

# PHILLIPS HOMES LIMITED WARRANTY



LIMITED WARRANTY &  
PERFORMANCE STANDARDS

FOR YOUR HOME

*Phillips*  
HOMES



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## Welcome to your new home!

At Phillips Homes, we are committed to providing you with prompt service and repair of items in your home covered by your New Home Limited Warranty.

Within this warranty document, we communicate your warranty rights, explain our customer service procedures, inform you of your responsibilities for maintaining and servicing your new home and define the performance standards for construction of your home.

Please take time to read this information carefully and as always, contact us with any question you have.

Sincerely,  
PHILLIPS HOMES

A handwritten signature in black ink that reads "John Phillips". The signature is written in a cursive style.

John Phillips

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# Homeowner's Limited Warranty

## SECTION 1: GENERAL PROVISIONS

This Limited Warranty ("Warranty") sets forth the specific terms, conditions and limitations of the limited warranty obligations of Homepoint Realty, Inc., D.B.A. Phillips Homes ("Phillips" herein) with regard to the workmanship and material incorporated into the home (the "Home") that has been developed by Phillips on the real property commonly known as: \_\_\_\_\_ Utah (the "Property"). It is an agreement made part of that Real Estate Purchase Contract (the "REPC") with an offer reference date of \_\_\_\_\_ between Phillips and \_\_\_\_\_ ("Homeowner" herein). In the event of any conflict between this Warranty and the REPC, this Limited Warranty shall govern. The Warranty of Phillips is as follows:

1.1 Persons Covered by this Warranty. This Warranty only covers the Homeowner named above. The Homeowner may not assign this Warranty, it is non-transferable and it shall not inure to the benefit of the Homeowner's successors.

1.2 Limited Warranty. This Warranty is not an unconditional warranty. The responsibility of Phillips to correct defective materials and workmanship is limited to the terms, exclusions, the disclaimers described in this Warranty. There are certain procedures that must be followed to file a claim under this Warranty, and failure to follow these procedures may result in forfeiture of your protections. This Warranty is given to you only by Phillips.

1.3 Length of Coverage. The obligations of Phillips under this Warranty commence on the earlier of (i) the Closing of the Home, or (ii) the date you take possession, and terminates one (1) year later, unless limited to a shorter period as specified herein (the "Warranty Period"). The coverage included in this Warranty will terminate when the Homeowner sells or transfers title to the home or when each coverage mentioned in the Warranty expires, whichever occurs first. Steps taken by Phillips to correct defects shall not act to extend the Warranty Period beyond its original one-year period, and Phillips must receive written notice of the claimed defect within the applicable defect period for this Warranty to be effective.

1.4 Definition of Defect. For purposes of this Warranty, a Defect shall be defined as follows:

1. Performance Standards. Conditions of the Home which exhibit sub-standard compliance with the standards, tolerances and guidelines defined in the "Performance Standards and Repair Obligations" ("Performance Standards" herein), attached hereto as Exhibit "A" shall constitute a Defect;

2. Building Codes. In the absence of a specific standard, tolerance or guideline within the Performance Standards, a Defect shall exist if the Home materially fails to comply with the building, plumbing, electrical or other building codes adopted by the governing municipality applicable to the Home at the time of construction.

3. Remedy of Defects. During the Warranty Period, Phillips shall repair or replace, as determined appropriate by Phillips, any Defects in the Home resulting from faulty materials or workmanship and representing sub-standard compliance with the above definitions. Phillips shall not be obligated to remedy or repair workmanship or remedy or replace any materials which contain or exhibit any deficiencies, inadequacies or failures except as strictly within the definition of Defects within this Section 1.4, or otherwise required by law. Phillips' obligation to repair is subject to the limitations and exclusions described herein.

## **SECTION 2: ORIENTATION AND WALK-THROUGH INSPECTION**

2.1 Homeowner Walk-through and Punchlist. On or about the time of Closing, a representative of Phillips will conduct the Homeowner through a new home orientation and walk-through inspection ("Walk-through" herein). At this Walk-through, various features of the home will be demonstrated and explained to the Homeowner. At the end of the Walk-through, a list shall be prepared and submitted to Phillips identifying all of the visible defects to be repaired ("Punchlist" herein). Phillips will take appropriate corrective action to repair items on the Punchlist, provided they are readily visible and below the established Performance Standards. It is the Homeowner's sole responsibility to timely prepare and submit the Punchlist to Phillips.

2.2 Visible Defects Not on the Walk-through Punchlist. Any Defect that is or should have been observed during the Walk-through inspection, but is not contained in the Punchlist, is not covered by this Warranty. This would include, but is not limited to, such visible defects as the following: Defects or smudges on countertops; chipped, scratched or otherwise defective surface of appliances, plumbing fixtures and lighting fixtures; chipped, scratched or otherwise defective surfaces of sinks or tubs; missing or damaged bathroom and kitchen fixtures; broken windows, mirrors or mirrored surfaces; chipped porcelain or tile; defects in cabinet surfaces or finishes; missing, torn or defective screens; fading or discoloration of painted surfaces; cracks in baseboard or other trim; scratched, gouged or broken floor covering; defects in carpets; or, any other similar cosmetic defect. Unless noted on the Punchlist, it will be conclusively presumed that the Defect was not caused by any act or omission of Phillips or its agents. **It is important that you carefully inspect the home and complete the Punchlist at the time of the Walk-through inspection.**

## **SECTION 3: MANUFACTURER'S WARRANTIES**

Phillips assigns and passes through to the Homeowner all manufacturers' warranties on all appliances and other equipment installed in the Home. The following are examples of such appliances and equipment, though not every Home includes all of these items and some Homes may include items not in this list: oven, range, microwave oven, air conditioner, forced air unit, dishwasher, garbage disposal, ventilating fan, trash compactor, water heater, fiberglass exterior doors, smoke detector, electrical and gas meters and garage door opener. Should an appliance or item of equipment malfunction the Homeowner must follow the procedures set forth in that manufacturer's warranty to correct the problem. Phillips' obligation under this Warranty is limited to the workmanlike installation of such appliances and equipment. Phillips has no obligation for appliances and equipment defined as consumer products.

## SECTION 4: HOMEOWNER MAINTENANCE OBLIGATIONS

Maintenance of the Home and the Property is the Homeowner's responsibility. All homes require periodic maintenance to prevent premature deterioration, water intrusion, and to ensure adequate performance of the systems within the home. Phillips will make a "Homeowner Maintenance Manual" or similar publication available to the Homeowner upon request. Whether from this document or others that are readily available within the marketplace, the Homeowner must understand and perform the maintenance that the Home and Property require. Phillips is not responsible for Home or Property maintenance issues or for Defects or damage that results from the Homeowner's failure to maintain the Home or the Property.

## SECTION 5: REQUEST FOR WARRANTY SERVICE

5.1 Requesting Service. If the Homeowner believes the Home has a defect or needs a repair which is covered by this Warranty, Phillips must be notified in writing, providing an appropriate description of the issue ("Service Request"). **On-line Service Requests can be completed and submitted from our website at [www.phillipshomes.com](http://www.phillipshomes.com).** Additional notice information is as follows:

- Email: [jcp@phillipshomes.net](mailto:jcp@phillipshomes.net), or
- Mail: Phillips Homes, P.O. Box 981673, Park City, UT 84098
- **EMERGENCY REPAIRS PHONE NUMBER: 801-755-8200**

5.2 Emergency Repairs. Defects of an emergency nature, where the damage will worsen if prompt action is not taken, must IMMEDIATELY be reported to Phillips by telephone at the above phone number, unless an updated phone number has been provided to the Homeowner: Examples of emergency repairs include:

- Loss of heating or air conditioning during extreme temperature conditions.
- Major electrical failure or short-out not caused by utility company failure.
- Plumbing leaks in the walls, floors and ceiling.
- Complete sewage back-up (all toilets).
- Natural gas leaks.

After immediately notifying Phillips by telephone, a written Service Request must be completed and delivered to Phillips as described above.

5.3 Action of Claims. Phillips will review each Service Request to determine if it is covered by this Warranty, and shall commence to correct all covered defects within thirty (30) days of its inspection of the related claim. If weather conditions, labor problems or material shortages cause delays, correcting the defect may take longer than thirty (30) days. Phillips or its subcontractors will complete the corrective work.

