of 90 degrees F. Outdoor temperatures in excess of 90 degrees F will result in a corresponding increase in indoor temperatures.

You can expect a 3-degree temperature variation from room to room and a 5-degree temperature swing from floor to floor in the operation of your HVAC system. You may have to adjust registers to balance your HVAC system and achieve the desired temperatures in particular areas. Upon taking possession of your home, read the information given to you concerning the operation of your heating and cooling system.

- For the term of the one-year coverage, Drees will ensure the proper operation of your HVAC equipment in conformance to the capabilities set forth above. Additionally, the manufacturer will warrant all parts and labor on your HVAC equipment as needed for one-year following your closing date.

Drees recommends that you have a qualified professional inspect, clean and service your heating system annually. It is very important that you clean your furnace filter on a monthly basis.

Note

Report total loss of heat immediately to your HVAC contractor.

AIRBORNE RESIDUE

Dirt, dust and soiling issues have plagued homeowners for centuries. Attention should be paid to a particular soiling found as stains on carpet along baseboards, under doors, on walls, electrical outlets and stairwells. The source of this soiling is generally not the heating and air conditioning equipment. Rather, it is other contaminants (candles, ceramic fireplace logs, cooking smoke and other fuel burning appliances) that are the source of the soiling. If you notice this condition appearing in your home, discontinue the use of these types of items.

Note

Drees highly recommends not to burn candles and will not be responsible for soiling produced by candles, ceramic fireplace logs, cooking smoke, oil lamps, potpourri, fireplaces or any other fuel burning or smoke producing products used by you the homeowner.

Household Mold

Molds are a subset of the fungi family and are common, abundant, and an essential part of the ecological system. Fungi are found nearly everywhere and are necessary for recycling organic material, which is required to sustain plant and animal life.

Mold spores are airborne and travel into and out of homes as air is exchanged, and with the movement of people and their belongings. Molds can grow on cloth, carpet, leather, wood, wallboard and anything that is made of organic material. Sustained mold growth requires moisture, a food source and a suitable temperature generally in the range of 40 degrees to 100 degrees F. The most practical approach to limit mold growth is early detection and prompt resolution of excessive moisture.

Listed below are strategies that can help minimize mold growth:

- If you can see mold growth or detect an earthy musty odor, you can assume you have a moisture problem that must be resolved.
- Moisture control is the key. Moisture sources include high relative humidity, rain water leaks, condensation, plumbing leaks, bathing, cooking, plants, unvented clothes dryer, humidifiers, unvented combustion appliances, and habitation (people release moisture).
- Keep the indoor relative humidity as low as is comfortable (usually below 40%) during the winter months. This includes crawl space and basement areas.
- To reduce indoor moisture levels, increase ventilation or use a dehumidifier. Continuously running the furnace blower motor may help.
- Run the bathroom exhaust fan a minimum of 20 minutes after bathing.
- Run the air conditioner during the hot/humid months of the year. Thermostats should be set no lower than 72 degrees F during the cooling season.
- Vent clothes dryer to the outdoors.
- Clean and dry any wet or damp areas within 48 hours.
- Do not store organic materials such as paper, books, cloths, etc. in humid, damp locations.
- Keep brick weep-holes open and clear of mulch or landscaping.
- Do not over-water houseplants.

- Keep gutters and downspouts clean and clear of debris. This includes snow and ice in the winter.
- Check for missing shingles, roof vents and siding after high windstorms.
- Clean debris away from window well drains, area well drains, footer drains and downspout drains.
- Be diligent in providing routine maintenance of caulking, grout, weather stripping, and other sealants that are designed to keep water out of the home or off a structure.
- Remember, excessive moisture control is the key to minimizing mold growth. Get bulk water or plumbing leaks repaired immediately. If you are within your one-year warranty period, call for warranty service as soon as the leak is detected.
- Drees will not be responsible for mold growth due to improper or lack of homeowner maintenance, homeowner negligence, homeowner failing to promptly report to Drees a water leak or mold growth when first discovered, high indoor humidity or any other occurrence that is beyond the control of Drees.

Interior Painting

Interior walls are painted with a high quality latex paint. These paint products have excellent touch up capability. However, they do have limited washability.

Painted walls cannot be spot washed without showing variations in color. For long life and low maintenance cost, the home should be painted at regular intervals.

