



SIX YEAR WARRANTY FOR NEW HOMES

NORTH CAROLINA



RESIDENTIAL WARRANTY COMPANY, LLC

SAMPLE

Warranty Confirmation

Your validated Warranty consists of your Application for Warranty, the Limited Warranty book, and your Warranty Confirmation. You can confirm your warranty has been validated by RWC, and obtain your Warranty Confirmation, AFTER 60 days from your closing at confirm.rwcwarranty.com. If you do not have access to the Internet, please contact RWC to obtain your Limited Warranty book and Warranty Confirmation.

SAMPLE WARRANTY

The RWC Limited Warranty displayed in this book is a SAMPLE only. The RWC Limited Warranty applicable to your home may differ from the one displayed here. You must consult your validated RWC Limited Warranty book for the terms of coverage that apply to your home.

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THIS LIMITED WARRANTY IS PROVIDED IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES. TO THE EXTENT PERMITTED BY LAW, THE PURCHASER OF THIS HOME AND ALL SUBSEQUENT PURCHASERS HEREBY WAIVE ALL OTHER EXPRESS AND IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF FITNESS, SKILL AND CARE IN CONSTRUCTION, WORKMANLIKE CONSTRUCTION, MERCHANTABILITY AND HABITABILITY. THOSE EXPRESS AND IMPLIED WARRANTIES HAVE BEEN REPLACED BY THIS EXPRESS, INSURANCE-BACKED WARRANTY.

*For your Limited Warranty to be in effect, you should receive the following documentation:
Limited Warranty #3165 • Application For Warranty form #316 (Refer to Section V.C. for applicability) • Warranty Confirmation*

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

CONTENTS



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 six full years of Home ownership. During the first year, 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 includes a six year Designated Structural Element protection as defined in this book.

This is not a warranty service contract, but a written six 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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A. INTRODUCTION

1. This book explains what this **Limited Warranty** on your **Home** covers, what it does not cover, how it works, and other details, conditions and limitations that apply. Some of the important terms contained in this **Limited Warranty** are defined in Section V. When reading this **Limited Warranty**, you will recognize the terms that are defined, because these words are in plain bold print, like this. Read this document in its entirety, including its definitions, to understand the protection it provides, the exclusions that apply, your responsibilities, how the **Warranty** is interpreted, and how it operates. If you have questions, you may call RWC at (717) 561-4480.
2. This **Limited Warranty** will automatically transfer to a new **Owner** if you sell your **Home** during the six (6) year term of the **Limited Warranty**, except in the case of a foreclosure that voids the warranty as provided in Section I.A.3.
3. This **Limited Warranty** becomes void and all obligations on the part of **Warrantor** cease as of the date an **Owner** vacates the **Home** due to foreclosure proceedings.

B. WHAT YOUR LIMITED WARRANTY COVERS

1. Beginning on the **Effective Date of Warranty**, your **Home** is warranted as follows:
 - a. **During Year One:** Your **Builder** warrants that, for a period of one (1) year, **Warranted Items** will function and operate as described in the **Warranty Standards** of Year One described in Section II.
 - b. **During Years One through Six: Designated Structural Elements (DSE's)** are warranted for six (6) years from the **Effective Date of Warranty**. The **Insurer** is the **Warrantor** for **Designated Structural Elements**.

C. RESPONSIBILITIES, LIMITATIONS, AND CONDITIONS

1. You are responsible for regular maintenance of your **Home** and surrounding areas. General and preventative maintenance is required to prolong your **Home's** life.
2. You must establish 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.
3. **There are no warranties that extend beyond the description contained in this Limited Warranty. To the extent permitted by law, all such other warranties, expressed or implied, including, but not limited to, implied warranties of fitness, skill and care in construction, workmanlike construction, merchantability, and habitability, are hereby waived.**
4. You must obtain written authorization from the **Administrator** prior to incurring expenses. Costs incurred for unauthorized repairs to **Warranted Items** are not reimbursable.
5. It is anticipated that your **Builder** will assign to you all manufacturers' warranties on products included in the Final Sales Price of your **Home**. Neither the **Insurer** nor the **Administrator** will be liable for your **Builder's** failure to do so. **Appliances** and similar products and **Equipment** are not covered by this **Limited Warranty**.
6. The **Warrantor** will repair, replace, or pay the reasonable cost of repair or replacement of **Defects**. In the case of a warranted **Defect** in a **DSE**, the **Warrantor's** obligation is limited to actions as are necessary to stabilize the load-bearing element or to restore its load-bearing capacity. The aggregate cost to the **Warrantor** under this **Limited Warranty** shall not exceed the lesser of: the Final Sales Price of the **Home** as listed on the **Application For Warranty**

form or as otherwise provided to the **Administrator** by the **Builder** at the time the **Limited Warranty** is validated, **OR** \$100,000. The **Warrantor** in all cases shall choose whether to repair, replace, or make payment.