5.4 Scheduling of Work and Time of Access. All service repairs will be performed ***between the hours of 7:30 a.m. to 4:00 p.m. weekdays, excluding legal holidays.*** It is the Homeowner's responsibility to provide access to the Home for the appropriate Phillips representative so the repair work can be completed. Failure to provide access shall relieve Phillips of its responsibility for such repairs. The Homeowner must also remove items that might make performing the repair difficult, including but not limited to removal of curtains / blinds, furniture, artwork, or any items in the area where work will take place. All repairs are limited to the repair as described on the Service Request form, and pre-approved by Phillips. After the repairs are made in a satisfactory manner, the Homeowner shall be asked to sign an acceptance of completed work.

5.5 Repairs or Replacement. Upon receipt of your written request for service, all items covered by this Limited Warranty will be repaired or replaced at no charge to you. The work will be done by Phillips or its contractors. The choice between repair or replacement is Phillips'. Phillips may substitute materials, equipment and fixtures of comparable value for materials, equipment and fixtures required to be repaired under this Limited Warranty. Phillips, in its good faith judgment and at its sole determination and discretion, will make repairs required under this Limited Warranty based on current industry standards using appropriate methods and materials. At any time during the Warranty Period, Phillips shall have the right to pay the reasonable builder's cost of repair or replacement, at the sole discretion of Phillips, as an alternative to actually making the repair or replacement.

## **SECTION 6: PROMPT NOTICE**

This Warranty is expressly conditioned upon the Homeowner giving Phillips prompt notice of any Defect in the Home and giving Phillips reasonable opportunity to repair such Defect. If the Homeowner fails to give Phillips prompt notice and a reasonable opportunity to repair, Phillips will not be responsible for any additional repair cost or expense which could have been avoided if prompt notice and a reasonable opportunity to repair had been provided. This provision is intended as both a condition of the availability of this Limited Warranty and a promise by the Homeowner to limit damages by giving Phillips prompt notice and a reasonable opportunity to repair.

## **SECTION 7: GENERAL EXCLUSIONS FROM COVERAGE**

IN ADDITION TO OTHER EXCLUSIONS AND LIMITATIONS HEREIN, PHILLIPS DOES NOT ASSUME RESPONSIBILITY FOR ANY OF THE FOLLOWING, ALL OF WHICH ARE EXCLUDED FROM THE COVERAGE OF THIS LIMITED WARRANTY.

- Matters Beyond Phillips' Control: any events, circumstances or occurrences which are beyond the reasonable control of Phillips including, but not limited to (i) natural events or disasters, including but not limited to weather, windstorms exceeding the force or velocity against which structures are designed to resist pursuant to local building codes, lightning, hail, flood, mudslide, earthquake, melting snow or ice, wind driven water, fire, (ii) changes in the underground water table, and other natural occurrences, (iii) acts of nature, acts of God,

(iv) accidents, (v) misuse, abuse or negligence by the Homeowner(s) or any third party over whom Phillips has no control, (vi) freezing temperatures, and (vii) falling objects, falling trees or limbs, insects, water escape.

- Acts or Omissions: including (i) any defects, deficiencies, inadequacies or failures caused by or resulting from the negligent acts or omissions by the Homeowner(s), their agents or third parties over whom Phillips has no control, (ii) any aspect or result of work, alteration, repair or modification by the Homeowner(s), their contractors or agents, or the results thereof, (iii) defective or deficient performance, malpractice, errors or omissions by the persons preparing the survey, staking the lot lines of the Property, conducting any geo-technical studies of the Property, or preparing the plans for the Home, (iv) the Homeowner(s)' faulty operation, improper use or alteration of any aspect of the Home, the Property or any associated improvement; (v) the Homeowner(s)' failure to perform or delay in the performance of, reasonable or necessary maintenance, upkeep or repair to the Home, the Property or any associated improvement; (vi) infestation by birds, pests or insects; (vii) defects, deficiencies, inadequacies or failures in, or those resulting from, or caused by anything not constructed, installed, provided, placed or built into the Home by Phillips, its employees, subcontractors or agents, (viii) the Homeowner(s)' improper usage, failure to maintain and/or failure to prevent damage to any aspect of the Home, the Property or any associated improvement, (ix) damage of any nature directly or indirectly resulting from or caused by the Homeowner(s) moving into the Home and/or the installation of the Homeowner(s)' property, appliances or fixtures in the Home; and (x) carpet spots, chips, scratches or mars in tile, woodwork, walls, ceilings, doors, windows, porcelain, glass, flooring surfaces, counter surfaces, brick, mirrors, plumbing fixtures and finished surfaces not identified and disclosed to Phillips in writing prior to the Homeowner(s)' occupancy of the Home.
- Normal Wear and Tear. Normal wear and tear or normal deterioration of materials.
- Ponding and Other Property Conditions: any ponding, sliding, subsidence, slumping, cracking, erosion or other natural or manmade conditions affecting the Property or the stability thereof.
- Response to Environmental Conditions: Any personal reaction or response by you or any other occupant of the home to dampness, mold, mildew or any environmental condition in or about the home or the property, including but not limited to asthma, allergic response or reaction or health impairment resulting directly or indirectly from the nature of materials, substances or compounds incorporated into the home, the property or associated improvements, the constituent elements of such materials, substances or compounds, or the restrictions, limitations or controls imposed by law upon ventilation, sealing or air exchange in the home.
- Failure to Notify Promptly: Losses resulting from your failure to provide Phillips with prompt notice of any covered defect and a reasonable opportunity to repair such defect.
- Non-Warranted Items. Any defects, deficiencies, inadequacies or failures of any nature in any aspects of the Home or the Property that are not within the definition of Defects or Performance Standards.
- Defects Common to Materials. Any cracks and minor openings of wooden joints such as in paneled doors, mitered casings and solid paneling; these are caused by shrinkage during the normal drying-out process of the home. Also, any cracking, checking, twisting or turning of



wood beams, unless such condition prevents the beam from meeting industry structural standards, or is so abnormal that it unreasonably mars the beauty of the home. Stained woods used in cabinets, siding, paneling, ceilings, doors, windows and other such millwork are subject to variations in wood grain and color which are also inherent characteristics of the materials.

- Grading and drainage. Damage of any kind if the grading and drainage was altered in any way by the Homeowner or any of its agents or the failure of Homeowner to maintain the proper drainage system free of debris and other obstacles at all times. Phillips shall be responsible only for establishing the necessary grades and swales as required by the local governing body prior to commencement of the Warranty Period. The Homeowner is responsible for maintaining such grades and swales once they have been satisfactorily established by Phillips. Phillips is not responsible for damage due to homeowner landscaping, alterations or natural changes to the drainage as a result of no landscaping.
- Accessory Structures, Utilities and Improvements. Defects in outbuildings and other improvements not specifically part of the dwelling building including detached garages and carports, swimming pools and other recreational facilities; boundary walls, retaining walls, fences; and other plat improvements such as streets, curbs, utilities, fences, or any other improvement not a part of the Home itself.
- Other Real Property. Damage to or defects in other real property that is not part of the house.
- Repair Results. Any visual difference, color variation or physical distinction in any surface or material repaired or replaced by Phillips as the result of warranty efforts conducted pursuant to this Limited Warranty.
- Repairs by the Homeowner(s). In the event that the Homeowner(s) or any person under the Homeowner(s)' direction undertakes to perform repairs of any Defect without first providing Phillips with written notice of the Defect and a reasonable opportunity to cure or remedy the same, Phillips' warranty for the Defect so repaired shall be deemed released, satisfied and such Defect shall no longer be warranted by Phillips and Phillips shall have no liability to the Homeowner(s) with regard to the cost or expense of the repairs of any Defect undertaken by the Homeowner(s).
- Consumer Goods. Any product, which is considered a "consumer good". "Consumer Goods" include products such as appliances, ovens, ranges, microwave ovens, air conditioners, dishwashers, garbage disposal, ventilating fans, trash compactors and water heaters. Such goods are normally covered by manufacturer's warranties, which Phillips has assigned to you.
- Fire Sprinkler systems: Maintenance of the fire protection sprinkler system, if your home is equipped with such system. You shall be solely responsible for the maintenance of said system, and Phillips shall not be liable for any property damage or other loss suffered by you arising from improper maintenance of the sprinkler system or any other acts by you, which cause the sprinkler system to release water accidentally or to malfunction.
- Water infiltration: Dampness or condensation due the Homeowner's failure to provide adequate ventilation.
- Expendable items: Expendable items which have been installed in your home such as, but not limited to, light bulbs, fluorescent lights, or weather stripping.

