

LIMITED WARRANTY AND CUSTOMER SERVICE GUIDE

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I. LIMITED WARRANTY GUIDELINES

WELCOME

Congratulations on your purchase of a new home from Rancho Viejo. At Rancho Viejo, we care about our customers long after the sale is made. We take great pride in the lasting quality and value of our homes and communities. The Limited Warranty on your new home is an expression of our confidence in the homes we build.

LIMITED WARRANTY

The Limited Warranty is included in the Purchase Contract signed at the time of your home purchase. The Limited Warranty guidelines and Quality Standards provided in this booklet have been designed to give you a more detailed description of the Warranty coverage provided on your home. In the event that problems do occur in your home, these guidelines are intended to provide you with the highest level of service.

HOMEOWNER MAINTENANCE

Of course, you will want to give your home all the proper care and attention it requires. Please take some time to read the New Home Care and Maintenance section of this manual. It is full of simple, helpful suggestions on how to get the most from your new home. Under the terms of the Limited Warranty, you are expected to maintain your home properly to prevent damage and ensure proper functioning of the structure, components and systems.

LIMITED WARRANTY COVERAGE

Rancho Viejo warrants that all work performed and all materials provided in connection with the construction of a new home will be of a quality which is equal to the standard in the industry in the county in which it is built. Rancho Viejo warrants that all such work and materials will be free from latent defects for a period of two years from the date of Close of Escrow or from the date of Occupancy, whichever occurs sooner. Exceptions to the two-year time period are provided in the Limited Warranty and in the "Quality Standards" section in this booklet. The Quality Standards will also specify in detail how we will address issues that may arise during the Limited Warranty Period.

SERVICE REQUESTS

For performance under this Limited Warranty, Rancho Viejo must be notified of the service request in writing. Rancho Viejo will decide whether to repair or replace the defective item. Rancho Viejo has no obligation to reimburse Homeowner for amounts paid by Homeowner to a repairman, contractor or others. All claims not reported to the Customer Service Department prior to the expiration of the Limited Warranty will not be covered by the Limited Warranty.

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More than one warranty service call may be required in order to remedy the defects covered by the Limited Warranty. Under the terms of the Limited Warranty, Homeowners are required to cooperate with Rancho Viejo and its contractors and suppliers in scheduling and coordinating any warranty service work. Except for emergencies, warranty service shall be done during the normal business hours of Rancho Viejo and its contractors.

TRANSFERABILITY

The Limited Warranty will automatically transfer to subsequent purchasers of Homeowner's property within the term of the Limited Warranty. A transfer of the Limited Warranty will not restart the Limited Warranty term. For example, if the Limited Warranty were transferred to a subsequent purchaser 6 months after the original closing date of the home, the Limited Warranty would be effective for an additional 18 months with respect to the Quality Standards covered for two years.

II. REQUESTING WARRANTY SERVICE

While every effort is made to ensure that your new home meets our high standards of quality, occasions may arise when your home will need warranty service. The information below will provide you with the information necessary to request warranty service.

NOTE: WARRANTY SERVICE REQUESTS SHOULD BE MADE IN WRITING. Our Warranty Service system is designed to accept written Warranty Service Requests of non-emergency items. This allows us to operate more efficiently, thereby providing faster service to all homeowners. Where possible, please limit telephone requests to Emergency Service Requests, 45-Day Appointments and 11-Month Appointments.

WARRANTY SERVICE PROCEDURES

EMERGENCY SERVICE

If an emergency occurs during business hours, call the Customer Service Coordinator for your Community. This phone number is provided in the “Contacts” section of the Homeowner Manual.

If an emergency occurs after hours, or on holidays or weekends, call the necessary trade contractor directly. These phone numbers are listed in the “Contacts” section of the Homeowner Manual. When calling the trade contractor directly, always remember to contact the Customer Service Coordinator on the next regular business day to report the Emergency Service Request. This allows us to keep your Limited Warranty records up to date.

An “emergency” includes situations such as the following:

- Total loss of heat when the outside temperature is below 45 degrees Fahrenheit.
- Total loss of air-conditioning when the outside temperature exceeds 95 degrees Fahrenheit.
- Total loss of electricity not caused by utility company power outage or tripped breaker.
- Major plumbing leak requiring the water supply to be shut off.
- Natural gas or propane leak.

NOTE: Damage to your home which is caused by severe weather, natural disasters, accidents, or fire should be reported to your homeowner’s insurance carrier immediately.

NON-EMERGENCY SERVICE

Non-emergency service requests should be submitted in writing to the Customer Service Coordinator for your community. Please use the Warranty Service Request Form provided to you at the Final Orientation and found in this manual. Additional copies are available through your Customer Service Coordinator. Mail or fax completed form directly to the Customer Service office for your Community or contact us via e-mail at www.ranchoviejo.com/warranty.aspx

WARRANTY SERVICE CONTACT INFORMATION

RANCHO VIEJO

Warranty Service Department

55 Canada del Rancho, Ste. A-1

Santa Fe, NM 87508

Office (505) 424-3797

Fax (505) 983-5237

WARRANTY SERVICE INSPECTION APPOINTMENTS

After receiving your Warranty Request Form, the Warranty Service Department will contact you to set an appointment to inspect the requested work. A Warranty Service Coordinator for your Community will review your list with you and will determine the course of action to be taken. The Coordinator will then set an appointment for the various trade contractors to come to your home and make the necessary repairs or adjustments. When possible, we will schedule as many of the contractors as possible for the same day.

WARRANTY SERVICE HOURS

Office:	Monday through Friday, 8:00 a.m. until 5:00 p.m.
Inspection Appointments:	Monday through Friday, 8:00 a.m. until 5:00 p.m.
Work Appointments:	Monday through Friday, 7:00 a.m. until 4:00 p.m.*

*Note: Available service hours may vary with individual subcontractors; contractors start as early as 7:00 a.m.

45-DAY FOLLOW-UP

During the first few weeks in your new home, you may notice minor defects that were not previously noted during the Final Orientation. We encourage you to keep a list of these items for the first 45 days after Close of Escrow. A form is provided in your Homeowner Manual for this purpose. When completed, forward a copy of the 45-Day Follow-Up Form to the Customer Service Department. A Warranty Service Coordinator will schedule a time to meet with you to review the list and schedule the necessary repairs or adjustments.

NOTE: Please remember that cosmetic damage not noted at the Final Walk-Through is excluded from Warranty Service if not reported prior to Occupancy or within 10 days of Close of Escrow, whichever occurs sooner. See the Limited Warranty Exclusions included in this section.

11-MONTH FOLLOW-UP

During the first year in your new home, you may notice additional items requiring Warranty Service. Some of these items may be due to the normal settling of the home and drying or curing of the building materials. Again, we encourage you to keep a list for the first 11 months just like

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the 45-day list above. At the end of the 11th month, forward a copy of the 11-Month Follow-Up Form to the Warranty Service Department. A Warranty Service Coordinator will schedule a time to meet with you to review the list and schedule the necessary work.

NOTE: Many of the Subcontractor Warranties on your new home expire after one year. It is important that you send in your list and schedule an 11-Month Follow-up Appointment at least 30-days prior to the one-year anniversary of your home. Warranty Service Requests made after the end of the first year may be subject to limitations.

While the Warranty Service Department will make every effort to track the 45-Day and 11-Month Follow-up Appointments, it is the Homeowner's responsibility to make sure these appointments are scheduled.

III. EXCEPTIONS AND EXCLUSIONS FROM LIMITED WARRANTY COVERAGE

COSMETIC DEFICIENCIES

Rancho Viejo will repair or replace Cosmetic Deficiencies only if such problems are caused by defects in materials or workmanship. Cosmetic Deficiencies caused by the Homeowner are not covered by the Limited Warranty. Cosmetic Deficiencies should be reported at the time of the Final Orientation. If a specific Cosmetic Deficiency is not reported in writing by the Homeowner prior to occupancy or within 10 days of Close of Escrow whichever occurs sooner, the Cosmetic Deficiency will not be corrected.

