



## RESIDENTIAL WARRANTY COMPANY, LLC

PRESENTS

# THE LIMITED WARRANTY

10 YEAR WRITTEN WARRANTY FOR NEW HOMES

IN MARYLAND

Within 90 days after receiving this Warranty book, you should receive a validation sticker from RWC. If you do not, contact your **Builder** to verify that the forms were properly processed and sent to RWC. You do **not** have a warranty without the validation sticker.

**Place validation sticker here.  
Warranty is invalid without sticker.**

*This Limited Warranty does not cover consequential or incidental damages. The Warrantor's total aggregate liability of this Limited Warranty is limited to the Final Sales Price listed on the Application For Warranty form.*

*The Builder makes no housing merchant implied warranty or any other warranties, express or implied, in connection with the attached sales contract or the warranted Home, and all such warranties are excluded, except as expressly provided in this Limited Warranty. There are no warranties which extend beyond the face of this Limited Warranty.*

*Some states do not allow the exclusion or limitation of incidental or consequential damages by the Builder so all of the limitations or exclusions of this Limited Warranty may not apply to you.*

For your Limited Warranty to be in effect, you should receive the following documentation:

- Limited Warranty #341 • Application For Warranty form #316 (Refer to I.B.3. for applicability)•
- Validation Sticker #385 •

Insurer: Western Pacific Mutual Insurance Company, A Risk Retention Group



# RESIDENTIAL WARRANTY COMPANY, LLC

5300 Dery Street, Harrisburg, PA 17111-3598 (717) 561-4480

Dear Home Buyer,

*Congratulations on the purchase of your new Home. This is probably one of the largest, most important investments you've ever made and we wish you many years of enjoyment. You've chosen a Home built by a leading Builder which includes the RWC Limited Warranty, assurance that your investment is well protected. This book explains the Limited Warranty in its entirety, and we encourage you to take time to READ IT CAREFULLY.*

*This Limited Warranty provides you with protection in accordance with this warranty book for ten full years of Home ownership. During the first two years, your Builder is responsible for specified warranty obligations. In the unlikely event your Builder is unable or unwilling to perform, the Warranty is provided subject to the conditions, terms and exclusions listed. Your Warranty also applies to Major Structural Defects as defined in this book for ten years.*

*This is not a warranty service contract, but a written ten year limited warranty which your Builder has elected to provide with your Home.*

*Take time now to read this book. Familiarize yourself with the Warranty and its limitations. Contact your Builder regarding specific construction standards and how they apply to your Home.*

*Again, congratulations and enjoy your new Home!*

*Very truly yours,  
RESIDENTIAL  
WARRANTY  
COMPANY, LLC*

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## Section

### I. Definitions

#### A. Introduction

To help you better understand your Limited Warranty, refer to the following list of definitions which apply in this book.

#### B. Definitions\*

**1. Administrator**

Residential Warranty Company, LLC (RWC) is the Administrator of this Limited Warranty. RWC is neither Warrantor nor Insurer.

**2. Appliances and Items of Equipment, including Attachments and Appurtenances**

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

**3. Application For Warranty**

The form signed at closing by you, the Purchaser, and your Builder which identifies the location, the Effective Date Of Warranty and the Final Sales Price of the enrolled Home. If the Builder is participating in the RWC electronic enrollment process, the Application for Warranty form is eliminated.

**4. Arbitrator**

The person appointed by the independent arbitration service to resolve an Unresolved Warranty issue.

**5. Builder**

The person, corporation, partnership or other entity which participates in the RWC Limited Warranty Program and has obtained this Limited Warranty for you.

**6. Consequential Damages**

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

**7. Cooling, Ventilating and Heating Systems**

All ductwork, refrigerant lines, steam and water pipes, registers, convectors and dampers.

**8. Defect**

A condition of any item warranted by this Limited Warranty which exceeds the allowable tolerance specified in this Limited Warranty. Failure to complete construction of the Home or any portion of the Home, in whole or in part, is not considered a Defect.

**9. Effective Date Of Warranty**

The date coverage begins as specified on the Application for Warranty form. If the Builder is participating in the electronic enrollment process, the effective date is date of closing or occupancy, whichever occurs first.\*

**10. Electrical Systems**

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

**11. Home**

The single family dwelling, identified on the Application For Warranty form, which may be a townhome, condominium or duplex.

**12. Insurer**

Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC). Located at 9265 Madras Ct, Littleton, CO 80130. Phone: 303-263-0311. (*Refer to Section IV. for instructions on requesting warranty performance.*)

**13. Limited Warranty**

The terms and conditions contained in this book including any applicable addendum.

**14. Major Structural Defects (MSD)**

All of the following conditions must be met to constitute a Major Structural Defect\*:

- a. actual physical damage to one or more of the following specified load-bearing segments of the Home;
- b. causing the failure of the specific major structural components; and
- c. which affects its load-bearing function to the degree that it materially affects the physical safety of the occupants of the Home.

Load-bearing components of the Home deemed to have MSD potential:

- (1) roof framing members (rafters and trusses);
- (2) floor framing members (joists and trusses);
- (3) bearing walls;
- (4) columns;
- (5) lintels (other than lintels supporting veneers);
- (6) girders;
- (7) load-bearing beams; and
- (8) foundation systems and footings.

Examples of non-load-bearing elements deemed not to have Major Structural Defect potential:

- (1) non-load-bearing partitions and walls;
- (2) wall tile or paper, etc.;

\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

**Section  
I.  
Definitions  
(continued)**

- (3) plaster, laths or drywall;
  - (4) flooring and subflooring material;
  - (5) brick, stucco, stone, veneer, or exterior wall sheathing;
  - (6) any type of exterior siding;
  - (7) roof shingles, sheathing\* and tar paper;
  - (8) Heating, Cooling, Ventilating, Plumbing, Electrical and Mechanical Systems;
  - (9) Appliances, fixtures or Items of Equipment; and
  - (10) doors, trim, cabinets, hardware, insulation, paint and stains.
- 15. Owner**  
See Purchaser.
- 16. Plumbing Systems**  
All pipes located within the Home and their fittings, including gas supply lines and vent pipes.
- 17. Purchaser**  
You. The Purchaser includes the first buyer of the warranted Home and any and all subsequent Owners who take title within the warranty period.
- 18. Residence**  
See Home.
- 19. Sewage Disposal System (Private or Public)**  
This system includes, but is not limited to, all waste, drainage, sewer pipes and lines, cleanouts, tanks, pumps, drainfields and seepage pits, outside and beyond the exterior wall of the Home.
- 20. Structurally Attached**  
An integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.
- 21. Unresolved Warranty Issue**  
All requests for warranty performance, demands, disputes, controversies and differences that may arise between the parties to this Limited Warranty that cannot be resolved among the parties. An Unresolved Warranty Issue may be a disagreement regarding:
- a. the coverages in this Limited Warranty;
  - b. an action performed or to be performed by any party pursuant to this Limited Warranty;
  - c. the cost to repair or replace any item covered by this Limited Warranty.
- 22. Warrantor**  
Your Builder in Years 1 and 2 (except on Major Structural Defects); the Insurer in Years 1 through 10 on Major Structural Defects and in Years 1 and 2 if your Builder defaults.
- 23. Water Supply System (Private or Public)**  
This system includes, but is not limited to, all supply and distribution pipes, fittings, valves, pumps and wells, outside the exterior wall of the Home, which supply water to the Home.

## Section

## II. The Limited Warranty

### A. Introduction to the Limited Warranty

1. This book provides specific details, conditions and limitations of the Limited Warranty including procedures for requesting warranty performance and for binding arbitration, in accordance with the procedures of the Federal Arbitration Act. Additional information may be received by calling RWC at (717) 561-4480. Read this document in its entirety to understand the protection it affords, the exclusions applicable to it, the Warranty Standards which determine its interpretations and operation and your responsibilities.
2. This is NOT an insurance policy, a maintenance agreement or a service contract. It is an explanation of what you, the Purchaser, can expect from this Limited Warranty.
3. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty.
4. You are responsible for maintenance of your new Home. General and preventative maintenance are required to prolong the life of your new Home.
5. This Limited Warranty is **automatically transferred** to subsequent Owners during the ten-year term of this Limited Warranty.
6. This Limited Warranty is subject to changes required by various regulating bodies. FHA and VA have mandated the additions noted in the Addendum Section of this Limited Warranty book. Notations throughout indicate where the Addendum applies.
7. You should contact the Administrator personally to verify the existence of your Warranty. Further, you should report any Warranty problems, which are not promptly resolved by your Builder, to the Administrator.

### B. The Limited Warranty

1. **Actions taken to cure Defects will NOT extend the periods of specified coverages in this Limited Warranty.**
2. Only warranted elements which are specifically designated in the Warranty Standards are covered by this Limited Warranty.\*
3. The Warrantor has the choice to repair, replace or pay the reasonable cost to repair or replace warranted items which do not meet Warranty Standards and are not excluded in the Limited Warranty.
4. If a warranted MSD occurs during the appropriate coverage period, and is reported as required in **Section IV**, the Warrantor will repair, replace or pay you the reasonable cost to repair or replace the warranted MSD, limited to actions necessary to restore the MSD to its load-bearing capacity.

### C. Warranty Coverage

1. **ONE YEAR COVERAGE:** Your Builder warrants that for a period of one (1) year after the Effective Date Of Warranty, warranted items will function and operate as presented in the Warranty Standards of Year 1, **Section III.A**. Coverage is ONLY available where specific Standards and Actions are represented in this Limited Warranty.\*
2. **TWO YEAR COVERAGE:** Your Builder warrants that for a period of two (2) years from the Effective Date Of Warranty, specified portions of the Heating, Cooling, Ventilating, Electrical and Plumbing Systems, as defined in this Limited Warranty, will function and operate as presented in the Warranty Standards of Years 1 and 2 only, **Section III.B**.
3. **TEN YEAR COVERAGE:** Major Structural Defects (MSD) are warranted for ten (10) years from the Effective Date Of Warranty.  
The Insurer is the Warrantor in Years 1 through 10 for Major Structural Defects.
4. **CONDOMINIUM COVERAGE:** This Limited Warranty shall only apply to warranted common elements. Warranted common elements are those portions of the defined Electrical, Heating, Ventilating, Cooling, Plumbing and Structural Systems which serve two (2) or more residential units, and are contained wholly within a residential structure. Warranty coverage for common elements shall be for the same periods and to the same extent as similar or comparable items in individual residential units. Examples of common elements which are covered by this Limited Warranty are hallways, meeting rooms and other spaces wholly within the residential structure designated for the use of two (2) or more units. Examples of common elements which are not covered under this Limited Warranty are club houses, recreational buildings and facilities, exterior structures, exterior walkways, decks, balconies, arches or any other non-residential structure which is part of the condominium.\*

### D. Conditions\*

1. This Limited Warranty provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.

\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

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The  
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(continued)**

2. This Limited Warranty is binding on the Builder and you and your heirs, executors, administrators, successors and assigns.
3. This Limited Warranty shall be interpreted and enforced in accordance with the laws of the state in which the Home is located.
4. This Limited Warranty is separate and apart from your contract and/or other sales agreements with your Builder. It cannot be affected, altered or amended in any way by any other agreement which you may have.
5. This Limited Warranty cannot be modified, altered or amended in any way except by a formal written instrument signed by you, your Builder and the Administrator.
6. If any provision of this Limited Warranty is determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
7. All notices required under this Limited Warranty must be in writing and sent by certified mail, return receipt requested, postage prepaid, to the recipient's address shown on the Application For Warranty form, or to whatever address the recipient may designate in writing.
8. If actions by the Warrantor on any obligations under this Limited Warranty are delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by you or any other person not a party of this Limited Warranty.
9. If your Builder fails to complete any part of the Home that is reasonably foreseeable to cause damage to the Home, then it is your responsibility to complete such parts of the Home to avoid the damage. If you fail to complete the work, then any resulting damage is not covered under this Limited Warranty. The warranty period for any item completed after the Effective Date of Warranty shall be deemed to have commenced on the Effective Date of Warranty.\*
10. Costs incurred for unauthorized repairs to warranted items are not reimbursable. Written authorization prior to incurring expenses must be obtained from the Administrator.\*
11. Whenever appropriate, the use of one gender includes all genders and the use of the singular includes the plural.
12. Under this Limited Warranty, the Warrantor is not responsible for exact color, texture or finish matches in situations where materials are replaced or repaired, or for areas repainted or when original materials are discontinued.
13. Your Builder must assign to you all manufacturers' warranties on products included in the Final Sales

Price of your Home. Neither the Insurer nor the Administrator shall be liable for your Builder's failure to do so.

14. You are responsible for establishing a written, final walk-through inspection list of items in need of service prior to occupancy or closing, whichever is first. This list must be signed and dated by you and your Builder. Keep a copy for your records.
15. Manufacturers warrant many residential construction components that may fall outside the scope of the Builder's responsibilities, such as kitchen appliances, furnaces, air conditioners, and the like. Other less obvious items may include certain types of siding, roofing, or flooring. If there is a warranty problem with one of these components, the buyer should be aware that the Builder may not be responsible for the performance of the product once it is installed. If a problem occurs, the buyer will often deal directly with the manufacturer to have the problem evaluated, and if necessary, rectified. The Builder's responsibilities may end once he or she provides the appropriate information on how to contact the manufacturer, unless otherwise specified in the contract.

## **E. Exclusions**

**The following are NOT covered under this Limited Warranty:**

1. Loss or damage:
  - a. to land.
  - b. to the Home, persons or property directly or indirectly caused by insects, birds, vermin, rodents, or wild or domestic animals.
  - c. which arises while the Home is used primarily for non-residential purposes.
  - d. which is covered by any other insurance or for which compensation is granted by legislation.\*
  - e. resulting directly or indirectly from flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, water below the surface of the ground (including water which exerts pressure on or

\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

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(continued)**

- seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure), wetlands, springs or aquifers.\*
- f. from normal deterioration or wear and tear.
  - g. caused by material or work supplied by anyone other than your Builder or its employees, agents or subcontractors, including the items listed as additional exclusions on the Application For Warranty form.
  - h. from your or the condominium association's failure to perform routine maintenance on the Home, common areas, common elements or your or the condominium association's grounds.
  - i. after Year 1, to, resulting from, or made worse by all components of structurally attached decks, balconies, patios, porches, stoops, porch roofs and porticos.
  - j. after Year 1, to, resulting from, or made worse by elements of the Home which are constructed separate from foundation walls or other structural elements of the Home such as, but not limited to, chimneys and concrete floors of basements and attached garages.
  - k. to wiring, to and between communication devices from the source of power, whether or not connected to the interior wiring system of the Home. Such devices shall include, but not be limited to, telephone systems, television cable systems, intercom systems, computer systems and security systems. Sources of power shall include, but not be limited to, service entrance conductors, switches, outlets, receptacles and junction boxes.
  - l. to, or caused by, recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
2. Loss or damage resulting from, or made worse by:
- a. changes in the grading of the property surrounding the Home by anyone except your Builder or its employees, agents or subcontractors.
  - b. changes in grading caused by erosion.
  - c. modifications or additions to the Home, or property under or around the Home, made after the Effective Date Of Warranty (other than changes made in order to meet the obligations of this Limited Warranty).
  - d. the weight and/or performance of any type of waterbed or any other furnishing which exceeds the load-bearing design of the Home.
  - e. the presence or consequence of unacceptable levels of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants; or the presence of hazardous or toxic materials resulting in uninhabitability or health risk within the Home.
  - f. acts or omissions by you, your agents, employees, licensees, invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, windstorms, tropical storms, hurricanes, hail, lightning, ice, snow, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, mine subsidence, faults, crevices, earthquake, land shock waves or tremors occurring before, during or after a volcanic eruption, or manmade events such as war, terrorism or vandalism.
  - g. your failure to perform routine maintenance.
  - h. your failure to minimize or prevent such loss or damage in a timely manner.
  - i. defects in, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
  - j. defects in detached garages or outbuildings (except those which contain Plumbing, Electrical, Heating, Cooling or Ventilating Systems serving the Home, and then only to the extent where Defects would affect these systems). A detached garage is one which is constructed on its own foundation, separate and apart from the foundation of the Home. A breezeway, fence, utility line or similar union shall not cause a garage or outbuilding to be considered attached.
  - k. negligent maintenance or operation of the Home and its systems by anyone other than your Builder or its agents, employees or subcontractors.

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(continued)**

- l. any portion of a Water Supply System, private or public, including volume and pressure of water flow.\*
  - m. quality and potability of water.
  - n. any portion of a Sewage Disposal System, private or public, including design.\*
  - o. dampness, condensation or heat buildup caused by your failure to maintain proper ventilation.\*
3. Failure of your Builder to complete construction of the Home or any part of the Home on or before the Effective Date Of Warranty or damages arising from such failure. An incomplete item is not considered a Defect, although your Builder may be obligated to complete such items under separate agreements between you and your Builder.
  4. Any deficiency which does not result in actual physical damage or loss to the Home.
  5. Any Consequential Damages.\*
  6. Personal property damage or bodily injury.
  7. Violation of applicable Building Codes or ordinances unless such violation results in a Defect which is otherwise covered under this Limited Warranty. Under such circumstances, the obligation of the Warrantor under this Limited Warranty shall only be to repair the defective warranted portion of the Home, but not to restore or bring the Home to conform to code.
  8. Any request for warranty performance submitted to the Administrator after an unreasonable delay or later than 30 days after the expiration of the applicable warranty period.
  9. Warranted Defects that you repair without prior written authorization of the Administrator.\*
  10. Any damages to, or resulting from a swimming pool

whether located within or outside the Home, as a result of its construction, placement, use, equipment, maintenance, etc.