- Excessive Weight. Damage resulting from the weight and/or performance of any type of waterbed or other furnishings which exceeds the load-bearing design of the Home or the Property.
- Landscaping & Drainage. Any landscaping or drainage, including but not limited to: (i) the suitability, adequacy, maintenance, sufficiency, installation, planting, viability or continued viability of any natural, native or planted trees, shrubs, vegetation, plants, shrubs, ground cover, grass, sod, mulch or other living plant material, and (ii) the suitability, adequacy, sufficiency, amount, quantity or quality of any natural, man-made or processed material, soil, rock, topsoil (if any), planting soil or any planting medium, rockeries (if any) or materials which would directly or indirectly be considered a component or an aspect of the Home's landscaping, and (iii) the suitability, adequacy, sufficiency, amount, quantity or quality of the grading, back-fill and/or soils compaction, the drainage of storm or surface water, swales, or the structural and non-structural fill on the Property, and (iv) the suitability, adequacy, sufficiency, amount, quantity or quality of any sprinkler or irrigation system (if any) and the components thereof installed on the Property; and
- Painted surfaces: The color fastness of paint, periodic paint touch up and damage to paint caused by condensation. The color fastness of paint will vary with exposure to the elements and applications (i.e. paint over paint). If Phillips performs any paint repairs in connection with repairs covered by this Limited Warranty, Phillips does not guarantee perfect color matching. Periodic paint touch up is the responsibility of the homeowner and is not covered by this Limited Warranty. Do not permit sprinkles to spray the outside surface of your home.
- Backfill: Depressions in backfill of trenches outside your home and beside the concrete walls, window wells, walks or driveways caused by contraction, expansion, and moisture in the soil. If this settling occurs, you should fill those depressions with dirt and grass seed if appropriate. Air conditioning units should always be maintained in a level position.
- Failure to Report Within Warranty Period: Defects which are not reported to Phillips within the applicable Warranty Period in the manner set forth in Section V herein.

## **SECTION 8: LIMITATIONS ON CLAIMS**

8.1 Commencement of an Action. The Homeowner shall not be permitted to maintain, prosecute or pursue a claim, lawsuit, arbitration or action against Phillips, any member, agent, principal, employee, materialman or subcontractor of Phillips unless such a proceeding or procedure is commenced on or before eighteen (18) months from the date of the commencement of the Warranty Term. Time is of the essence.

For purpose of this Section VII, this limitation on the commencement of any such proceeding or procedure shall include any action in contract, in tort or in equity and shall include, but shall not be limited to claims, demands or assertions of any nature by the Homeowner which directly or indirectly arise out of, or are based upon: (i) the construction of, or any claimed breach of this Limited Warranty, or (ii) the performance, acts, actions or omissions by Phillips, or any officer, director, agent, principal, employee, materialman or subcontractor in the construction of the Home, or (iii) any claimed breach or default of any express or implied promise, warranty, covenant, duty or obligation, any misrepresentation, or any nondisclosure or misdisclosure of any fact or circumstance

by Phillips, its agents or employees, or (iv) any claimed breach or violation of any building code, electrical code, plumbing code or other code, regulation or standard applicable to the Home.

8.2 Waiver of Claim. All rights to pursue any claim, lawsuit, arbitration, action or legal or equitable proceeding or procedure at any time from or after the eighteen (18) month period specified in Section 8.1 hereof shall be deemed waived, released and extinguished for all purposes and the Homeowner shall be deemed to have waived, released and relinquished any claims, at law or in equity against Phillips, any officer, director, agent, principal, employee, materialman or subcontractor of Phillips.

## **SECTION 9: DISCLAIMERS**

9.1 EXCLUSIVE WARRANTY. THIS LIMITED WARRANTY IS THE EXCLUSIVE WARRANTY GIVEN BY PHILLIPS, AND IS IN LIEU OF, CONTROLS AND REPLACES ANY OTHER EXPRESSED OR IMPLIED WARRANTY OF EVERY NATURE WITH REGARD TO THE HOME AND THE PROPERTY THAT MIGHT OTHERWISE BE CONTAINED IN OR IMPLIED IN THE PURCHASE AGREEMENT FOR THE HOME THAT ARE PROVIDED UNDER THE LAWS OF THE STATE OF UTAH, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF HABITABILITY AND MERCHANTABILITY. EXCEPT AS SPECIFICALLY PROVIDED IN THIS LIMITED WARRANTY, THE HOME, ALL COMPONENTS, ASPECTS AND ASSOCIATED IMPROVEMENTS AND THE PROPERTY SHALL BE SOLD AND DELIVERED, AS-IS, AS-BUILT.

PHILLIPS' EMPLOYEES, SALES PERSONS, SUBCONTRACTORS, VENDORS, REPRESENTATIVE OR OTHER AGENTS ARE NOT AUTHORIZED TO INCREASE, EXTEND, ALTER OR IN ANY WAY MODIFY THE WARRANTY OBLIGATIONS SET FORTH IN THIS LIMITED WARRANTY OR TO MAKE ANY WARRANTY OR REPRESENTATION OTHER THAN AS SET FORTH HEREIN. THERE ARE NO VERBAL WRITTEN OR OTHER WARRANTY AGREEMENTS OR REPRESENTATIONS THAT MODIFY OR AFFECT THIS LIMITED WARRANTY.

9.2 LIMITATION ON LIABILITY, DAMAGES. PHILLIPS EXPRESSLY DISCLAIMS ALL NON-CONTRACTUAL LIABILITIES, INCLUDING PRODUCT LIABILITY, AND LIABILITY BASED UPON NEGLIGENCE OR STRICT LIABILITY AND ALL LIABILITY FOR DIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES OR LOSS ARE DISCLAIMED. PHILLIPS SHALL NOT BE LIABLE OR RESPONSIBLE FOR BODILY OR PERSONAL INJURY OF ANY NATURE, DAMAGE OR LOSS TO PERSONAL PROPERTY OWNED OR LEASED BY THE HOMEOWNER(S) OR ANY THIRD PARTY, THE COST OF SHELTER, THE COST OF MOVING OR STORAGE, INCONVENIENCE, RELOCATION, LOSS OF USE, LOSS OF OPPORTUNITY, LOSS OF MARKET VALUE OR LOSS OF RENT OR OF RENTAL VALUE OF THE HOME.

## **SECTION 10: MISCELLANEOUS PROVISIONS**

10.1 Integration Clause. This warranty is made a part of the Real Estate Purchase Contract and contains the only warranties that Phillips has given in connection with the sale of the home and everything sold along with it. No employee of Phillips, its real estate broker or associates, general contractor, subcontractors or agents is authorized to add or to expand upon the warranties set forth in this Warranty.

10.2 Severability. The enforceability, invalidity, illegality or termination of any provision of this Limited Warranty shall not render any other provision of this Limited Warranty unenforceable, invalid or illegal, and shall not terminate this Limited Warranty or the rights or obligations of the parties.

10.3 Default in Other Agreements Between the Parties. The Homeowner shall not be entitled to any warranty if there is any money owed by the Homeowner to Phillips, including sums for extras or options, unless payment of such money is covered by an executed agreement between the parties hereto and the Homeowner is not in default thereunder.

I/We acknowledge having read and understood, and received a copy of, this Warranty.