Because of steam, condensation and generally harder water, the kitchen and bath usually require more frequent painting than other rooms.

Wall areas exposed to direct sunlight often develop some fading or color variations. These areas will also need painting more frequently. Brilliant and dark colors, while providing adequate protection, may fade more rapidly on south and west wall exposures and require frequent repainting to maintain their original appearance. Follow the manufacturer's recommendations for best results.

Outside metal surfaces such as gutters, downspouts, valleys, flashings and flue tops, etc., should be painted at regular intervals to avoid rust damage.

Excessive humidity may create mold or fungus on painted surfaces. This is a condition Drees cannot control and is a homeowner maintenance item.

As stated previously, Drees warrants that any painting defects that exist be noted at the time of the homeowner orientation.

- For the term of the one-year coverage, Drees will perform paint touch up to any drywall repair. All such areas will be matched as closely as possible.

Ice Damming

During winter months, snow and ice will accumulate on roofs. On a sunny afternoon, the temperature may rise above freezing allowing this snow and ice to thaw and melt. This thawing water will accumulate in the gutter and refreeze as the temperature drops in the evening. As this cycle continues, ice will accumulate in the gutters and downspouts and eventually back up water and ice under shingles. This causes water leakage into overhangs and sometimes interior ceiling areas. This occurrence is considered ice damming and is not warranted by Drees.

Note

Drees shall not be responsible for cleaning gutter debris, removal of ice buildup, or water damage to ceilings, overhangs, etc.

Landscaping and Lawn Care

Drees does not warrant landscaping, seeding or sodding done to your yard. It is not possible or practical to guarantee the quality of your lawn. Moreover, the quality of your lawn is dependent on how you maintain and take care of it. A satisfactory lawn can be obtained only by careful watering, fertilizing and maintenance. Which is the Homeowner's responsibility after closing.

Frequent, even daily, watering during the first few weeks after an area has been sodded or seeded is essential. Once the grass has germinated, weekly watering is usually adequate. Insufficient watering results in a shallow root system and makes the lawn susceptible to "burning". For the same reason, grass should not be cut too short. Frequent fertilizing and weed control are also recommended.

If you have questions, contact your local garden center for their recommendations. In planning and installing planting beds, be careful not to interfere with any underground drainage system. Be sure that planting beds are graded below and away from your foundation wall. Also be sure that the beds do not prohibit the flow or drainage pattern of any swales. Soil against brick can cause a water leak. Before you plant around utility lines, call the utility company for an accurate marking of these lines.

All shrubs and trees should be kept clear of the house. If you have trees on your property, you should immediately begin a program of tree care.

Note

Your yard will be seeded or sodded in only those areas that were disturbed during construction. Due to some disturbance during construction, Drees does not warrant the life of any existing tree on the premises.

- For the term of the one-year coverage, Drees shall repair, fill and/or restore all yard settlement in utility ditches, backfill areas, etc., due to initial construction.

Plumbing Systems

Your home has been equipped with a well engineered plumbing system. Exercise caution in disposal of grease, fat, etc. as these materials tend to accumulate in your piping. Care should be observed to avoid disposal of heavy tissue, wet wipes, sanitary napkins and other materials into plumbing fixtures.

- Drees assumes the responsibility of cleaning clogged drains for the first 30 days after closing. After that, the homeowner assumes the responsibility for upkeep.

Drees will point out to you the location of the sewer cleanouts. Make a special note of their location as it is possible to landscape over them.

Your new Drees home is also furnished with federal regulated water saving toilets. Because of less water being used, toilets need to be flushed regularly and the amounts of toilet paper usage decreased.

Note

Drees will assume NO responsibility for consequential water damage resulting from such ruptures.

Drees has provided your home with exterior hose faucets. Some of these faucets are frost-free, and others require the need to turn off an interior valve. Exterior hose faucets will freeze and/or rupture if a hose or sprinkler, etc. is left attached during freezing conditions. If the faucet freezes, the damage will not be readily apparent and the faucet can still be turned on, but will result in immediate water leakage into your home's interior. Please familiarize yourself with the location and operation of these faucets and valves. All valves should be shut off during cold weather.