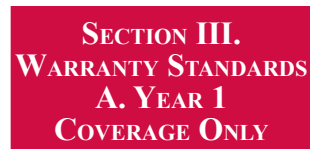
11. The removal and/or replacement of items specifically excluded from coverage under this Limited Warranty, such as landscaping or personal property, items not originally installed by your Builder, such as wallpaper, where removal and replacement are required to execute a repair.
12. Any Defect consisting of, caused by, contributed to, or aggravated by moisture, wet or dry rot, mold, mildew, fungus or rust.
13. Sound transmission and sound proofing between rooms or floor levels.
14. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty.

**F. Limitation of Liability**

1. The Warrantor's liability and obligations are limited to the repair, replacement or the payment of the reasonable cost of repair or replacement of warranted items not to exceed an aggregate equal to the Final Sales Price of the Home as listed on the Application for Warranty form or in the absence of an Application for Warranty form, as otherwise provided to the Administrator by the Builder. The choice to repair, replace or make payment is the Warrantor's.
2. All other warranties, express or implied, including, but not limited to, all implied warranties of fitness, merchantability or habitability, are disclaimed and excluded to the extent allowed by law.

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.



**CATEGORY      OBSERVATION      PERFORMANCE GUIDELINE      CORRECTIVE MEASURE      DISCUSSION**

**1. SITE WORK**

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION	
<b>GENERAL</b>	<b>1.1</b>	The ground has settled around the foundation, over utility trenches, or in other areas.	Settling of ground around foundation walls, over utility trenches, or in other filled areas shall not interfere with water drainage away from the Home.	If the Builder provided final grading, one time only*, the Builder will fill areas that settle more than 6 inches and that affect proper drainage. The Owner will be responsible for removal and replacement of shrubs, grass, and other landscaping, pavement, sidewalks, or other improvements affected by placement of such fill.	None.
	<b>1.2</b>	The site does not drain properly.	The necessary grades and swales shall have been established by the Builder to ensure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area of the house after a rain (generally no more than 24 hours), except in swales that drain other areas or in areas where sump pumps discharge. In these areas a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated by the Owner. No grading determination shall be made while frost or snow is on the ground or while the ground is saturated.	The Builder is responsible only for initially establishing the proper grades and swales. The Owner is responsible for maintaining such grades and swales once they have been properly established by the Builder.	Grass and other landscaping are integral components of the storm water management practice needed to minimize erosion from the site. It is the Owner's responsibility to maintain such grass and other landscaping to help ensure proper functioning of the site drainage system. The Owner is responsible for maintaining such grades and swales once the Builder has properly established them.
	<b>1.3</b>	The site has soil erosion.	Builder is not responsible for soil erosion due to acts of God, or other conditions beyond the Builder's control.	No action required. The Builder is not responsible for erosion due to acts of God, exceptional weather conditions, site alterations by the Owner, lack of maintenance by the Owner, or other conditions beyond the Builder's control.	None.
	<b>1.4</b>	Water from a nearby or adjacent property flows onto the Owner's lot.	The Builder is responsible for providing a reasonable means of draining off the lot water that is created (rain, melting snow or ice) on the lot, but is not responsible for water flowing from a nearby or adjacent property or on which no dwelling has been erected other than providing proper slopes around the newly erected dwelling.	It is the Builder's responsibility to control water only in the immediate area of the new dwelling.	None.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
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**1. SITE WORK (CONTINUED)**

<b>GENERAL (CONTINUED)</b>	<b>1.5</b> Existing trees, shrubs, or other vegetation may be damaged in the course of construction.	The Builder will review the existing condition of the landscape with the Owner. The Builder will make a reasonable and cost-effective effort to preserve existing landscaping, but the survival of existing landscaping cannot be guaranteed.	No Builder action is needed.	None.
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**2. FOUNDATION**

<b>GENERAL</b>	<b>2.1</b> The foundation is out of square.	As measured at the top of the foundation wall, the diagonal of a triangle with sides of 12 feet and 16 feet shall be no more than 1 inch more or less than 20 feet.	The Builder will make necessary modifications to the foundation not complying with the Performance Guidelines for squareness to provide a satisfactory appearance. The Builder may square the first floor deck or walls by cantilevering over the foundation or locating the deck or walls inset from the outside face of the foundation.	Squareness is primarily an aesthetic consideration. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criterion for correction "a satisfactory appearance". This allows the Builder to make either a structural change or some cosmetic modification as most appropriate. There are many instances in which the squareness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.
	<b>2.2</b> The foundation is not level.	As measured at the top of the foundation wall, no point shall be more than 1/2 inch higher or lower than any point within 20 feet.	The Builder will make necessary modifications to any part of the foundation to meet the Performance Guidelines for levelness. This can be effected by leveling the sills with shims, mortar, appropriate fillers or other methods.	Levelness is both an aesthetic and functional consideration. Out of level floor can cause "stair stepping" of 4x8-foot sheathing, siding, paneling and cabinets, and square walls must be "racked" into parallelograms when plumbing is installed. Liquids can run off counter tops, and, in extreme cases, people will perceive that they are walking uphill or downhill. The Builder and Owner may agree to build an addition out of level in order to keep the floor of an addition on the same plane, and the roof ridge on the same line, as those of an existing, out of level structure.
	<b>2.3</b> Crack in concrete footing.	Cracks greater than 1/4 inch in width are considered excessive.	The Builder shall repair any cracks in excess of the Performance Guideline.	None.
<b>CONCRETE SLAB</b>	<b>2.4</b> Concrete slab within the structure has separated or moved at expansion and contraction joints.	Concrete slabs within the structure are designed to move at expansion and contraction joints.	Because this is normal, no corrective action is required.	Control joints are placed in concrete for the very purpose of encouraging cracking to take place at the joints instead of in random places.

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>2. FOUNDATION (CONTINUED)</b>				
<b>CONCRETE SLAB (CONTINUED)</b>	2.5 Efflorescence is present on surface of basement floor.	This is a typical condition caused by moisture reacting with the soluble salts in concrete and forming harmless carbonate compounds.	Because efflorescence is a typical chemical reaction within concrete, no corrective measures are required of the Builder.	Efflorescence is evidenced by the presence of a white film on the surface of the concrete. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.
	2.6 Concrete floor or slab is uneven.	Except where the floor or portion of the floor has been designed for specific drainage purposes, concrete floors in living areas shall not have pits, depressions, or areas of unevenness exceeding 3/8 inch in 32 inches.	The Builder will correct or repair the floor to meet the Performance Guideline.	A repair can be accomplished by leveling the surface with a material designed to repair uneven concrete.
	2.7 The concrete floor slab is cracked.	Minor cracks in concrete floor slabs are normal. Cracks exceeding 3/16 inch in width or 3/16 inch in vertical displacement shall be repaired if the slab is in conditioned space or the crack interferes with the installation of finish flooring.	The Builder will repair cracks that do not meet the Performance Guideline.	Repairs can be made by using a material designed to fill cracks in concrete.
	2.8 Interior concrete work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.	Interior concrete surfaces shall not pit or spall.	The Builder will repair defective concrete surfaces using materials designed for this purpose.	None.
	2.9 The interior concrete slab has a loose, sandy surface. This is called "dusting".	The surface shall not be so sandy as to cause a problem for the finish flooring to be applied.	The surface shall be corrected so as to be suitable for the finish flooring that the Builder had reason to anticipate would be applied.	None.
<b>BASEMENT WALL-CONCRETE BLOCK</b>	2.10 Concrete block basement or crawl space wall is cracked.	Cracks in concrete block basement or crawl space walls shall not exceed 1/4 inch in width.	The Builder will repair cracks to meet the Performance Guideline.	Shrinkage cracks are common in concrete block masonry and should be expected in crawl space and basement walls. Cracks may be vertical, diagonal, horizontal, or stepped-in masonry joints. Repairs can be made by using a material designed to fill cracks in concrete.
	2.11 Concrete block basement wall is out of plumb.	Block concrete walls shall not be out of plumb greater than 1 inch in 8 feet when measured from the base to the top of the wall.	The Builder shall repair any deficiencies in excess of the Performance Guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.	None.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
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**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>2. FOUNDATION (CONTINUED)</b>				
<b>BASEMENT WALL-CONCRETE BLOCK (CONTINUED)</b>	<b>2.12</b> Concrete block basement wall is bowed.	Block concrete walls shall not bow in excess of 1 inch in 8 feet.	The Builder shall repair any deficiencies in excess of the Performance Guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.	None.
<b>BASEMENT WALL-POURED CONCRETE</b>	<b>2.13</b> Poured concrete basement wall is out of plumb.	Concrete walls shall not be out of plumb greater than 1 inch in 8 feet when measured vertically.	The Builder shall repair any deficiencies in excess of the Performance Guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.	None.
	<b>2.14</b> Exposed concrete wall has pits, surface voids, or similar imperfections in it.	Surface imperfections larger than 1 inch in diameter or 1 inch in depth are considered excessive.	The Builder will repair holes that do not meet the Performance Guideline.	Pits, surface voids, and similar imperfections are sometimes called "bug holes". More technically, they are called "air surface voids" and are caused by air entrapped at the concrete and concrete form interface. The technical term for larger voids is "honeycomb" and must be dealt with in accordance with this Performance Guideline. One method of repair is to fill the hole or void with a suitable product. The repaired area is unlikely to match the color or texture of the surrounding concrete.
	<b>2.15</b> Poured concrete basement wall is bowed.	Concrete walls shall not bow in excess of 1 inch in 8 feet when measured from the base to the top of the wall.	The Builder shall repair any deficiencies in excess of the Performance Guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.	None.
	<b>2.16</b> A poured concrete basement or crawl space wall is cracked.	Cracks in poured walls shall not exceed ¼ inch in width.	The Builder will repair cracks that do not meet the Performance Guideline.	Shrinkage cracks and other cracks are common and are inherent in the drying process of poured concrete walls. They should be expected in these walls due to the nature of concrete. The only cracks considered under warranty claims are cracks that permit water penetration or horizontal cracks that cause a bow in the wall.

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**2. FOUNDATION (CONTINUED)**

<p><b>BASEMENT WALL-POURED CONCRETE (CONTINUED)</b></p>	<p><b>2.17</b> A cold joint is visible on exposed poured concrete foundation walls.</p>	<p>A cold joint is a visible joint that indicates where the pour terminated and continued. Cold joints are normal and should be expected to be visible. Cold joints should not be an actual separation or a crack that exceeds ¼ inch in width.</p>	<p>The Builder will cosmetically repair any cold joint that exceeds ¼ inch in width.</p>	<p>None.</p>
<p><b>BASEMENT FLOOR AND WALLS-MOISTURE AND LEAKS</b></p>	<p><b>2.18</b> Dampness is evident on basement walls or the floor.</p>	<p>Dampness caused by condensation of water vapor on cool walls and floors is not the responsibility of the Builder.</p>	<p>Dampness due to condensation is caused by high moisture content in the air. It is the Owner's responsibility to control the humidity.</p>	<p>The Owner should maintain proper grade away from the dwelling.</p>
	<p><b>2.19</b> The basement leaks.</p>	<p>Leaks resulting in actual trickling of water shall be repaired. Leaks caused by landscaping improperly installed by the Owner, or by the Owner's failure to maintain proper grades, are not the Builder's responsibility. New construction walls and floors may become damp as concrete, mortar, and other materials dry. Dampness alone is not considered a deficiency.</p>	<p>The Builder will take such action as necessary to correct basement leaks, except where the cause is determined to result from the Owner's actions or negligence.</p>	<p>None.</p>
<p><b>CRAWL SPACE</b></p>	<p><b>2.20</b> Water accumulates in the interior crawl space.</p>	<p>Crawl spaces should be graded and proper exterior foundation drains be provided to prevent water from accumulating deeper than 3/4 inch and greater than 9 square feet in the crawl space area.</p>	<p>The Builder will take corrective measures to meet the Performance Guideline. The Builder is not responsible if the exterior grading was provided by the Owner or the Owner failed to maintain grades established by the Builder.</p>	<p>None.</p>

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>2. FOUNDATION (CONTINUED)</b>				
<b>CRAWL SPACE (CONTINUED)</b>	<b>2.21</b> Condensation is evident on the crawl space surface.	The Builder shall install the ventilation required by the prevailing building code.	If the crawl space is ventilated as required by applicable building codes, then the Builder need make no further corrective actions. Further reduction of condensation is an Owner maintenance responsibility.	Temporary conditions may cause condensation that cannot be eliminated by ventilation and a vapor barrier because: <ul style="list-style-type: none"> <li>• Night air gradually cools the interior surfaces of the crawl space. In the morning, moisture picked up by sun-warmed air is carried into the crawl space and condenses on cool surfaces.</li> <li>• At night, outside air may rapidly cool foundation walls and provide a cool surface on which moisture may condense.</li> <li>• If the house is left unheated in the winter, the floors and walls may provide cold surfaces on which moisture in the warmer crawl space air may condense.</li> <li>• Excessive moisture inside a heated house may hit the dew point within or on the colder bottom surface of vapor-permeable floor insulation. The condensation can be reduced by placing a vapor barrier between the insulation and the floor sheathing. If condensation must be entirely eliminated, the Owner can do so by sealing and dehumidifying or heating the crawl space, or by heating and dehumidifying the house.</li> </ul>
<b>COLUMNS</b>	<b>2.22</b> An exposed wood column is bowed or out of plumb.	Exposed wood columns shall not bow or be out of plumb more than 3/4 inch in 8 feet.	Exposed wood columns out of plumb in excess of 3/4 inch in 8 feet when measured vertically shall be replaced or repaired.	Wood columns may become distorted as part of the drying process. Bows and other imperfections that develop after installation cannot be prevented or controlled by the Builder.
	<b>2.23</b> An exposed concrete column is installed bowed or out of plumb.	Exposed concrete columns shall not be installed with a bow in excess of 1 inch in 8 feet. They should not be installed out of plumb in excess of 1 inch in 8 feet.	The Builder shall repair any deficiencies in excess of the Performance Guideline.	None.
	<b>2.24</b> Masonry column is out of plumb.	Masonry columns should not be constructed out of plumb in excess of 1 inch in 8 feet.	The Builder shall repair any deficiencies in excess of the Performance Guideline.	None.
	<b>2.25</b> Steel column is out of plumb.	Steel columns shall not be out of plumb in excess of 3/8 inch in 8 feet when measured vertically.	The Builder shall repair any deficiencies in excess of the Performance Guideline.	None.

**Maryland Warranty Standards**

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**3. WOOD FLOOR FRAMING (CONTINUED)**

FLOOR SYSTEM	3.1 Springiness, bounce, shaking, or visible sag is present in the floor system.	All beams, joists, headers, and other structural members shall be sized according to the manufacturers' specifications or local building codes.	The Builder will reinforce or modify, as necessary, any member of the floor system not meeting the Performance Guideline.	Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Structural members are required to meet standards for both stiffness and strength. When an Owner's preference is made known before construction, a higher standard may be agreed upon by the Builder and the Owner.
BEAMS, COLUMNS & POSTS	3.2 An exposed wood column or post is split.	Sawn wood columns or posts shall meet the grading standard for the species used. Splits that exceed 3/8 inch in width and more than 4 inches in length at time of installation or that develop during the warranty period are considered excessive.	The Builder will repair or replace any beam or post that does not meet the Performance Guideline. Filling splits is acceptable to have structural members meet the Performance Guideline.	Columns and posts will sometimes split as they dry after installation. Splitting is acceptable and is not a structural concern if columns or posts have been sized according to manufacturers' specifications or local building codes. Splitting is primarily an aesthetic concern rather than a structural concern.
	3.3 An exposed wood beam is split.	Sawn wood beams shall meet the grading standard for the species used. Splits that exceed 3/8 inch in width and 4 inches in length at time of installation or that develop during the warranty period are considered excessive.	The Builder will repair or replace any sawn wood beam that does not meet the Performance Guideline. Filling splits is acceptable to have structural members meet the Performance Guideline.	Beams 2 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes split as they dry after installation. Splitting is acceptable and is not a structural concern if sawn lumber beams have been sized according to manufacturers' specifications or local building codes. Splitting is primarily an aesthetic rather than a structural concern.
	3.4 An exposed wood beam or post is twisted or bowed.	Sawn wood beams shall meet the grading standard for the species used. Splits that exceed 3/8 inch in width and 4 inches in length at time of installation or that develop during the warranty period are considered excessive.	The Builder will repair or replace any sawn wood beam that does not meet the Performance Guideline. Filling splits is acceptable to have structural members meet the Performance Guideline.	Beams 2 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes split as they dry after installation. Splitting is acceptable and is not a structural concern if the sawn lumber beams have been sized according to manufacturers' specifications or local building codes. Splitting is primarily an aesthetic rather than a structural concern.
	3.5 An exposed wood beam or post is cupped.	Cups exceeding 1/4 inch in 5 1/2 inches are considered excessive.	The Builder will repair or replace any beam or post with a Defect that does not meet the Performance Guideline.	Cupped lumber is lumber that has warped or cupped across the grain in a concave or convex shape. Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried), will sometimes cup as they dry after milling or installation.