Homeowner \_\_\_\_\_ Date \_\_\_\_\_

Homeowner \_\_\_\_\_ Date \_\_\_\_\_

SAMPLE

## EXHIBIT A

### PERFORMANCE STANDARDS AND REPAIR OBLIGATIONS

FORMAT FOR INFORMATION	
<b><i>For easy comprehension the format is as follows:</i></b>	
<i>Deficiency:</i>	A brief statement, in simple terms, of Defects that may be encountered.
<i>Construction Standard:</i>	A performance standard relating to a specific Defect. The warranty covers only non-compliance with this performance standard.
<i>Phillips Correction:</i>	A statement of the corrective action required of Phillips to repair the Defect; or a statement of Homeowner's maintenance responsibility.
SITE WORK	
EXCAVATION AND BACKFILL	
<i>Deficiency:</i>	Settling of ground around foundation, utility trenches or other filled areas.
<i>Construction Standard:</i>	Ground should not settle more than six (6") inches around utility trenches or other filled areas. Settling of backfill around foundation shall not cause significant pooling of water adjacent to foundation.
<i>Phillips Correction:</i>	Upon request by Homeowner, Phillips shall fill excessively settled areas one time only during the first year of warranty. Homeowner shall be responsible for any grass, shrubs or other landscaping affected by placement of such fill, regardless of whether such landscaping was installed by Homeowner or Phillips.
<i>Deficiency:</i>	Settling of ground causes AC compressor to not be level.
<i>Construction Standard:</i>	When installed on the Property, the AC compressor unit shall be installed in a level position. An uneven installation may cause the unit to become un-level. The unit should always remain in a level position to function properly.
<i>Phillips Correction:</i>	Upon request by Homeowner, Phillips shall re-level the AC compressor unit one time only during the first year of warranty if caused by excessive settlement. Homeowner shall be responsible for any subsequent re-leveling of the AC unit. The units are installed in pre-determined locations by Phillips and Phillips will not re-locate the AC compressor unit to accommodate any future landscaping or for other reasons.
SITE DRAINAGE	
<i>Deficiency:</i>	Site does not drain adequately.
<i>Construction Standard:</i>	The necessary grades and swales should be established to provide reasonable drainage away from the House. Site drainage is limited to the immediate grades and swales affecting the structure. No standing or ponding of water should remain in the immediate area (within 5-feet) 48 hours after a rain, except swales, which may drain longer than other areas after a rain or sump pump discharge. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.
<i>Phillips Correction:</i>	Phillips is responsible only for establishing the proper grades and swales. The Homeowner is responsible for maintaining such grades, swales, and catch basins once they have been properly established and stabilized by Phillips. Homeowner

	to rake and maintain beauty bark, drain rock or other appropriate materials in the swale and to periodically clean the catch basin (if / when one is installed) of silt and debris.
<b>CRAWL SPACE</b>	
Deficiency:	Water in crawl space.
Construction Standard:	Crawl spaces should be graded and drained properly to prevent water from accumulating and remaining in the crawl space area. Some accumulation of water in the crawl space area is common immediately after completion of construction of the Home or after prolonged periods of rain.
Phillips Correction:	Phillips is responsible for providing proper grading and drainage away from crawl space areas. It is Homeowner's responsibility to maintain the positive drainage, and keep the crawl space free from silt, debris and varmints.
Deficiency:	Inadequate ventilation of crawl spaces
Construction Standard:	Crawl spaces should be properly ventilated in conformance with the local building codes at the time the Home was built.
Phillips Correction:	Phillips will repair the louvers and vents so that they provide proper ventilation as required by code. Phillips will not be responsible for problems caused by Homeowner changes made to the original ventilation system or condensation caused by reasons other than in adequate code required ventilation.
<b>ROCK / BLOCK RETAINING WALLS</b>	
Deficiency:	Rock or block displacement within the retaining wall causing instability.
Construction Standard:	Retaining wall is installed to provide retention of soil and stability of bank. Retaining walls should be structurally stable.
Phillips Correction:	If the retaining wall was installed by Phillips, Phillips shall be responsible to restore the retaining wall to a stable position, but Homeowner is responsible to maintain the smaller units not necessary for stability.
<b>CONCRETE</b>	
<b>FOUNDATION WALLS</b>	
Deficiency:	Basement or foundation wall cracks.
Construction Standard:	Non-structural cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.
Phillips Correction:	Phillips shall repair any structural crack and any non- structural cracks in excess of 1/8 inch. Surface patching is acceptable for non-structural cracks.
Deficiency:	Spalling of foundation walls.
Construction Standard:	Non-structural spalling is not unusual in concrete foundation walls particularly around exposed foundation hardware such as hold down straps.
Phillips Correction:	Phillips shall repair any spalling that affects the structural integrity of the foundation.
<b>SLABS</b>	
Deficiency:	Uneven concrete floors.
Construction Standard:	Concrete floors in basements or rooms designed for habitability should not have material pits, depressions or areas of unevenness greater than 1/4"

	in 32" that would prevent its reasonable use as a finished floor. The floor slope, unless designed for specific drainage purposes, shall not exceed 1/120 of the room width. Structural slab foundation systems that have experienced some settling but are within the foundation's design performance criteria are excluded from this standard.
Phillips Correction:	Phillips to correct or repair to meet the above standard.
Deficiency:	Standing water on stoops, steps, patios, or drives.
Construction Standard:	Water should drain from outdoor stoops, steps, patios and drives.
Phillips Correction:	Phillips shall take corrective action to assure drainage of stoops, steps, patios and drives. However it is normal for small amounts of water to stand on stoops, steps, patios and drives for a short period after it rains. Phillips will correct any improper drainage. If the driveway is part of the storm drain, water will stand at times.
Deficiency:	Cracking of basement floor.
Construction Standard:	Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or ¼ inch in vertical displacement are considered excessive.
Phillips Correction:	Phillips shall repair cracks exceeding the maximum tolerances <u>one time only</u> during the Warranty Period by surface patching or other methods as deemed appropriate by Phillips. Further cracking is not warranted.
Deficiency:	Cracking of drive, garage slab, or patio.
Construction Standard:	Minor cracks in these areas are common and should be anticipated. Cracks in garage slabs in excess of ¼ inch in width or ¼ inch in vertical displacement are considered excessive. Settling of the same, greater than 1 inch in relation to the structure is excessive.
Phillips Correction:	Phillips shall repair excessive cracks as required to bring separation within acceptable standards.
Deficiency:	Cracking, settling, heaving or separating of structurally attached stoops or steps.
Construction Standard:	Stoops or steps should not settle, heave or separate in excess of 1 inch in relation to the Home structure.
Phillips Correction:	Phillips shall take corrective action as required to bring separation within acceptable standards.
Deficiency:	Pitting, scaling or spalling (flaking, chipping) of concrete surfaces
Construction Standard:	It is normal for some minor chipping of the surface to occur. Concrete surfaces should not disintegrate so that the aggregate is loosened under normal use and weather conditions.
Phillips Correction:	Phillips will repair concrete surfaces with significant deterioration. The repair may include removal of only the damaged sections of concrete and not the entire driveway or concrete area. Phillips does not guarantee an exact match upon concrete replacement. Phillips is not responsible for deterioration caused by salt, chemicals, mechanical implements or other factors beyond Phillips' control.
<b>MASONRY</b>	
<b>UNIT MASONRY</b>	