WATER LINES AND WASTE LINES

In areas where the water pressure is very high, you may sometimes get a pounding or knocking sound when you close a valve or faucet quickly. This can sometimes be regulated by closing your main water valve slightly to reduce the pressure coming into the house. At times, when you let your hot water run, you will hear a clicking noise which may resemble the sound of water dripping. This is the plastic waste pipe expanding. Even though this is normal, it warrants a check for leakage.

With the use of your garbage disposal, a good rule to remember is to always use a generous amount of cold water to help keep the sink drain open.

Listed below are some suggested procedures for winterizing your home to protect against freeze breaks in your plumbing system. **These are precautionary measures only and in no way guarantee that no frozen plumbing lines will exist.** Prolonged exposure to cold/wind, combined with low temperatures may cause frozen pipes. Please take the freezing weather seriously and help protect the plumbing system in your new Drees home.

1. Disconnect and drain water hoses prior to freezing weather.
2. Install insulated hose bib covers prior to winter months.
3. During periods of freezing temperatures, leave faucets inside the house dripping slowly and open cabinets on outside walls to allow the heat to reach the wall.
4. During periods of prolonged absence, shut off water supply at the valve box or

water meter, drain water from lines in the house by opening outside hose bib until water has drained and reinstall the insulation around the bib.

Drees has provided a plumbing system which meets local building code requirements.

- For the term of the one-year coverage, Drees will correct, repair or replace the interior water supply pipe due to faulty workmanship or materials.
- For the term of the one-year coverage, Drees will correct faulty faucets, valves, joints and fittings on pipes.

WATER HEATER

Your new hot water heater is installed with a pressure relief valve, called a “pop off” valve, to relieve excess pressure in the tank due to water pressure or high water temperature. When the relief valve is operating it will appear that the tank is leaking. Actually it is simply releasing excess pressure.

All hot water heaters should be drained and flushed once a year to remove sediment from the tank. Be sure to turn off the gas or electricity to the tank before flushing process begins.

CAUTION: Insure that electric water heaters are refilled with water prior to returning electric power to the heater. Failure to refill the water heater will cause the heating element to malfunction.

Refer to your Manufacturer's Operational Manual for operating instructions and warranty.

DRAIN TILE SYSTEMS AND SUMP PUMPS *(Where Applicable)*

Your home is equipped with a system of drainage tile which collects ground water that may otherwise accumulate around the footer and foundation walls.

Once collected, it is then dispersed in one of two methods, determined by your own specific lot conditions:

1. Gravity drains are utilized in those instances where sufficient fall or slope exists, and normally terminate on the lot.
2. Sump pumps are installed to accommodate lot conditions having little or no fall and customarily terminate near the foundation, and dispersed on to a splash block.

Familiarize yourself with your particular method of dispersal and inspect and/or test your system monthly for proper operation. Extreme care must be exercised toward keeping all gravity and sump drains open and unrestricted. With a sump pump installation, care must be devoted toward a free and unencumbered operation of the pump and its moving parts.

Extreme care must also be given toward keeping all windows and/or area well drains open and unrestricted.

Note

The sump pump operates off of electric power. During severe storms, temporary loss of electric power may occur, making your sump pump inoperable. You may want to consider the purchase of a battery backup system for your pump. Especially if your lower level is finished. This is the responsibility of the homeowner.

Note

The operation of garbage disposals requires special attention when used in conjunction with septic systems. Please consult the manufacturer for specific recommended practices.

SEPTIC SYSTEMS

Some homes (where public sewer lines are not available) may be equipped with an on site sewage system. These systems will be capable of handling normal flows of household effluent. The septic system is installed according to local and/or state board of health specifications.

Familiarize yourself with the location of the tank and/or field and its drainage line. For best results, inspect them annually. The frequency with which a sewage tank should be cleaned depends on its size, daily sewage intake and the number of people it serves.

No chemicals or additives are capable of reducing solids in a sewage tank to the point where cleaning is unnecessary.

The homeowner shall be responsible for sewage system maintenance during and beyond the warranty period. Drees is not responsible for malfunctions that occur through owner negligence or abuse or conditions that are beyond our control.

If you have any questions on this particular system's maintenance, contact your subcontractor or the local board of health.