7. Actions taken to cure **Defects** will **NOT** extend the periods of coverage provided in this **Limited Warranty**.
8. If your **Builder** fails to complete any part of the **Home** that is reasonably foreseeable to cause damage to a **Designated Structural Element**, then it is your responsibility to complete such parts of the **Home** to avoid such 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**.
9. The **Warrantor** is not responsible for matching color, texture, or finish where materials must be replaced or repaired.

D. WHAT YOUR LIMITED WARRANTY DOES NOT COVER

This **Limited Warranty** does **NOT** cover:

- 1.a. Loss, damage or injury to land, persons, animals, personal property, and improvements or structures, other than **Warranted Items** in the **Home**.
- b. Loss or damage to any item listed as an additional exclusion on the **Application for Warranty** form.
2. Loss or damage which, directly or indirectly, results from or is made worse by the following:
 - a. Insects, birds, vermin, rodents, or wild or domestic animals.

- b. Use of the **Home** for non-residential purposes.
- c. Any condition which is covered by any other insurance or for which compensation is granted by Legislation.
- d. Flood, surface water, waves, tidal water, spray from a body of water (whether or not driven by wind), water that 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 or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure), wetlands, springs or aquifers.
- e. Deterioration due to normal wear and tear.
- f. Material or work supplied by anyone other than your **Builder** or your **Builder's** employees, agents or subcontractors.
- g. Failure to routinely and properly maintain your **Home** and the property on which your **Home** is located, including failure to provide proper and routine ventilation.
- h. After year one, **Structurally Attached** decks, balconies, patios, porches, stoops, porch roofs and porticos.
- i. After year one, elements of the **Home** which are constructed in a way that is separate from foundation walls or other structural elements of the **Home** like, but not limited to, chimneys and concrete floors of basements and attached garages.
- j. The grading of the property surrounding your **Home** by anyone other than your **Builder** or your **Builder's** employees, agents or subcontractors.
- k. Erosion.



- l. Any modification or addition to the **Home**, or the 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**).
- m. Water in crawlspaces.
- n. The weight of a water bed or any other type of furnishing or **Equipment** that exceeds the load-bearing design of the **Home**.
- o. The presence of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants, or the presence of hazardous or toxic materials within the **Home**.
- p. Acts or omissions by you, your agents, employees, licensees, or invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, drought, water escape, windstorms, tropical storms, hurricanes, hail, lightning, ice, snow, falling trees, aircraft, vehicles, flood, mudslides, 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.
- q. Your failure to minimize or prevent loss or damage in a timely manner.
- r. Improvements not part of the **Home** itself, including, but not limited to: recreational facilities;



- s. Negligent operation of the **Home** or its systems by anyone other than your **Builder**, its agents, employees or subcontractors.
 - t. The **Water Supply System**, private or public, including volume and pressure of water flow and quality and potability of water.
 - u. The **Sewage Disposal System**, private or public, including design.
 - v. Any damage to or resulting from the use, construction, placement, equipment, components, maintenance, etc., whether inside or outside the **Home**, of the following: swimming pools, elevators or solar panels.
3. Your **Builder's** failure to complete construction of the **Home**, or any portion of it, on or before the **Effective Date of Warranty**, or damages arising from such failure. An incomplete item is not considered a **Defect**. (Your **Builder**, however, may be obligated to complete such items under separate agreements between you and your **Builder**.)
 4. A deficiency which does not result in actual physical damage or loss to the **Home**.
 5. **Consequential Damages**.
 6. 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 be only to repair the **Defect**, but not necessarily to restore or bring the **Home** into compliance with the codes or ordinances.
 7. A **Defect** that is a subject of a request for warranty performance submitted to the **Administrator** after an unreasonable delay or later than thirty (30) days after the expiration of the Applicable Warranty period.



8. A **Defect** that you repair without prior written authorization of the **Administrator**.
9. The removal and/or replacement of items not covered by this **Limited Warranty**, like landscaping or personal property, and items not originally installed by your **Builder**, like wallpaper, where removal and replacement are required to repair a **Defect**.
10. Wiring, wires and cables that connect the **Home** to communication services like telephone, television, intercom, computer and security systems.
11. The **Water Supply System**, including volume and pressure of water flow.
12. The **Sewage Disposal System**, including design.
13. Any **Defect** consisting of, caused by, contributed to, or aggravated by moisture, dampness, condensation, wet or dry rot, mold, mildew, fungus, rust or heat build-up, regardless of the originating cause of any moisture or water penetration that leads to the **Defect**.
14. Sound transmission and sound proofing.
15. **Appliances** and **Equipment** in your **Home**. The **Appliances** and **Equipment** in your **Home** may be covered by warranties issued by the manufacturers or suppliers, and your **Builder** should pass these warranties on to you at closing. Damage caused by improper maintenance or operation, negligence, or improper service of these items by you or your agent will not be covered under this **Limited Warranty**.
16. After year one, elements of the **Home** which are constructed separate from foundation walls or other structural elements of the **Home** like, but not limited to, chimneys and concrete floors of basements and attached garages.
17. Improvements not part of the **Home** itself, including, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops

not **Structurally Attached** to the **Home**; decks and balconies which are not bolted to or cantilevered from 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; garages or out buildings (except those which contain a **Heating, Ventilating, and Cooling System, Plumbing System** or **Electrical System** serving the **Home**,



and then only to the extent that these systems are affected). A detached garage or out building is one that is constructed on its own foundation separate and apart from the foundation of the **Home**. A breezeway, fence, utility line or similar union between the **Home** and a garage or out building does not cause it to be considered attached.

18. Any damage to or resulting from the use, construction, placement, equipment, components, maintenance, etc., whether inside or outside the **Home**, of the following: swimming pools, elevators or solar panels.
19. Any item not listed as a **Warranted Item** in this **Limited Warranty**.
20. 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 the **Limited Warranty**).

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

1. FOUNDATIONS



BASEMENT

OBSERVATION	ACTION REQUIRED	COMMENTS
1.1 Cracks appear in control joints.	No action required.	The expansion/contraction joint is placed to control cracking. This is not a deficiency.
1.2 Uneven concrete floors in finished areas of a basement.	Builder will correct those areas in which Defect exceeds 3/8 in. within a 32 in. measurement.	In rooms not initially finished as living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 3/8 in. within a 32 in. measurement is not a deficiency.
1.3 Cracks in poured concrete foundation walls.	Builder will correct any crack which exceeds 1/4 in. in width.	Shrinkage cracks are common and should be expected. Surface patching and epoxy injections are examples of acceptable repair methods.
1.4 Cracks in block or veneer wall.	Builder will correct cracks which exceed 1/4 in. in width.	Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.
1.5 Leaks resulting in actual flow or trickling of water through wall or floor, causing an accumulation.	Builder will correct.	A one-time occurrence may not indicate a Defect. Owner must maintain proper grading around the Home and maintain any surface water control systems installed by Builder. Dampness and condensation are normal conditions and are not covered by this Limited Warranty.
1.6 Disintegration of the concrete floor surface.	Builder will correct disintegrated surfaces caused by improper placement of concrete.	Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder's control is not a warranted deficiency.
1.7 Cracks in concrete floor which rupture or significantly impair performance of floor covering.	Builder will correct so Defect is not readily noticeable when floor covering is in place.	Minor impressions in floor covering are not considered significant imperfections.
1.8 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
1.9 Condensation on walls, joists, support columns and other components of basement area.	No action required.	Maintaining adequate ventilation and moisture control is considered Owner maintenance.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

1. FOUNDATIONS (continued)

 CRAWL SPACE	OBSERVATION	ACTION REQUIRED	COMMENTS
	1.10 Cracks in poured concrete foundation walls.	Builder will correct any crack which exceeds 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.
	1.11 Cracks in block or veneer wall.	Builder will correct cracks greater than 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.
	1.12 Inadequate ventilation.	Builder will install properly sized louvers or vents.	Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.
	1.13 Condensation on walls, joists, support columns and other components of the crawl space area.	No action required.	Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.
 SLAB ON GRADE	1.14 Cracks appear at control joints.	No action required.	Expansion/contraction joint is placed to control cracking. This is not a deficiency.
	1.15 Uneven concrete floors in finished areas.	Builder will correct areas in which Defect exceeds 3/8 in. within a 32 in. measurement.	In rooms not initially finished as living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 3/8 in. within a 32 in. measurement is acceptable.
	1.16 Disintegration of concrete floor surface.	Builder will correct disintegrated surfaces caused by improper placement of concrete.	Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder's control is not a warranted deficiency.
	1.17 Crack in concrete floor which ruptures or significantly impairs performance of floor covering.	Builder will correct so Defect is not readily noticeable when floor covering is in place.	Minor impressions in floor covering are not considered significant imperfections.
	1.18 Cracks in attached garage slab.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
	1.19 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
	1.20 Cracks in visible face of foundation.	Builder will correct cracks in excess of 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