Deficiency:	Cracks in masonry walls or veneer.
Construction Standard:	Small cracks are common in mortar joints, masonry brick, and cultured stone construction. Cracks greater than 3/8 inch in width are considered excessive.
Phillips Correction:	Repair cracks in excess of 3/8 inch by pointing or patching. These repairs should be made toward the end of the first year of the Warranty Period to permit normal movement of the Home to stabilize.
Deficiency:	Water absorption and / or efflorescence (a white, powdery substance) evident in, on or about masonry units.
Construction Standard:	Water absorption varies and cannot be controlled by Phillips. Because of this, discoloration caused by the lime content in the masonry may occur.
Phillips Correction:	None. Removal of efflorescence is a Homeowner maintenance obligation.
<b>WOOD AND PLASTICS</b>	
<b>ROUGH CARPENTRY</b>	
Deficiency:	Floor noise
Construction Standard:	A "noise proof floor" cannot be guaranteed. Floor noises are often temporary conditions common to new home construction. Framing related floor noises typically cannot be entirely eliminated due to the deflective nature of wood
Phillips Correction:	Phillips will correct only if condition exists due to underlying defects in construction. After one (1) time attempt and reasonable corrective measures are taken, remaining minor squeaks or pops may not be eliminated.
Deficiency:	Uneven wood floors.
Construction Standard:	Floors should not be more than 1/4 inch out of level within any 32 inch horizontal measurement. Floor slope within any room shall not exceed 1/120 of the room width. Allowable floor and ceiling joist deflections are governed by the approved building code.
Phillips Correction:	Phillips to correct or repair to meet the above standard.
Deficiency:	Bowed or out of plumb walls or wavy ceilings.
Construction Standard:	All interior and exterior walls and ceilings have slight variances on their finished surfaces. Walls should not bow, be out of plumb nor ceiling be wavy more than 3/8 inch in 32 inches in any vertical or horizontal measurement.
Phillips Correction:	Repair to meet above standard.
<b>FINISH CARPENTRY - INTERIOR</b>	
Deficiency:	Quality of interior trim workmanship.
Construction Standard:	Joints in moldings or joints between moldings and adjacent surfaces should not result in joints exceeding 1/8 inch in width.
Phillips Correction:	Repair defective joints, as defined above, unless separation caused by Homeowner's lack of control of indoor relative humidity. Caulking is acceptable repair.
Deficiency:	Medium Density Overlay (MDO) wood products.
Construction Standard:	MDO wood products such as doors and trims are very resilient under normal care. However, if MDO products get wet or are abused, they will deteriorate.
Phillips Correction:	There is NO corrective action to be taken by Phillips. Homeowner should use care



	and caution ESPECIALLY in areas more moisture prone such as bathrooms.
<b>KITCHEN CABINETS &amp; COUNTERTOPS</b>	
Deficiency:	Cabinet door / drawer is warped.
Construction Standard:	Cabinet door or drawer warpage shall not exceed ¼ inch as measured from the face frame to the point of furthestmost warpage, with the door or drawer
Phillips Correction:	Phillips will correct or replace door(s) or drawer front(s) as necessary to meet the construction standard.
Deficiency:	Cabinet stain colors do not match
Construction Standard:	Wood is a natural product and can vary causing variations in the final color once stained. Color matching stain is not guaranteed.
Phillips Correction:	Phillips shall use reasonable efforts to match cabinet stain colors using the same or similar wood and stain. However, color matching is not warranted or guaranteed.
Deficiency:	Cabinet door or drawer binds or fails to open with reasonable ease.
Construction Standard:	Cabinet doors and drawers shall open and close with reasonable ease.
Phillips Correction:	Phillips will adjust or replace doors and drawers as necessary to meet the construction standard.
Deficiency:	Warping and operation of kitchen cabinet doors and drawers.
Construction Standard:	Cabinet doors and drawers should not warp in excess of ¼ inch in any direction, provided the proper levels of humidity have been maintained. Both cabinet doors and drawers should be properly adjusted and operating in a reasonably smooth manner.
Phillips Correction:	Adjust, repair or replace defective cabinet doors and drawers to correct condition.
Deficiency:	Cabinet door will not stay closed.
Construction Standard:	The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.
Phillips Correction:	Phillips will adjust or replace the door catches or closing mechanisms as necessary to meet the construction standard.
Deficiency:	Scratches on solid surface countertops.
Construction Standard:	Solid surface countertops shall be free of scratches at time of acceptance of the Home.
Phillips Correction:	Phillips shall repair to meet the construction standard prior if noted on the walk-through inspection. Scratches not on the Punchlist from the walk-through inspection are not warranted.
Deficiency:	Countertop is not level.
Construction Standard:	Countertop shall be no more than 3/8 inch in 10 feet out of parallel with the floor.
Phillips Correction:	Phillips will make necessary adjustments to meet the construction standard.
Deficiency:	Split panels of a cabinet door.

Construction Standard:	Light should not be visible through a split in the panel.
Phillips Correction:	Phillips will repair or replace the panel.
Deficiency:	Countertop separation from wall.
Construction Standard:	Countertops should not separate from the wall.
Phillips Correction:	Phillips will repair the crack. Caulking is acceptable. Phillips will repair only once after Closing or first occupancy, whichever occurs first.
<b>FINISH CARPENTRY - EXTERIOR</b>	
Deficiency:	Quality of exterior trim workmanship.
Construction Standard:	Joints between exterior trim elements, including siding, masonry and siding butt joints, should not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
Phillips Correction:	Phillips to repair open joints in excess of above standard. Caulking is acceptable. Phillips will repair only once after closing or first occupancy, whichever occurs first.
<b>WOOD TREATMENT</b>	
Deficiency:	Deterioration of decking.
Construction Standard:	Due to the extremes which decks endure, checking, warping, and fading are not warranty items.
Phillips Correction:	No corrective action will be taken unless the basic structural integrity has been breached. If Homeowner fails to refinish the deck annually, structural damage can occur.
Deficiency:	Deterioration of fencing.
Construction Standard:	Due to the extremes which fences endure, fences are not warranted.
Phillips Correction:	No corrective action by the Phillips will be taken.
Deficiency:	Cracking, checking or bleeding of siding products and trims including barge boards, fascia and garage door wraps.
Construction Standard:	Due to the nature of siding products and trims, minor cracking, checking, bowing, warping and bleeding are not defects.
Phillips Correction:	Cracks, checks, bows and warps in excess of 1/8 inch in width and/or greater than 32 inches in length shall be repaired. Bleeding is acceptable.
<b>THERMAL AND MOISTURE PROTECTION</b>	
<b>WATERPROOFING</b>	
Deficiency:	Leaks in basement concrete walls.
Construction Standard:	Leaks resulting in actual trickling of water are not acceptable. However, leaks caused by improper landscaping installed by Homeowner, or failure of Homeowner to maintain proper grades that were originally established by the Phillips are not covered by the Warranty. Dampness of the walls may occur in new construction and is not considered a deficiency.

Phillips Correction:	Phillips shall take such action as necessary to correct basement leaks except where the cause is determined to result from Homeowner as described above.
<b>INSULATION</b>	
Deficiency:	Insufficient insulation.
Construction Standard:	Insulation should be installed in accordance with applicable energy and building code requirements in effect at the time the Home was constructed.
Phillips Correction:	Install insulation in sufficient amounts to meet above standards.
<b>SHINGLES AND ROOF TILES</b>	
Deficiency:	Leaks due to snow or rain being driven into the attic through vents or louvers.
Construction Standard:	Attic vents and/or louvers must be provided in order to properly ventilate your Home. Infiltration of rain or snow depends on the force and direction of wind.
Phillips Correction:	Phillips is not responsible for force and direction of driving rain or snow. Therefore, we cannot warrant against this condition.
<b>ROOFING</b>	
Deficiency:	Ice build-up on roof (Ice dams).
Construction Standard:	During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate, and gutters and downspouts freeze up.
Phillips Correction:	Ice dams are a Homeowner maintenance item, and are not warrantable, unless the ice dams are caused by improperly installed roof components by Phillips. The Homeowner is cautioned to remove ice dams because when the ice dams melt, water can penetrate under the shingles and leak onto the ceiling of the Home and beyond, causing drywall and other damage. <b>We recommend you hire a professional to remove the ice dams because of the slippery and potentially dangerous conditions they present.</b>
Deficiency:	Roof or flashing leaks.
Construction Standard:	Roofs and flashing should not leak under normally anticipated conditions, except where cause is determined to result from severe weather conditions, such as ice build-up.
Phillips Correction:	Phillips shall correct or repair any roof leaks determined to be due to improper materials or workmanship. Leaks determined to be caused by Homeowner's failure to maintain or severe weather conditions as described above are not covered under this Warranty.
<b>SIDING AND STUCCO</b>	
Deficiency:	Cracks in stucco.
Construction Standard:	This Warranty does not cover hairline cracks in the stucco or other minor cracks caused by the expansion or contraction of the stucco surface due to changes in the climate and normal settling of your Home. Such cracks are unavoidable and do not constitute defects in the stucco. Discoloration of stucco caused by weathering and stains on the stucco caused by the soil from the grade line up to four feet are to be expected.
Phillips Correction:	For the warranty Period, Phillips will repair moderate and major cracks (cracks in