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**3. WOOD FLOOR FRAMING (CONTINUED)**

<b>PLYWOOD &amp; JOISTS</b>	<b>3.6</b> The wood floor squeaks or the subfloor appears loose.	Squeaks caused by a loose subfloor are unacceptable, but totally squeak-proof floors cannot be guaranteed.	The Builder will refasten any loose subfloor or take other corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.	There are many possible causes of floor squeaks. One of the more common sources of squeaks is wood moving along the shank of a nail. Squeaking frequently occurs when lumber, plywood, or boards move slightly when someone walks over them. Boards and plywood may become loose due to shrinkage of the floor structure or sub-floor as it dries after installation or seasonal changes in temperature and humidity. Nails used to fasten metal connectors (joist hangers, tie-down straps, etc.) may cause squeaks. Because of the nature of wood and construction methods, it is practically impossible to eliminate all squeaks during all seasons. Clearly, some squeaks are more objectionable than others.
	<b>3.7</b> Wood sub-floor is uneven.	Sub-floors shall not have more than a 1/4 inch ridge or depression within any 32 inch measurement. Measurements should not be made at imperfections that are characteristic of the code-approved material used. This Performance Guideline does not cover transition points between different materials.	The Builder will correct or repair the sub-floor to meet the Performance Guideline.	None.
	<b>3.8</b> Wood floor is out of square.	The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor shall be no more than 1/2 inch more nor less than 20 feet.	The Builder will make the necessary modifications to any floor not complying with the Performance Guideline for squareness. The modification will produce a satisfactory appearance and may be either structural or cosmetic.	Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out of square wall. The Performance Guideline tolerance of plus or minus 1/2 inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8 inch in a 12-foot wall of a 12x16 foot room.
	<b>3.9</b> Wood floor is out of level.	The floor should not slope more than 1/2 inch in 20 feet. Crowns and other lumber characteristics that meet the standards of the applicable grading organization for the grade and species used are not Defects. Deflections due to overloading by the Owner are not the Builder's responsibility.	The Builder will make a reasonable and cost-effective effort to modify the floor that does not comply with the Performance Guideline.	Sloped floors have both an aesthetic and functional consideration. Measurements for slope should be made across the room, not in a small area.

## Maryland Warranty Standards

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>3. WOOD FLOOR FRAMING (CONTINUED)</b>				
<b>PLYWOOD &amp; JOISTS (CONTINUED)</b>	<b>3.10</b> Deflection is observed in a floor system constructed of wood I-joists, floor trusses, or similar products.	All wood I-joists and other manufactured structural components in the floor system shall be sized and installed as provided in the manufacturers' specifications and code requirements.	The Builder will reinforce or modify, as necessary, any floor component not meeting the Performance Guideline.	Deflection may indicate an aesthetic consideration independent of the strength and safety requirements of the product. When an Owner's preference is made known before construction, a higher standard may be agreed upon in writing by the Builder and the Owner.
<b>4. WALLS</b>				
<b>WALL FRAMING</b>	<b>4.1</b> A framed wall is not plumb.	The interior face of wood-framed walls shall not be more than 3/8 inch out of plumb for any 32 inches in any vertical measurement.	The Builder will repair to meet the Performance Guideline.	None.
	<b>4.2</b> The wall is bowed.	Walls shall not bow more than 1/2 inch out of line within any 32 inch horizontal measurement, or 1/2 inch out of line within any 8 foot vertical measurement.	The Builder will repair to meet the Performance Guideline.	All interior and exterior walls have slight variances in their finished surface. On occasion the underlying framing may warp, twist, or bow after installation.
	<b>4.3</b> An exterior wall leaks because of improper caulking installation or failure of the caulking material.	Joints and cracks in exterior wall surfaces and around openings shall be caulked to prevent the entry of water.	One time only, the Builder will repair or caulk joints and cracks in exterior wall surfaces, as required to correct deficiencies.	Even when properly installed, caulking eventually will shrink and crack. Maintenance of caulking is the Owner's responsibility.
<b>WALL INSULATION</b>	<b>4.4</b> Insulation is insufficient.	The Builder shall install insulation according to R-Values designated in the contract documents or local code, as applicable. Insulation shall be installed according to locally accepted practices.	The Builder shall install insulation to meet the Performance Guideline.	None.
<b>WINDOWS</b>	<b>4.5</b> Window is difficult to open or close.	Windows should require no greater operating force than that described in the manufacturer's specifications.	The Builder will correct or repair the window as required to meet the Performance Guideline.	None.
	<b>4.6</b> Window glass is broken and/or screen is missing or damaged.	Glass should not be broken and screens should not be damaged at the time of acceptance of the Home. Screens required by the contract shall be installed.	Broken glass and/or missing or damaged screens reported to the Builder prior to closing will be installed or replaced. Broken glass and/or screens not reported prior to substantial completion of the Home are the Owner's responsibility.	None.
	<b>4.7</b> Scratches appear on surface of glass and mirror.	Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions at the time of acceptance of the Home.	The Builder shall replace any scratched glass or mirror surface if noted on a pre-closing walk through list.	None.
	<b>4.8</b> During rains, water appears on interior corner of glazed window unit.	Water leakage from improper installation is considered excessive. Leakage due to the manufacturer's design specifications is acceptable.	The Builder shall repair any deficiencies attributable to improper installation.	Leakage at the glazing interface is covered under the manufacturer's warranty.

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<b>4. WALLS (CONTINUED)</b>				
<b>WINDOWS (CONTINUED)</b>	<b>4.9</b> Window grids (muntins) fall or become out of level.	Window grids shall not disconnect, fall, or become out of level.	Window grids will be repaired or replaced at the Builder's discretion one time only.	None.
	<b>4.10</b> A mirror backing is deteriorating.	While looking at the mirror, there should be no noticeable imperfections in the mirror as a result of damage to the mirror backing at the time of acceptance of the Home.	The Builder will replace or repair the mirror.	None.
<b>EXTERIOR DOORS</b>	<b>4.11</b> Exterior door is warped.	Exterior doors shall not warp to the extent that they become inoperable or cease to be weather-resistant. A ¼ inch tolerance as measured diagonally from corner to corner is acceptable.	The Builder will correct or replace exterior doors that do not meet the Performance Guideline.	Most exterior doors will warp to some degree due to the difference in the temperature and humidity between inside and outside surfaces; ¼ inch across the plane of the door measured diagonally from corner to corner is an acceptable tolerance. Warping may also be caused by improper or incomplete finishing of the door including sides, top, and bottom. The Builder is not responsible for warpage if painting of doors is not within Builder's scope of work.
	<b>4.12</b> Raw wood shows at the edges of inset panel inserted into a wood exterior door during the manufacturing process.	This is a common occurrence in wood doors with panels.	None.	Wood products expand and contract with changes in temperature and humidity. Wooden inserts are often loosely fitted into the rails to allow the inserts to move; this minimizes splitting of the panel or other damage to the door. The Owner is responsible for controlling temperature and humidity in the Home to minimize these occurrences.
	<b>4.13</b> A wooden door panel is split.	Split panels shall not allow light to be visible through the door.	One time only, the Builder will repair, paint, or stain the split panel that does not meet the Performance Guideline. Caulking and fillers are acceptable. The repainted area may not match the remainder of the door or other doors on the house.	Wooden inserts are loosely fitted into the door to allow the inserts to move; this minimizes splitting of the panel or other damage to the door. On occasion, a panel may become "locked" by paint or expansion of the edges with changes in temperature and humidity and no longer "float" between the rails. This may result in the panel splitting.
	<b>4.14</b> Exterior door sticks.	Exterior doors shall operate smoothly, except that doors may stick during occasional periods of high humidity or with variations in temperature.	The Builder will adjust or replace the door to meet the Performance Guideline.	Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The Builder is not responsible for warpage if painting of doors is not within Builder's scope of work.

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**4. WALLS (CONTINUED)**

<b>EXTERIOR DOORS (CONTINUED)</b>	<b>4.15</b> Exterior door will not shut completely.	Exterior doors shall shut completely.	The Builder will adjust or replace the door to meet the Performance Guideline.	Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The Builder is not responsible for warpage if painting of doors is not within Builder's scope of work.
	<b>4.16</b> Plastic molding behind storm door melts from exposure to sunlight.	The plastic moldings behind the storm doors should not melt if the storm panel is removed and reinstalled by the Owner during normal maintenance operations.	None.	Plastic moldings may melt or deform if the exterior door is covered by a storm door panel during a warm season, or if it faces the sun. This is not a Defect of the door, but a problem caused by the trapping of heat between the storm panel and the door. The Owner is also cautioned to follow manufacturer's recommendations on painting on the moldings with a dark color, with or without the use of a storm panel. Dark colors should be avoided.
	<b>4.17</b> Caulking or glazing on the primary door behind the storm door cracks or peels.	Glazing or caulking behind storm doors should not crack or peel if the storm panel is removed and installed by Owner as part of seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).	None.	High temperatures may cause glazing and caulking to harden and/or fail prematurely if the door is covered by a storm panel during a warm season or if it faces the sun. This is not a Defect of the door, caulking, or glazing, but a problem caused by the trapping of heat between the door and the storm panel. The Owner is reminded that dark colors tend to accumulate heat and are more likely to cause problems.
	<b>4.18</b> Door swings open or closed by the force of gravity.	Exterior doors shall not swing open or closed by the force of gravity alone.	The Builder will adjust the door to prevent it from swinging open or closed by the force of gravity.	None.
	<b>4.19</b> Gaps are visible around exterior door edge, door jamb, and threshold.	Gaps between adjacent components shall not vary by more than 3/16 inch.	The Builder will repair existing unit to meet Performance Guideline.	Doors must have gaps at their perimeter to accommodate expansion/contraction due to variations in temperature and/or humidity and to enable the door to operate over a wide range of environmental conditions.
	<b>4.20</b> Sliding patio door or screen will not stay on track.	Sliding patio doors and screens shall slide properly on their tracks at the time of substantial completion of the Home. The cleaning and maintenance necessary to preserve proper operation are an Owner responsibility.	The Builder shall repair once during the warranty period.	Proper operation should be verified by the Owner and the Builder at the time the Home is accepted.

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<b>4. WALLS (CONTINUED)</b>				
<b>EXTERIOR DOORS (CONTINUED)</b>	4.21 Sliding patio door does not roll smoothly.	Sliding patio doors shall roll smoothly at the time the Home is accepted. The cleaning and maintenance necessary to preserve proper operation are an Owner responsibility.	The Builder shall repair once during the warranty period.	Proper operation should be verified by the Owner and the Builder at the time the Home is accepted.
	4.22 A doorknob, deadbolt, or lockset does not operate smoothly.	A doorknob, deadbolt, or lockset should not stick or bind during operation.	One time only, the Builder will adjust, repair, or replace knobs that are not damaged by abuse.	None.
	4.23 Exterior door hardware or kickplate has tarnished.	Finishes on door hardware installed by Builder are covered by manufacturer's warranty.	None. Owner to contact manufacturer.	None.
<b>EXTERIOR FINISH-WOOD AND HARDBOARD LAP SIDING</b>	4.24 Siding is bowed.	Bows exceeding 1/2 inch in 32 inches are unacceptable.	The Builder will replace any wood lap siding with bows that does not meet the Performance Guideline, and finish replacement siding to match the existing siding as closely as practical.	If the siding is held by nails into studs, expansion caused by increasing relative humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.
	4.25 An edge or gap is visible between adjacent pieces of siding or siding panels and other materials.	Gaps wider than 3/16 inch are considered excessive. This Performance Guideline does not apply to adjacent pieces or panels that have shiplap or similar joints.	The Builder will repair gaps that do not meet the Performance Guideline.	Proper repair can be effected by providing joint covers or by caulking the gap. This is important if the gaps were intentionally made for expansion joints. If the siding is painted, the Builder will paint the new caulking to match the existing caulking as closely as practical, but an exact match cannot be ensured.
	4.26 Lap siding is not parallel with the course above or below.	A piece of lap siding may not be more than 1/2 inch off parallel with contiguous courses in any 20 foot measurement, unless the Owner and the Builder have previously agreed to disregard the Performance Guideline to match a pre-existing condition.	The Builder will reinstall siding to meet the Performance Guideline for straightness, and replace any siding damaged during removal with new siding.	None.
	4.27 Face nails are driven below the surface of the hardboard siding.	Siding nails should not be driven below the surface of hardboard siding such that visible fiber of the siding is exposed.	The Builder shall repair as necessary to meet Performance Guideline. The following repairs are appropriate in most instances: If visible fiber of hardboard siding is exposed, paint surface, fill or caulk and touch-up paint. If nail is more than 1/8 inch below the surface, fill or caulk and add an additional nail flush to the surface.	None.

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>4. WALLS (CONTINUED)</b>				
<b>EXTERIOR FINISH-WOOD AND HARD-BOARD LAP SIDING (CONTINUED)</b>	<b>4.28</b> Siding boards have buckled.	Boards that project more than 3/16 inch from the face of adjacent boards are considered excessive.	The Builder will repair or replace any siding not meeting the Performance Guideline.	Buckling is caused by wood expanding as a result of increased temperature and/or relative humidity. It can be minimized by leaving space between the tongues and grooves to allow room for expansion and by storing the product outside for a few days to allow it to adjust to the ambient conditions prior to installation.
<b>EXTERIOR FINISH-WOOD SHAKE SIDING</b>	<b>4.29</b> Cedar shakes or shingles have "bled" through paint or stain applied by Builder.	Resins and extractives bleeding through paint or stain, or blackening of shakes or shingles is unacceptable. This Performance Guideline does not apply if "natural weathering" or semi-transparent stain is specified for the Home.	One time during the warranty period the Builder will clean and treat shakes to provide a reasonable appearance and prevent further bleeding.	None.
<b>EXTERIOR FINISH-PLYWOOD OR OTHER VENEER SIDING</b>	<b>4.30</b> Siding has delaminated.	Siding shall not delaminate.	The Builder will replace delaminated siding that is not covered under manufacturer's warranty, unless the delamination was caused by the Owner's actions or negligence. The repaired area may not precisely match the original siding.	None.
	<b>4.31</b> Joints between siding have separated.	Joint separations exceeding 3/16 inch are unacceptable.	The Builder will caulk or repair siding as necessary to fill the joint. The repaired area may not match the original siding precisely.	Plywood siding, like all wood products, will expand and contract with changes in temperature and/or humidity.
	<b>4.32</b> Siding is bowed.	Some waviness in siding is to be expected because of bows in studs. Bows exceeding 1/2 inch in 32 inches are considered excessive.	The Builder will repair or replace the siding to meet the Performance Guideline.	Additional nails or screws may be installed to remove the bow.
<b>EXTERIOR FINISH-ALUMINUM OR VINYL LAP SIDING</b>	<b>4.33</b> Aluminum or vinyl siding is bowed or wavy.	Some waviness in aluminum or vinyl lap siding is to be expected because of bows in studs. Waves or similar distortions in aluminum or vinyl lap siding are considered excessive if they exceed 1/2 inch in 32 inches.	The Builder will correct any waves or distortions to comply with the Performance Guideline by reinstalling or replacing siding as necessary.	This problem can be caused by the siding being nailed too tightly to the house instead of loosely "hung" in the center of the nail slots, or by not allowing adequate room for the siding to expand. Siding fasteners should be installed in the center of the nail slot with a 1/32 inch spacing (thickness of a dime) between the siding and the fastener to allow for expansion and contraction.
	<b>4.34</b> Nail has stained siding.	Stains exceeding more than 1/2 inch from the nail and readily visible from a distance of more than 20 feet are unacceptable. This Performance Guideline does not apply if "natural weathering" or semi-transparent stain is specified for the job.	The Builder can choose either to remove stains that do not meet the Performance Guideline, or to touch-up, paint, or stain the affected area.	Stains may be from oxidation of nails or leaching of extractives from the wood. Use of galvanized nails (even double hot-dipped) will not necessarily prevent staining. Clear water-repellent sealer applied immediately after installation of siding will retard leaching and rusting.