Cosmetic deficiencies include:

- Chipped, cracked or dented sinks, tubs, showers, faucets, tile, drywall, paint, etc.
- Torn, gouged, stained or loose floor coverings
- Chipped, scratched or cracked cabinets, counter or vanity tops
- Cracked or scratched window glass, mirrors or light fixtures
- Scratched or dented appliances
- Missing shelves or accessories in appliances, cabinets or medicine chests
- Missing or damaged windows or screens
- Dents or dings in garage doors

APPLIANCES COVERED BY MANUFACTURER'S WARRANTIES

Appliances are covered by manufacturer's warranties and are not covered by the Limited Warranty. However, if you discover a defect in any appliance during a period of one year from the Closing Date of the home, Rancho Viejo will assist you in your efforts to enforce the manufacturer's Limited Warranty in necessary. **Please refer to the "Appliance" section of this guide for a list of appliances covered by manufacturer's warranties.**

MINOR DEFECTS AND ADJUSTMENTS

Minor defects and adjustments such as sticking doors, improperly adjusted weather stripping, leaking faucets, etc., are excluded from the Limited Warranty and will be repaired only in the event they are reported to Rancho Viejo, in writing, within 60 days after Occupancy or the Close of Escrow, whichever occurs sooner.

ADDITIONAL EXCLUSIONS FROM WARRANTY COVERAGE

The Rancho Viejo Limited Warranty does not cover the following:

- A. Damage caused by events beyond the control of Rancho Viejo as outlined in the Limited Warranty section of the Purchase Contract, including but not limited to natural catastrophes.
- B. Damage caused by ordinary wear and tear or lack of Homeowner maintenance.
- C. Damage resulting from Homeowner's changes in the lot grade, drainage, or ground absorption and runoff capabilities.
- D. Plumbing drain stoppages, unless reported in writing within 72 hours after Close of Escrow or Occupancy, whichever occurs sooner.
- E. Minor cracks in concrete, stucco or masonry that do not exceed the tolerances listed in the Quality Standards of this booklet.
- F. Plants included within any landscaping provided by Rancho Viejo, unless reported within 12 months from the date of final invoice. Plants damaged by Homeowner neglect, improper irrigating, or extreme weather conditions are excluded.
- G. Environmental conditions such as overhead, underground or above ground power lines or facilities, radon or other naturally occurring hazardous environmental conditions.
- H. Any defect of design, work or materials supplied, performed, or caused by, installed at, or under the direction of any person other than Rancho Viejo and Rancho Viejo's contractors, subcontractors, and suppliers.
- I. Any personal injury or economic losses including loss of time or pay, inconvenience loss of home use, lodging bills, food bills, storage charges or other inadvertent or consequential loss or damage caused to other parts of the home.

IV. QUALITY STANDARDS

The Rancho Viejo team of construction professionals takes great care to ensure that every aspect of your new home meets our demanding Quality Standards. Even so, there are concerns that can arise from time to time with any new home. This section lists the various Quality Standards used by our construction and customer service teams. By using these Quality Standards as a reference guide, you can see for yourself what constitutes a valid quality concern and what we will do to correct any such concerns. **Because we build various styles of homes in several different climates and regions of the Western United States, some of the Quality Standards listed here may not apply to your particular home.**

1. AIR-CONDITIONING, HEATING, RADIANT HEATING, AND INSULATION

WARRANTY TIME PERIOD

- **Two Years Against Defects in Materials and Workmanship, Unless Otherwise Specified.**
- **System Equipment and Appliances Covered for One Year. Additional Coverage May Be Available through the Equipment Manufacturer.**

1.1 AIR CONDITIONING SYSTEM INADEQUATE

The air conditioning system is designed to cool the structure to an indoor temperature of 78 degrees Fahrenheit or 30 degrees Fahrenheit cooler than the outside air temperature whichever is greater as measured in the center of the room at a height of 5 feet. Homeowner may improve performance of air-conditioning equipment by keeping window coverings closed, installing sun screens, running air conditioning equipment during the night to keep the house cool, and increasing landscape shading of the home. Rancho Viejo will repair cooling system equipment that does not meet this Quality Standard.

1.2 HEATING SYSTEM INADEQUATE

The heating system should be capable of producing an indoor temperature of 70 degrees Fahrenheit as measured in the center of the room at a height of 5 feet during most weather conditions. Rancho Viejo will repair heating system equipment that does not meet this Quality Standard.

1.3 EQUIPMENT FAILURE

Rancho Viejo will repair failed or malfunctioning air-conditioning or heating equipment if within one year of Close of Escrow. Additional warranty coverage may be available through the equipment manufacturer. Warranty claims after the first year must be made directly to the equipment manufacturer or original air-conditioning subcontractor.

1.4 CONDENSATION LINE CLOGS OR LEAKS

Homeowner is responsible for annual cleaning of the condensation lines that extend from the air-conditioning coil to the outside. Rancho Viejo will correct any condensation line that leaks, does not have a positive slope to the point of termination, or is obstructed by construction-related debris.

1.5 REFRIGERANT LINE LEAKS

Rancho Viejo will repair refrigerant lines that leak during normal operation and recharge the air conditioning unit.

1.6 CONDENSATION ON AIR HANDLERS AND DUCTS

Air handlers and ducts may collect condensation on their exterior surfaces when temperature differences and high humidity levels occur. Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. Rancho Viejo will add missing duct insulation or seal air leaks within the system if they are found to be contributing factors to condensation.

1.7 DRAFT FROM ELECTRICAL OUTLET

Electrical junction boxes on exterior walls may allow outside air to flow through an outlet to the interior. Some infiltration cannot be avoided and homes are not required to be airtight. Whistling air movement is considered excessive. Rancho Viejo will repair any wall outlet that has excessive air movement by caulking or installing insulation outlet pads underneath the cover plate.

1.8 AIR INFILTRATION

Some air infiltration may be noticeable around doors and windows, especially during high winds. Rancho Viejo will adjust or replace weather-stripping to diminish air infiltration once during the first 60 days of the Limited Warranty. Any subsequent adjustment of weather-stripping is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

1.9 INSULATION UNEVEN OR MISSING

Thermal insulation levels are dictated by local codes or state energy guidelines. Rancho Viejo will install insulation in accordance with applicable guidelines. Where loose insulation is installed in attics, the R-value is calculated on the total amount installed, as some areas may be thicker than others. In walls and floors, insulation should be installed at the thermal boundary (exterior) of the home in a specified thickness. Where the average thickness of insulation is below the minimum, Rancho Viejo will install additional insulation to comply with local codes or state energy guidelines.

1.10 DUCTWORK NOISE

When metal is heated, it expands and when cooled, it contracts. The resulting “ticking” or “crackling” sounds cannot be avoided. Booming noises known as “oil canning,” which are caused by sheet metal billowing in or out, will be repaired by Rancho Viejo.

1.11 VIBRATION FROM HVAC EQUIPMENT

It is normal for air-conditioning and heating equipment to produce some noise and vibration. Rancho Viejo will correct excessive vibration by installing flexible pads between HVAC equipment and framing members.

1.12 METAL RATTLING AT REGISTERS, GRILLS OR DUCTS

Air moving through registers, grills and ducts makes noise and is normal. Duct systems are not designed to be noise-free. However, metal rattling from the registers, grills or ducts is not normal and will be repaired by Rancho Viejo.

1.13 DUCTWORK SEPARATED OR DETACHED

Rancho Viejo will reattach any separated or detached ductwork not caused by Homeowner.

1.14 AIR REGISTERS NOT BALANCED

Upon request, Rancho Viejo will make minor adjustments and balancing of air registers and/or ducts one time for one season during the first year after Close of Escrow.

2. APPLIANCES

WARRANTY TIME PERIOD

• **One Year – Covered By Manufacturer’s Warranties**

Appliances are covered by manufacturer’s warranties and are not covered by the Limited Warranty. Homeowner should contact the appliance manufacturer directly for Warranty claims. If necessary, Rancho Viejo will assist Homeowners in their efforts to enforce the manufacturer’s Limited Warranty during a period of one year after Close of Escrow.

Appliances covered by manufacturer’s warranties include:

- Air-Conditioning Equipment
- Dishwasher
- Disposal
- Freezer
- Garage Door Opener
- Gas Fireplace Units
- Grill
- Hot Water Recirculation Pump
- Heating Equipment
- Microwave Oven
- Oven
- Radiant Heat Boiler
- Range
- Range Hood
- Refrigerator
- Sump Pump or Grinder Pump
- Washer or Dryer
- Water Heater
- Whirlpool Bath

3. CABINETS

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship, Unless Otherwise Specified**

3.1 GAPS BETWEEN CABINETS AND CEILINGS OR WALLS

Gaps between cabinets and ceilings or walls should not exceed 1/8 inch. Rancho Viejo will repair the gap with caulking, putty or scribe molding, or reposition the cabinets to meet this Quality Standard.