	excess of ¼ inch) in the stucco caused by defects in material or workmanship.
Deficiency:	Manufactured horizontal lapped siding has manufacture or installation irregularities.
Construction Standard:	Siding shall be installed in accordance with manufacturer's requirements. While certain manufacturers may have recommendations, only the manufacturer requirements apply. Due to exterior exposure, siding will expand and contract, which will cause some irregularities.
Phillips Correction:	Phillips shall correct irregularities only if they were caused by Phillips not following the manufacturer's requirements. Siding requires routine maintenance by the Homeowner.
<b>FLASHING AND SHEET METAL</b>	
Deficiency:	Flashing, valleys, gutters and/or downspouts leak.
Construction Standard:	Flashing, valleys, gutters and downspouts should not leak but gutters may overflow during heavy rain. It shall be the Homeowner's responsibility to keep valleys, gutters and downspouts free of leaves and debris which could cause excessive overflow and impede the flow of water.
Phillips Correction:	Repair leaks not caused by Homeowner's lack of maintenance.
Deficiency:	Standing water in gutters.
Construction Standard:	When gutter is unobstructed by debris, the water level may not exceed 1 inch in depth. Industry practice is to install gutters approximately level without pitch. Consequently, it is entirely possible that small amounts of water will stand in certain sections of the gutter immediately after a rain.
Phillips Correction:	Repair to industry standard.
<b>SEALANT</b>	
Deficiency:	Shrinking and cracking caulking.
Construction Standard:	Joints and cracks in exterior wall surfaces and around openings should be properly caulked to exclude the entry of water. Properly installed caulking will shrink and must be maintained by the Homeowner during the life of the Home.
Phillips Correction:	Phillips shall repair and/or caulk joints only if the caulking was inadequate or missing. Routine caulking maintenance to be provided by the Homeowner.
<b>THERMAL AND MOISTURE PROTECTION</b>	
<b>DOORS, WOOD AND MAN MADE</b>	
Deficiency:	Warping of exterior doors.
Construction Standard:	Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they should not warp to the extent that they become inoperable or cease to be weather resistant or warp more than ¼ " measured diagonally from corner to corner.
Phillips Correction:	Correct or replace and refinish defective door to match existing doors as nearly as practical. There may be, and Phillips is not responsible for, color variation in paint or variation in texture.
Deficiency:	Warping of interior passage and closet doors.
Construction Standard:	Interior doors (full opening) should not warp more than ¼ " measured diagonally

Standard:	from corner to corner, provided the proper levels of humidity have been maintained in the home.
Phillips Correction:	Correct or replace and refinish defective doors to match existing doors as nearly as practical. Phillips is not responsible for color variation in paint or variation in texture.
<b>GARAGE DOORS ON ATTACHED GARAGE</b>	
Deficiency:	Garage door fails to operate properly.
Construction Standard:	Garage door should operate properly. Homeowner to lubricate and maintain. (Garage doors with electric opener are sometimes opened and closed with excessive force, requiring adjustments, this is not a warranty item.)
Phillips Correction:	Phillips shall correct or adjust garage doors as required, except where the cause is determined to result from the owner installing an electric garage door opener or excessive force has been used to manually close the door.
Deficiency:	Garage door allows entrance of snow or water.
Construction Standard:	Garage door should seal properly under normal conditions. Some moisture may enter due to strong winds or other abnormal conditions.
Phillips Correction:	Phillips shall adjust or correct garage doors to meet normal conditions. Phillips does not install weather-stripping on garage doors.
<b>WINDOWS</b>	
Deficiency:	Malfunction of window operation.
Construction Standard:	Windows should operate with reasonable ease as designed.
Phillips Correction:	Phillips to correct or repair as required.
Deficiency:	Window out of square.
Construction Standard:	Windows should not be out of square in excess of ¼" inch per 48" Inches.
Phillips Correction:	Phillips to correct if window exceeds the standard or the window becomes inoperable.
Deficiency:	Condensation and/or frost on windows.
Construction Standard:	Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions.
Phillips Correction:	Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Phillips' control. No corrective action required, unless condensation occurs between dual pane glass, in which case Phillips shall replace.
Deficiency:	Broken / cracked or scratched glass.
Construction Standard:	Glass shall be deficiency free as of the date of closing.
Phillips Correction:	None, unless defect is noted on the Punchlist. Broken and / or scratched glass is not warranted if noted after the Walk-through Inspection.
Deficiency:	Failed Insulated Glass Unit (IGU)

Construction Standard:	IGU shall not fail within the first year.
Phillips Correction:	Phillips to replace if IGU fails within the first year of Warranty. All window manufacturers have varying warranties for IGU failures.
<b>WEATHER-STRIPPING AND SEALS</b>	
Deficiency:	Air infiltration around doors and windows.
Construction Standard:	Some infiltration is normally noticeable around doors and windows, especially during high winds. Storm doors may need to be installed to provide a satisfactory solution in high wind areas.
Phillips Correction:	Phillips shall adjust or correct open cracks, poorly fitted doors or windows, or poorly fitted weather stripping.
<b>FINISHES</b>	
<b>GYPSAUM WALLBOARD (DRYWALL)</b>	
Deficiency:	Defects caused by poor workmanship such as blisters in tape, nail heads, excess compound in joints, cracked corner beads, or trowel marks.
Construction Standard:	Slight "imperfections" such as nail pops, seam lines and cracks are common in gypsum wallboard installation. However, obvious defects of poor workmanship resulting in blisters in tape or excess compound in joints, trowel marks and cracked corner beads are not acceptable.
Phillips Correction:	Phillips to correct such defects one time only to acceptable tolerance and re-paint repaired areas. Phillips is not responsible for color variations in the paint, or texture variation. Phillips recommends waiting until the end of the Warranty Period to allow for settlement.
Deficiency:	Hairline cracks
Construction Standard:	Hairline cracks are not unusual on interior walls, ceiling surfaces and inside corners.
Phillips Correction:	Phillips shall repair cracks exceeding 1/8 inch in width one time only during the warranty period and re-paint the repaired area. Phillips is not responsible for color variations in the paint or texture variation. Cracks less than 1/8 inch, Homeowner to maintain.
<b>CERAMIC TILE, GRANITE, SLATE AND MARBLE</b>	
Deficiency:	Tile cracks and/or becomes loose.
Construction Standard:	Tile should not break or become loose under normal household use.
Phillips Correction:	Phillips shall replace cracked tiles and re-secure loose tiles if caused by poor workmanship. Phillips is not responsible for discontinued patterns or color variations.
Deficiency:	Cracks appear in tile joint grouting or at junctions with other material, such as a bathtub.
Construction Standard:	Cracks in grouting in tile joints are common under normal shrinkage conditions. Re-grouting of these cracks is a maintenance responsibility of the Homeowner within the life of the home.

Phillips Correction:	None. This item is to be maintained by Homeowner.
Deficiency:	Caulking discolours or loses adhesion.
Construction Standard:	Re-caulking is a maintenance responsibility of the Homeowner.
Phillips Correction:	None. This item is to be maintained by Homeowner.
<b>RESILIENT FLOORING</b>	
Deficiency:	Nail pops appear on the surface of resilient flooring.
Construction Standard:	Readily apparent nail pops which have broken the surface should be repaired.
Phillips Correction:	Phillips shall correct the resilient floor covering in the affected area with a repair or an inset of similar material. Phillips is not responsible for discontinued patterns or color variation in the floor covering.
Deficiency:	Depressions or ridges appear in the resilient flooring due to subfloor irregularities.
Construction Standard:	Readily apparent depressions or ridges exceeding 1/8 inch should be repaired. The ridge or depression measurement is taken at the gap created at one end of the six-inch straight edge placed over the depressions or ridge with three inches on one side of the defect held tightly to the floor.
Phillips Correction:	The Phillips shall take corrective action as necessary to bring the defect within the construction standards. Phillips is not responsible for discontinued patterns or color variations in floor covering if replacement or patching is necessary.
Deficiency:	Resilient flooring loses adhesion.
Construction Standard:	Resilient flooring should not lift, bubble or become unglued under normal use.
Phillips Correction:	Phillips shall repair or replace resilient flooring as required. Phillips shall not be responsible for discontinued patterns or color variation of floor covering if replacing or patching is necessary, or for problems caused by Homeowner neglect or abuse.
Deficiency:	Seams or shrinkage gaps show resilient flooring joints.
Construction Standard:	Gaps should not exceed 1/16 inch in width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.
Phillips Correction:	Phillips shall take action as necessary to correct the problem.
<b>CARPETING</b>	
Deficiency:	Carpeting becomes loose, seam separates, buckles or excessive stretching occurs.
Construction Standard:	Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly should not come up, become loose, separate or stretch excessively at its points of attachment.
Phillips Correction:	Phillips is to re-stretch or re-secure carpeting as needed.
Deficiency:	Shading as a result of carpet grain.
Construction Standard:	Carpet may appear slightly shaded as a result of grain sections installed perpendicular to each other. This is acceptable provided the seam occurs at doorways and not in a room.