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**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>4. WALLS (CONTINUED)</b>				
<b>EXTERIOR FINISH- ALUMINUM OR VINYL LAP SIDING (CONTINUED)</b>	4.35 Siding is faded.	Any color siding, when exposed to the ultra-violet rays of the sun, will fade and this condition cannot be prevented by the Builder. However, panels installed on the same wall shall fade at the same rate.	No corrective action is required of the Builder. The Owner should contact the siding manufacturer.	Color warranties are provided by the siding manufacturer. The Owner should contact the manufacturer with questions or claims regarding changes in color of vinyl or aluminum siding. Color and fade imperfections beyond an expected degree may be covered by the manufacturer's warranty, except where siding is shaded differently from the rest of the wall, such as under shutters or behind vegetation.
	4.36 Aluminum or vinyl lap siding trim is loose.	Trim shall not separate from the house more than 1/4 inch.	The Builder will reinstall trim as necessary to comply with the Performance Guideline.	Vinyl siding and accessories should not be caulked in most circumstances, as it could impact the product's contraction and expansion characteristics.
	4.37 Aluminum or vinyl lap siding courses are not parallel with eaves or wall openings.	Any piece of aluminum or vinyl lap siding more than 1/2 inch off parallel in 20 feet with a break such as an eave or wall opening is considered excessive.	The Builder will reinstall siding to comply with the Performance Guideline and replace any siding damaged during the removal with new siding.	None.
	4.38 Nail heads show in aluminum or vinyl lap siding.	No nail heads in the field of the siding shall be exposed.	The Builder will install trim as necessary to cover the nails. Builder will install proper trim accessories to avoid face nailing.	Vinyl siding generally should not be face nailed. However, there are appropriate and typical occasions when a single face nail may be needed to reinforce a joint or fasten the siding to the wall when it is cut to fit around window frames, doors, roofs, or other obstructions on the wall. In most cases (the only exception would be the top piece on a gable end), vinyl siding should never need to be face nailed when proper accessory products are used. For example, under a window application the trim (j-channel) can be utilized in conjunction with utility trim and snap-punching the top of the modified vinyl siding. If face nailing is the only option, a 1/8th inch diameter hole should be pre-drilled to allow for expansion and contraction.
	4.39 Aluminum or vinyl lap siding trim accessory is loose from caulking at windows or other wall openings.	Siding trim accessories shall not separate from caulking at windows or other wall openings during the warranty period.	The Builder will repair or recaulk as necessary to eliminate the separation.	None.

**Maryland Warranty Standards**

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>4. WALLS (CONTINUED)</b>				
EXTERIOR FINISH-ALUMINUM OR VINYL LAP SIDING (CONTINUED)	4.40 Aluminum or vinyl lap siding is cut crooked.	Gaps shall comply with the manufacturer's guidelines unless the existing building is out of square or plumb. Cut edges of vinyl siding should always be covered by trim or receiving channels and should not be visible. Cuts should be made so that when properly installed in trim, edges are not visible.	The Builder will ensure that the appropriate trim/accessory is installed to eliminate potentially revealing site cuts. If cuts in siding panels are so uneven that they are not concealed by trim, the panel shall be replaced.	Cut edges of vinyl siding should never be visible when proper trim and accessories are used.
	4.41 Aluminum or vinyl lap siding is not correctly spaced from moldings.	Prescribed spacing between siding and accessory trim is typically 1/4 inch, or should comply with the manufacturer's installation specifications.	The Builder will correct the spacing to meet the Performance Guideline.	None.
EXTERIOR FINISH-CEMENT BOARD SIDING	4.42 Cement board siding is cracked or chipped.	A cement product, this siding is susceptible to the same characteristic limitations as other cement products. Cracks more than 2 inches in length and 1/8 inch in width are considered excessive. Chips or dents not reported on a pre-closing walk through list are not covered.	Cracked or chipped cement board will be repaired or replaced as necessary, as determined by the Builder.	None.
	4.43 Cement board siding is improperly fastened.	Siding shall be nailed flush and perpendicular per the manufacturer's specifications. Staples shall not be used.	Overdriven nail heads or nails driven at an angle shall be filled with cementitious patching compound to match the existing area as closely as possible.	The manufacturer's specifications include guidelines to reduce chipping or cracking of siding.
EXTERIOR FINISH-MASONRY AND VENEER	4.44 Masonry or veneer wall is cracked.	Cracks visible from distances in excess of 20 feet or larger than 1/4 inch in width are not acceptable.	The Builder will repair cracks in excess of the Performance Guideline by tuck pointing, patching or painting. The Builder will not be responsible for color variation between original and new mortar.	Hairline cracks resulting from shrinkage and cracks due to minor settlement are common in masonry or veneer and do not necessarily represent a Defect.
	4.45 Exterior cut bricks are of different thickness below openings.	Cut bricks used in the course directly below an opening shall not vary from one another in thickness by more than 1/4 inch. The smallest dimension of a cut brick should be greater than 1 inch.	The Builder will repair the wall to meet the Performance Guideline.	Bricks are cut to achieve required dimensions at openings and ends of walls when it is not possible to match unit/mortar coursing.
	4.46 Masonry or brick veneer course is not straight.	No point along the bottom of any course shall be more than 1/4 inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2 inch in any length.	The Builder will rebuild the wall as necessary to meet the Performance Guideline.	Dimensional variations of the courses depend upon the variations in the brick selected.
	4.47 Brick veneer is spalling.	Spalling of newly manufactured brick should not occur and is considered excessive. Spalling of used brick is acceptable.	The Builder will repair or replace newly manufactured bricks that have spalled. An exact match of brick and mortar cannot be assured.	None.

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<b>4. WALLS (CONTINUED)</b>				
<b>EXTERIOR FINISH-MASONRY AND VENEER (CONTINUED)</b>	<b>4.48</b> Mortar stain on exterior brick or stone.	Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.	The Builder will clean the mortar stains to meet the Performance Guideline.	None.
	<b>4.49</b> Efflorescence is present on masonry or mortar surface.	This is a common condition caused by moisture reacting with the soluble salts in the mortar.	None.	Efflorescence is evidenced by the presence of a white film on the surface of masonry or mortar. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.
<b>EXTERIOR FINISH-STUCCO AND PARGE</b>	<b>4.50</b> Exterior stucco wall surface is cracked.	Cracks in exterior stucco wall surfaces shall not exceed 1/8 inch in width.	One time only, the Builder will repair cracks exceeding 1/8 inch in width. Caulking and touch-up painting are acceptable. An exact color or texture match may not be unattainable.	“Stucco” includes cementitious coatings and similar synthetically-based finishes.
	<b>4.51</b> Colors of exterior stucco walls do not match.	The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls, nor is it expected that exact matches will be attained for the same material that is applied on different days or under differing environmental conditions (e.g., temperature, humidity, etc.).	No corrective measure is required. Because of the unique nature of stucco finishes, exact match of color may not be possible.	Coloring of stucco is unique to field variables and it is impractical to achieve a color match between stucco coatings applied at different times.
	<b>4.52</b> Textures of finishes of exterior stucco walls do not match.	None.	No corrective measure is required. Because of the unique nature of stucco finishes, exact match of color may not be possible.	Coloring of stucco is affected by a number of variables. It is impractical to achieve a color match between stucco coatings applied at different times.
	<b>4.53</b> Coating has separated from the base on an exterior stucco wall.	The coating shall not separate from the base on an exterior stucco wall during the warranty period.	The Builder will repair areas where the coating has separated from the base.	Coloring of stucco is affected by a number of variables. It is impractical to achieve a color match between stucco coatings applied at different times.
	<b>4.54</b> Lath is visible through stucco.	Lath should not be visible through stucco, nor should the lath protrude through any portion of the stucco surface.	The Builder will make necessary corrections so that lath is not visible. The finish colors may not match.	None.
	<b>4.55</b> Rust marks are observed on the stucco finish coat.	Rust marks on the stucco surface are considered excessive if more than 5 marks measuring more than 1 inch long occur per 100 square feet.	The Builder may repair or replace affected subsurface components, or seal the rusted areas and recolor the wall.	None.

**Maryland Warranty Standards**

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**4. WALLS (CONTINUED)**

<b>EXTERIOR FINISH-STUCCO AND PARGE (CONTINUED)</b>	<b>4.56</b> There is water damage to interior walls as a result of a leak in the stucco wall system.	Stucco walls should be constructed and flashed to prevent water penetration to the interior of the structure under normal weather and water conditions. Damage to the stucco system caused by external factors out of the Builder's control that result in water penetration is not the Builder's responsibility.	If water penetration is the result of a system failure and doesn't result from external factors, the Builder will make necessary repairs to prevent water penetration through the stucco wall system.	Water penetration resulting from external factors such as windblown moisture or sprinkler systems is not the Builder's responsibility.
<b>EXTERIOR TRIM</b>	<b>4.57</b> Gaps show in exterior trim.	Joints between exterior trim elements, including siding and masonry, shall not result in joints opened wider than 1/4 inch. In all cases the exterior trim shall perform its function of excluding the elements.	The Builder will repair open joints that do not meet the Performance Guideline. Caulking is acceptable.	None.
	<b>4.58</b> Exterior trim board is split.	Splits wider than 1/8 inch are unacceptable.	The Builder will repair splits by filling with a durable filler. Touch-up painting may not match the surrounding area.	None.
	<b>4.59</b> Exterior trim board is bowed or twisted.	Bows and twists exceeding 3/8 inch in 8 feet are unacceptable.	The Builder will repair Defects that do not meet the Performance Guideline by refastening or replacing deformed boards. Touch-up painting may not match the surrounding area.	None.
	<b>4.60</b> Exterior trim board is cupped.	Cups exceeding 3/16 inch in 5 1/2 inches are unacceptable.	The Builder will repair Defects that do not meet the Performance Guideline by refastening or replacing deformed boards. Touch-up painting may not match the surrounding area.	None.
<b>PAINT, STAIN AND VARNISH</b>	<b>4.61</b> Exterior painting, staining or refinishing is required because of repair work.	Repairs required under these Performance Guidelines shall be finished to match the immediate surrounding areas as closely as practical.	The Builder will finish repaired areas as indicated.	Touch-up painting staining, or refinishing may not match the surrounding areas.
	<b>4.62</b> Exterior paint or stain has peeled, flaked, or physically deteriorated.	Exterior paints and stains shall not fail during the paint manufacturer's warranty period.	If exterior paint or stain has peeled, developed an alligator pattern, or blistered, the Builder will properly prepare and refinish affected areas and match the color as closely as practical. Where deterioration of the finish affects more than 50 percent of the piece of trim or wall area, the Builder will refinish the entire wall.	None.
	<b>4.63</b> Exterior paint or stain has faded.	Fading of exterior paints and stain is common. The degree of fading depends on environmental conditions.	Because fading is a common occurrence in paint and stains, no corrective action is required.	None.

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**4. WALLS (CONTINUED)**

PAINT, STAIN AND VARNISH (CONTINUED)	4.64	Varnish or lacquer finishes have deteriorated.	Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the control of the Builder.	Heat and sunlight can cause rapid deterioration of clear finishes. Maintenance is the Owner's responsibility. No corrective action is required of the Builder.	None.
	4.65	There is paint or stain overspray on surfaces not intended for paint or stain.	Paint or stain overspray on surfaces not intended for paint or stain that is visible at a distance of 6 feet under normal lighting conditions is not acceptable.	The Builder shall clean affected surfaces without damaging the surface.	None.
	4.66	Cabinet stain is uneven. Cabinet paint is not uniform or is mismatched.	Uneven stain color on wood cabinets is considered acceptable and is a result of the natural wood grain. Painted cabinets should appear uniform under normal lighting conditions at a distance of 6 feet.	The Builder will stain or paint the area as required to meet the Performance Guideline.	None.

**5. ROOFS**

ROOF STRUCTURE	5.1	Roof ridge beam deflects.	Roof ridge beam deflection greater than 1 inch in 8 feet is considered excessive.	The Builder shall repair any affected ridge beams that do not meet the Performance Guideline.	None.
	5.2	A rafter or ceiling joist bows (up or down).	Bows greater than 1 inch in 8 feet are excessive.	The Builder shall repair affected rafters or joists that bow in excess of the Performance Guideline.	None.
ROOF STRUCTURE-ROOF SHEATHING	5.3	Roof sheathing is wavy or appears bowed.	Roof sheathing shall not bow more than 1/2 inch in 2 feet.	The Builder will straighten bowed roof sheathing as necessary to meet the Performance Guideline.	In rare instances, the Builder might have to install blocking between the framing members to straighten the sheathing.
ROOF VENTS	5.4	An attic vent or louver leaks.	Attic vents and louvers shall not leak. However, infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the Builder.	The Builder shall repair or replace the roof vents as necessary to meet the Performance Guideline.	None.
ROOF INSTALLATION AND LEAKS- ASPHALT SHINGLES	5.5	The roof or flashing leaks.	Roofs and flashing shall not leak under normal conditions.	The Builder will repair any verified roof or flashing leaks not caused by ice buildup, leaves, debris, abnormal conditions, or the Owner's actions or negligence.	It is the Owner's responsibility to keep the roof drains, gutters, and downspouts free of ice and debris.
	5.6	Ice builds up on the roof.	During prolonged cold spells, ice is likely to build up at the eaves of a roof. This condition can naturally occur when snow and ice accumulates.	None. Prevention of ice buildup on the roof is an Owner maintenance item.	None.
	5.7	Shingles have blown off.	Shingles shall not blow off in winds less than the manufacturer's standards/specifications.	If shingles were not installed properly, they will be repaired or replaced in the affected area.	None.

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**5. ROOFS (CONTINUED)**

<b>ROOF INSTALLATION AND LEAKS- ASPHALT SHINGLES (CONTINUED)</b>	5.8	Shingles slide off the roof.	The Builder shall ensure that shingles are installed in accordance with the manufacturer's specifications.	The Builder shall evaluate and replace shingles that slide off the roof.	Correctly installed shingles are covered by the manufacturer's warranty.
	5.9	Shingles are not horizontally aligned.	Shingles should be installed according to the manufacturer's standards/specifications.	The Builder will remove shingles that do not meet the Performance Guideline, and will repair or replace them with new shingles that are properly aligned.	The bottom edge of dimensional shingles may be irregular; the irregularity is an inherent part of the design.
	5.10	New shingles do not match existing shingles.	Because of weathering and manufacturing variations, the color of new shingles will not exactly match the color of existing shingles.	The Builder is not responsible for precisely matching of the color of existing shingles.	None.
	5.11	Asphalt shingle edges or corners are curled or cupped.	Asphalt shingle edges and corners shall not curl or cup more than 1/2 inch.	None. The Owner should contact the manufacturer of the roofing shingle.	None.
	5.12	Asphalt shingles do not overhang edges of roof, or hang too far over edges of roof.	Asphalt shingles shall overhang roof edges by not less than 1/4 inch, and not more than 3/4 inch unless the manufacturer's standards/specifications indicate otherwise.	The Builder will reposition or replace shingles as necessary to meet the Performance Guideline.	None.
	5.13	Shading or shadowing pattern appears on new shingle roof.	Shading or shadowing is a Defect only if it results from failure to use shingles of the type specified in the contract.	The Builder will replace shingles not conforming to contractual requirements.	None.
	5.14	Asphalt shingles have developed surface buckling.	Asphalt shingle surfaces need not be perfectly flat. Buckling higher than 1/4 inch is considered excessive.	The Builder will fix the affected shingles to meet the Performance Guideline.	None.
	5.15	Sheathing nails have loosened from framing and raised asphalt shingles.	Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.	The Builder shall repair all areas as necessary to meet the Performance Guideline.	It is not uncommon for nails to "work themselves out" due to variations in temperature. The Builder can re-drive or remove and replace fasteners that withdraw from the framing. Any resulting holes should be sealed or the shingle should be replaced (a perfect color/shade match cannot be assured).
	5.16	Roofing nails are exposed at ridge or hip of a roof.	Nail heads shall be sealed.	The Builder shall repair areas to meet Performance Guideline.	None.
	5.17	Holes from construction activities are found in asphalt shingles.	Holes from construction activities shall be flashed or sealed below the asphalt shingle tab to prevent leakage. If patch is visible from ground, the shingle should be replaced.	The Builder shall repair to meet the Performance Guideline.	None.

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<b>5. ROOFS (CONTINUED)</b>				
<b>ROOF INSTALLATION AND LEAKS-ROLL ROOFING</b>	<b>5.18</b> Water is trapped under roll roofing.	Water shall not become trapped under roll roofing.	If water becomes trapped under roll roofing during the warranty period, the Builder will repair or replace the roofing as necessary to meet the Performance Guideline.	None.
	<b>5.19</b> Roofing is blistered but does not leak.	Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and is a common occurrence.	None.	None.
	<b>5.20</b> Water is standing on a flat roof.	Water shall drain from a flat roof except for minor ponding within 24 hours of a rainfall. Minor ponding shall not exceed 3/8 inch in depth.	The Builder will take corrective action to assure proper drainage of the roof.	None.
<b>CHIMNEY</b>	<b>5.21</b> Crack in masonry chimney cap or crown causes leakage.	It is common for caps to crack due to expansion and contraction. As a result, leaks may occur.	If cracking causes leakage the Builder will repair the cap or crown. Caulking or other sealant is acceptable.	None.
	<b>5.22</b> New chimney flashing leaks.	New chimney flashing shall not leak under normal conditions.	The Builder will repair leaks in new chimney flashing that are not caused by ice buildup, other common occurrences, or by the Owner's actions or negligence.	The accumulation of ice and snow on the roof is a natural occurrence and cannot be prevented by the Builder.
<b>GUTTERS AND DOWNSPOUTS</b>	<b>5.23</b> Gutter or downspout leaks.	Gutters and downspouts shall not leak.	The Builder will repair leaks in gutters and downspouts. Sealants are acceptable.	None.
	<b>5.24</b> Gutter overflows during a heavy rain.	Gutters may overflow during a heavy rain.	The Builder shall repair if gutters overflow during normal rains.	The Owner is responsible for keeping gutters and downspouts free from debris that could cause overflow.
	<b>5.25</b> Water remains in the gutter after a rain.	The water level shall not exceed 1/2 inch in depth if the gutter is unobstructed by ice, snow, or debris.	The Builder will repair the gutter to meet the Performance Guideline. The Owner is responsible for maintaining gutters and downspouts and keeping them unobstructed.	Builders usually install residential gutters with minimal slope in order to maintain an attractive appearance. Installing gutters with 1/32 inch drop in 1 foot generally will prevent water from standing in the gutters. Even so, small amounts of water may remain in some sections of the gutter for a time after a rain. In areas with heavy rainfall and/or ice buildup, a steeper pitch or additional downspouts may be desirable.
<b>SKYLIGHTS</b>	<b>5.26</b> Skylight leaks.	Skylights shall be installed in accordance with manufacturer's specifications. Leaks resulting from improper installation are unacceptable. Condensation on interior surfaces is not a leak and not considered a Defect.	The Builder will repair any improperly installed skylights to meet the Performance Guideline.	Condensation on interior surfaces is not a leak.