2. FRAMING

 CEILING	OBSERVATION	ACTION REQUIRED	COMMENTS
	2.1 Uneven ceiling.	Builder will correct if unevenness exceeds 1/4 in. within a 32 in. measurement.	Some minor framing imperfections should be expected.
 FLOOR	2.2 High and low areas.	Builder will correct if high or low areas exceed 1/4 in. within a 32 in. measurement.	Some minor framing imperfections should be expected.
	2.3 Floor squeaks.	Builder will correct if caused by a defective joist or improperly installed subfloor. Builder will take corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor or ceiling finishes.	A large area of floor squeaks which is noticeable, loud and objectionable is a Defect. A squeak-proof floor cannot be guaranteed. Lumber shrinkage as well as temperature and humidity changes may cause squeaks.
 ROOF	2.4 Split or warped rafters or trusses.	No action required.	Some splitting and warping is normal and is caused by high temperature effects on lumber.
 WALL	2.5 Bow or bulge.	Builder will correct if bow or bulge exceeds 1/2 in. within 32 in. horizontal or vertical measurement.	Minor framing imperfections should be expected.
	2.6 Out-of-plumb.	Builder will correct where out-of-plumb condition exceeds 3/4 in. within 8 ft. vertical measurement.	Minor framing imperfections should be expected.
	2.7 Wall is out-of-square.	No action required.	A wall out-of-square is not a Defect.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

3. EXTERIOR



STRUCTURALLY ATTACHED WOOD OR COMPOSITE DECKS

OBSERVATION	ACTION REQUIRED	COMMENTS
3.1 Wood twisting, warping or splitting.	Builder will correct only if due to improper installation.	Twisting, warping or splitting of wood deck material is normal due to exposure to the elements. Owner maintenance is required.
3.2 Settlement.	Builder will correct slope of deck which exceeds a ratio of 2 in. in a 10 ft. measurement.	Some slope is often provided to allow for water drainage.
3.3 Loose railing or post.	Builder will correct if due to improper installation.	Owner maintenance is required.



DOORS

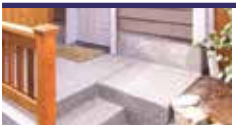
3.4 Binds, sticks or does not latch.	Builder will correct if caused by faulty workmanship or materials.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
3.5 Wood door panel shrinks.	No action required.	Panels will shrink and expand and may expose unfinished surfaces.
3.6 Warping.	Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
3.7 Split in panel.	Builder will correct if split allows the entrance of elements.	Splits which do not allow the entrance of elements are considered normal. Owner maintenance is required.
3.8 Separation between door and weather-stripping.	Builder will correct if daylight is visible or if entrance of elements occurs under normal conditions.	Even with properly installed weather-stripping, some movement of the door, when closed, may be expected. Owner maintenance is required for minor alterations to adjustable thresholds and other parts of the door.
3.9 Screen mesh is torn or damaged.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
3.10 Overhead garage door fails to operate or allows rain or snow to leak through.	Builder will correct garage doors which do not fit or operate properly.	Some entrance of elements can be expected and is not considered a deficiency. If Owner installs a garage door opener, Builder is not responsible for operation of door.

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

3. EXTERIOR (continued)

 ROOFING	OBSERVATION	ACTION REQUIRED	COMMENTS
	3.11 Roof and roof flashing leaks.	Builder will correct active and current leaks that occur under normal conditions.	No action is required if leak is due to snow or ice buildup, high winds or driving rains. Prevention of snow or ice buildup is the Owner's responsibility. Substantiation of an active and current leak is the Owner's responsibility.
	3.12 Lifted, torn, curled, or cupped shingles.	No action required.	Owner maintenance is required. Cupping in excess of 1/2 in. should be reported to the manufacturer.
	3.13 Shingles that have blown off.	Builder will correct affected area if due to poor installation.	Shingles shall not blow off in winds less than the manufacturer's specifications.
	3.14 Inadequate ventilation.	Builder will provide adequate ventilation.	Moisture accumulation in attics which are not adequately vented is a deficiency. Owner is responsible to keep vents clear of obstructions to promote air flow.
	3.15 Water stays in gutters.	Builder will correct to limit standing water depth at 1 in.	Owner is responsible for keeping gutters and downspouts clean.
	3.16 Gutter or downspout leaks.	Builder will correct leaks at connections.	Owner is responsible for keeping gutters and downspouts clean. Gutters may overflow during heavy rains.
 SITE WORK	3.17 Standing water within 10 ft. of the foundation.	Builder will correct water which stands for more than 24 hours, or more than 48 hours in swales.	Standing water beyond the 10 ft. perimeter of the foundation is not covered by this Limited Warranty. Owner is responsible for establishing and maintaining adequate ground cover.
 STRUCTURALLY ATTACHED STOOP, PORCH & PATIO	3.18 Settling of ground around foundation walls, utility trenches or other filled areas on property where there has been excavation and backfill which affected foundation drainage.	If final grading was performed by Builder, he will replace fill in excessively settled areas only once.	If settlement does not exceed 6 in., it is Owner's responsibility to fill affected areas. The party responsible for establishing the final grade shall provide for positive drainage away from foundation. Owner is responsible for establishing and maintaining adequate ground cover.
	3.19 Settlement, heaving or movement.	Builder will correct if movement exceeds 1 in. from the Home for stoops, porches and patios which are structurally attached.	Stoops, porches and patios which are poured separately and simply abut the house are not covered by this Limited Warranty.
	3.20 Concrete splatters on adjacent surfaces.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