3.2 CABINET DOOR OR DRAWER FACE WARPED

Rancho Viejo will repair cabinet doors and drawer fronts which are crooked or warped in excess of 1/8 inch in 30 inches.

3.3 CABINET DOOR WILL NOT STAY CLOSED

Rancho Viejo will adjust cabinet door hinges, or closing mechanisms which do not hold the door in a closed position once during the first year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

3.4 CABINET DOOR OR DRAWER BINDS

Rancho Viejo will adjust cabinet doors and drawers which do not easily open or close once during the first year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

4. CONCRETE AND FOUNDATION

WARRANTY TIME PERIOD

- **One Year for Cosmetic Defects**
- **Two Years for Severe Cracks, Settling or Structural Problems**

Note: Damage caused by settling and heaving of soils under concrete caused by alteration of lot and drainage grades by owner or owner's agent, which create excessive ponding or moisture adjacent to concrete foundations, walks, driveways, slabs, or patios is not the responsibility of Rancho Viejo or its subcontractors.

4.1 CONCRETE FLOOR UNEVEN

Concrete floors should not vary from flat exceeding 1/4 inch over a 10-foot area, provided that the deviation is gradual. Rancho Viejo will repair the floor to meet this Quality Standard, which may include filling, grinding or use of a floor-leveling compound.

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4.2 CONCRETE SETTLING

Garage floors, concrete walkways, patios and steps should not settle, heave, or separate in excess of 1/2 inch from the house structure in locations with freezing climates, nor more than 1/4 inch elsewhere. Rancho Viejo will repair or replace damaged portions of concrete to meet this Quality Standard.

4.3 CONCRETE SURFACE DETERIORATION OR CRAZING

Surface of concrete should not deteriorate to the extent that the aggregate is exposed under normal use and weather conditions. Rancho Viejo will repair, resurface or replace exposed concrete to meet this Quality Standard. Crazing or “spider cracking” of exterior concrete surfaces is a common condition and is most prevalent in hot, dry or windy climates. Some crazing is acceptable if the surface of the concrete is not deteriorating. Crazing which causes deterioration of the concrete surface will be corrected by patching and sealing, resurfacing or replacing the concrete. Damage to concrete surfaces caused by salt, chemicals, sealers, or coatings, applied by the owner or an owner’s agent are not covered by the Limited Warranty.

4.4 CONCRETE CRACKS

Rancho Viejo will repair cracks in garage slabs, driveways, sidewalks and patios that exceed 3/32 inch in width or 1/8 inch in vertical offset by grinding, filling, patching or replacement of concrete sections. The texture and color of new concrete or patching materials will likely not match existing concrete. Matching concrete color or texture is not covered by the Limited Warranty.

4.5 CONCRETE SLAB-ON-GRADE FLOOR CRACKS

Concrete slab-on-grade floors cannot be expected to be crack-free. Most cracking is minor and is the result of large areas of concrete shrinking as the concrete cures. Concrete cracks can also be caused by expansion and contraction of the concrete due to temperature and humidity variations. These cracks do not affect the structural integrity of the home. Since slab-on-grade floors are quite large, shrinkage cracks can be expected to occur randomly. Cracks in slab-on-grade floors exceeding 1/8 inch in width or vertical displacement are considered excessive and will be repaired by Rancho Viejo. Repair may include filling, grinding or use of a floor-leveling compound.

4.6 EXPANSION AND CONTROL JOINTS

Expansion joints are intentionally placed in concrete to allow sections of concrete to expand and contract with changes in temperature. Control joints are intentionally placed in concrete to control cracking as concrete cures or expands and contracts. Expansion and control joints should not have brittle floor coverings such as ceramic tile installed over them unless specific precautions are made. Movement at an expansion joint in excess of 1/4 inch will be repaired. Cracking or movement at a control joint in excess of 3/8 inch will be repaired. Rancho Viejo will repair excessive movement by filling, grinding or use of a floor-leveling compound.

4.7 CRACKS IN CONCRETE STEM WALLS

Stem cracks less than 1/8 inch in width or differential offset are considered normal and are not covered by the Limited Warranty. Stem cracks between 1/8 and 1/4 inch in width or differential offset are covered by the Limited Warranty and will be repaired once during the first year by

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filling, grinding or installing patching compound. Stem cracks over 1/4 inch in width or differential offset will be investigated by Rancho Viejo to determine the cause and will be repaired by appropriate means. Stem cracks will be measured by the horizontal or vertical distance of separation. If the edges of a stem crack have broken away, only the true crack width or differential offset will be measured and not the broken dimension.

4.8 FOUNDATION OUT OF LEVEL

As measured at the top of the foundation wall or concrete floor level, no point should be more than 1/2 inch higher or lower than any point within 20 feet. Rancho Viejo will make necessary modifications to meet this Quality Standard, including leveling the sole plates with shims, mortar or fillers. Flooring may be repaired by grinding, filling or adding floor-leveling compounds to meet this Quality Standard.

4.9 HOLES IN CONCRETE WALL

Holes larger than 1 inch in diameter or 1 inch in depth will be patched one time during the first year of the Limited Warranty.

4.10 EFFLORESCENCE

Efflorescence is a white, powdery, crystalline deposit that can accumulate on surfaces of stucco, masonry or concrete. As cement based products cure, dry, or are exposed to moisture, the salts and minerals inside are carried to the surface and deposited. These deposits can burn through the paint on stucco, concrete and masonry. This process is considered a normal condition and is not covered by the Limited Warranty. The removal of efflorescence is the responsibility of the Homeowner. Efflorescence can be removed by cleaning with a mixture of tri-sodium phosphate and water. Vinegar and water can also be used when followed with a diluted ammonia rinse. Always rinse with fresh water when finished. Use of a stiff, natural fiber brush will aid in the removal of excessive efflorescence. Efflorescence should be removed and such areas primed or sealed prior to repainting. Most paint supply stores sell products designed to remove and treat efflorescence.

4.11 WATER PONDING ON EXTERIOR CONCRETE SURFACES

Water should drain from patios, stoops, sidewalks and driveways. Standing water should not exceed 3/32 inch or 3/16 inch on driveways as measured 30 minutes after cessation of rain or water source. Rancho Viejo will take corrective action to meet this Quality Standard.

4.12 COMMUNITY SIDEWALKS

Community or county sidewalks are not covered by the Limited Warranty.

5. COUNTERTOPS

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

Note: High-pressure laminate countertops are made with wood-based products that typically expand and contract with humidity. In order to maintain long-lasting, functional,

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and aesthetic usage, it is necessary to provide regular homeowner maintenance. Heat-generating appliances should not be placed on or near seams and/or joints. Moisture and spills should be removed from seams and/or joints immediately. Damage caused by improper care or maintenance is excluded from the Limited Warranty.

5.1 VANITY TOPS CRACKED

Rancho Viejo will repair cracked vanity tops at drains or along the countertop if due to defective materials or workmanship. Cracks caused by Homeowner are not covered by the Limited Warranty.

5.2 COUNTERTOPS BOWED, WARPED, OR UNLEVEL

Bows or warps in countertops should not exceed 1/16 inch per linear foot. Countertops should not be out of level by more than 1/4 inch in 4 feet. Rancho Viejo will adjust countertops to meet this Quality Standard.

5.3 COUNTERTOP DELAMINATED

Rancho Viejo will repair delaminated plastic laminate countertops if delamination is due to defective materials or workmanship. Damage caused by Homeowner wear and tear is not covered by the Limited Warranty.

5.4 COUNTERTOP CAULKING OR SEAM FILLER DETERIORATING

Rancho Viejo will repair cracked, missing, or deteriorated caulking or seam filler on countertops one time during the first year of the Limited Warranty after which these items are considered Homeowner maintenance.

5.5 SCRATCHES, CHIPS, CUTS, BURNS, ABRASIONS OR STAINS

Scratches, chips, cuts, burns, abrasions, stains or other cosmetic deficiencies in countertop surfaces should be reported at the time of Final Walk-Through and Orientation. If a specific cosmetic deficiency is not reported in writing by the Homeowner prior to occupancy or within ten days of Close of Escrow whichever occurs sooner, the cosmetic deficiency will not be covered by the Limited Warranty.

