

Gemstone Homes

**WARRANTY & HOMEOWNERS
HANDBOOK**

GEMSTONE HOMES INC.

2614 West 510 North
Hurricane, Utah 84737
(435) 635-8622 (Warranty work)
(435) 635-8633 (Sales)

Welcome – To Our New Homeowners

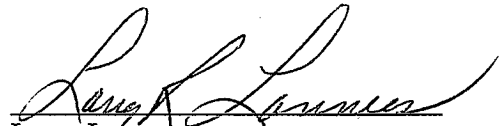
Dear Homeowner:

May we extend to you our congratulations on the purchase of your new home by **Gemstone Homes** and welcome to the new and beautiful community of Sky Ridge. Our reputation for quality and value is of prime importance to us. Therefore, we will do all we can to make the purchase of your new home an enjoyable experience.

Please read all of the information contained in this handbook. It will help you better understand your home and how to care for it. You will also find a list of subcontractors and service companies that can be contacted should any of your equipment require attention or service.

Best Wishes,


Frank G. Lindhardt
Project Manager


Larry Lanners
Construction Manager

UTILITY CONNECTIONS

UTILITIES	Hurricane City Offices 147 North 870 West Hurricane, Utah 84737 Electrical Water Sewer Garbage	635-2811
GAS	Questar Gas	673-7514
TELEPHONE	Qwest Telephone Co.	800-244-1111
CABLE TV	Charter Cable Co.	628-3681

NOTE: The utilities that are currently servicing your home are in our name. At close of Escrow, please VISIT the City of Hurricane or City of St. George and bring a copy of your closing statements, and then call the Gas Company to transfer the utilities to your name. Visit the Post Office for the keys to your cluster box.

SCHOOLS

The following schools will be attended by the children living at Sky Ridge:

WASHINGTON COUNTY SCHOOL DISTRICT	189 W. Tabernacle St. George, UT 84770	673-3553
ELEMENTARY SCHOOL	Hurricane Elementary 63 South 100 West Hurricane, UT 84737	635-4619
	*Three Falls Elementary School 789 South 700 West Hurricane, Utah 84737	635-7229
MIDDLE SCHOOL	Hurricane Middle School 395 North 200 West Hurricane, UT 84737	635-4634
HIGH SCHOOL	Hurricane High School 345 West 100 South Hurricane, UT 84737	635-4608

UTILITY CONNECTIONS

UTILITIES	Hurricane City Offices 147 North 870 West Hurricane, Utah 84737 Electrical Water Sewer Garbage	635-2811
GAS	Questar Gas	673-7514
TELEPHONE	Qwest Telephone Co.	800-244-1111
CABLE TV	Charter Cable Co.	628-3681

NOTE: The utilities that are currently servicing your home are in our name. At close of Escrow, please VISIT the City of Hurricane and bring a copy of your closing statements, and then call the Gas Company to transfer the utilities to your name. Visit the Post Office for the keys to your cluster box.

EMERGENCY & OTHER NUMBERS

EMERGENCY 911

HOSPITAL	Dixie Regional Medical Center 1380 East Medical Center Dr. St. George, UT 84790	688-4000
POLICE	Hurricane Police Department St. George Police Department	635-4541 634-5000
FIRE	Hurricane Fire Department St. George Fire Department	635-2241 634-5844
CITY HALL	Hurricane City Offices 147 North 870 West Hurricane, UT 84737	635-2811
	St. George City Hall 175 East 200 North St. George, UT 84770	634-5800
POST OFFICE	Hurricane Post Office 1075 West 100 North Hurricane, UT 84737	635-4781
	St. George Post Office 14 East 200 North St. George, UT 84770	800-275-8777

MOVING CHECKLIST

Before you move.....

- _____ Notify Post Office
- _____ Send "Change of Address" cards to magazine and newspaper publishers
- _____ Notify home deliveries (bottled water, newspapers, etc.)
- _____ Turn Off Utilities:
Gas _____ Electrical _____ Water _____ Telephone _____
- _____ Department of Motor Vehicles
- _____ Transcript of school records
- _____ Transfer bank accounts and arrange credit references

About a week prior to move-in, arrange for gas, electricity, water, and telephone to be turned on at your new home.

For your convenience, we have supplied phone numbers for the utilities on a previous page.