3. EXTERIOR (continued)



WALL COVERING

OBSERVATION	ACTION REQUIRED	COMMENTS
3.21 Entrance of elements through separations of wood, hardboard or fiber cement siding or trim joints, or separation between trim and surfaces of masonry or siding.	Builder will correct entrance of elements or separations exceeding 3/8 in. by caulking or other methods.	Any separations 3/8 in. or less are considered routine Owner maintenance.
3.22 Cracks in stucco or similar synthetic based finishes.	Builder will correct cracks which exceed 1/8 in. in width.	Caulking and touch-up painting are examples of acceptable repair methods. Builder is not responsible for exact color, texture or finish matches. Hairline cracks are common.
3.23 Siding materials become detached from the Home.	Builder will correct affected area if due to improper workmanship or materials.	Separated, loose or delaminated siding can be due to improper maintenance and is not considered a Defect.
3.24 Aluminum or vinyl siding is bowed or wavy.	Builder is responsible only if installed improperly and waves or bowing exceed 1/2 in. within a 32 in. measurement.	Check your manufacturer's warranty on this product for coverage regarding dents, holes, wind specifications, etc.
3.25 Paint or stain peels or deteriorates.	Builder will correct. If 75% of a particular wall is affected, entire wall will be corrected.	Some fading is normal due to weathering. Mildew and fungus on exterior surfaces are caused by climatic conditions and are considered routine maintenance. Varnish or lacquer deteriorates quickly and is not covered by this Limited Warranty.
3.26 Paint splatters and smears on other surfaces.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
3.27 Faulty application of paint on wall and trim surfaces.	Builder will correct affected area. If greater than 75% of wall or trim piece is affected, entire surface will be corrected.	Some minor imperfections such as over-spray, brushmarks, etc., are common and should be expected.
3.28 Knot holes bleed through paint or stain.	Builder will correct affected areas where excessive bleeding of knots appear.	Knot holes will be apparent depending on the quality of material used.
3.29 Vent or louver leaks.	Builder will correct if caused by improper installation.	Properly installed louvers or vents may at times allow rain or snow to enter under strong wind conditions and is not a deficiency.
3.30 Cracks in masonry, veneer, stone, etc.	Builder will correct cracks which exceed 1/4 in. in width.	Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

3. EXTERIOR (continued)

 WINDOWS	OBSERVATION	ACTION REQUIRED	COMMENTS
	3.31 Condensation or frost on interior window surface.	No action required.	Condensation is relative to the quality and type of windows. Temperature differences in high levels of humidity along with individual living habits will cause condensation.
	3.32 Clouding or condensation between panes of glass.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	3.33 Glass breakage.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	3.34 Excessive drafts and leaks.	Builder will correct poorly fitted windows.	Relative to the quality and type of windows, drafts are sometimes noticeable around windows, especially during high winds. All caulking materials expand and contract due to temperature variation and dissimilar materials. Maintenance of weather-stripping is Owner's responsibility.
	3.35 Difficult to open, close or lock.	Builder will correct.	Windows should open, close and lock with reasonable pressure.

4. INTERIOR

 DOORS	4.1 Latch is loose or rattles.	No action required.	Some minor movement should be expected.
	4.2 Binds, sticks or does not latch.	Builder will correct if due to faulty workmanship and materials.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
	4.3 Warping.	Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
	4.4 Excessive opening at bottom.	Builder will correct gaps in excess of 1-1/2 in. between bottom of passage door and finished floor or 2 in. between bottom of closet door and finished floor.	Gaps under doors are intended for air flow.
	4.5 Rubs on carpet.	Builder will correct.	Builder is not responsible if Owner installs carpet.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