6. DOORS AND INTERIOR WOOD TRIM

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

DOORS

6.1 DOOR PANEL SPLIT

Split door panels should not allow light to be visible through the door. Rancho Viejo will repair splits in door panels by filling them with wood fillers and repainting the affected area one time during the first year if the door has been properly maintained and is not physically damaged.

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6.2 DOOR WARPED

Warping on doors should not exceed 1/4 inch as measured in any direction. Rancho Viejo will replace the door with a comparable product to meet this Quality Standard one time during the first year after Close of Escrow if the door has been properly maintained and is not physically damaged. Warping that occurs to stained or lacquer-finished doors that are improperly maintained is the Homeowner's responsibility and is not covered by the Limited Warranty.

6.3 RAW WOOD SHOWING ON DOOR PANEL

Wooden door panels will shrink and expand because of temperature and humidity changes and may expose unpainted surfaces at the edges of the inset panel on the door. Rancho Viejo will touch up door panel edges that expose more than 1/16 inch of raw wood once during the first year of the Limited Warranty. Any subsequent touch up is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

6.4 GAPS VISIBLE AROUND EXTERIOR DOOR EDGE

Gaps around the exterior door edge, door jamb, and threshold are normal. This is to allow for the expansion and operation of doors. Rancho Viejo will repair any gap greater than 3/16 inch along any one edge by adjusting hinges, weather-stripping or the door once during the first year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

6.5 DOOR NOT SHUTTING OR LATCHING COMPLETELY

Doors should latch completely without undue force. Rancho Viejo will adjust door components to meet this Quality Standard once during the year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

6.6 DOOR STICKS OR RUBS ON CARPETING

Doors should not stick or rub on carpeting. Rancho Viejo will adjust hinges, weather stripping or trim to meet this Quality Standard once during the year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

6.7 DOOR SWINGS OPEN OR CLOSED BY GRAVITY

Doors should not swing open or closed when positioned at 45 degrees to opening. Rancho Viejo will adjust the door to meet this Quality Standard once during the first year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

6.8 BI-FOLD AND POCKET DOORS

Bi-fold and pocket doors should slide without rubbing or coming off their tracks during normal operation. Rancho Viejo will adjust bi-fold and pocket doors to meet this Quality Standard once during the year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

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INTERIOR WOOD TRIM

6.9 INTERIOR TRIM SPLIT OR CRACKED

Splits, cracks, and checking are inherent characteristics of all wood products and cannot be avoided. However, Rancho Viejo will fill any such condition in interior trim with wood putty.

6.10 NAILS NOT PROPERLY SET OR HOLES NOT PROPERLY FILLED

Nails and nail holes in interior trim should be set and properly filled. Rancho Viejo will repair improperly set nails and nail holes in interior trim within habitable areas by adding wood putty to meet this Quality Standard.

6.11 GAPS AT JOINTS ON MOLDING AND CASING

Joints on moldings and casings will be visible but should fit and be securely attached, as well as properly filled and sanded. Rancho Viejo will repair defective joints and gaps to meet this Quality Standard. Acceptable repair includes filling joints and gaps with wood putty or caulking.

6.12 HAMMER MARKS VISIBLE ON INTERIOR TRIM

Rancho Viejo will repair or replace interior trim with hammer marks readily visible from a distance of five feet under normal lighting conditions. Acceptable repair includes sanding, filling, or replacement.

6.13 INTERIOR STAIR RAILING LOOSE

Interior stair railings are designed to withstand a 15-pound-per-square-foot horizontal force. Loads exceeding this Quality Standard may cause damage and are not covered by the Limited Warranty. Rancho Viejo will repair railing supports that do not meet this Quality Standard.

7. DRYWALL

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

NOTE: While every effort is made to conceal drywall joints, it is virtually impossible to completely hide them. Visible drywall tape joints are not covered under the Limited Warranty.

VISIBLE DRYWALL BLEMISHES ON WALLS OR CEILINGS

Visible drywall blemishes such as nail pops, cracks, corner bead separation and seam lines are normal conditions caused by expansion, contraction and settling of the structure. Blemishes in livable areas that are readily visible at a distance of five feet under normal lighting conditions will be repaired by Rancho Viejo one time during the first year after Close of Escrow. Cracks that occur adjacent to windows and corner angles will be repaired using flexible latex caulking. Rancho Viejo will repair affected areas to meet this Quality Standard. Drywall damage due to Homeowner abuse or normal wear and tear is not covered by the Limited Warranty.

8. ELECTRICAL

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials Unless Otherwise Specified**
- **Two Years Against Defects in Workmanship Unless Otherwise Specified**

8.1 CIRCUIT BREAKERS TRIP

Circuit breakers should not trip under normal use. Rancho Viejo will repair circuitry that does not conform to local code specifications to meet this Quality Standard.

8.2 ELECTRICAL OUTLETS, SWITCHES OR FIXTURES MALFUNCTION

Rancho Viejo will repair or replace electrical outlets, switches, and fixtures installed by Rancho Viejo which do not operate in accordance with their design.

8.3 GROUND FAULT CIRCUIT INTERRUPTER (GFCI) TRIPS FREQUENTLY

Ground fault interrupters are safety devices installed as part of the electrical system to provide protection against electrical shock. These sensitive devices detect potentially dangerous “ground faults” in appliances and extension cords. Rancho Viejo will replace any failed GFCI device that fails to reset. Homeowner is responsible for repairing any electrical device that causes the GFCI to trip.

8.4 ELECTRICAL WIRING FAILS TO CARRY ITS DESIGNED LOAD

Electrical wiring should be capable of carrying the designed load for normal residential use. Rancho Viejo will repair wiring not conforming to local code specifications to meet this Quality Standard.

8.5 ELECTRICAL OUTLETS OR SWITCHES PROTRUDE FROM THE WALL

Electrical outlets and light switches should reasonably fit against the wall. Rancho Viejo will repair excessive protrusion by adjusting the junction box.

8.6 SMOKE DETECTORS CHIRP

Smoke detectors will emit an occasional chirping sound when the back-up battery becomes weak. Rancho Viejo will replace weak or dead back-up batteries once during the first 60 days after Close of Escrow. Homeowner is responsible for replacing batteries after the first 60 days.

8.7 LIGHT FIXTURE OR CEILING FAN MALFUNCTION

Rancho Viejo will repair or replace lights or fans provided and installed by Rancho Viejo which malfunction due to defective workmanship or materials. Damage caused by Homeowner or due to using the wrong type or size of bulb is not covered by the Limited Warranty.

8.8 CEILING FAN VIBRATES EXCESSIVELY

Ceiling fans purchased through Rancho Viejo will be installed in accordance with the manufacturer's specifications including blade balances; however, minor fan wobble cannot be totally eliminated. Complete elimination of fan wobble is not covered by the Limited Warranty.

9. FIREPLACE

WARRANTY TIME PERIOD

- **Two Years Against Defects in Materials and Workmanship Unless Otherwise Specified**
- **Sealed Gas Fireplaces Covered by Manufacturer's Warranties**

9.1 FIREBOX LINING DAMAGED BY FIRE

The interior refractory panels in the firebox area will become discolored and may develop cracks from the heat of fire in the fireplace. This is a normal condition and is not covered by the Limited Warranty. Linings are designed in many fireplaces to be easily replaced when they have deteriorated.

9.2 GAS FIREPLACE UNIT MALFUNCTIONS

Gas fireplace units are covered by the Manufacturer's Warranty and are not covered by the Rancho Viejo Limited Warranty. If necessary, Rancho Viejo will assist Homeowner in arranging warranty service during the first year after Close of Escrow.

9.3 CRACKS OR GAPS IN KIVA STYLE FIREPLACES

Kiva style fireplaces are either pre-fabricated or constructed on site using masonry products and are finished with a decorative plaster. These materials expand and contract with use and will often develop cracks in the plaster finish. Such cracks are characteristic of Kiva fireplaces and add to their rustic charm. Gaps may also result between the fireplace and adjacent drywall surfaces. Normal cracking or gaps are not covered by the Limited Warranty. Excessive cracking will be reviewed on a case-by-case basis at the 11-Month Review. Any decision to repair excessive cracks in Kiva fireplaces will be at the sole discretion of SunCor Homes.