YOUR HOME WARRANTY

ONE-YEAR LIMITED WARRANTY

GEMSTONE HOMES LIMITED WARRANTY

Gemstone Homes provide a limited one year warranty subject to the conditions and terms provided below. If the Subcontractor who is providing the warranty is not mentioned in each section below, Gemstone Homes will provide a one year limited warranty subject to the conditions and terms mentioned below. If a separate company is mentioned like under plumbing and Air conditioning, that company will be providing the warranty not Gemstone Homes, however you may turn any repair regardless of it being warranty or not into our office, and we will facilitate the repairs for you for a fee if it's not covered by warranty.

WALK-THROUGH INSPECTION

You have made a thorough inspection of your home with one of our representatives before taking possession. Any items such as broken glass, scratched or marred surfaces, or any mark on an appearance item were noted at the time of the walk-through inspection. These items noted will be repaired or replaced.

FOUNDATIONS

Your home is built upon a concrete foundation, engineered to be far more than ample to do the job required of it.

However, no matter how thick the foundation walls may be, and no matter how solid the ground may be upon which the home is built, cracks may occur, and there is no way in which any builder can eliminate them.

Due to these conditions, as well as to the natural shrinkage that takes place in concrete when it received its final set, it is inevitable that minor cracks will appear. The structural strength of your home is not affected in any way and it is unnecessary to repair them. We only warrant concrete foundations against major cracking & settling. Please notice that such cracking may cause cracks in tile flooring, and such cracks is not a warranty item either.

CONCRETE WALKS, GARAGE FLOORS, DRIVEWAY, STEPS, AND PLATFORMS

Concrete walks, garage floors, driveways, steps, and platforms are apt to settle and develop cracks with temperature variations. However, if during the warranty period the concrete surface becomes unserviceable due to abnormal settling or expansion, the concrete company who installed your concrete will repair or replace at their option, said exterior concrete. Due to the nature of concrete, repairs will rarely be a 100% match in color or texture. Unserviceable is defined as an opening larger than 3/16 of an inch in width for more than 12 inches or 3/16 on an inch in height difference between each side of a crack also longer than 12 inches.

Flatwork such as skirting, walkways and driveways are warranted by SNEDEGER & SONS CONCRETE.

STUCCO

The stucco surface may develop expansion and contraction cracks due to normal settlement, which are unavoidable. However, if during the warranty period the stucco surface develops major cracks as the result of structural defects or poor workmanship, the Stucco Company who installed your stucco, will repair said stucco surface. Because shade and color will vary, and may also vary due to the passage of time, we cannot assure exact color match on any repair. Major Cracks is defined as an opening larger than 1/8 of an inch in width for more than 12 inches or 1/8 on an inch in height difference between each side of a crack also longer than 12 inches or the stucco is falling off. Stucco is currently warranted by LeBaron Stucco.

LUMBER AND MILLWORK

The joists, studding, framing, and rafters in your home are made of high-quality construction grade lumber. All of the wood has been thoroughly dried so that there will be a minimum of shrinkage. All of the members are of such a grade, size, and quality that they will carry their load with a large factor of safety. The frame of the house has been designed so that all shrinkage will be as even as possible.

Some shrinkage of the wood may occur, which explains why some moldings or trim may move out of their original position. It can also cause joints in the woodwork to open, cause doors to warp, and cause cracks to appear in drywall. Please refer to "Interior and Exterior Doors" and "Interior Walls" below.

Wood is not affected by heat or cold, but it will shrink under extreme dryness or will swell under extreme humidity. This characteristic of wood may cause joints in millwork to develop separations or gaps in the winter season. This minor shrinkage and expansion is to be expected and does not constitute any defect in material, construction, or workmanship. We do not repair or replace any of these items.

INTERIOR AND EXTERIOR DOORS

The manufacturer's warranty provides that interior and exterior doors which maintain more than one-quarter inch of warp are to be considered defective and will be replaced by the manufacturer. Our warranty on interior and exterior doors is the same as the warranty recommended by the National Wood Manufacturers Association.

EXTERIOR DOOR CASINGS

The exterior door casings are made of wood that has been painted. The paint on these casings needs to be maintained on a regular basis. The sun and weather will cause the paint to peel with time. We will repair these casings or peeling only during the warranty period.