4. INTERIOR (continued)



OBSERVATION	ACTION REQUIRED	COMMENTS
4.6 Cracks and separations in drywall, lath or plaster; nail pops.	Builder will correct cracks in excess of 1/8 in. in width. Builder will correct nail pops which have broken finished surface. Repair cracks and/or nail pops and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of Year 1 of the warranty period to allow for normal movement of the Home.	Minor seam separations and cracks, and other slight imperfections, are common and should be expected. Minor depressions and slight mounds at nail heads are not Defects.
4.7 Peeling of wallpaper.	Builder will correct if not due to Owner neglect or abuses.	Builder is not responsible for wallpaper installed by Purchaser. Owner is responsible for maintaining adequate ventilation in areas of high humidity, such as kitchens and bathrooms.
4.8 Separated seams in wallpaper.	Builder will correct if wall surface is readily visible.	Minor imperfections can be expected.
4.9 Lumps, ridges and nail pops in wallboard which appear after Owner has wall covering installed by himself or others.	No action required.	Owner should insure that surface to be covered is suitable for installation of wall covering.
4.10 Surface deficiencies in finished woodwork.	Builder will correct readily apparent splits, cracks, hammer marks and exposed nail heads, only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
4.11 Gaps between trim and adjacent surfaces, and gaps at trim joints.	Builder will correct gaps in excess of 1/8 in. at trim joints and 1/4 in. between trim and adjacent surfaces.	Some separation due to lumber shrinkage is normal and should be expected.
4.12 Cracks in ceramic grout joints.	Builder will correct cracks in excess of 1/8 in. one time only.	Cracking of grout joints is common and is considered routine Owner maintenance unless excessive.
4.13 Ceramic tile cracks or becomes loose.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
4.14 Cracking or deterioration of caulking.	No action required.	All interior caulking shrinks and deteriorates. Owner maintenance is required.
4.15 Wall or trim surfaces visible through paint.	Builder will correct affected area. If greater than 75% of wall, trim piece, or ceiling is affected, entire surface will be corrected. The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions.	Some minor imperfections such as overspray, brushmarks, etc., are common and should be expected.

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

4. INTERIOR (continued)



FLOOR COVERING

OBSERVATION	ACTION REQUIRED	COMMENTS
4.16 Resilient flooring comes loose at edge.	Builder will correct.	Owner maintenance is required.
4.17 Gaps at seams of resilient flooring.	Builder will correct gaps of similar materials in excess of 1/8 in., and 3/16 in. where dissimilar materials abut.	Minor gaps should be expected.
4.18 Fastener pops through resilient flooring.	Builder will correct affected area where fastener has broken through floor covering.	Sharp objects such as high heels, table and chair legs, can cause similar problems, and are not covered by this Limited Warranty.
4.19 Depressions or ridges in resilient flooring at seams of sub-flooring.	Builder will correct depressions or ridges which exceed 1/8 in. in height or depth.	This is determined by placing a 6 in. straight edge over ridge or depression, with 3 in. on either side, and measuring height or depth at sub-flooring seam.
4.20 Cuts and gouges in any resilient floor covering.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
4.21 Hollow sounding marble or tile.	No action required.	Hollow sounding marble or tile is not a deficiency of construction and is not covered under this warranty.
4.22 Fades, stains or discolors.	Builder will correct stains or spots only if documented prior to occupancy.	Fading is not a deficiency. Owner is responsible for establishing a pre-closing walk-through inspection list.
4.23 Premature wearing of carpet.	No action required.	Excessive wear in high-traffic areas such as entryways and hallways is normal. Wearability is directly related to quality of carpet.
4.24 Visible gaps at carpet seams.	Builder will correct gaps.	Seams will be apparent. Owner maintenance is required.
4.25 Carpet becomes loose or buckles.	Builder will correct one time only.	Some stretching is normal. Owner should exercise care in moving furniture.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

5. MECHANICAL

 ELECTRICAL	OBSERVATION	ACTION REQUIRED	COMMENTS
	5.1 Circuit breakers trip excessively.	Builder will correct if tripping occurs under normal usage.	Ground Fault Circuit Interrupters (GFCI) are intended to trip as a safety factor. Tripping that occurs under abnormal use is not covered by this Limited Warranty.
	5.2 Outlets, switches or fixtures malfunction.	Builder will correct if caused by defective workmanship or materials.	Owner should exercise routine care and maintenance. Replacement of light bulbs is Owner's responsibility.
 HEATING & COOLING	5.3 Wiring fails to carry specified load.	Builder will correct if failure is due to improper installation or materials.	Owner maintenance is required.
	5.4 Condensation lines clog under normal use.	No action required.	Condensation lines will clog under normal conditions. Continued operation of drain line requires Owner maintenance.
	5.5 Noisy ductwork.	Builder will correct oil canning noise if caused by improper installation.	When metal heats and cools, ticking and cracking may occur and are not covered by this Limited Warranty.
	5.6 Ductwork separates.	Builder will correct.	Owner maintenance is required.
	5.7 Insufficient heating.	Builder will correct if Heating System cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of floor in affected area. All rooms may vary in temperature by as much as 4 degrees.	Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature falls below design temperature thereby lowering temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.
	5.8 Insufficient cooling.	Builder will correct if Cooling System cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of the floor in the affected room. On excessively hot days, where outside temperature exceeds 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. All rooms may vary in temperature by as much as 4 degrees.	Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature rises above design temperature thereby raising temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.
	5.9 Refrigerant line leaks.	Builder will correct.	Owner maintenance is required on the system.

SECTION II.