Phillips Correction:	None.
Deficiency:	Soil Filtration.
Construction Standard:	Soil filtration lines are caused by air moving through the carpet, particularly under doors. The carpet fiber acts as an air filter, trapping microscopic particles until they build up enough to be visible.
Phillips Correction:	Appearance of soil filtration lines are not a sign of poor construction, defective carpet or improper carpet installation. Phillips will take no action.
Deficiency:	Visible carpet seams.
Construction Standard:	There should be no visible gaps along the seams of the carpeting
Phillips Correction:	Phillips will repair any openings or gaps in the seams. Visible seams are not considered a defect.
Deficiency:	Hard spots in carpet pad.
Construction Standard:	Re-bond pad is a recycled product. It is normal for the pad to exhibit some hard spots
Phillips Correction:	None.
<b>TACK STRIP</b>	
Deficiency:	Sharp points of the tack strip going through the carpeting.
Construction Standard:	Tack strips are used where the carpeting terminates at walls, stair risers, and transitions to other flooring. It is common to have the sharp points of the tack strip to come through the carpet.
Phillips Correction:	Tack strips cannot be eliminated. All precautions are taken so the tack strip is not felt through the carpeting but there is no way to completely eliminate the possibility. Hammering down the tack strip may cause the carpet to become loose over time.
<b>HARDWOOD FLOORING</b>	
Deficiency:	Joint separation or swelling.
Construction Standard:	Joints may separate or swell as the floor acclimates absorbing humidity or drying out. Seasonal conditions also may cause fluctuating separations. Prolonged separations greater than 1/4 inch or swelling raising the edge higher than 1/8 inch above than the center of each board is not acceptable.
Phillips Correction:	Phillips to repair as necessary to achieve above standards. Phillips to repair affected area only. Finish to be blended to match as closely as practical with existing, but the Phillips is not responsible for color variation which may occur. <b>HOMEOWNER SHOULD CAREFULLY READ ALL PRECAUTIONS FOR ALL WOOD FLOORS.</b>
Deficiency:	Color variation.
Construction Standard:	Wood is a natural material and subject to variances in grain, color, absorption of stain, etc. These features cannot be controlled by Phillips.
Phillips Correction:	None.
<b>PAINTING</b>	
Deficiency:	Interior paint application and coverage.



Construction Standard:	Interior paint should be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified. Latex flat paint is used throughout all Homes unless otherwise specified. Flat latex paint is not washable. All paint, especially flat paint, ages and does not touch up perfectly. After a home has been painted and touch up is applied, there is a millage difference which tends to make colors appear different. Cooking, deodorants and household sprays also change color of paint when touched up. This is especially true for flat paint. Eg-shel is used in all wet rooms. Wet rooms consist of bathrooms, kitchens and laundry rooms only. Eg-shel paint is cleanable. Like flat latex, eg-shel paint does not touch up perfectly. It too can have a millage color difference for touch ups.
Phillips Correction:	Phillips shall re-touch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces. Phillips is not responsible for perfect touch up match.
Deficiency:	Mildew or fungus on painted surfaces.
Construction Standard:	Mildew or fungus will form on a painted surface if the structure is subject to particularly moist exposures, (i.e., rainfall, lake or river front, wet- lands, and tree shading).
Phillips Correction:	Mildew or fungus formation is a condition the builder cannot control and is a Homeowner maintenance item.
Deficiency:	Exterior paint or stain peeling.
Construction Standard:	Exterior paints or stains should not peel during the first year of ownership.
Phillips Correction:	Phillips shall prepare and refinish affected areas, matching color as closely as practical. Where finish deterioration affects the majority of the wall or area, the whole area shall be refinished.
Deficiency:	Painting required as corollary repair because of other work.
Construction Standard:	Necessary repairs required under this warranty should be refinished to match surrounding area as closely as practical; however we do not guarantee an exact match due to fading, absorption of materials, etc.
Phillips Correction:	Refinish repaired areas as indicated.
Deficiency:	Siding bleed-through.
Construction Standard:	Due to the acid content and the pattern of cedar boards, some areas of cedar siding are smoother and some are more rough sawn. Paint is applied equally to all areas of siding. Wood fuzzing, knotted areas, tight grain and large gapped grain are painted evenly. Different wood surfaces may cause the illusion that paint is thinner in some areas. The "bleed-through" is more noticeable with colors such as whites, creams, blues, grays and greens. Tans and browns are not as noticeable. "Bleed-through" is normal and should not be confused as a problem. Phillips is not responsible for cedar "bleed-through". Unlike interior wood work, exterior siding and trim does not require setting and puttying of nails.
Phillips Correction:	None.
Deficiency:	Zebra striping.
Construction Standard:	Over a period of time, siding products will shrink. There is no way to control this shrinkage. This may result in an unpainted thin line under each lap. This line is

	cosmetic but should not exceed 3/16 inch.
Phillips Correction:	Paint or stain lines in excess of 3/16 inch.
Deficiency:	Deterioration of varnish or lacquer finishes.
Construction Standard:	Natural finishes on interior woodwork should not deteriorate during the first year of ownership. However, varnish-type finishes used on the exterior will deteriorate rapidly and are not covered by the warranty.
Phillips Correction:	No corrective action for exterior, varnish type finishes. Chipping and flaking of interior lacquer will be repaired by Phillips unless area is exposed to excessive and prolonged moisture.
Deficiency:	Stain color variation among stained woodwork.
Construction Standard:	<p>Interior wood products are stained the same color. Some woods are different in grain and accept stains differently, resulting in different colors. Pitch and water levels contained in wood alter the acceptance of stain, therefore these areas are lighter. Wood dyes may also appear after the wood has been stained, sealed and finished. This causes a spotted effect that cannot be controlled.</p> <p>Any time stains are reapplied to a finished surface a pigment build-up will occur and make the wood darker or create uncontrolled color change. New woods may have a lighter color due to aging. Woodwork that is prefinished may take stain differently due to the difference in graining, hardness and softness of the wood.</p> <p>Putty is used to fill in holes or indents in wood. The color is matched from the same stain that is used on the wood. Putty is a solid colored substance, therefore when holes are filled and the woods have accepted the stains it may appear that lighter and darker putties have been used.</p>
Phillips Correction:	None.
<b>LAMINATE COUNTERTOPS</b>	
Deficiency:	Delaminations and shading in high pressure laminate.
Construction Standard:	Countertops fabricated with high pressure laminate coverings should not delaminate. The deck area joints may have a maximum gap of 1/16". All other areas of the joint may have a maximum of 1/16" differential in surface alignment. There may be slight shading between pieces of laminate. Phillips does not warrant against said shading. Also Phillips does not warrant against cosmetic blemishes such as scratches, stains or chips unless noted on the Punchlist at the walk-through inspection.
Phillips Correction:	Repair or replace to meet the above criteria. Chips and cracks are only warrantable if noted on the Punchlist at the walk-through inspection.
<b>FIREPLACES</b>	
<b>GAS FIREPLACES</b>	
Deficiency:	Fireplace is drafty.
Construction Standard:	Gas direct vent fireplaces have a damper-less venting system which by design allows air to flow in and out of the fireplace at all times. This can be more noticeable during inclement weather conditions.