FLOORS

We will repair extreme nail or seam popping and cracked or loose tile for 45 days after closing. We also repair scratches, gouges, heel marks or minor sub-floor imperfections showing through, only if they were noted on the initial walk-through inspection. Because shade and color will vary within each production run of a manufacturer's flooring material, and may also vary due to the passage of time, we cannot assure exact color match for neither tile nor grout on any repair.

INTERIOR WALLS

Minor cracks or nail pops may appear, due to normal shrinkage of lumber and/or normal settlement of building. We will repair these cracks or nail pops during the warranty period except in the garage ceiling or walls which is only warranted if walls, ceiling and garage doors are insulated. Because paint will vary slightly and may also vary due to the passage of time, we cannot assure exact color match on any repair neither do we guarantee against flashing.

PLUMBING

Your plumbing warranty is provided by the plumber who did the plumbing on your home. He will repair leaking or dripping faucets for a period of forty-five (45) days after your initial walk-through inspection. Beyond this point, it is your responsibility, since most leaking or dripping can often be easily repaired by the installation of a new washer.

He will also repair sewer stoppages for a period of forty-five (45) days after your initial walk-through inspection, provided said stoppage is not created by foreign objects that are of homeowner origin. Most all stoppages occurring after that time period usually result from things finding their way into the sewer system that shouldn't be there, and this comes under your responsibility. The warranty on the hot water heater, faucets and other fixtures are the manufacturer's warranty.

HEATING SYSTEM

Your heating system is designed to maintain 75 degrees plus or minus 2 ½ degrees. Minor adjustments can be made to suit your individual taste through by opening for closing the registers. Your warranty which is provided by the Heating and Air Conditioning Company is contingent upon regular cleaning, by the Owner, of the filter and periodic lubrication of the motor as per the instructions located near the furnace.

AIR CONDITIONING

Central cooling systems, if applicable, are warranted by the manufacturer and installer not by Gemstone Homes. The size of your air conditioner has been determined by State and Federal laws. It is calculated to lower the temperature in your home 20 degrees lower than the outside temperature.

If your air conditioning system does not turn on, or if it goes off for no apparent reason, there are two things you should check: (1) See if the circuit breaker has been tripped in the electric panel box. If it has been tripped, reset it. If the circuit breaker has blown, contact the service representative of the electrical contractor whose phone number is indicated on the subcontractor's list. (2) See if the fuse has blown out in the fuse box by the condenser outside your home. If the A/C still doesn't go on call the heating contractor for service.

COUNTERTOPS AND CABINETS

Serious breaks, scratches and chips will be repaired only if noted at the time of initial walk-through inspection before occupancy. Kitchen cabinets, vanities and countertops are guaranteed against defects in workmanship and material for one full year. They are not guaranteed against blunt force trauma, burns or damage from frozen food. Superficial scratches are not covered. Due to the nature of natural woods, we do not guarantee that the finished wood on the cabinets will be a 100% color match. Expect color differences on all woods.

ROOFS

The roof, roof flashing, gutters and downspouts, (if included), are guaranteed for one full year to be free from leaks or defects by the roofing contractor and the gutter contractor. They are not guaranteed against natural disasters that are beyond our control. Wind damage caused by winds over 55 M.P.H. is considered a natural disaster and is not covered in the one-year guarantee. Your warranty is void in the event you or your agents utilize the roof for any activity or attach any super-structure or appurtenance thereto including satellite dishes.

ELECTRIAL

Your electrical system is guaranteed against defective workmanship or material except for improper operation, use, or alteration by you or your agent.

The electrical outlet in your garage is a G.F.I. outlet. It shuts off very easily if there is a short or disturbance. Don't plug your freezer into it, it may go off and your freezer would also go off. UNDER NO CIRCUMSTANCES DO WE WARRANT ANYTING PLUGGED INTO ANY OUTLET OR POWER SOURCE SUCH AS TV'S, FREEZERS OR ALIKE.

APPLIANCES, FIREPLACES, AND FIXTURES

These items are guaranteed and/or warranted by the manufacturer and all contact should be made with the service department of each manufacturer. (See subcontractor's list for phone numbers or internet for manufacturer.) Gemstone Homes does not warrant appliances.