10. FLOORING

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

10.1 WOOD SUB-FLOOR UNEVEN OR UNLEVEL

Wood framed floors should not be uneven exceeding 3/16 inch within 48 inches and should be level within 1/2 inch in 12 feet. Rancho Viejo will repair wood framed floors to meet this Quality Standard. Correction may include application of a flexible floor fill underlayment.

10.2 WOOD SUB-FLOOR DEFLECTION

All structural framing systems exhibit some flexing, springiness, vibration and deflection. Excessive springiness or deflection is defined as a measurement of the designed live and dead load divided by 360. A live load is the load on the structural components of the home created by its use and occupancy. A dead load is a calculation of the weight of the structural components, fixtures and permanently attached equipment used in designing the home. For example, if the floor is designed as supporting a live and dead load of 40 pounds per square foot, the allowable deflection of that load would be 1 inch in 360 inches or 1 inch in 30 feet when the 40-pound load

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is applied. Rancho Viejo will stiffen or strengthen a floor that does not meet this Quality Standard.

10.3 FLOOR SQUEAKS OR POPS

Floor squeaks are a nuisance but rarely are the result of any structural deficiency. Minor floor squeaking is defined as a single squeak or floor pop within a 10'x10' area and does not require repair by Rancho Viejo. Two or more squeaky areas within any 10'x10' area or within any run of stairs will be repaired by Rancho Viejo. Repair of squeaky floors may include securing sub flooring through carpeting with ring-shank nails or screws. When excessive squeaking is located in a trafficable area beneath originally installed vinyl or tile, Rancho Viejo will repair squeaks by removing gypsum board from below and gluing shims into the voids if possible. Rancho Viejo will not remove floor coverings other than carpeting to complete this repair.

10.4 CRACKED OR LOOSENED TILE, BRICK, MARBLE OR STONE

Rancho Viejo will replace cracked tiles, bricks, marble, or stone flooring, and will attach tiles, bricks, marble, or stone which have detached from a surface unless the defects were caused by Homeowner's negligence. Rancho Viejo is not responsible for discontinued patterns or color variations when replacing tile, brick, marble or stone flooring.

10.5 TILE EDGES NOT EVEN

When adjacent marble or ceramic tile edges are not even with each other, they cause a deviation called "lippage." Rancho Viejo will repair lippage that exceeds 1/8 inch or the manufacturer's recommendation--whichever is greater. Irregular tiles such as flagstone, saltillo, limestone, pavers, and rough textured tile are not covered by this Quality Standard.

10.6 GROUTING CRACKS

Cracks in grouting of ceramic tile joints, and where grout meets a dissimilar material such as bathtubs, baseboards or thresholds commonly result from normal shrinkage and expansion and contraction. Rancho Viejo will repair grouting once during the first year of the Limited Warranty. Any subsequent repair is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty. Rancho Viejo is not responsible for discontinued colored grout. Repaired areas may vary in color and texture from original grout.

10.7 GROUT OR MORTAR JOINT COLOR VARIATION

Some grout discoloration is inherent in all Portland-cement based products. Discoloration may occur due to jobsite conditions, individual characteristics of ceramic tile, variances in the rate of hydration, etc. Furthermore, grout color will change over time due to cleaning and normal use. Excessive grout discoloration will be corrected by Rancho Viejo once during the first 60 days after Close of Escrow. Repair may include cleaning or color-sealing existing grout. Minor grout discoloration or discoloration caused by Homeowner-sealed grout or mortar joints is not covered by the Limited Warranty. Rancho Viejo is not responsible for discontinued colored grout. **Note: Discoloration or damage to grout caused by Homeowner applied grout sealers is not covered by the Limited Warranty.**

10.8 HARDWOOD FLOORING LOOSENED FROM SUBSTRATE

Rancho Viejo will attach loose hardwood flooring to the underlying floor surface. “Floating” floor systems are only attached to the subfloor at the room edges and are not covered by this Quality Standard.

10.9 HARDWOOD FLOORING CUPPED OR CROWNED

Downward bowing along the length of hardwood floorboards is called “cupping” and upward bowing is called “crowning.” Cupping or crowning in strip hardwood floorboards should not exceed 1/8 inch in height in a 3 inch maximum span measured perpendicular to the long axis of the floorboard. Rancho Viejo will repair hardwood floorboards to meet this Quality Standard. Cupping or crowning caused by exposure to moisture is not covered by the Limited Warranty.

10.10 HARDWOOD FLOORING EDGES NOT EVEN

When adjacent hardwood flooring edges are not even with each other, they cause a deviation called “lippage.” Rancho Viejo will repair lippage greater than 1/8 inch.

10.11 HARDWOOD FLOORING GAPS

Rancho Viejo will repair gaps greater than 1/8 inch between hardwood floorboards. Gaps between hardwood floorboards normally fluctuate in areas where temperatures or relative humidity vary substantially. Homeowner is responsible for maintaining constant temperature and proper humidity levels in the home to minimize gaps between hardwood floorboards.

10.12 VINYL FLOORING LOOSENED OR BUBBLED

Vinyl flooring should not lift, bubble, detach or shrink from the perimeter. Rancho Viejo will reattach loose or bubbled floor areas or replace floors where shrinkage occurs at the perimeter.

10.13 VINYL FLOORING DEPRESSIONS OR RIDGES

Minor irregularities on concrete slabs such as depressions, ridges, trowel marks and minor cracking are normal conditions of hand-finished concrete. Occasionally these conditions may be visible or “mirror” through vinyl flooring installed over concrete floors. Minor concrete irregularities visible through vinyl flooring are not covered by the Limited Warranty.

10.14 GAPS IN VINYL FLOORING SEAMS

Gaps in vinyl flooring seams should not be visible from a standing position. Rancho Viejo will repair or replace the vinyl flooring to meet this Quality Standard.

10.15 VINYL FLOORING NAIL POPS

Rancho Viejo will repair nail pops visible under vinyl flooring that are readily visible from a standing position.

10.16 VINYL FLOORING PATTERNS MISALIGNED

Vinyl flooring patterns at seams between adjoining pieces should align. Rancho Viejo will correct the flooring to meet this Quality Standard.

10.17 VINYL FLOORING STAINS

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Staining that occurs on the surface of vinyl flooring after the closing date is not covered by the Limited Warranty. Staining that occurs below the surface, usually yellow or gray, may be indicative of moisture beneath the surface. If the staining is caused by excessive moisture beneath the surface of vinyl flooring, Rancho Viejo will repair the moisture source and replace damaged flooring. Excessive moisture damage caused by changes in yard drainage or due to lack of maintenance of vinyl flooring is not covered by the Limited Warranty.

10.18 CARPETING LOOSE OR WRINKLED

Rancho Viejo will restretch or resecure wall-to-wall carpeting which has detached or loosened from the point of attachment one time during the first year after Close of Escrow.

10.19 GAPS IN CARPET SEAMS

It is normal for carpet seams to be visible especially on looped pile, berber, low profile and dense plush carpet. Carpet may also be slightly “peaked” at seams due to the additional thickness of the seam tape and the heat action from the seaming iron. Carpet seams should be tightly fitted with no gaps or overlaps in the seam. Rancho Viejo will repair gaps or overlaps in carpet seams that are readily visible from a standing position one time during the first year after Close of Escrow. Visible seams and that are correctly fitted and normal seam “peaking” are not covered by the Limited Warranty.

10.20 CARPET SPOTS OR FADING

Exposure to natural light may cause spots or minor fading of the carpet. Carpet spots or fading are not covered by the Limited Warranty.

10.21 CARPET PILE CRUSHING

Pile crushing is normal on new carpet installations and will typically correct itself within 90 to 120 days of normal use and vacuuming. Excessive crushing that does not disappear after 120 days of use will be corrected by Rancho Viejo. Carpeting may be steamed, brushed or replaced to meet this Quality Standard.

11. FRAMING AND STRUCTURAL

WARRANTY TIME PERIOD

- **One Year Against Cosmetic Deficiencies**
- **Two Years Against Major Structural Deficiencies**

11.1 FRAMED WALLS NOT PLUMB

Interior walls should be plumb within 1/4 inch as measured from floor to ceiling. Rancho Viejo will straighten, adjust, or “float” interior walls to meet this Quality Standard.