WARRANTY STANDARDS A. YEAR 1 COVERAGE ONLY

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

5. MECHANICAL (continued)

 PLUMBING	OBSERVATION	ACTION REQUIRED	COMMENTS
	5.10 Pipe freezes and bursts.	Builder will correct if due to faulty workmanship or materials.	Proper winterization of pipes is considered routine maintenance and Owner should maintain suitable temperatures inside the Home.
	5.11 Noisy water pipe.	Builder will correct hammering noise if caused by improper installation.	Some noise can be expected due to flow of water and pipe expansion. This is not a Defect.
	5.12 Plumbing fixtures and trim fittings leak or malfunction.	Builder will correct if due to faulty workmanship and materials.	Owner maintenance is required. Scratches, tarnishing or marring must be noted on a pre-closing walk-through inspection list.
	5.13 Damaged or defective plumbing fixtures and trim fittings.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list. Defective trim fittings and plumbing fixtures are covered under the manufacturer's warranty.
	5.14 Pipe leaks.	Builder will correct.	Condensation on pipes does not constitute leakage.
	5.15 Water supply stops.	Builder will correct if due to faulty workmanship or materials inside the Home.	Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty.
	5.16 Clogged drain or sewer.	Builder will correct clog within structure caused by faulty workmanship or materials.	Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Owner maintenance and proper use is required.

6. SPECIALTIES

 BATHROOM & KITCHEN	6.1 Cabinet separates from wall or ceiling.	Builder will correct separation in excess of 1/4 in.	Some separation is normal. Caulking is an acceptable method of repair.
	6.2 Crack in door panel.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.3 Warping of cabinet door or drawer front.	Builder will correct if warp exceeds 3/8 in. as measured from cabinet frame.	Seasonal changes may cause warping and may be a temporary condition.
	6.4 Doors or drawers do not operate.	Builder will correct.	Owner maintenance is required.
	6.5 Chips, cracks, scratches on countertop, cabinet fixture or fitting.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.6 Delamination of countertop or cabinet.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.7 Cracks or chips in fixture.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.

The following Warranty Standards are applicable only to Warranted Items stated in Section I of this Limited Warranty. Read Section I to determine if the following Warranty Standards apply.

6. SPECIALTIES (continued)



CHIMNEY & FIREPLACE

OBSERVATION	ACTION REQUIRED	COMMENTS
6.8 Exterior and interior masonry veneer cracks.	Builder will correct cracks in excess of 1/4 in. in width.	Some cracks are common in masonry and mortar joints. Cracks 1/4 in. in width or less are considered Owner maintenance.
6.9 Firebox color is changed; accumulation of residue in chimney or flue.	No action required.	Owner maintenance is required.
6.10 Chimney separates from the Home.	Builder will correct separation in excess of 1/2 in. within 10 ft.	Newly built chimneys will often incur slight amounts of separation.
6.11 Smoke in living area.	Builder will correct if caused by improper construction or inadequate clearance.	Temporary negative draft situations can be caused by high winds; obstructions such as tree branches too close to the chimney; the geographic location of the fireplace; or its relationship to adjoining walls and roof. In some cases, it may be necessary to open a window to create an effective draft. Since negative draft conditions could be temporary, it is necessary that Owner substantiate problem to Builder by constructing a fire so the condition can be observed.
6.12 Water infiltration into firebox from flue.	No action required.	A certain amount of rainwater can be expected under certain conditions.
6.13 Firebrick or mortar joint cracks.	No action required.	Intense heat may cause cracking.
6.14 Air infiltration around electrical receptacles.	No action required.	Air flow around electrical boxes is normal and is not a deficiency.



INSULATION

SECTION II.

WARRANTY STANDARDS B. SIX YEAR DSE COVERAGE ONLY

The following Warranty Standards are applicable only to elements of the Home that are load-bearing. Read Sections I and V to determine if the following Warranty Standards apply. The following Defects in Designated Structural Elements (DSEs) are warranted for six (6) years from the Effective Date of Warranty. The Insurer is the Warrantor for Defects in DSEs.