Any damage to light fixtures or plumbing fixtures is warranted, only if noted at time of walk-thru.

LANDSCAPING AND SLOPE PLANTING

Landscaping carry a 90 day warranty by the landscaper who installed your landscaping to insure all plants, trees, scrubs and grass are alive and well when they were planted. All sprinkler and drip systems carry a 1-year warranty by the landscaper.

GRADING

We guarantee that your new home has been built on a lot that is carefully engineered and graded in accordance with government agency requirements and that water will generally drain away from your home. YOU are responsible for insuring the final grading is done to your satisfaction since YOU control how the landscaping is installed. Landscaping may interfere with drainage from time to time if you are not careful. We suggest you make a thorough inspection of your landscaping and associated drainage on your walk-through inspection date prior to closing. Gemstone Homes will not warranty against improper drainage issues if they are not noted on your walk-through list.

Any drainage problems resulting from altering the present grading by excavation, filling, and landscaping, or from erosion is not covered under this warranty. Further, other problems such as concrete cracks, settlement, erosion and slippage or any other adverse conditions resulting from a drainage problem created by you, the landscaper or your agent is not covered under this warranty.

ALUMINUM AND VINYL SLIDING WINDOWS, SLIDING GLASS DOORS, AND SCREENS

Windows and doors are warranted against defects for one year. Screens are only warranted for those problems or damaged parts which are noted on the walk-thru repair list, unless it's due to a manufactures defect.

INTERIOR PAINT

Paint and finish are specified in the Construction Contract. A touchup kit of paints used is provided for your convenience. Gemstone Homes warrants only touchup(s) noted during walk-thru.

SOFFITS, GUTTERS, AND DOWNSPOUTS

Problems with or occurring as a result of the soffits, gutters, or downspouts will be addressed during the walk-thru.

GARAGE DOORS AND OPENERS

Garage doors and openers are warranted per manufacturer's literature included in the homeowners's packet during walk-thru. Please check your garage door opener as part of your walk-through before you close on the home. If the automatic garage door opener won't close but keeps opening by itself, you have more than likely accidentally knocked the sensors out of alignment that is located on each side of the garage door. Re-alignment of such sensors is NOT COVERED by warranty, so we recommend you check such alignment BEFORE you call us, or you may be responsible for payment of a service call for the re-alignment of same.

PEST CONTROL

For the health and well-being of you as a home owner, Gemstone Homes does NOT pre-treat the soil for termites or other nuisances with poisonous or otherwise hazardous chemicals. If it is your desire to have this or any other procedure completed, you may request it to be done at your expense as part of you agreement with Gemstone Homes, or you may take of the issue as you wish after you have taken possession of the home.

LIMITATIONS ON WARRANTY.

All claims for defective items or warranty work as outlined in this Agreement must be received in writing and signed by you before the warranty period for said item expires. The start of the warranty period shall be from the date of closing or substantial completion whichever is latest. Warranty items will be repaired as soon as possible, however, we the builder does not pay for weekend or holiday repairs, nor motel rooms or food during a motel room stay unless it is previously approved in writing by us. This Warranty is not transferable to subsequent buyers, but is limited to you the first home owner.

SUBCONTRACTOR LIST & PROCEDURES

Again, we would like to welcome you to your new home built by **GEMSTONE HOMES**. We took great pride in building your home and hope you will enjoy it for years to come. As with all new things, with the passage of time certain items may need adjusting to keep them working like new. To this end, we have provided a touch up kit for your convenience. It includes paint and brushes, caulk, spackle, tape, screw drivers, etc. for you to do those little fix up items. All appliances are warranted by the manufacturer. Should they or other equipment or items need repair, a list of the responsible sub-contractors is listed below. Please feel free to contact them or us at any time with questions or problems.