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**6. PLUMBING**

<b>WATER SUPPLY SYSTEM</b>	<b>6.1</b>	A pipe or fitting leaks.	No leaks of any kind shall exist in any water pipe or fitting.	The Builder will make repairs to eliminate leakage.	None.
	<b>6.2</b>	Condensation is observed on pipes, fixtures, and plumbing supply lines.	Condensation on pipes, fixtures, and plumbing supply lines may occur at certain combinations of temperature and indoor humidity.	The Owner is responsible for controlling humidity in the Home.	The Owner may insulate pipes and supply lines.
	<b>6.3</b>	A faucet or valve leaks.	No faucet or valve shall leak because of Defects in material or workmanship.	The Builder will repair or replace the leaking faucet or valve.	None.
	<b>6.4</b>	Water in plumbing pipe freezes, and the pipe bursts.	Drain, waste, vent, and water pipes shall be adequately protected to reduce the possibility of freezing at the design temperatures and based on the applicable building or plumbing code.	The Builder will correct situations not meeting the applicable code. The Owner is responsible for draining or otherwise protecting pipes and exterior faucets exposed to freezing temperatures.	None.
	<b>6.5</b>	The water supply system fails to deliver water.	All on-site service connections to the municipal water main or private water supply are the responsibility of the Builder.	The Builder will repair the water supply system if the failure results from defective installation or materials. Conditions beyond the control of the Builder that disrupt or eliminate the water supply are not covered.	None.
	<b>6.6</b>	Water pipe is noisy.	Because of the flow of water and pipe expansion the water pipe system will emit some noise. However, the pipes should not make the pounding noise called "water hammer."	The Builder cannot remove all noises caused by water flow and pipe expansion. However, the Builder will correct the system to eliminate "water hammer."	None.
<b>PLUMBING FIXTURES</b>	<b>6.7</b>	The bathtub or shower leaks.	Bathtubs and showers shall not leak.	The Builder will repair bathtub or shower leaks as necessary to meet the Performance Guideline.	Proper repair can be affected by sealing areas around tubs and showers. Maintenance of caulk seals is an Owner responsibility.
	<b>6.8</b>	Plumbing fixture, appliance, or trim fitting is defective.	Plumbing fixtures, appliances, and trim fittings shall not be damaged at the time of acceptance of the Home.	None. Defective trim fittings, appliances, and fixtures are covered under manufacturer's warranty.	None.
	<b>6.9</b>	The surface of a plumbing fixture is cracked or chipped.	Cracks and chips in surfaces of bathtubs and sinks are considered excessive if they are visible from 3 feet in normal lighting conditions.	The Builder will not be responsible for repairs unless the damage is reported to the Builder prior to acceptance of the Home. If the problem resulted from improper manufacture, then the manufacturer's warranty will take precedence over the Builder's responsibilities.	Fiberglass and acrylic fixtures often can be repaired.
	<b>6.10</b>	Fiberglass tub or shower enclosure base flexes.	To be installed according to manufacturer's specifications.	Builder shall repair to meet Performance Guideline.	None.
	<b>6.11</b>	A vanity top is cracked.	Vanity tops shall not have cracks when installed with proper sealants.	The Builder shall repair or replace the vanity top to meet the Performance Guidelines. Cracks must be noted prior to substantial completion of the Home.	None.

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**6. PLUMBING (CONTINUED)**

<p><b>SANITARY SEWER OR SEPTIC SYSTEM*</b></p>	<p><b>6.12</b> Sewer, fixture, or drain is clogged.</p>	<p>Sewers, fixtures, and drains shall drain.</p>	<p>The Builder is not responsible for sewers, fixtures, and drains that are clogged because of the Owner's actions or negligence. If a problem occurs, the Owner should consult the Builder for corrective action. If defective installation is the cause, the Builder is responsible for correcting the problem. If the Owner's actions or negligence is the cause, the Owner is responsible for correcting the problem.</p>	<p>With respect to septic systems, Owner actions that constitute negligence under this Performance Guideline include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• Connection of sump pump, roof drains, or backwash from a water conditioner into the system.</li> <li>• Placement of nonbiodegradable items into the system.</li> <li>• Use of a food waste disposer not supplied or approved by the Builder.</li> <li>• Placement of surfaces not permeable to water over the disposal area of the system.</li> <li>• Allowing vehicles to drive or park over the disposal area of the system.</li> <li>• Failure to pump out the septic tank periodically, as required.</li> <li>• Use that exceeds the system's design standards.</li> <li>• Allowing water to pond over the disposal area.</li> </ul>
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**7. ELECTRICAL**

<p><b>FUSES AND CIRCUIT BREAKERS</b></p>	<p><b>7.1</b> Fuse blows or circuit breaker trips.</p>	<p>Fuses and circuit breakers shall not be tripped by normal usage.</p>	<p>The Builder will check wiring circuits and components for conformity with applicable electrical code requirements. The Builder will correct non-compliant elements.</p>	<p>Blown fuses and tripped breakers are symptoms of a problem in some part of the electrical system in the Home or some Owner product connected to the system. Although defective components are possible, most electrical malfunctions are caused by Owner-owned fixtures and appliances. The Owner should unplug or disconnect fixtures and appliances on the circuit and then replace the fuse or reset the breaker. If the problem recurs, the Builder should be notified.</p>
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\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

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**7. ELECTRICAL (CONTINUED)**

<b>FUSES AND CIRCUIT BREAKERS</b>	<b>7.2</b> A ground fault circuit interrupter (GFCI) or arc fault circuit interrupter (AFCI) trips frequently.	Ground fault and arc fault circuit interrupters shall perform as designed.	The Builder will install ground fault and arc fault circuit interrupters in accordance with applicable electrical codes. Tripping is to be expected and is not covered unless it is caused by a component failure or incorrect installation.	Both ground fault and arc fault circuit interrupters are very sensitive devices and are easily tripped. GFCIs protect outlets in wet areas (for example, bathrooms, kitchens, garages, exterior, etc.). Outlets protected by GFCIs may be connected in series; it may not be readily apparent that an in-operative convenience outlet is the result of a tripped GFCI in another room (and not necessarily in the electrical panel). AFCIs sometimes are installed to protect bedroom circuits. The most common cause of tripping by AFCIs is damaged cords or plugs on Owners' lamps, small appliances or other devices. AFCIs are usually found in the electrical panel.
<b>OUTLETS AND LIGHTS</b>	<b>7.3</b> Electrical outlets, switches, or fixtures malfunction.	All electrical outlets, switches, and fixtures shall operate as designed.	The Builder will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the Builder.	None.
	<b>7.4</b> Wiring fails to carry its designed load.	Wiring shall be capable of carrying the designed load for normal residential use.	The Builder will verify that wiring conforms to applicable electrical code requirements. The Builder will repair wiring not conforming to code.	None.
	<b>7.5</b> A light fixture is tarnished.	Finishes on light fixtures may be covered under manufacturer's warranty.	No action is required of the Builder. Owner should contact manufacturer.	None.
	<b>7.6</b> Receptacle or switch covers protrude from the wall.	Receptacle or switch covers should not be more than 1/16 inch from the adjoining wall surface.	The Builder will adjust the covers to meet Performance Guideline.	None.
	<b>7.7</b> The Owner's 220-volt appliance cord does not fit the outlet provided by the Builder.	The Builder shall install electrical outlets required by applicable electrical code.	None.	The Owner is responsible for obtaining an appliance cord that fits the outlets provided by the Builder.
<b>FANS</b>	<b>7.8</b> A ceiling fan vibrates excessively and/or is noisy.	The Builder shall install ceiling fans in accordance with the manufacturer's specifications (including blade balances).	The Builder shall correct any fan installation not in accordance with Performance Guideline if the fan was supplied and installed by the Builder.	None.
	<b>7.9</b> An exhaust fan discharges into attic or crawl space.	Fans shall discharge as required by applicable codes.	The Builder shall repair to meet Performance Guideline.	None.

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**7. ELECTRICAL (CONTINUED)**

<b>SMOKE DETECTORS</b>	<b>7.10</b> A smoke detector “chirps”.	A smoke detector should not “chirp” prior to acceptance of the Home.	The Builder will repair or replace the smoke detector to eliminate chirping.	Most smoke detectors are powered by both the Home’s electrical power and a backup battery. “Chirping” is an indication that the battery is weak or is not installed. If the chirping occurs on a new smoke detector, the Builder will check the battery, verify that the detector is wired correctly, and replace the device if necessary. Safety officials recommend that Owners change the batteries in smoke detectors semi-annually when daylight saving time begins and ends.
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**8. INTERIOR CLIMATE CONTROL**

<b>AIR INFILTRATION AND DRAFTS</b>	<b>8.1</b> Air infiltrates around exterior door or windows.	Some infiltration is usually noticeable around doors and windows especially during high winds. No daylight shall be visible around frame when door or window is closed.	The Builder shall repair to meet the Performance Guideline.	Proper repair can be affected by adjusting or installing weatherstripping around doors and windows. In high wind areas, the Owner may need to have storm windows and doors installed to eliminate drafts.
	<b>8.2</b> Draft comes through electrical outlet.	Electrical outlets and switch boxes on exterior walls may allow cold air to flow through or around an outlet into a room.	No action is required of the Builder. The Owner may elect to install foam insulation pads under switch and outlet plates to help decrease drafts.	None.
<b>HUMIDITY CONTROL AND CONDENSATION</b>	<b>8.3</b> Water, ice, or frost is observed on a window.	Windows will be installed in accordance with the manufacturer’s specifications and applicable building code.	No action is required of the Builder unless the water, ice or frost is directly attributed to faulty installation (i.e., that deviates from the manufacturer’s specifications and/or applicable building code).	Condensation usually results from conditions beyond the Builder’s control. Moisture in the air can condense into water and collect on cold surfaces, particularly in the winter months when the outside temperature is low. Blinds and drapes can prevent air within the building envelope from moving across the cold surface and picking up the moisture. Occasional condensation (water) in the kitchen, bath or laundry area is common. It is the Owner’s responsibility to maintain proper humidity by properly operating Heating and Cooling Systems and allowing moving air within the Home to flow over the interior surface of the windows.
<b>AIR DISTRIBUTION SYSTEM</b>	<b>8.4</b> The ductwork makes noises.	Ductwork will be constructed and installed in accordance with applicable mechanical code requirements.	Unless the duct is not in compliance with the local code, no corrective action is required.	Metal expands when it is heated and contracts when it cools. The “ticking” or “crackling” sounds caused by the metal’s movement are common.

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<b>8. INTERIOR CLIMATE CONTROL (CONTINUED)</b>				
<b>AIR DISTRIBUTION SYSTEM (CONTINUED)</b>	<b>8.5</b> The ductwork produces excessively loud noises commonly known as oil canning.	The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not "oil can." The booming noise caused by oil canning is not acceptable.	The Builder will correct the ductwork to eliminate noise caused by oil canning.	None.
	<b>8.6</b> There is airflow noise at the register.	The register should be correctly installed according to the manufacturer's specifications.	None, if installed correctly. If installed incorrectly, Builder will correct according to manufacturer's specifications.	Under certain conditions, some noise may be experienced with the normal flow of air when product is installed correctly. See manufacturer's specifications.
	<b>8.7</b> The air handler or furnace vibrates.	These items shall be installed in accordance with the manufacturer's specifications and applicable codes.	If installed correctly, the Builder will correct the items according to manufacturer's specifications and code requirements.	Under certain conditions, some vibrating may be experienced with normal flow of air, even when air handlers and furnaces are installed correctly. See manufacturer's specifications.
	<b>8.8</b> The ductwork separates or detaches.	Ductwork shall remain intact and securely fastened.	The Builder will reattach and resecure all separated or unattached ductwork.	None.
<b>HEATING SYSTEM</b>	<b>8.9</b> The Heating System is inadequate.	The Heating System shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local, outdoor winter design conditions. National, state, or local energy codes shall supersede this Performance Guideline where such codes have been locally adopted.	The Builder will correct the Heating System to provide the required temperature in accordance with the Performance Guideline or applicable code specifications. However, the Owner will be responsible for balancing dampers and registers and for making other necessary minor adjustments.	None.
<b>CENTRAL AIR CONDITIONING SYSTEM</b>	<b>8.10</b> Cooling of rooms is inadequate.	If air conditioning is installed by the Builder, the Cooling System shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions. In the case of outside temperatures exceeding 95 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 Performance Guideline where such codes have been locally adopted.	The Builder will correct the Cooling System to provide the required temperature in accordance with the Performance Guideline or applicable code specifications.	None.
	<b>8.11</b> A condensate line is clogged.	Condensate lines must be free of all clogs to operate properly.	Condensation lines will eventually clog under normal use. The Builder will provide unobstructed condensation lines at the time the Home is accepted. The Owner is responsible for maintaining them in that condition.	None.

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**8. INTERIOR CLIMATE CONTROL (CONTINUED)**

<b>CENTRAL AIR CONDITIONING SYSTEM (CONTINUED)</b>	<b>8.12</b> There is a refrigerant leak.	Refrigerant lines and fittings shall not leak during normal operation.	The Builder will repair leaking refrigerant lines and recharge the air conditioning unit unless the damage was caused by the Owner's actions or negligence.	None.
	<b>8.13</b> There is condensation on the outside of air handlers and ducts.	Moisture may condense on the exterior surfaces of air handlers and ducts under some temperature differences and high humidity levels.	No action is required of the Builder, unless the condensation is directly attributed to faulty installation.	Condensation usually results from conditions beyond the Builder's control. Moisture in the air can condense (to form water) and collect on cold duct surfaces, particularly in the summer months when the outside humidity is high.
	<b>8.14</b> Kitchen or bath fans allow air infiltration.	Bath and kitchen fans shall be installed in accordance with the manufacturer's specifications and code requirements.	None.	It is possible for outside air to enter the house through a ventilation fan. The dampers in most fans do not seal tightly. It is possible for the damper to be lodged open due to animal activity, (including nesting in the outside opening), or the accumulation of grease, lint, and other debris. Maintenance of ventilating fans is the Owner's responsibility.
	<b>8.15</b> HVAC vent or register covers protrude more than 1/16 inch from a smooth wall or ceiling surface.	Registers shall not protrude more than 1/16 inch from the wall surface at the time of substantial completion of the Home.	The Builder shall comply with the Performance Guideline.	Registers and grills may deflect over time. This can result in gaps occurring between the grill or register and the wall or ceiling. As long as the vent or register is securely attached, this is not a warranty item.

**9. INTERIOR**

<b>INTERIOR DOORS</b>	<b>9.1</b> Interior door is warped.	Interior doors (full openings) shall not warp in excess of 1/4 inch.	The Builder will correct or replace and refinish defective doors to match existing doors as nearly as practical.	In bathroom or utility areas, exhaust fans or an open window must be used to minimize moisture to prevent warpage of door units. If the Owner is responsible for painting the door, the Builder is not responsible.
	<b>9.2</b> Bifold doors come off tracks during normal operation.	Bifold doors shall slide properly on their tracks at the time the Home is accepted. Cleaning and maintenance necessary to preserve proper operation are the Owner's responsibility.	The Builder will repair any bifold door that will not stay on its track during normal operation, one time during the warranty period.	Proper operation should be verified by the Owner and the Builder at the time the Home is accepted.
	<b>9.3</b> Pocket door rubs in pocket during normal operation.	Pocket doors shall not rub in their pockets during normal operation if they are installed according to the manufacturer's specifications.	The Builder will repair the pocket door to meet the Performance Guideline, one time during the warranty period.	Pocket doors commonly rub, stick, or derail due to the inherent nature of the product. It is common, however, for the door to operate against the guides provided by the manufacturer.