Post-Tension Foundation (*Where Applicable*)

Your home rests on a post-tension foundation/slab. The foundation consists of a latticework of specifically placed vinyl covered steel cables and concrete footings. The slab is engineered with these cables and deep concrete filled trenches, called beams or footings. The cables and trenches are positioned in the concrete slab in such a manner to form a strong "backbone" for the concrete structure. Regionally, these post-tension type foundations are the best design for areas with high clay content soils.

Do not be alarmed if your slab develops cracks. These are fairly common and will not affect the overall strength of the slab in any way. There are two basic causes for these cracks:

1. Expansion and contraction of materials.
2. Minor stress or settlement

The acceptable tolerance on foundation cracks is 1/4 inch in width or 1/8 inch in vertical displacement.

- For the term of the one-year coverage, Drees shall repair all cracks in excess of the normal tolerance.
- Any foundation crack, regardless of width, that leaks water during the term of one year coverage shall be repaired by Drees.

IMPORTANT NOTE TO TEXAS HOMEOWNERS

Soil conditions and climatic characteristics of the Texas area combine to require that homeowners take routine precautions to protect their foundation. Most of the soil in this area is very expansive when taking on water. Conversely, if water is taken away, it will shrink. These soils can exert pressures of several thousand pounds per square inch on foundation and other structures. Soil engineers advise that the greatest expansion comes when totally dry soil suddenly becomes saturated. Light, even watering of the soils around the perimeter of the foundation at regular intervals is the best practice.

Your foundation is designed to float and will rise and fall vertically with changing soil conditions. If uniform moisture conditions of the soil are not maintained, one portion of your foundation will move more vertically than other portions and the foundation will bend or flex. This does not damage the foundation, but the walls of brick and sheetrock and floors of ceramic tile will not bend or flex with the foundation. These materials will show cracks under these conditions. To minimize expansion and contraction of the soils, we recommend the following:

- Periodically check sprinkler system for leaks and proper coverage. Maintenance crews can sometimes damage the water lines and electric wires which is not a warrantable item.
- As you landscape, be sure not to alter the positive drainage pattern established by Drees, as you may direct irrigation or rain water back toward the house and create uneven moisture at these locations.
- Check gutters and downspouts to be sure they are clear and deposit water so it will run off your lot properly.
- Don't design flowerbeds that trap water.
- Don't build planters or curbs around beds that will become dams and hold water.
- Many plants and trees take great quantities of water from the soil and can cause uneven moisture. Be sure to deep water all trees using a direct water source such as water hoses. Irrigation systems will not provide sufficient water to feed a thirsty tree.
- Trees should be planted a distance as far away from the foundation as its potential height. Avoid fast growing and shallow rooted trees, they require more water.
- Should the soil become dry enough to pull away from the foundation, fill the gap with new soil. Do not attempt to fill them with water.
- Fences on property lines, and around yards are normally located in primary drainage swales. Be sure the fence is above the ground allowing all water to drain properly.
- Most importantly, maintaining drainage patterns away from the home's foundation and through drainage swales cannot be overemphasized. It is

vitaly important that you frequently review and maintain the drainage pattern as shown on the plot plan you received and signed at closing. Be particularly thoughtful of this when adding landscaping, swimming pools, stacking firewood, locating doghouses or any object large enough to interfere with the flow of water in the drainage swales.

Radon Gas

Radon is a naturally occurring phenomenon. Drees makes no warranty, either expressed or implied, regarding the presence of radon gas at or in the vicinity of your home.

Drees claims no expertise regarding either the identification of or methods to reduce radon levels or the risks associated with radon exposure. The U.S. Environmental Protection Agency is best equipped to render advice regarding the risk that may exist in a particular area.

Note

Drees will not be responsible in any form for pre-existing, current or future presence or levels of radon.

Roofing Materials

The roofing materials on your new home are typically fiberglass shingles. For added protection Drees has installed “seal down” fiberglass shingles. The mastic is placed on the underside of the shingles, and once the hot sun hits the roof, they will stick fast to the shingles beneath them. There is a possibility that the shingles may be lifted by strong winds when first applied or if applied in the winter. It is good practice to check for loose, broken or missing shingles following heavy windstorms. Repairs should be made as soon as possible after such occurrences to prevent leakage.

- Drees cannot be responsible for high winds or other natural weather phenomena resulting in shingle blow offs or other adverse consequences. In such cases, we suggest that you contact your insurance agent.