Plumbing	Heath Plumbing – 674-4532 or 467-8388 (Randy)
Electrical	Maag Electric – 632-4841 (Mark) LR Electric 632-8331 (Lloyd)
Heating/Cooling	Quality Air Conditioning Service – 688-2653 (Lonny)
Fireplace	Fireside – 673-1188 (Barry Jacobsen)
Roofing	Langford Construction – 674-0252 (Please contact us first)
Appliances	G.E. Appliances provided by Appliance Wholesalers – 673-1599
City Utility Dept	Hurricane City – 635-2811
Questar Gas	673-7514
Qwest	Telephone Service – 1-800-244-1111

GEMSTONE HOMES WARRANTY WORK IS DONE BY MAIL TO GEMSTONE HOMES 2614 WEST 510 NORTH, HURRICANE UTAH 84737 OR FAX TO 635-8414 or in emergency situations you may call:

WARRANTY MANAGER TORY BETTS (435)229-4342
CONSTRUCTION MANAGER LARRY LANNERS (435)229-4168 (cell) or in extreme emergencies at home at 628-6072.

THANK YOU FOR PURCHASING A GEMSTONE HOMES HOME

PRE-SALE SELECTIONS

The following are the suppliers used by Gemstone Homes for various items in your home. Please use these for your selection ONLY as they have proven to provide a quality product and GREAT service:

LIGHTING:

Wilkinson Electric. 245 West Tabernacle, St. George, 84770 (435)673-9641

Ask for:

Notes: Please ask them to give you a list of the items you selected, and bring us a copy of it so we can insure you get the items you selected installed in your new home.

Directions: Drive to St. George and take the St. George Boulevard Exit, take a right (West) down to main street, take a left (South) to the round-about and take the first right which is Tabernacle, then go straight (West) until you see the store on your left side.

TILE:

Contempo Tile, 440 West 200 North, St. George, 84770, (435)628-3700

Ask for: Kirsten

CARPET:

Gibsons Carpet Gallery, 135 North 900 East, St. George, 84770, (435)673-2607

Ask for: Gary

Notes: Please ask them to give you a list of the items you selected, and bring us a copy of it so we can insure you get the items you selected installed in your new home.

Directions: Drive to St. George, and take the St. George Boulevard exit, take a right (west) go to 900 East (only 1 or 2 blocks) turn right and its located there on the left.

APPLIANCES:

Appliance Wholesalers Plus: 1037 East 100 South St. George, 84770 (435) 673-1599

Ask for: Ron, Jesse, Brad or Shane

Notes: Please ask them to give you a list of the items you selected, and bring us a copy of it so we can insure you get the items you selected installed in your new home.

Directions: Drive to St. George, and take the St. George Boulevard exit, take a left (east) over the freeway to River Road turn right, go to 100 South turn right, turn right into parking lot.

CABINETS:

Prestige Custom Cabinets: 1472 S. Sandhill Dr. Washington, (435) 674-7750

Ask for: Clayton

Directions: Take State Route 9 to stop light at Telegraph Road turn left to Washington, go to 300 East turn left, go to Washington Dam Road and turn left, go about a mile or so to Sandhill Drive turn right, shop is on right.

PLUMBING:

Fergusson Supply Co: 1314 South 320 East St. George 84770 (435) 673-6896

Ask for: Jody or Darren

Notes: Please ask them to give you a list of the items you selected, and bring us a copy of it so we can insure you get the items you selected installed in your new home.

Directions: Drive to St. George, take the Bluff St exit, take a left (east) over the freeway to the second (2nd) light, turn left on 320 East go about ¼ mile. The shop is located behind the Saturn of St. George dealership.

******NOTE:** *If you have any problems with any of the suppliers please contact your sales consultant.*

**HOMEOWNER'S ASSOCIATIONS
(Sky Ridge Townhome & Rainbow Canyon Only)**

Ownership within each phase of the project is subject to certain protective covenants, conditions, and restrictions (CC&R's). However, only Sky Ridge Town Homes and Rainbow Canyon provides for automatic membership in a Homeowner's Association with associated fees.

This Association is non-profit and is formed for the purpose of maintaining community areas such as common areas and landscaping. In addition to contracting for these maintenance services, your Homeowner's Association is designed to accommodate and further a community spirit.

Currently, the management of the Homeowner's Association is through Gemstone Properties. In the future, it will be managed by the Homeowners themselves through a Board of Directors. Management of the Homeowner's Association includes, but is not limited to the collection of dues, maintenance contracts for grounds keeping, and will also act as a clearing house for accepting and relaying requests and suggestions homeowners may have about such maintenance.

Participation in the affairs of your community can be a rewarding experience. The continued growth and development of your Homeowner's Association is directly dependent on the sustained interest and degree of commitment each homeowner has to its future.