11.2 STUDS OR CEILING JOISTS WARPED OR TWISTED

Stud walls and ceilings should be relatively flat and not bulge more than 3/8 inch in 8 feet. Rancho Viejo will straighten, adjust or “float” walls and ceilings to meet this Quality Standard.

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11.3 COLUMN OR POST NOT PLUMB

Columns and posts should not be out of plumb in excess of 3/8 inch in 8 feet. Tapered columns and posts should be plumb within 3/8 inch in 8 feet as measured from the centerline. Rancho Viejo will straighten, adjust or replace columns and posts to meet this Quality Standard.

11.4 WOOD BEAM OR POST TWISTED OR CUPPED

Wood beams and posts will sometimes twist as they dry subsequent to construction. Beams or posts should not twist more than 1/16 inch per foot for 4x8 or larger beams or 1/32" for 4x6 or smaller beams. Beams and posts should not be cupped in excess of 1/4 inch in 6 inches. Rancho Viejo will repair or replace wood beams or posts that do not meet this Quality Standard.

Acceptable repair may include shimming, trimming or grinding the wood beam or post to be cosmetically acceptable. When located in garages, basements, attics or crawl spaces, such bowing or cupping will not be repaired unless it causes unevenness to floors or roofs in excess of the Quality Standards for those components. New Mexico style vigas or latillas and peeled logs are excluded from this Quality Standard.

11.5 CRACKS IN EXPOSED WOOD FRAMING MEMBERS

Exposed beams, joists, posts, and headers will sometimes crack as they dry. Minor cracks along the length of the wood member are usually not a structural concern as such inconsistencies in wood are anticipated in the structural calculations of wood products. Rancho Viejo will repair or replace exposed wood members with cracks greater than 3/8 inch wide or 1/2 inch deep.

Acceptable repair may include use of wood filler. New Mexico style vigas or latillas, peeled logs, and rustic timbers are excluded from this Quality Standard.

11.6 WOOD VIGAS, LATILLAS, PEELED LOGS AND ROUGH SAWN LUMBER

New Mexico style vigas, latillas, peeled logs and rough sawn lumber are natural wood products. It is normal for these products to have knots, mineral deposits and other imperfections. They are likely to split, crack, shrink, bow, twist or sag. Sap may seep and develop on the surface and drip. Occasionally, insects may be found in the cracks and voids of these materials. These are natural qualities of rough-hewn wood products which lend to their rustic character and beauty. These characteristics are excluded from the Limited Warranty. As these wood products shrink, gaps may develop between the wood and stucco or drywall. Sealing or repairing such gaps is considered homeowner maintenance and is excluded from the Limited Warranty.

11.7 WOOD FRAMED FLOORS SQUEAK, DEFLECT OR ARE UNEVEN

Refer to the "Flooring" section of this booklet.

11.8 ROOF FRAMING DEFLECTED OR UNEVEN

Refer to the "Roof" section of this booklet

12. GARAGE DOORS AND OPENERS

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship**

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NOTE: Dents and other cosmetic damage to garage doors must be reported in writing at Final Walk-Through or prior to Close of Escrow.

12.1 GARAGE DOOR MALFUNCTIONS

Rancho Viejo warrants the garage door and its components for a period of one year and will repair or replace any defective garage door parts during this period.

12.2 MOISTURE OR AIR INFILTRATION AT GARAGE DOORS

Residential garage doors are neither designed nor installed to be weatherproof. Some air and water infiltration is normal and is not covered by the Limited Warranty.

12.3 GARAGE DOOR OPENER MALFUNCTIONS

Rancho Viejo warrants builder-installed garage door openers for a period of one year and will repair or replace defective openers during this period. **Note: Installation of garage door openers by anyone other than the original garage door contractor will void the warranty on the garage door.**

13. GRADING AND DRAINAGE

WARRANTY TIME PERIOD

- **One Year Unless Otherwise Specified**

13.1 SITE DRAINAGE

Grades and swales have been established by Rancho Viejo to ensure proper drainage away from the home. If these areas are modified by Homeowner with plantings, concrete or other obstructions, Homeowner will thereafter be responsible for drainage. Standing water should not remain in the immediate area of the home or in drainage swales for more than 48 hours after a rain unless requirements specify retention of storm water on site. No grading determination will be made while frost or snow is on the ground. Rancho Viejo will make necessary grading modifications to meet this Quality Standard.

13.2 SOIL EROSION

Rancho Viejo is not responsible for soil erosion after the Close of Escrow. Proper erosion protection requires Homeowner to install landscaping groundcovers and deep-rooted plantings to reduce the chance of erosion. For steeply graded hills, the installation of erosion-control matting such as jute and straw will help reduce erosion until plantings have been established.

13.3 GROUND SETTLING

Excessive settling of the ground around the foundation, utility trenches or other filled areas which interferes with water drainage will be corrected by Rancho Viejo by filling the settled areas. Settling caused by the Homeowner or by landscapers or others employed by Homeowner is not covered under the Limited Warranty.

14. LANDSCAPING

WARRANTY TIME PERIOD

- **90 Days for Irrigation Systems and Plant Material**

Limited Warranty only applies to Landscaping installed by Rancho Viejo.

14.1 LANDSCAPING INTERFERES WITH DRAINAGE

Rancho Viejo will correct landscaping which interferes with established site drainage.

14.2 PLANTS DYING

Plants should be installed in healthy living condition. Rancho Viejo will replace plants one time during the warranty period unless condition is caused by Homeowner or extreme weather conditions.

14.3 GRAVEL UNEVEN OR SPREAD TOO THIN

Rancho Viejo will correct gravel or decomposed granite landscape materials to achieve proper coverage.

14.5 BUBBLER OR DRIP EMITTERS NOT FUNCTIONING

Rancho Viejo will correct bubblers and emitters one time during the warranty period. Homeowner is responsible for cleaning or replacing clogged bubblers and emitters as needed.

15. MIRRORS AND BATH ACCESSORIES

WARRANTY TIME PERIOD

- **One Year Against Defects In Materials and Workmanship Unless Otherwise Specified**

15.1 DAMAGED TOWEL BAR, PAPER HOLDER, OR SHOWER DOOR FRAME

Scratches, dents, tarnishing or damage to shower door frames and bath accessories are to be noted at time of Final Walk-Through and are not covered by the Limited Warranty after occupancy or 10 days after Close of Escrow whichever occurs sooner. Rancho Viejo will repair or replace any damaged bath accessories if reported at the time of Final Walk-Through.

15.2 SCRATCHED OR DAMAGED MIRROR OR MEDICINE CABINET

Scratched or damaged mirrors or medicine cabinets and missing medicine cabinet shelves are to be noted at time of Final Walk-Through and are not covered by the Limited Warranty after occupancy or 10 days after Close of Escrow whichever occurs sooner. Rancho Viejo will repair or replace scratched or damaged mirrors or medicine cabinets if reported at time of Final Walk-Through. Scratches on mirrors must be visible in normal lighting at a distance of three feet or more to qualify for repair or replacement.

16. PAINT

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

16.1 EXTERIOR CLEAR FINISH DETERIORATION

Clear finishes on exterior surfaces, such as stains, varnish or lacquer finishes on wood doors, diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6 to 12 months, depending on outside exposure. Rancho Viejo will correct deterioration of clear finishes on exterior surfaces once during the first year of the Limited Warranty. Any subsequent deterioration is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

16.2 EXTERIOR PAINT OR STAIN FADING

All exterior paints and stains exhibit fading when exposed to weather and is a normal condition. Semi-transparent stains diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6 to 12 months, depending on outside exposure. Rancho Viejo will correct excessive fading of exterior paints or stains once during the first year of the Limited Warranty. Any subsequent fading is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

16.3 EXTERIOR PAINT OR STAIN PEELING

Exterior paints and stains should not peel or deteriorate during the Limited Warranty period. If exterior paint or stain peels or deteriorates, Rancho Viejo will refinish affected areas. Where deterioration of the finish affects more than 50 percent of the wall or ceiling area, Rancho Viejo will refinish the entire wall or ceiling surface.