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**9. INTERIOR (CONTINUED)**

<b>INTERIOR DOORS (CONTINUED)</b>	<b>9.4</b> A wooden door panel has shrunk or split.	Wooden door panels shall not split to the point where light is visible through the door.	The Builder will fill splits in the door panel with wood filler and match paint or stain as closely as practical.	None.
	<b>9.5</b> A door rubs on jambs or Builder-installed floor covering.	Doors shall operate smoothly.	One time only, the Builder will repair the door as necessary to meet the Performance Guideline.	None.
	<b>9.6</b> Door edge is not parallel to door jamb.	Where the Builder installs the door frame and door, the door edge shall be within 3/16 inch of parallel to the door jamb.	The Builder will adjust the door as necessary to meet the Performance Guideline one time.	None.
	<b>9.7</b> Door swings open or closed by the force of gravity.	Doors shall not swing open or closed by the force of gravity alone.	The Builder will adjust the door as necessary to meet the Performance Guideline one time.	None.
	<b>9.8</b> Interior doors do not operate smoothly.	Doors shall move smoothly with limited resistance.	The Builder shall repair door operation to match Performance Guideline.	None.
	<b>9.9</b> A door knob or latch does not operate smoothly.	A door knob or latch should not stick or bind during operation.	The Builder will adjust, repair, or replace knobs or latches that are not damaged by abuse one time.	None.
<b>INTERIOR STAIRS</b>	<b>9.10</b> Interior stair tread deflects too much.	The maximum vertical deflection of an interior stair tread shall not exceed 1/8 inch at 200 pounds force.	The Builder will repair the stair to meet the Performance Guideline.	None.
	<b>9.11</b> Gaps exist between interior stair risers, treads, and/or skirts.	Gaps between adjoining parts that are designed to meet flush shall not exceed 1/8 inch in width.	The Builder will fix the gap with filler or replace parts as necessary to meet the Performance Guideline.	None.
	<b>9.12</b> Squeaking stair riser or tread.	Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers or treads cannot be guaranteed.	The Builder will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.	Squeaks in risers or treads may occur when a riser has come loose from the tread, and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. Using trim screws to fasten the tread to the riser from above sometimes will reduce squeaking. If there is no ceiling below, gluing or renailing the riser to the tread or shimming will reduce squeaks but the complete elimination of squeaks is practically impossible.
	<b>9.13</b> Gaps exist between interior stair railing parts.	Gaps between interior stair railing parts shall not exceed 1/8 inch in width.	The Builder will ensure that individual parts of the railing are securely mounted. Any remaining gaps will be filled or parts replaced to meet the Performance Guideline.	None.

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<b>9. INTERIOR (CONTINUED)</b>				
<b>INTERIOR STAIRS (CONTINUED)</b>	<b>9.14</b> Interior stair railing lacks rigidity.	Interior stair railings shall be attached to structural members in accordance with applicable building codes.	The Builder will repair any stair railings as necessary to comply with applicable building codes.	None.
<b>TRIM AND MOLDINGS</b>	<b>9.15</b> Gaps at non-mitered joints of trim and moldings.	Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed 1/8 inch in width at time of installation.	The Builder will repair defective joints to meet Performance Guideline.	Separation of trim and moldings in excess of the Performance Guidelines may be caused by lack of control of indoor relative humidity. Joints that separate under these conditions are not considered defective. It is the Owner's responsibility to control temperature and humidity in the Home.
	<b>9.16</b> Nails are not properly set or, where puttied, nail holes are not properly filled.	Setting nails and filling nail holes are considered part of painting or finishing. After finishing, nails shall not be readily visible from a distance of 6 feet under normal lighting conditions. After painting or staining, putty colors will not exactly match variations in wood color.	Where the Builder is responsible for painting, the Builder shall take action necessary to meet the Performance Guideline.	Puttying of nail holes in base and trim molding installed in unfinished rooms and areas not exposed to view (such as inside of closets) are not included in this Performance Guideline.
	<b>9.17</b> Inside corner is not coped or mitered.	Trim and molding edges at inside corners shall be coped or mitered. However, square-edge trim and molding may be butted.	The Builder will finish inside corners to meet the Performance Guideline.	None.
	<b>9.18</b> Trim or molding miter edges do not meet.	Gaps between miter edges in trim and molding shall not exceed 1/8 inch at time of installation.	The Builder will repair gaps that do not meet the Performance Guideline. Caulking or puttying with materials compatible to the finish is acceptable.	None.
	<b>9.19</b> Interior trim is split.	Splits, cracks, and checking greater than 1/8 inch in width are considered excessive.	One time only, the Builder will repair the affected area to meet the Performance Guideline.	None.
	<b>9.20</b> Hammer marks are visible on interior trim.	Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.	The Builder will fill hammer marks and refinish or replace affected trim to meet the Performance Guideline. Refinished or replaced areas may not match surrounding surfaces exactly.	None.
<b>CABINETS</b>	<b>9.21</b> Cabinets do not meet ceiling or walls.	Gaps greater than 1/4 inch in width are considered excessive.	The Builder will repair the gap with caulk, putty, or scribe molding, or he will reposition/reinstall cabinets to meet the Performance Guideline.	None.
	<b>9.22</b> Cabinets do not line up with each other.	Cabinet faces more than 1/8 inch out of line, and cabinet corners more than 3/16 inch out of line, are unacceptable, unless the Owner and the Builder agree to disregard the guideline in order to match or otherwise compensate for pre-existing conditions.	The Builder will make necessary adjustments to meet the Performance Guideline.	None.

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<b>9. INTERIOR (CONTINUED)</b>					
<b>CABINETS (CONTINUED)</b>	<b>9.23</b> Cabinet is warped.	Cabinet warpage shall not exceed 1/4 inch as measured from the face frame to the point of furthest warpage, with the door or drawer front in closed position.	The Builder will correct or replace doors and drawer fronts as necessary to meet the Performance Guideline.	None.	
	<b>9.24</b> Cabinet door or drawer binds.	Cabinet doors and drawers shall open and close with reasonable ease.	The Builder will adjust or replace doors and drawers as necessary to meet the Performance Guideline.	None.	
	<b>9.25</b> Cabinet door will not stay closed.	The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.	The Builder will adjust or replace the door catches or closing mechanisms as necessary to meet the Performance Guideline.	None.	
	<b>9.26</b> Cabinet doors or drawers are cracked.	Panels and drawer fronts shall not crack.	The Builder may replace or repair cracked panels and drawer fronts. No Builder action is required if the cracked drawer fronts or panels result from the Owner's abuse.	Paint or stain on the repaired or replaced panel or drawer front may not match the stain on the existing panels or drawer fronts.	
	<b>9.27</b> Cabinet units are not level.	Individual cabinets should not have a deviation of more than 3/16 inch out of level.	The Builder will level cabinets to meet the Performance Guideline.	None.	
	<b>9.28</b> A cabinet door is warped.	Cabinet door warpage shall not exceed 1/8 inch as measured diagonally from corner to corner.	The Builder may replace or repair warped doors to meet the Performance Guideline.	None.	
	<b>9.29</b> Cabinet doors do not align when closed.	Gaps between doors should not exceed 1/8 inch.	The Builder shall adjust doors to meet the Performance Guideline.	None.	
	<b>COUNTER TOPS</b>	<b>9.30</b> High pressure laminate on countertop is delaminated.	Countertops fabricated with high pressure laminate coverings shall not delaminate.	The Builder will repair or replace delaminated coverings, unless the delamination was caused by the Owner's misuse or negligence.	Owners should refrain from leaving any liquids near the countertop seams or allowing the surface to become excessively hot.
		<b>9.31</b> The surface of high pressure laminate on countertop is cracked or chipped.	Cracks or chips greater than 1/16th inch in width are considered excessive.	The Builder will repair or replace cracked or chipped countertops only if they are reported prior to acceptance of the Home.	None.
<b>9.32</b> Scratches on solid surface countertops.		At the time of acceptance of the Home, solid surface countertops shall be free of scratches visible from 6 feet under normal lighting condition.	The Builder shall repair to meet the Performance Guideline.	None.	
<b>9.33</b> Countertop is not level.		Countertops shall be no more than 3/8 inch in 10 feet out of parallel with the floor.	The Builder will make necessary adjustments to meet the Performance Guideline.	None.	
<b>9.34</b> A tile countertop has uneven grout lines.		Grout lines should not vary more than 1/16 inch from the widest to the narrowest.	The Builder shall make corrections as necessary to bring the grout lines into compliance with the Performance Guideline.	Different tiles require different widths of grout lines. Some tiles are designed to have varied-width grout lines.	

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<b>8. INTERIOR (CONTINUED)</b>				
<b>COUNTER TOPS (CONTINUED)</b>	<b>9.35</b> Tile countertop grout lines are cracked.	Tile grout is a cement product and is subject to cracking. Cracks that result in loose tiles or gaps in excess of 1/16 inch shall be repaired.	The Builder will repair the grout lines by adding grout, caulking or replacing grout one time.	None.
	<b>9.36</b> A granite, marble, stone, or solid surface countertop is cracked at the time of substantial completion of the Home.	Cracks greater than 1/32 inch in width are considered excessive.	If the crack is found to be caused as a result of faulty installation or product, the Builder will repair or replace the countertop. Patching is an acceptable repair.	None.
	<b>9.37</b> A granite, marble, stone or solid surface countertop has texture or color variations.	Color variations are acceptable. The Builder has no responsibility for countertop texture or color variations when the Owner selects the material.	None.	None.
	<b>9.38</b> A granite, marble, stone or solid surface countertop is chipped at the time of substantial completion of the Home.	Chips greater than 1/32 inch in width are considered excessive.	The Builder will repair or replace affected areas to meet the Performance Guidelines.	None.
	<b>9.39</b> The surface of countertop tile has excessive lippage of adjoining tile.	Lippage greater than 1/16 inch is considered excessive, except for materials that are designed with an irregular height (such as hand-made tile).	The Builder will repair or replace the tile to meet the Performance Guideline.	None.
	<b>9.40</b> A solid surface or laminate countertop has a bubble, burn, stain, or other damage.	Solid surface or laminate countertops shall be free of bubbles, burns, or stains at the time of acceptance of the Home.	The Builder will repair or replace the countertop to meet the Performance Guideline.	Solid surface and laminate products may be subject to damage by hot surfaces placed on or near the product. The Owner is responsible for maintaining the countertop and protecting it from damage.
<b>INTERIOR WALL FINISH - LATH AND PLASTER</b>	<b>9.41</b> Cracks are visible on finished wall or ceiling.	Cracks shall not exceed 1/16 inch in width.	The Builder will repair cracks exceeding 1/16 inch in width one time only. The Builder will touch up paint on repaired areas if the Builder was responsible for the original interior painting. A perfect match between original and new paint cannot be expected and the Builder is not required to paint an entire wall or room.	None.

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**9. INTERIOR (CONTINUED)**

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>INTERIOR WALL FINISH - GYPSUM</b>	<b>9.42</b> Nail pop, blister, or other blemish is visible on finished wall or ceiling.	Any such blemishes that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable.	The Builder will repair such blemishes only once during the warranty period. The Builder will touch up paint on repaired areas if the Builder was responsible for the original interior painting. A perfect match between original and new paint cannot be expected, and the Builder is not required to paint an entire wall or room. The Builder is not required to repair Defects that are covered by wallpaper and, therefore, not visible.	When drywall has been placed on lumber surfaces which are subject to shrinkage and warpage and which are not perfectly level and plumb, problems may often occur through stress and strain placed on drywall during the stabilization of the lumber, which is inherent in the construction of the Home. Due to the initial stabilization problem that exists with the new Home, it is impossible to correct each Defect as it occurs, and it is essentially useless to do so. The entire house will tend to stabilize itself.
	<b>9.43</b> Cracked corner bead, excess joint compound, trowel marks or blisters in tape joints on drywall surface.	Defects resulting in cracked corner bead, trowel marks, excess joint compound or blisters in tape are unacceptable.	The Builder shall repair the affected area of the wall to meet the Performance Guideline one time within the warranty period.	None.
	<b>9.44</b> Joints protrude from the surface.	Any joints that are visible from a distance of 6 feet under normal lighting conditions are considered excessive.	The Builder will repair affected areas, one time only.	Joints often occur in long walls, stairwells, and areas of two-story Homes where framing members have shrunk and caused the drywall to protrude.
	<b>9.45</b> Texture of gypsum wall-board does not match.	Any variations that are readily visible from a distance of 6 feet under normal lighting conditions are considered excessive.	The Builder will repair the affected area to meet the Performance Guideline.	None.
	<b>9.46</b> Angular gypsum wall-board joints are uneven.	This is a natural condition that occurs with randomly applied materials.	None.	None.
	<b>9.47</b> Drywall is cracked.	Drywall cracks greater than 1/16th inch in width are considered excessive.	The Builder will repair cracks and touch up paint in affected areas, one time only. The texture and paint color may not exactly match the existing texture and paint color.	None.
	<b>9.48</b> Blown or textured ceilings have uneven textures.	This is a common condition that occurs with randomly applied materials.	No action is required of the Builder. This is a common condition.	None.
	<b>INTERIOR WALL FINISH - PAINT, STAIN AND VARNISH</b>	<b>9.49</b> Interior paint does not "cover" the underlying surface.	The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions.	The Builder will recoat affected areas as necessary to meet the Performance Guidelines as closely as practical.
<b>9.50</b> Interior surface is paint spattered.		Paint spatters shall not be readily visible on walls, woodwork, floors, or other interior surfaces when viewed from a distance of 6 feet under normal lighting conditions.	The Builder will remove paint spatters to meet the Performance Guideline.	None.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>9. INTERIOR (CONTINUED)</b>				
<b>INTERIOR WALL FINISH - PAINT, STAIN AND VARNISH (CONTINUED)</b>	<b>9.51</b> Brush marks show on interior painted surface.	Brush marks shall not be readily visible on interior painted surfaces when viewed from a distance of 6 feet under normal lighting conditions.	The Builder will refinish as necessary to meet the Performance Guideline and match surrounding areas as closely as practical.	None.
	<b>9.52</b> Lap marks show on interior paint or stain.	Lap marks shall not be readily visible on interior paint or stain when viewed from a distance of 6 feet under normal lighting conditions.	The Builder will refinish as necessary to meet the Performance Guideline and match surrounding areas as closely as practical.	None.
	<b>9.53</b> Interior painting, staining, or refinishing is required because of repair work.	A perfect match between original and new paint cannot be expected. Repairs required under these Performance Guidelines shall be finished to match the immediate surrounding areas as closely as practical.	Where the majority of the wall or ceiling area is affected, the area will be painted from breakline to breakline. The Builder is not required to paint an entire room.	The Builder is only responsible if he or she painted the Home as part of the original contract.
	<b>9.54</b> Resin has bled through the paint on interior trim.	This is a normal condition that can be expected to occur with natural materials such as wood.	No action required of the Builder. This is a common condition.	None.
<b>INTERIOR WALL FINISH - WALLPAPER AND VINYL WALL COVERINGS</b>	<b>9.55</b> The wall covering is peeling.	The wall covering shall not peel off the walls.	The Builder will reattach or replace the loose wall covering if the Builder installed the covering.	Wallpaper applied in high moisture areas is exempted from this Performance Guideline because the problem results from conditions beyond the Builder's control.
	<b>9.56</b> Patterns in wall covering are mismatched.	Patterns in wall coverings shall match. Defects in the patterns themselves are the manufacturer's responsibility.	The Builder shall correct the wall covering to meet the Performance Guidelines.	None.
<b>10. FLOOR FINISHES</b>				
<b>CARPETING</b>	<b>10.1</b> Carpet does not meet at the seams.	It is not unusual for carpet seams to show. However, a visible gap at the seams is not acceptable.	If the carpet was installed by the Builder, the Builder will eliminate visible gaps at carpet seams.	None.
	<b>10.2</b> Carpeting loosens, or the carpet stretches.	When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment.	If the carpeting was installed by the Builder, the Builder will restretch or resecure the carpeting as necessary to meet the Performance Guideline.	None.
	<b>10.3</b> Carpeting is faded or discolored.	Fading or discoloration of carpet is a manufacturer's responsibility.	None.	Fading or discoloration may result from the Owner spilling liquids on the carpet, exposure to sunlight, or the Owner's failure to properly maintain the carpet.
	<b>10.4</b> Dead spots appear in padding areas below carpet surface.	Carpeted areas shall have full coverage of padding consistent throughout the flooring area.	The Builder will repair/replace padding in the affected areas to meet Performance Guidelines.	None.