Phillips Correction:	None, unless the drafts are caused by an underlying construction defect.
Deficiency:	Firebox and fire box glass changes color due to heat.
Construction Standard:	Heat from fireplace can naturally change the color of the fire box and discolor the glass.
Phillips Correction:	No action taken.
Deficiency:	Cracks in firebrick
Construction Standard:	Fire can naturally cause firebricks to crack.
Phillips Correction:	No action taken.
Deficiency:	Water infiltration into firebox.
Construction Standard:	A certain amount of water infiltration can be expected under certain weather conditions.
Phillips Correction:	This item is beyond the Phillips' control and not covered under this Warranty.
<b>MECHANICAL</b>	
<b>WATER SUPPLY SYSTEM</b>	
Deficiency:	Plumbing pipes freeze and burst.
Construction Standard:	Drain, waste, vent or water pipes should be adequately protected by Homeowner during normally anticipated cold weather to prevent freezing. Plumbing pipes are not insulated to protect from freezing. Precautionary action should be taken by the Homeowner to prevent freezing.
Phillips Correction:	None
Deficiency:	Water supply system fails to deliver water.
Construction Standard:	Service connections to municipal water main and private water supply are Phillips' responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.
Phillips Correction:	Phillips to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond Phillips' control disrupt or eliminate the sources of the supply, then it is not Phillips' responsibility.
Deficiency:	Fire sprinkler pipe or head leak.
Construction Standard:	There should be no leaks caused by defective materials or workmanship.
Phillips Correction:	Phillips shall repair to meet the standard.
<b>PLUMBING</b>	
Deficiency:	Faucet or valve leak.
Construction Standard:	Valves and faucets should not leak due to defects in material or workmanship. However, leakage caused by worn washers or seats is a Homeowner maintenance item.
Phillips Correction:	Phillips shall repair or replace any faucet to correct leaks due to defect in material or workmanship.
Deficiency:	Defective plumbing fixtures, appliances or trim fittings.
Construction Standard:	Fixtures, appliances or fittings should comply with their manufacturer's

Standard:	standards.
Phillips Correction:	Phillips shall replace any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
Deficiency:	Noisy water pipes.
Construction Standard:	There will be noise emitting from the water pipe system due to the flow of water.
Phillips Correction:	Phillips cannot remove all noises due to water flow and pipe expansion. Phillips shall correct any noise problems that are due to faulty workmanship or installation. Please note noisy water pipes caused by irrigation systems not installed by Phillips are not part of the Phillips's warranty.
Deficiency:	Leakage from any piping.
Construction Standard:	No leaks of any kind should exist in any soil, waste vent or water pipe. Condensation on piping does not constitute leakage and is not covered.
Phillips Correction:	Phillips shall make necessary repairs to eliminate leakage.
Deficiency:	Stopped up sewers, fixtures and drains.
Construction Standard:	Sewers, fixtures and drains should operate properly.
Phillips Correction:	Where defective construction is the cause, Phillips shall assume the cost of the repair. Phillips is not responsible for sewers, fixtures and drains which are clogged through the Homeowner's failure to operate and maintain the system properly or from causes outside the control of Phillips.
Deficiency:	Cracking or chipping of porcelain or fiberglass surfaces.
Construction Standard:	Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when the surface is hit with sharp or heavy objects.
Phillips Correction:	None, unless noted on Punchlist.
Deficiency:	Annual testing and certification of back-flow assemblies.
Construction Standard:	Where required (fire sprinkler systems, landscape irrigation systems, etc), back-flow assemblies are used. Regular maintenance, inspections and certification (if any) is a Homeowner maintenance obligation.
Phillips Correction:	Not covered under Warranty.
<b>HEATING</b>	
Deficiency:	Inadequate heating.
Construction Standard:	Heating system should be capable of producing an inside temperature of 70 degrees F., as measured in the center of each room at a height of 5 feet above the floor, under local outdoor winter design conditions as specified in ASHRAE handbook.
Phillips Correction:	The Homeowner shall be responsible for balancing dampers, registers and other minor adjustments. Phillips shall correct the heating system as required to provide the required temperatures if balancing as required by the Homeowner is not successful.
Deficiency:	Furnace filter needs replacing.
Construction Standard:	Furnace filters need periodic replacement.

Standard:	
Phillips Correction:	The Homeowner shall be responsible for all filter replacements.
<b>CENTRAL AIR CONDITIONING SYSTEM</b>	
Deficiency:	Cooling of rooms is inadequate
Construction Standard:	If air-conditioning is installed by Phillips, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measure in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the ASHRAE Handbook: Fundamentals. In the case of outside temperatures exceeding 85 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature. National, state, or local codes shall supersede this guideline where such codes have been locally adopted.
Phillips Correction:	Phillips will correct the cooling system to provide the required temperature in accordance with the performance guideline or applicable code specifications.
<b>AIR DISTRIBUTION</b>	
Deficiency:	Noisy ductwork.
Construction Standard:	When metal is heated, it expands and when cooled, it contracts. The result is "ticking" or "crackling" which is generally to be expected.
Phillips Correction:	The stiffening of the ductwork and the gauge of the metal used shall be such that the ducts do not "oilcan". The booming noise caused by "oil-canning" is not acceptable and Phillips shall take necessary steps to eliminate this sound.
Deficiency:	Ductwork separates or becomes unattached.
Construction Standard:	Ductwork should remain intact and securely fastened.
Phillips Correction:	Re-attach and re-secure all separated or unattached ductwork due to poor workmanship.
<b>ELECTRICAL</b>	
<b>ELECTRICAL CONDUCTORS</b>	
Deficiency:	Failure of wiring to carry its designed circuit load to the electrical box.
Construction Standard:	Wiring should be capable of carrying the designed load for normal residential use to electrical box.
Phillips Correction:	Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.
<b>SWITCHES AND RECEPTACLES</b>	
Deficiency:	Circuit breakers trip.
Construction Standard:	Circuit breakers should not trip under normal usage.
Phillips Correction:	Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.
<b>SERVICE AND DISTRIBUTION</b>	
Deficiency:	Ground fault circuit interrupter (GFCI) trips frequently.
Construction Standard:	Ground fault circuit interrupters are sensitive devices installed into the

Standard:	electrical system to provide protection against electrical shock in wet areas. These sensitive devices can be tripped very easily.
Phillips Correction:	Phillips is to install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to faulty installation.
Deficiency:	Arc fault circuit interrupter (AFCI) trips frequently.
Construction Standard:	Arc fault interrupters are sensitive devices installed into the electrical system to provide protection against heated electrical overloads in all bedrooms. These sensitive devices can be tripped very easily.
Phillips Correction:	Phillips is to install arc fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not warranted, unless due to faulty installation.
<b>LANDSCAPING</b>	
<b>PLANTINGS</b>	
Deficiency:	Dead plants, shrubs, trees, or lawn
Construction Standard:	Phillips is responsible for providing healthy plants, shrubs, trees, and lawn installed with proper drainage.
Phillips Correction:	Replace plants, shrubs, and trees which die in the first sixty (60) days due to being diseased upon installation. Replacement does not include dead branches, limbs, or foliage if the majority of the plant, shrub or tree is healthy. Grass is very hearty. Homeowner to maintain proper lawn care, particularly new sod and ESPECIALLY newly planted hydro-seeding (watering, weed control, fertilizing). Phillips correction limited to no more than over-seeding. Phillips is not responsible for dead material due to infestations, blight, freezing, or other acts of nature. Phillips is not responsible for failure of the Homeowner to water, trim, or take proper care of plants or lawn. Further, Phillips is not responsible for any landscaping installed by separate agreement between subcontractor and Homeowner, even if landscaping is done by an Allowance and part of the contract price.
<b>IRRIGATION</b>	
Deficiency:	Frozen landscape irrigation pipes.
Construction Standard:	The responsibility to flush the sprinkler system for winter is considered a Homeowner's maintenance item.
Phillips Correction:	None
Deficiency:	Poor coverage from landscape irrigation.
Construction Standard:	The responsibility to re-orient landscape irrigation sprinkler heads for proper coverage is considered a Homeowner's maintenance item.
Phillips Correction:	None