16.4 REPAINTING AFTER REPAIR WORK

Repainting, staining or refinishing may be required because of repair work. Repairs required under these Quality Standards will be finished to match the immediate surrounding areas as closely as practical. Due to fading and normal weathering, a perfect match cannot be achieved and a perfect match is not covered by the Limited Warranty. Where repairs affect more than 50 percent of a wall or ceiling area, Rancho Viejo will repaint the entire wall or ceiling surface. Note: Rancho Viejo will repaint repairs with the original colors. If a Homeowner has repainted with a different color, the Homeowner will be responsible to paint the repair.

16.5 PAINT COVERAGE INADEQUATE

Interior paint should be applied in sufficient quantity to visually cover the original surface. The original surface should not show through new paint when viewed under normal lighting conditions. Rancho Viejo will recoat the surface to meet this Quality Standard. Paint deterioration caused by normal living conditions, such as repeated scrubbing or cleaning is a maintenance item and is the responsibility of the Homeowner.

16.6 PAINT SPLATTERS AND BRUSH MARKS

Rancho Viejo will refinish interior painted surfaces where paint splatters and brush or lap marks are readily visible from a distance of 5 feet under normal lighting conditions.

17. PLUMBING

WARRANTY TIME PERIOD

- **One Year Against Defects In Materials Unless Otherwise Specified**
- **Two Years Against Defects In Workmanship**
- **Faucets and Plumbing Fixtures are Covered by Manufacturer's Warranties**

17.1 DRAINAGE PROBLEMS

Building waste piping, traps, sewers, fixtures and drains should be sloped to drain and be properly sized in accordance with local plumbing regulations. Slow drains or clogs caused by construction debris within the pipes will be repaired by Rancho Viejo if reported within 72 hours after Close of Escrow. Rancho Viejo will also repair and waste piping with improper drainage slope. Clogged or slow drains caused by waste products within the pipes are not covered by the Limited Warranty.

17.2 WATER IN PIPE FREEZES

Rancho Viejo will comply with the local plumbing codes to protect plumbing pipes from normally anticipated cold weather. Homeowner is responsible for maintaining the house temperature at a minimum of 65 degrees during cold weather and draining exterior pipes and faucets for protection.

17.3 WATER PIPE NOISE

Sounds made by the flow of water through piping and by piping expanding are normal. Rattling or "water hammer" noises in piping when water is turned off rapidly should not occur. Rancho Viejo will make corrections to plumbing to stop "water hammer" noises which may include installation of anti-water hammer devices at faucets causing this problem.

17.4 CONDENSATION ON PIPES

Condensation occurs on pipes when they are colder and exposed to humid air. Homeowner is responsible for controlling interior temperature and humidity to avoid condensation.

17.5 PLUMBING LEAKS

Rancho Viejo will repair any pipe, tub, shower or drain leak. The maintenance of caulking and grout to prevent leaks is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

17.6 SHOWER PAN OR FLOOR FLEXES

Flexing in a shower base is considered excessive when the drain assembly moves up or down in the base with normal weight. Rancho Viejo will repair excessive flexing in a shower base by installing support materials beneath the shower base. Composite shower walls will flex when pushed inward and such flexing is not considered a defect.

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17.7 FAUCET OR VALVE LEAKS

Valves should not leak due to defects in materials or workmanship. Leakage caused by worn washers or cartridges is considered Homeowner maintenance. Rancho Viejo will repair or replace leaking faucets or valves caused by defects in materials or workmanship.

17.8 PLUMBING FIXTURES OR TRIMS DEFECTIVE

Rancho Viejo will replace or repair defective plumbing fixtures or fittings according to manufacturer's warranty up to one year after Close of Escrow. Failure due to Homeowner negligence or water impurities is not covered by the Limited Warranty.

17.9 MANUFACTURER'S WARRANTIES

Some faucets and plumbing fixtures may have Manufacturer's Warranties which extend beyond Rancho Viejo's Limited Warranty. Such warranty claims should be made directly with the manufacturer.

18. ROOF

WARRANTY TIME PERIOD

- **Two Years Against Defects in Materials and Workmanship Unless Otherwise Specified**

NOTE: Roofs should not leak and should be installed to withstand winds accompanied by heavy rains associated with normal weather patterns. Rancho Viejo is not responsible for leaks or damage caused by alterations, tie-ins, penetrations or damage caused by Homeowner or by extreme weather conditions after Close of Escrow.

18.1 ROOF DEFLECTION OR BOWING

All structural members of the home are sized according to the type of roofing product and the loads they may support, including wind, ice and snow during normal weather patterns. Rancho Viejo will stiffen a structural member of the roof if deflection exceeds 1 inch in 20 feet, is more than 1/2 inch between two structural members, or exceeds engineer-designed deflection on engineered truss systems.

18.2 GUTTER, DOWNSPOUT, SCUPPER OR CANALE LEAKS

Rancho Viejo will repair leaks in gutters, downspouts, scuppers or canales installed by Rancho Viejo.

18.3 WATER REMAINING IN GUTTER, SCUPPER, OR CANALE

When a gutter, scupper or canale installed by Rancho Viejo is unobstructed by debris, snow and ice, the water level should not exceed 3/8 inch in depth more than 24 hours after the cessation of rain. Rancho Viejo will adjust the gutter, scupper or canale to minimize such ponding. Ponding caused by debris, snow or ice accumulation is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

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18.4 BLOCKAGES IN GUTTER, DOWNSPOUT, SCUPPER OR CANALE

Homeowner should keep gutters, downspouts, scuppers or canales free of debris as part of normal maintenance. Snow or ice accumulations should be removed as soon as possible. Damage caused by blockages is not covered by the Limited Warranty.

18.5 SPLASH BLOCKS

Splash blocks placed below downspouts, scuppers or canales are designed to carry water away from the foundation of the home. Maintaining the splash blocks and the ground around them is part of normal Homeowner maintenance. Damage caused due to lack of Homeowner maintenance is not covered by the Limited Warranty.

18.6 WATER STANDING ON A FLAT OR LOW-SLOPED ROOF AREA

Minor ponding of water up to 1/2 inch in small areas equivalent to no more than 1/3 of roof span is acceptable providing the roof is dry within 48 hours after rainfall. If drainage problem exceeds this Quality Standard or is due to improper framing, Rancho Viejo will repair the affected roofing by adding additional roofing materials. Ponding caused by debris accumulation is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

18.7 ROOF OR FLASHING LEAKS

When properly maintained, the roof and flashing should not leak under normal weather conditions. Rancho Viejo will repair roof or flashing leaks that occur during normal storm activity. Leaks caused by debris or ice accumulation are considered part of routine Homeowner maintenance and are not covered by the Limited Warranty.

18.8 ROOF VENT OR LOUVER LEAKS

Roof vents and louvers are designed to keep wind-driven rain and snow out under normal conditions. Leaks caused by severe storms are not covered by the Limited Warranty.

18.9 ROOFING SHINGLES OR TILES NOT ALIGNED

Shingles and tiles are installed to withstand a maximum exposure to the weather as recommended by the manufacturer. Often, tiles and shingles must be adjusted to compensate for differing roof conditions. This is not considered a defect. Tiles and shingles within any course should be aligned within 2 inches. Rancho Viejo will realign tiles and shingles that do not meet this Quality Standard.

18.10 SHADING OR SHADOWING PATTERNS

Shading or shadowing of roofing materials is caused by differences in product color installed in a specific area. Rancho Viejo will attempt to minimize shading variances by mixing up the tiles or shingles during installation. Uniform shading or shadowing is not covered by the Limited Warranty.

18.11 NEW ROOFING PRODUCTS DO NOT MATCH EXISTING

The color and texture of new roofing components used to repair existing roofing components may not match due to weathering or manufacturing variations. If repair or replacement of roofing components is necessary, Rancho Viejo will attempt to match the texture and color of

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existing roofing components as closely as possible; however, perfect match is not covered by the Limited Warranty.

18.12 BLISTERS OR SEPARTIONS IN PLYS OF BUILT UP ROOFING

Minor bubbles or blisters in built-up roof systems are normal. Blisters that are larger than 12 inches or that cause seam separation will be repaired by Rancho Viejo.

18.13 LOOSE OR MISSING ROOF TILES

Ridge, hip, rake and perimeter tiles should be secured according to manufacturers recommendations and local building codes. The field tiles of most roofing systems interlock and are held in place by the weight of the adjoining tiles – field tiles are not typically nailed or attached to the roof structure. Rancho Viejo will repair or replace loose or missing roof tiles and tiles not installed according to manufacturer's recommendations.