**Maryland Warranty Standards**

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
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**10. FLOOR FINISHES (CONTINUED)**

<b>ROLL VINYL AND RESILIENT TILE FLOORING</b>	<b>10.5</b> Nail pops appear on the surface of resilient flooring.	Readily visible nail pops on resilient flooring are not acceptable.	The Builder will repair the nail pops that are readily visible.	The Builder will repair or replace at the Builder's option, the resilient floor covering in the affected areas with similar materials. The Builder is not responsible for discontinued patterns or color variations when replacing the floor covering.
	<b>10.6</b> Depressions or ridges appear in resilient flooring because of subfloor irregularities.	Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken at the end of a 6 inch straightedge centered over the depression or ridge with 3 inches of the straightedge held tightly to the floor on one side of the affected area. Measure under the straightedge to determine the depth of the depression or height of the ridge.	The Builder will take corrective action as necessary to bring the Defect within the acceptable tolerance so that the depression or ridge is not readily visible and is not more than 1/8 inch. The Builder will not be responsible for discontinued patterns or color variations when replacing the floor covering.	None.
	<b>10.7</b> Resilient flooring loses adhesion.	Resilient flooring shall not lift, bubble, or detach.	At the Builder's option, the Builder will repair or replace the affected resilient flooring as necessary. The Builder is not responsible for discontinued patterns or color variations when replacing the floor covering.	None.
	<b>10.8</b> Seams or shrinkage gaps show at vinyl flooring joints.	Gaps at joints/seams in vinyl flooring shall not exceed 1/32 inch in width. Where dissimilar materials abut, the gap shall not exceed 1/16 inch.	At the Builder's option, the Builder will repair or replace the vinyl flooring as necessary to meet the Performance Guideline. The Builder will not be responsible for discontinued patterns or color variations when replacing the floor covering.	Proper repair can be affected by sealing gap with seam sealer.
	<b>10.9</b> Bubbles appear on roll vinyl flooring.	Bubbles resulting from trapped air that protrude higher than 1/16 inch from the floor are not acceptable.	The Builder will repair the floor to meet the Performance Guideline.	The Performance Guideline does not apply to perimeter attached vinyl floors.
	<b>10.10</b> Patterns on roll vinyl flooring are misaligned.	Patterns at seams between adjoining pieces shall be aligned to within 1/8 inch.	The Builder will correct the flooring to meet the Performance Guideline.	None.
	<b>10.11</b> Resilient floor tile is loose.	Resilient floor tiles shall be securely attached to the floor.	The Builder will attach loose resilient floor tiles securely to the floor. The old adhesive will be removed if necessary to re-secure the tiles.	None.
	<b>10.12</b> Corners or patterns of resilient floor tile are misaligned.	The corners of adjoining resilient floor tiles shall be aligned to within 1/8 inch. Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.	The Builder will correct resilient floor tiles with misaligned corners to meet the Performance Guideline.	None.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>10. FLOOR FINISHES (CONTINUED)</b>				
<b>ROLL VINYL AND RESILIENT TILE FLOORING (CONTINUED)</b>	<b>10.13</b> Yellowing appears on surface of vinyl sheet goods.	The Builder shall install vinyl flooring per manufacturer's specifications.	Yellowing resulting from a manufacturer's defect or from the Owner's misuse or lack of maintenance is not covered by the Builder.	Some chemical compounds, such as the tar residue from a recently paved asphalt driveway, may cause a chemical reaction with the flooring material and result in permanent damage to the floor. The Owner should be familiar with the proper use and care of their floors. Defects traced to Owner's inappropriate use or care are not the Builder's or manufacturer's responsibility.
<b>WOOD FLOORING</b>	<b>10.14</b> Gaps exist between strip hardwood floor boards.*	Gaps between strip hardwood floor boards shall not exceed 1/8 inch in width at time of installation.	The Builder will repair gaps that do not meet the Performance Guideline.	Proper repair can be affected by filling the gap. Relative humidity of the Home can cause noticeable fluctuations in gaps between floor boards. This is a normal phenomenon in spaces that experience significant shifts in humidity. The Owner is responsible for maintaining proper humidity levels in the Home.
	<b>10.15</b> Strip hardwood floor board is cupped.	Cups in strip hardwood floor boards shall not exceed 1/16 inch in height in a 3 inch maximum span measured perpendicular to the long axis of the board. Cupping caused by exposure to moisture beyond the control of the Builder is not covered.	The Builder will correct or repair to meet the Performance Guideline.	The Owner is responsible for proper maintenance of the floor and for maintaining proper humidity levels in the Home.
	<b>10.16</b> Excessive lippage is located at junction of prefinished wood flooring products.	Lippage greater than 1/16 inch is considered excessive.	The Builder will repair to meet Performance Guideline.	None.
	<b>10.17</b> Voids in the floor finish.	Voids or "holidays" that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable.	The Builder will repair to meet Performance Guideline.	None.
	<b>10.18</b> Top coating on hardwood flooring has peeled.	Field applied coating shall not peel during normal usage. Prefinished coatings are the manufacturer's responsibility.	The Builder shall refinish any field applied finishes that have peeled.	The Owner should contact the manufacturer regarding factory-applied finishes that have peeled.
	<b>10.19</b> Crowning of strip flooring has occurred.*	Crowning in strip flooring shall not exceed 1/16 inch in depth in a 3 inch maximum span when measured perpendicular to the long axis of the board.	The Builder will repair to meet Performance Guideline.	None.
	<b>10.20</b> Hardwood flooring buckles from substrate.	Hardwood floor will not become loose from substrate.	The Builder will repair to meet Performance Guideline.	None.
	<b>10.21</b> Excessive knots and color variation of strip hardwood flooring.	The Builder will install the grade of hardwood as specified by the project. All wood should be consistent with grading stamp as specified.	The Builder shall replace any improperly graded wood.	Hardwood is a natural product and consequently can be expected to exhibit variations in color, grain, and stain acceptance.

\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>10. FLOOR FINISHES (CONTINUED)</b>				
<b>WOOD FLOORING (CONTINUED)</b>	<b>10.22</b> Splivers or splinters appear in strip flooring.	Splivers or splinters that occur during the installation of the flooring are unacceptable.	The Builder will repair to meet Performance Guideline.	The imperfections that occur during installation can be shaved and the area filled prior to sanding and finishing.
	<b>10.23</b> "Sticker burn" appears on surface of strip flooring.	Discoloration from stacking strips in hardwood flooring is unacceptable in certain grades of flooring.	The Builder shall repair or replace areas with sticker burn if not permitted in grade of wood.	None.
<b>TILE, BRICK, MARBLE, AND STONE FLOORING</b>	<b>10.24</b> Tile, brick, marble, and stone flooring is broken or loose.*	Tile, brick, marble, and stone flooring shall not break or loosen.	The Builder will replace broken tiles, bricks, marble, and stone flooring, and resecure loose tiles, bricks, marble, and stone, unless the Defects were caused by the Owner's actions or negligence. The Builder is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.	None.
	<b>10.25</b> Cracks appear in grouting of tile joints or at junctures with other material such as a bathtub.	Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions. Cracks that result in loose tiles or gaps in excess of 1/16 inch shall be repaired.	The Builder will repair grouting, if necessary, one time only. The Builder is not responsible for color variations or discontinued colored grout. The Owner is responsible for regrouting these joints after the Builder's one-time repair.	Use of an elastic substance at junctures between tile and other materials is often more effective than grout.
	<b>10.26</b> There is excessive "lippage" of adjoining marble or ceramic tile.	"Lippage" greater than 1/16 inch is considered excessive, except where the materials are designed with an irregular height (such as hand-made tile).	The Builder will repair to meet Performance Guideline.	None.
	<b>10.27</b> Grout or mortar joint is not a uniform color.	Any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is unacceptable.	The Builder will repair the joint to meet the Performance Guideline one time only.	None.

**11. MISCELLANEOUS**

<b>FIREPLACE AND WOOD STOVE</b>	<b>11.1</b> Fireplace or chimney does not consistently draw properly.	A properly designed and constructed fireplace and chimney shall function correctly. Some Homes that have been constructed to meet stringent energy criteria may need to have a nearby window opened slightly to create an effective draft.	One time only, the Builder shall repair the chimney, based on the manufacturer's specifications or the design specifications, to draw correctly.	High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining Homes, and interior furnaces.
	<b>11.2</b> The chimney is separated from the structure.	Newly built fireplaces will often incur slight amounts of separation. The rate of separation from the main structure shall not exceed 1/2 inch in any 10 foot vertical measurement.	The Builder will repair gaps that do not meet the Performance Guideline.	Proper repair can be affected by caulking unless the cause of the separation is due to a structural failure of the chimney foundation itself. In that case caulking is unacceptable.
	<b>11.3</b> Firebox paint is damaged by a fire in the fireplace.	Heat and discoloration is a common occurrence.	None.	The Owner should obtain the proper paint from the manufacturer if he or she chooses to touch up the interior of the firebox for aesthetic reasons.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>11. MISCELLANEOUS (CONTINUED)</b>				
<b>FIREPLACE AND WOOD STOVE (CONTINUED)</b>	<b>11.4</b> Firebrick or mortar joint is cracked.	Heat and flames from normal fires can cause cracking.	None.	None.
	<b>11.5</b> Simulated firebrick panel develops cracks.	This is a normal condition.	None.	None.
	<b>11.6</b> Rust appears on the fireplace damper.	This is a normal condition.	None.	None.
<b>CONCRETE STOOPS AND STEPS</b>	<b>11.7</b> Stoops or steps have settled, heaved, or separated from the house structure.	Stoops and steps shall not settle, heave, or separate in excess of 1 inch from the house structure.	The Builder will make a reasonable and cost-effective effort to meet the Performance Guideline.	None.
	<b>11.8</b> Water remains on stoops or steps after rain has stopped.	Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.	The Builder will take corrective action to assure proper drainage of stoops and steps.	None.
	<b>11.9</b> The garage floor slab is cracked.	Cracks in concrete garage floor greater than 3/16 inch in width or 3/16 inch in vertical displacement are considered excessive.	The Builder shall repair to meet the Performance Guideline.	The repaired area may not match the existing floor in color and texture.
	<b>11.10</b> Garage concrete floor has settled, heaved, or separated.	The garage floor shall not settle, heave, or separate in excess of 1 inch from the structure.	The Builder will make a reasonable and cost-effective effort to meet the Performance Guideline.	The repaired area may not match the existing floor in color and texture.
	<b>11.11</b> Garage doors fail to operate properly under normal use.	Garage doors shall operate properly.	The Builder will correct or adjust garage doors as required, except where the Owner's actions or negligence caused the problem.	None.
	<b>11.12</b> Garage doors allow entry of snow or water.	Garage doors shall be installed as recommended by the manufacturer. Some snow or water can be expected to enter under normal conditions.	The Builder will adjust or correct garage doors to meet the manufacturer's recommendations.	None.
<b>DRIVEWAY</b>	<b>11.13</b> Asphalt driveway develops cracks.	Longitudinal or transverse cracks greater than 1/16 inch in width or vertical displacement are considered excessive.	The Builder shall repair the affected area to meet the Performance Guideline.	If commercial-grade filler is chosen for repair, cracks should be routed to a minimum depth of ¼ inch.
	<b>11.14</b> Standing water is observed on an asphalt pavement surface.	Standing water greater than 1/8 inch in depth shall not remain on the surface 24 hours after a rain.	The Builder shall repair or replace the affected area to meet the Performance Guideline.	None.
	<b>11.15</b> The aggregate of asphalt pavement is raveling.	Asphalt pavement shall not ravel.	The Builder shall repair or replace the affected area to meet the Performance Guideline.	None.
	<b>11.16</b> A concrete driveway or sidewalk is cracked.	Cracks (outside of control joints) that exceed ¼ inch in width or ¼ inch in vertical displacement shall be repaired.	The Builder shall repair/replace affected areas to eliminate cracks that exceed the Performance Guidelines.	Concrete products normally have some cracking and shrinkage. Minor cracking is normal. Cracking can be caused by elements outside of the Builders control. Control joints are placed in the concrete to help control cracks and provide a less visible area for them to occur. The repaired area may not match the existing area in color and texture.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>11. MISCELLANEOUS (CONTINUED)</b>				
<b>DRIVEWAY (CONTINUED)</b>	<b>11.17</b> Adjoining exterior concrete flatwork sections deviate in height from one section to another.	Adjoining concrete sections shall not differ in height by more than ½ inch.	The Builder shall repair deviations to meet the Performance Guidelines.	Some areas of the country experience lift or settlement at the junction of the garage floor and the driveway. The repaired area may not match the existing area in color and texture.
	<b>11.18</b> A sidewalk and other exterior concrete flatwork have settled.	Adjoining concrete sections shall not differ in height by more than ½ inch.	The Builder shall repair the affected areas to meet the Performance Guideline.	Some areas of the country experience lift or settlement at the junction of the garage floor and the driveway. The repaired area may not match the existing area in color and texture.
	<b>11.19</b> Water collects (ponds) on the sidewalk.	Standing water that is 3/8 inch deep on a sidewalk 24 hours after the end of a rain is considered excessive.	The Builder shall repair or replace the affected area to meet Performance Guideline.	None.
<b>WOOD DECKS</b>	<b>11.20</b> Wood deck is springy or shaky.	All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes, and manufacturers' specifications.	The Builder will reinforce or modify, as necessary, any wood deck not meeting the Performance Guideline.	Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Structural members are required to meet standards for both stiffness and strength. When an Owner's preference is made known before construction, the Builder and the Owner may agree upon a higher standard.
	<b>11.21</b> Spaces between decking are not uniform.	The spaces on opposite sides of individual deck boards shall not differ in average width by more than 3/16 inch at the time the Home is accepted unless otherwise specified by Owner.	The Builder will realign or replace decking boards to meet the Performance Guideline, one time only.	The spaces will naturally tend to change over time because of shrinkage and expansion of individual boards. The Builder is only responsible for correct spacing at the time of installation.
	<b>11.22</b> Railings on wood decking contain slivers in exposed areas.	Railings on wood decks shall not contain slivers longer than 1/8 inch in exposed areas at the time the Home is accepted.	The Builder will repair railings as necessary to remove slivers prior to acceptance of the Home. Repair of slivers after acceptance of the Home is an Owner maintenance responsibility.	Slivers can develop from weathering of unprotected wood. Proper finishing of wood surfaces helps prevent slivers from forming.
	<b>11.23</b> Wood deck is out of level.	No point on the deck surface shall be more than 1/2 inch higher or lower than any other deck surface point within 10 feet on a line parallel to the house, or proportional multiples of the preceding dimensions.	The Builder will repair the deck as necessary to meet the Performance Guideline.	A slope of approximately 1/8 inch per foot is desirable in the perpendicular direction to shed water and prevent ice buildup.

**SECTION III.  
WARRANTY STANDARDS  
A. YEAR 1  
COVERAGE ONLY**

**Maryland Warranty Standards**

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CATEGORY	OBSERVATION	PERFORMANCE GUIDELINE	CORRECTIVE MEASURE	DISCUSSION
<b>11. MISCELLANEOUS (CONTINUED)</b>				
<b>WOOD DECKS (CONTINUED)</b>	<b>11.24</b> Wood decking boards are split, warped, or cupped.	At the time of acceptance of the Home, splits, warps, and cups in wood decking boards shall not exceed the allowances established by the official grading rules issued by the agency responsible for the lumber species used for the deck boards.	The Builder will replace decking boards as necessary to meet the Performance Guideline.	None.
	<b>11.25</b> Stain color variations are on wood deck.	Stain color variations are not acceptable if they result from improper stain application or failure to mix the stain properly. Stain color variations resulting from other causes, such as weathering or varying porosity of the wood used to build the deck, are normal and are not covered by this Performance Guideline.	The Builder will restrain to meet the Performance Guideline.	None.
	<b>11.26</b> Wood decking board has nail head protruding.	Nail heads shall not protrude from the floor of the wood deck at the time of acceptance of the Home.	The Builder will refasten nails with heads protruding from the floor of the deck so that the heads are flush with the surface.	Nails should be driven flush when the deck is installed, but they may pop from the deck over time as the wood shrinks and expands.
	<b>11.27</b> Nails on wood deck are "bleeding."	Nail stains extending more than 1/2 inch from the nail and readily visible from a distance of more than 3 feet are not acceptable.	The Builder will eliminate nail stains to meet the Performance Guideline.	This Performance Guideline does not apply if "natural weathering" or semi-transparent stains are specified.
	<b>11.28</b> Wood deck railing lacks rigidity.	Wood deck railings shall be attached to structural members in accordance with applicable codes.	The Builder will repair wood deck railings as necessary to comply with applicable codes.	None.
<b>12. LANDSCAPING</b>				
<b>GENERAL</b>	<b>12.1</b> Tree stumps have been left in disturbed area of property.	If tree stumps were on the property in the disturbed area prior to the acceptance of the Home, the Builder is responsible.	The Builder will remove the stump from the area.	None.
	<b>12.2</b> Dead shrubs, plants, trees, or sod planted in disturbed area of property.	Any shrub, plant, tree, or sod planted by the Builder as part of the contract are to be alive at the time of acceptance of the Home.	Any shrub, plant, tree, or sod planted by the Builder as a part of the contract shall be replaced to meet the Performance Guideline.	None.
	<b>12.3</b> Grass seed does not germinate.	Germination is dependent on certain climatic conditions, which are beyond the Builder's control.	The Builder is only responsible for seeding per the manufacturer's specifications.	After installation, proper lawn and landscape care are the Owner's responsibility.
	<b>12.4</b> Outdoor plants moved during work die after Home is completed.	Plants that must be physically transported during the work shall be moved, maintained, and replanted by Owner.	None.	The Builder shall not be responsible for delays in the schedule when plants are moved by the Owner.