Special care should be taken to avoid damaging your roof when installing items like television or radio antennas. Be sure that fastening devices are properly sealed to prevent leaks. There is a limited manufacturer’s warranty on roof shingles. Please familiarize yourself with the terms of their warranty.

- For the term of the one-year coverage, Drees shall repair or replace any roofing shingle, flashings, etc. that leak during normal rains.
- Annual roof inspections should be made by the homeowner, inspection should include shingles, gutter, plumbing and heating stacks, fireplace caps and valley metal or shingles. Hail or wind damage is not warranted.

Stucco

If the exterior of your new home is finished in masonry stucco, you can expect hairline cracks to develop due to shrinkage, expansion or contraction. Acceptable tolerance for cracking in stucco is 1/8 inch.

- For the term of the one-year coverage, Drees will repair all stucco cracks in excess of the acceptable tolerance.

We caution you that no stucco crack repair will be an exact texture or color match. Drees is not responsible for color variations.

Weatherstripping

Some air infiltration is unavoidable around doors and windows, especially during high wind conditions. If weatherstripping is torn or separated due to the owner's misuse or negligence, Drees has no responsibility.

- For the term of the one-year coverage, Drees shall repair or replace improperly fitted weatherstrip.

Windows

Your windows may be constructed of a wide variety of materials, including, wood, vinyl and vinyl clad.

- For the term of the one-year coverage, Drees shall perform all necessary adjustments to ensure the proper operation of your windows.

Windows can form condensation from high levels of humidity inside your home. Such levels are directly affected by your everyday living habits such as laundry, cooking, showers, etc. At times of high winds or temperature differentials inside and outside of home, there may be some noticeable air movement.

Note

It is your responsibility to control the specific levels of humidity within your home.

- For the term of the one-year coverage, Drees shall replace any window glass seal failures that result in condensation between the panes.

- Drees will not warrant or repair any scratched glass after closing unless documented at the Homeowner Orientation.

Note

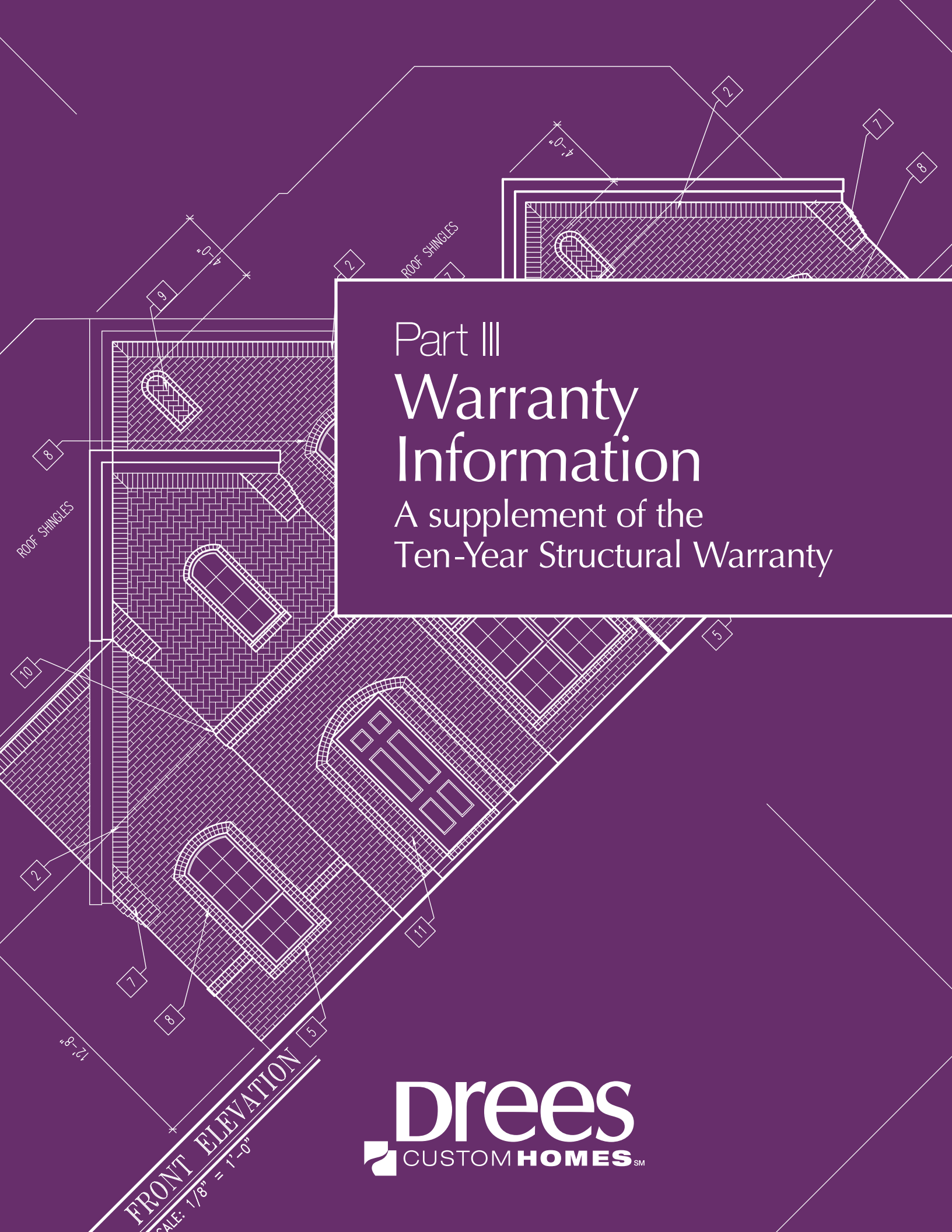
In certain areas of the country, insects have been seen eating holes in window screens. If you notice this occurrence, spray your screen with an insecticide. Drees is not responsible for insects or the damage they can cause.