18.14 CHIPPED OR BROKEN ROOF TILES

Rancho Viejo will repair or replace broken tiles and tiles with chips larger than 1 inch one time within 60 days after Close of Escrow. Rancho Viejo is not responsible for damage caused by others.

19. STUCCO and MASONRY

WARRANTY TIME PERIOD

- **Two Years Against Defects in Materials and Workmanship Unless Otherwise Specified**

19.1 CRACKS IN STUCCO

Hairline cracks in exterior stucco wall surfaces and parapet walls are considered normal and are not covered by the Limited Warranty. Cracks in exterior stucco walls should not exceed 1/16 inch in width or the thickness of a quarter. Rancho Viejo will repair cracks exceeding 1/16 inch in width once during the first year of the Limited Warranty, after which it is considered Homeowner maintenance. For pre-colored stucco, it is acceptable to use stucco color coat, acrylic sealant or caulk to fill the crack. Painted surfaces may be repaired using acrylic sealant or caulk prior to touch-up painting. Rancho Viejo will attempt to match the original stucco texture and color as closely as possible but a perfect match is not covered by the Limited Warranty.

Note: Parapet walls on flat-roofed homes should be inspected annually for cracks, especially on the top, horizontal surface of the wall. Cracks should be promptly filled and repaired with a flexible acrylic sealant or caulk. Lack of maintenance to parapet wall cracks can lead to water intrusion problems and/or premature failure of the stucco system. Damage caused to parapet walls due to the lack of Homeowner maintenance is not covered by the Limited Warranty

19.2 STUCCO UNDERLAYMENT EXPOSED

Building paper, foam insulation and reinforcement should be protected by the minimum coating thickness as specified by the manufacturer of the stucco system. Any exposure will be patched by Rancho Viejo.

WARRANTY AND CUSTOMER SERVICE INFORMATION

19.3 STUCCO TEXTURE LOSS ON PRE-COLORED SYNTHETIC STUCCO

Synthetic Stucco texture may become separated from the base cementitious stucco layer. Rancho Viejo will repair areas of missing synthetic stucco texture greater than two square inches. Stucco texture loss beneath the horizontal weep or drainage screed is normal and is not covered by the Limited Warranty.

19.4 STUCCO TEXTURE MISMATCH

Stucco texture is applied by hand, which varies with the technique of the installer. Where tall walls exist, it is necessary to install the stucco in several passes. Breaks between application phases occur in all homes and are sometimes more visible due to the method of application. The inherent inconsistency of stucco is to be expected as with all hand-applied troweled finishes. Excessive inconsistencies, bumps or voids in stucco surfaces will be repaired by Rancho Viejo if not part of the intended texture. When making stucco repairs, Rancho Viejo will attempt to match the original texture as closely as possible; however, a perfect match is not covered by the Limited Warranty.

19.5 COLOR MISMATCH IN PRE-COLORED STUCCO

Pre-colored stucco is a colored cement or synthetic product and is affected by the underlying surface, application technique, mixing variances, temperature, humidity and curing. Rancho Viejo will try to match stucco color as closely as possible but a perfect match is not covered by the Limited Warranty.

19.6 STUCCO SURFACE STAINING

Stucco may become stained from rainwater or water and mud splashing up from the ground. Since stucco is a porous material, this condition cannot be eliminated and is not covered by the Limited Warranty. Homeowner can reduce such staining by installing roof gutters and landscaping around the home.

19.7 RUST SPOTS IN STUCCO

Cement-based stucco may develop small rust spots caused by iron particles in the masonry sand used in the stucco mix. Rancho Viejo will correct rust spots by priming each rust spot and touching-up with paint once during the warranty period. Subsequent touch-up is the responsibility of the Homeowner.

19.8 STUCCO APPEARS WET

Stucco is a porous cement product and may become saturated with moisture during wet weather. It will therefore appear wet long after rain has stopped. This is a normal condition and is not covered by the Limited Warranty. This condition is especially noticeable on pre-colored stucco systems that are not painted.

19.9 VOIDS OR CRACKS IN MORTAR JOINTS

Stair step cracks in mortar joints can result from normal settlement and do not necessarily indicate a structural problem. Voids exceeding 1/4 inch and cracks exceeding 1/8 inch in mortar joints will be repaired by tuck pointing or patching. Color variations in mortar and brick products are a normal condition and a perfect match is not covered by the Limited Warranty. Cracks less

WARRANTY AND CUSTOMER SERVICE INFORMATION

than 1/8 inch in width within mortar joints and masonry products are a normal condition and are not covered by the Limited Warranty.

19.10 EXTERIOR CAULKING JOINT SEPARATION

Exterior caulking joints occasionally deteriorate or open up allowing water intrusion. Joints and cracks in exterior wall surfaces and around openings should be properly caulked to prevent the entry of water. New homes exhibit significant movement at caulking joints during the first few years after construction due to normal shrinkage and drying of components. Rancho Viejo will repair caulking joints in exterior wall surfaces to prevent water intrusion once during the first year of the Limited Warranty. Any subsequent repair or replacement of caulking is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

19.11 EFFLORESCENCE

Efflorescence is a white, powdery, crystalline deposit that can accumulate on surfaces of stucco, masonry or concrete. As cement based products cure, dry, or are exposed to moisture, the salts and minerals inside are carried to the surface and deposited. These deposits can burn through the paint on stucco, concrete and masonry. This process is considered a normal condition and is not covered by the Limited Warranty. The removal of efflorescence is the responsibility of the Homeowner. Efflorescence can be removed by cleaning with a mixture of tri-sodium phosphate and water. Vinegar and water can also be used when followed with a diluted ammonia rinse. Always rinse with fresh water when finished. Use of a stiff, natural fiber brush will aid in the removal of excessive efflorescence. Efflorescence should be removed and such areas primed or sealed prior to repainting. Most paint supply stores sell products designed to remove and treat efflorescence.

20. WINDOWS AND SLIDING GLASS DOORS

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

20.1 SLIDING GLASS DOORS AND SCREENS

Sliding patio doors and screens should slide without rubbing or coming off their tracks during normal operation. Rancho Viejo will adjust sliding patio doors and screens to meet this Quality Standard once during the first year of the Limited Warranty. Any subsequent adjustment is considered part of routine Homeowner maintenance and is not covered by the Limited Warranty.

20.2 WINDOW IS DIFFICULT TO OPEN OR CLOSE

Windows should be properly adjusted and balanced. Normal maintenance by Homeowner includes keeping the tracks, channels and operating mechanisms clean and lubricated. For most windows, Homeowners should use a dry silicone spray lubricant on the tracks at least once a year. When properly maintained, windows should require no greater operating force than that described in the manufacturer's specifications, usually not more than 15 pounds. Rancho Viejo will adjust or repair windows once during the first year of the Limited Warranty to meet this Quality Standard.

WARRANTY AND CUSTOMER SERVICE INFORMATION

20.3 CONDENSATION OR FROST ON WINDOW OR SKYLIGHT

Windows and skylights will collect condensation on their interior surfaces when high humidity within the home turns into water on the colder window or skylight surface. The Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. New homes also contribute to moisture levels during the curing process, which diminishes over a period of 1-2 years. Draperies and blinds should be left open to encourage air circulation and even temperatures during periods of cold weather and high interior humidity. Single pane glass, such as that used at corner butt-glazed windows, is especially susceptible to condensation.

20.4 WINDOW OR SKYLIGHT LEAKS

Water leakage around window frames or skylights resulting from improper installation will be repaired. Rancho Viejo will water-test windows and skylights suspected of leaking and will repair any window or skylight leak discovered during such testing. Water leaks in windows or skylights resulting from Homeowner damage or improper maintenance are not covered by the Limited Warranty. Minor water leakage which accumulates at the bottom of the window frame or track is normal and will disperse through the weep holes. Homeowner is responsible for maintaining caulking around all windows.

21. WROUGHT IRON

WARRANTY TIME PERIOD

- **One Year Against Defects in Materials and Workmanship Unless Otherwise Specified**

Wrought iron or steel gates, railings or fences require regular maintenance and paint touch-up to prevent rust build-up. Rancho Viejo will touch up rust spots once during the first year after the Close of Escrow. Subsequent touch-up and maintenance is the responsibility of the Homeowner.