**SECTION III.  
WARRANTY STANDARDS  
B. YEARS 1 AND 2  
COVERAGE ONLY**

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

**B. SYSTEMS - YEARS 1 AND 2**

For 2 years, beginning on the warranty date, the new Home is free from any Defect in the Electrical, Plumbing, Heating, Cooling, and Ventilating Systems, except that in the case of Appliances, Fixtures and Items of Equipment, the warranty may not exceed the length and scope of the warranty offered by the manufacturer.\*

**Maryland Warranty Standards**

The following Warranty Standards for Maryland are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

**SECTION III.  
WARRANTY STANDARDS  
C. TEN YEAR MSD  
COVERAGE ONLY**

<b>CATEGORY</b>	<b>OBSERVATION</b>	<b>ACTION REQUIRED</b>	<b>COMMENTS</b>
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**C. TEN YEAR MSD COVERAGE**

<b>MAJOR STRUCTURAL DEFECTS</b>	C.1 Major Structural Defects.	The criteria for establishing the existence of a Major Structural Defect is set forth in Section I.B.14 of this Limited Warranty Agreement.	The Warrantor will correct Major Structural Defects, limited to such actions as are necessary to restore the load-bearing capability of the component(s) affected by a Major Structural Defect.
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**Section  
IV.  
Requesting  
Warranty  
Performance**

**A. Notice to Warrantor in Years 1 & 2**

1. If a non-MSD Defect occurs in Years 1 and 2, you must notify your Builder in writing. Your request for warranty performance should clearly describe the Defect(s) in reasonable detail.
2. Request for warranty performance to your Builder does not constitute notice to the Administrator, and it will not extend applicable coverage periods.
3. If a request for warranty performance to your Builder does not result in satisfactory action within a reasonable time, written notice must be given to RWC, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111-3598, Attn: Warranty Resolution Department. This notice should describe each item in reasonable detail and should be forwarded by certified mail, return receipt requested.
4. *Please note that a written request for warranty performance must be postmarked no later than thirty (30) days after the expiration of the applicable warranty period. For example, if the item is one which is warranted by your Builder during your second year of coverage, a request for warranty performance must be postmarked no later than thirty (30) days after the end of the second year to be valid.*
5. You must provide the Warrantor with reasonable weekday access during normal business hours in order to perform its obligations. Failure by you to provide such access to the Warrantor may relieve the Warrantor of its obligations under this Limited Warranty.
6. If your Builder does not fulfill its obligations under this Limited Warranty, the Administrator will process the request for warranty performance as described in this Limited Warranty and subject to the provisions of IV.F.

**B. Notice to Warrantor in Years 1–10**

If a Defect related to a warranted MSD occurs in Years 1 through 10 of this Limited Warranty, you must notify the Administrator to review the item. All such notices must be presented in writing to RWC, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111-3598, Attn: Warranty Resolution Department, by certified mail, return receipt requested, within a reasonable time after the situation arises. Any such notice should describe the condition of the MSD in reasonable detail. Requests for warranty performance postmarked more than thirty (30) days after the expiration of the term of this Limited Warranty will not be honored.

**C. Purchaser's Obligations**

1. **Your notice to the Administrator must contain the following information:**
  - a. Validation # and Effective Date Of Warranty;
  - b. Your Builder's name and address;
  - c. Your name, address and phone number (including home and work numbers);
  - d. Reasonably specific description of the warranty item(s) to be reviewed;

- e. A copy of any written notice to your Builder;
  - f. Photograph(s) may be required; and
  - g. A copy of each and every report you have obtained from any inspector or engineer.
2. You have an obligation to cooperate with the Administrator's mediation, inspection and investigation of your warranty request. From time to time, the Administrator may request information from you regarding an alleged Defect. Failure by you or your appointed representative to respond with the requested information within thirty (30) days of the date of the Administrator's request can result in the closing of your warranty file.

**D. Mediation and Inspection**

Within thirty (30) days following the Administrator's receipt of proper notice of request for warranty performance, the Administrator may review and mediate your request by communicating with you, your Builder and any other individuals or entities who the Administrator believes possess relevant information. If, after thirty (30) days, the Administrator has not been able to successfully mediate your request, or at any earlier time when the Administrator believes there is an impasse among the parties, then the Administrator will notify you that your request has become an Unresolved Warranty Issue. At any time following the receipt of proper notice of your request for warranty performance, the Administrator may schedule an inspection of the item. You must provide the Administrator reasonable access for any such inspection as discussed in **Section IV.A.5**. The Administrator, at its discretion, may schedule a subsequent inspection to determine Builder compliance.

**When a request for warranty performance is filed and the deficiency cannot be observed under normal conditions, it is your responsibility to substantiate that the need for warranty performance exists including any cost involved. If properly substantiated, you will be reimbursed by the Warrantor.**

**E. Arbitration\***

**The arbitration process can be initiated by the Owner, Builder or Administrator by giving the Administrator written notice of the request for arbitration of an Unresolved Warranty Issue.** Within twenty (20) days after the Administrator's receipt of your notice of request for arbitration, any Unresolved Warranty Issue that you have with the Warrantor shall be submitted to an independent arbitration service experienced in arbitrating residential construction matters upon which you and the Administrator agree. This **binding** arbitration is governed by the procedures of the Federal Arbitration Act, 9 U.S.C. 1 *et. seq.* If you submit a request for arbitration, you must pay the arbitration fees before the matter is submitted to the arbitration service. After arbitration, the Arbitrator shall have the power to award the cost of this fee to any party or to split it among the parties to the arbitration. The arbitration shall be conducted in accordance with this Limited Warranty and the arbitration rules and regulations to the extent that they are not in conflict with the Federal Arbitration Act.

\*FHA/VA Homeowners, refer to HUD Addendum, Section V.A.

**Section  
IV.  
Requesting  
Warranty  
Performance  
(continued)**

Within one (1) year after an arbitration award, either party may apply to the U.S. District Court where the Home is situated to confirm the award. The Administrator's receipt of a written request for arbitration in appropriate form shall stop the running of any statute of limitations applicable to the matter to be arbitrated until the Arbitrator renders a decision. The decision of the Arbitrator shall be final and binding upon all parties.

Since this Limited Warranty provides for mandatory binding arbitration of Unresolved Warranty Issues, if any party commences litigation in violation of this Limited Warranty, such party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees, incurred in seeking dismissal of such litigation.\*

Regarding non-MSD warranty items in Years 1 & 2, the Builder shall have sixty (60) days from the date the Administrator sends the Arbitrator's award to the Builder to comply with the Arbitrator's decision. Regarding MSD warranty items in Years 1-10, the Warrantor shall have sixty (60) days from the date the Administrator receives the Arbitrator's award to comply with the Arbitrator's decision. Warranty compliance will begin as soon as possible and will be completed within the sixty-day compliance period with the exception of any repair that would reasonably take more than sixty (60) days to complete, including, but not limited to, repair delayed or prolonged by inclement weather. The Warrantor will complete such repair or replacement as soon as possible without incurring overtime or weekend expenses.

You may request a compliance arbitration within twenty (20) days after the sixty-day compliance period has expired by giving the Administrator written notice of your request. You must pay the fees for the compliance arbitration prior to the matter being submitted to the arbitration service.

**F. Conditions of Warranty Performance**

1. When your request for warranty performance is determined to be a warranted issue, the Warrantor reserves the right to repair or replace the warranted item, or to pay you the reasonable cost of repair or replacement.
2. If the Warrantor pays the reasonable cost of repairing a warranted item, the payment shall be made to you and to any mortgagee or mortgagee's successor as each of your interests may appear; provided that the mortgagee has notified the Administrator in writing of its security interest in the Home prior to such payment. Warrantor shall not have any obligation to make payment jointly to the Purchaser and mortgagee where the mortgagee has not notified your Builder or the Administrator in writing of its security interest in the Home prior to such payment. Any mortgagee shall be completely bound by any mediation or arbitration relating to a request for warranty performance between you and the Warrantor.\*
3. Prior to payment for the reasonable cost of repair or replacement of warranted items, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the warranted Defects and any conditions arising from the warranted items.
4. Upon completion of repair or replacement of a warranted Defect, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the Defect and any conditions arising from the situation. The repaired or replaced warranted item will continue to be warranted by this Limited Warranty for the remainder of the applicable period of coverage.
5. If the Warrantor repairs, replaces or pays you the reasonable cost to repair or replace a warranted item, the Warrantor shall be subrogated to all your rights of recovery against any person or entity. You must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assignment of proceeds of any insurance or other warranties to the Warrantor. You shall do nothing to prejudice these rights of subrogation.
6. Any Warrantor obligation is conditioned upon your proper maintenance of the Home, common elements and grounds to prevent damage due to neglect, abnormal use or improper maintenance.
7. **Condominium Procedures:**
  - a. In the case of common elements of a condominium, at all times, Owner(s) of each unit affected by the common elements in need of warranty performance shall each be responsible to pay the warranty service fee (\$250 for non-MSD items in Years 1 and 2, \$500 for MSD items in Years 1 through 10) for each request for warranty performance.\*
  - b. If a request for warranty performance under this Limited Warranty involves a common element in a condominium, the request may be made only by an authorized representative of the condominium association. If the Builder retains a voting interest in the association of more than 50%, the request may be made by unit Owners representing 10% of the voting interests in the association.
  - c. If a request for warranty performance under this Limited Warranty involves a common element affecting multiple units, and all affected units are not warranted by the RWC Warranty Program, the Insurer's liability shall be limited to only those units warranted by the RWC Warranty. The limit of liability shall be prorated based upon the number of units warranted by this Limited Warranty.

**A. HUD Addendum (Applicable to VA/FHA  
Financed Homes only)**

1. **Section I.B.** — The following definition is added: Emergency Condition is an event or situation that presents an imminent threat of damage to the Home or common elements and results in an unsafe living condition due to Defects or Major Structural Defect failures that manifest themselves outside of the Warrantor's normal business hours and precludes you from obtaining prior written approval to initiate repairs to stabilize the condition and prevent further damage.
2. **Section I.B.9. Effective Date Of Warranty** — The following language is substituted: The Effective Date Of Warranty will be the date on which closing or settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date Of Warranty be later than the date of FHA endorsement of your Mortgage on the Home.
3. **Section I.B.14. Major Structural Defects** — The following language is substituted for a.-c.: A Major Structural Defect is actual physical damage to the designated load-bearing portions of a Home caused by failure of such load-bearing functions to the extent that the Home becomes unsafe, unsanitary, or otherwise unlivable. The following language is added: Delamination or rupture of roof sheathing shall be deemed a Major Structural Defect in need of warranty performance.
4. **Section II.B.2.** is deleted.
5. **Section II.C.1. One Year Coverage** — The following language is added: Notwithstanding anything to the contrary contained in this Limited Warranty, during the first year of coverage, your Builder will repair or restore the reliable function of Appliances and Equipment damaged during installation or improperly installed by your Builder. In addition, your Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the Home to comply with standards of quality as measured by acceptable trade practices. Construction Deficiencies are Defects (not of a structural nature) in the Home that are attributable to poor workmanship or to the use of inferior materials which result in the impaired functioning of the Home or some part of the Home. Defects resulting from your abuse or from normal wear and tear are not considered Construction Deficiencies.
6. **Section II.C.4. Condominium Coverage**—The following language is substituted: The Limited Warranty shall only apply to warranted common elements which are those portions of the defined Electrical, Heating, Ventilating, Cooling, Plumbing and structural Systems which serve two (2) or more residential units and are contained wholly within a residential structure that, if defective, would constitute a health or safety condition for the occupants. Examples of common elements which are covered by this Limited Warranty are hallways, meeting rooms, stairwells and other spaces wholly within the residential structure serving two (2) or more units; and structurally attached balconies, arches and decks. Examples of common elements which are not covered under this Limited Warranty are club houses, recreational buildings and facilities, walkways, exterior structures, or any other non-residential structure which is part of the condominium.
7. **Section II.D.** — The following statement is added: This agreement is non-cancelable by the Warrantor.
8. **Section II.D.9.** is deleted.
9. **Section II.D.10.** — The following language is added: Repairs to the Home may be made without the prior written authorization of the Warrantor only in the event an Emergency Condition arises that necessitates repairs be made for the sole purpose of protecting the Home from further damage. You must notify the Warrantor as soon as possible, but in no event, later than five (5) days after the repairs have been made in order to qualify for reimbursement. An accurate, written record of the repair costs must accompany your notification.
10. **Section II.E.1.d.** — The following language is substituted: Loss or damage which is covered by any other insurance or for which compensation is granted by state legislation.
11. **Section II.E.1.e.**—the following language is substituted: resulting directly or indirectly from flood, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, wetlands, springs or aquifers. Surface water and underground water which cause an unforeseeable hydrostatic condition with resultant damage to the structure are covered.
12. **Section II.E.2.i.** — The following language is substituted: any portion of a public Water Supply System, including volume and pressure of water flow.
13. **Section II.E.2.n.** — The following language is substituted: any portion of a public Sewage Disposal System, including design.
14. **Section II.E.2.o.** is deleted.
15. **Section II.E.5.**— The following language is substituted: Consequential Damages to personal property are excluded: Consequential Damages to real property as a result of a Defect or repair of a Defect are covered.
16. **Section II.E.9.** — The following language is added: Warranted Defects repaired as a result of emergency property protection measures as described and defined in this addendum are covered.
17. **Section III.A.**
  - a. **SITE WORK** — The following language is substituted:

- 1.1. (Corrective Measure)** If final grading was performed by the Builder, he will replace fill in excessively settled areas.
- b. **PLUMBING** — The following language is added:
- 6.13. (Observation)** Septic system fails. **(Corrective Measure)** Builder will correct if damage is due to poor workmanship or materials, which are not in conformance with Sewage Enforcement Officer's instructions as per design and installation only. **(Discussion)** Builder is required to abide by state or local requirements for the installation of on-site sewage disposal system. Any deficiency or failure which occurs or is caused by a condition other than faulty workmanship or materials, such as design, is not covered by this Limited Warranty. Owner is responsible for routine maintenance of system, which may include, but not be limited to: pumping the septic tank; adding chlorine to a chlorinator; and refraining from driving or parking vehicles or equipment on the system. Damages caused by freezing, soil saturation, underground springs, water run-off, excessive use and an increase in level of water table are among causes not covered by this Limited Warranty.
- c. **FLOOR COVERING** — The following language is revised:
- (1) **10.14. (Observation)** Gaps or cracks between finished floor boards. **(Corrective Measure)** Builder will correct gaps or cracks which exceed 1/8 in. in width, one time only. **(Discussion)** Finished wood floors expand and contract due to humidity changes in your Home. Cracks and gaps which shrink and disappear in non-heating seasons are considered normal.
- (2) **10.19. (Observation)** Cupping, crowning or loose finished floor boards. **(Corrective Measure)** Builder will correct only if caused by a Defect in installation. **(Discussion)** Finished wood flooring cups from gaining or losing moisture on one side faster than the other. Some cupping and crowning should be considered normal due to growth rings in the tree and the part of the tree used. The Builder is not responsible for natural properties of the product, or for climatic conditions and personal living habits which can affect moisture content of floor boards. Cupping or crowning action may have loosened nails or adhesive. Owner is responsible if condition is caused by conditions beyond Builder's control.
- (3) **10.24. (Observation)** Ceramic tile cracks or loosens. **(Corrective Measure)** Builder will correct only if documented prior to occupancy. **(Discussion)** Owner is responsible for establishing a pre-closing walk-through inspection list.
18. **Section III.B.** — The following language is added: **(Observation)** Septic system fails. **(Corrective Measure)** Builder will correct if damage is due to poor workmanship or materials, which are not in conformance with Sewage Enforcement Officer's instructions as per design and installation only. **(Discussion)** Builder is required to abide by state or local requirements for the installation of on-site sewage disposal system. Any deficiency or failure which occurs or is caused by a condition other than faulty workmanship or materials, such as design, is not covered by this Limited Warranty. Owner is responsible for routine maintenance of system, which may include, but not be limited to: pumping the septic tank; adding chlorine to a chlorinator; and refraining from driving or parking vehicles or equipment on the system. Damages caused by freezing, soil saturation, underground springs, water run-off, excessive use and an increase in level of water table are among causes not covered by this Limited Warranty.
19. **Section IV.E. Arbitration** — The following language is added: The judicial resolution of disputes is not precluded by this warranty and may be pursued by the homeowner at any time during the dispute resolution process.
20. **Section IV.E. Arbitration** — Because HUD does not require mandatory arbitration, the following is deleted: Since this Limited Warranty provides for mandatory binding arbitration of disputes, if any party commences litigation in violation of this Limited Warranty, such party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees, incurred in seeking dismissal of such litigation.
21. **Section IV.F.2.** — The following language is added: Where a warranted Defect is determined to exist and where the Warrantor elects to pay the reasonable cost of repair or replacement in lieu of performing such repair or replacement, the cash offer must be in writing. You will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD-approved fee inspector (inspection costs will be paid by the Warrantor) unless:
- the cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from you pursuant to such bid;
  - payment is being made in settlement of legal action;
  - you are represented by legal counsel.
22. **Section IV.F.7.a** — The following language is added: In the case of the common elements of a condominium, in the first two (2) years, if your Builder does not fulfill its obligations under this Limited Warranty, the Insurer will be responsible for your Builder's obligations. The warranty service fee shall be \$250 per Home affected by each common element in need of service, limited to a maximum of \$5,000 per free standing structure.