Wood Decks (Where Applicable)

Your deck has been constructed of pressure treated lumber. Changes in color or fading are to be expected. You should periodically seal your deck to prolong its life. Consult your local dealer for various brand name products.

Although treated lumber is widely preferred throughout the industry for outdoor use, it has some inherent characteristics worth noting. Since it has been treated under extreme pressure, treated lumber will begin to check or crack as it dries out from exposure to weather. This should not be cause for alarm. Treated lumber is also susceptible to warping and cupping, but it will not affect the structural integrity of the deck. Deck nails may pop up due to expansion and contraction of materials. If this occurs, simply nail them back in place.

- Wood decking should be sealed as soon as possible to limit cracking and checking.



Part III Warranty Information

A supplement of the
Ten-Year Structural Warranty

FRONT ELEVATION
SCALE: 1/8" = 1'-0"

Ten-Year Structural Coverage

As provided, major Structural Defects are warranted for ten years from the date your home was deeded to you. Drees is the warrantor for years one through ten.

One or more of the following conditions must be present to constitute a Structural Defect:

1. Actual physical damage to one or more of the load-bearing components of the home;
2. Causing the failure of the major structural components;
3. Which affects its load-bearing function to the degree that it materially affects the physical safety of the occupants of the home.

Load-bearing components of the home deemed to have Structural Defect Potential.

These items may qualify as a ten-year structural warranty item:

1. Roof framing members
2. Floor framing members
3. Load-bearing walls
4. Load-bearing columns
5. Block lintels
6. Load-bearing beams
7. Footings and foundations

Examples of non-load-bearing elements deemed not to have Structural Defect Potential.

These items would not qualify as a ten-year warranted item:

1. Non-load-bearing partitions and walls
2. Wall tile or wallpaper
3. Drywall, drywall tape, corner beads, etc.
4. Finish flooring and sub flooring material
5. Brick, stucco, stone, brick/stone angle irons, or other masonry veneer
6. Exterior siding, trim or deck
7. Roof sheathing, roof shingles, roof tar paper, gutters and downspouts
8. Heating, cooling, ventilating, plumbing, electrical and mechanical systems
9. Appliances, fixtures or other equipment
10. Doors, trim, cabinets, hardware, insulation, paint and stains

11. Concrete basement and garage floors, concrete driveways, porches, patios, sidewalks and steps
12. ANY IMPROVEMENT ON OR AFFECTING YOUR PROPERTY, INCLUDING YOUR DREES HOME, NOT DESIGNED, ENGINEERED OR CONSTRUCTED BY DREES