B. SIX YEAR DSE COVERAGE

 CONCRETE ELEMENTS	OBSERVATION	ACTION REQUIRED	COMMENTS
	B.1 Concrete beam/structural cracks.	Warrantor will correct structural cracks which exceed 1/8 in. in width.	Common shrinkage and non-structural cracks are normal and should be expected.
	B.2 Poured concrete wall cracks.	Warrantor will correct cracks which exceed 1/4 in. in width in conjunction with vertical or horizontal displacement.	Common shrinkage and non-structural cracks are normal and should be expected.
	B.3 Cracks in poured concrete slab with finished floor covering.	Warrantor will correct cracks which exceed 1/4 in. in width and 1/4 in. vertical displacement.	Warrantor is only responsible to repair floor finishes in the direct location of the structural repair and will match finish as closely as possible.
	B.4 Poured concrete floor movement.	Warrantor will correct movement which exceeds 1-1/2 in. per 10 ft. from original construction.	Some movement should be expected due to regional soil conditions and seasonal climate changes.
 MASONRY ELEMENTS	B.5 Cracks in footing.	Warrantor will correct cracks which exceed 1/2 in. in width.	Common shrinkage and non-structural cracks are normal and should be expected.
	B.6 Concrete/masonry wall cracks.	Warrantor will correct cracks which exceed 3/8 in. in width in conjunction with vertical or horizontal displacement.	Common shrinkage and non-structural cracks are normal and should be expected. Masonry veneer and its components are not deemed to be Designated Structural Elements.
 COLUMNS	B.7 Wood column movement.	Warrantor will correct movement which exceeds 1 in. per 8 ft. of vertical height.	Some bowing, splitting and checking is normal and should be expected.
	B.8 Steel column movement.	Warrantor will correct movement which exceeds 1/2 in. in any direction.	
	B.9 Concrete masonry unit column movement.	Warrantor will correct movement which exceeds 1 in. per 8 ft.	

The following Warranty Standards are applicable only to elements of the Home that are load-bearing. Read Sections I and V to determine if the following Warranty Standards apply. The following Defects in Designated Structural Elements (DSEs) are warranted for six (6) years from the Effective Date of Warranty. The Insurer is the Warrantor for Defects in DSEs.

B. SIX YEAR DSE COVERAGE (continued)

	OBSERVATION	ACTION REQUIRED	COMMENTS
WOOD FOUNDATIONS	B.10 Movement of a wall framing member.	Warrantor will correct movement which exceeds 1 in. per 8 ft.	
	B.11 Wood beam Deflection.	Warrantor will correct Deflection which exceeds 1 in. per 10 ft.	
WOOD/STEEL FRAMING	B.12 Steel beam Deflection.	Warrantor will correct Deflection which exceeds 1 in. per 10 ft.	
	B.13 Floor joists or truss Deflection.	Warrantor will correct Deflection which exceeds 1 in. per 10 ft.	
	B.14 Movement of wall framing members.	Warrantor will correct movement which exceeds 1 in. per 8 ft.	
	B.15 Ceiling joists, rafter or ridge beam Deflection.	Warrantor will correct Deflection which exceeds 1 in. per 10 ft.	
	B.16 Roof truss Deflection.	Warrantor will correct Deflection which exceeds 1 in. per 10 ft.	
	B.17 Broken wood framing member.	Warrantor will correct.	Minor warping, checking or splitting is common as the wood dries out and is not considered a Defect.

A. NOTICE TO WARRANTOR

If a Defect occurs, you MUST notify the Warrantor in writing as provided below.

1. Notice to **Warrantor** in year one.
 - a. If a **Defect** occurs in year one and is not a **Defect** in a **Designated Structural Element**, you must notify your **Builder** in writing. Your request for warranty performance must clearly describe the **Defect(s)** in reasonable detail.
 - b. A request for warranty performance to your **Builder** does not constitute notice to the **Administrator**, and it will not extend applicable coverage periods.
 - c. If a request for warranty performance to your **Builder** does not result in satisfactory action you must give written notice to the **Administrator** as provided in Subsection B below within thirty (30) days of the expiration of the applicable coverage period or the request will be rejected as untimely made.
2. Notice to **Warrantor** for **Designated Structural Elements** in years one through six.
 - a. If a **Defect** related to a warranted **DSE** occurs in years one through six of the **Limited Warranty**, you must notify the **Administrator** in writing as provided in Subsection B below.
 - b. Your request for warranty performance must describe the condition of the **DSE** in reasonable detail and must be mailed or emailed no later than thirty (30) days after the expiration of the applicable warranty period, or your request will be rejected as untimely made.



B. HOW TO NOTIFY THE ADMINISTRATOR

1. Written notice to the **Administrator** of a request for warranty performance must be emailed to warranty_resolution@rwcwarranty.com or must be sent by Certified Mail, Return Receipt Requested, to: RWC **Administrator**, 5300 Derry Street, Harrisburg, PA 17111, Attention: Warranty Resolution Department.
2. Your notice to the **Administrator** must contain the following information:
 - a. Validation Number and **Effective Date of Warranty**;
 - b. Your **Builder's** name and address;
 - c. Your name, address, email address and telephone number (including home, cell and work numbers);
 - d. A reasonably specific description of the **Defect(s)**;
 - e. A copy of any written notice to your **Builder**;
 - f. Photographs, if they would be helpful in describing the **Defect**; and
 - g. A copy of each and every report you have obtained from any inspector or engineer.
3. *When a request for warranty performance is filed and the alleged Defect cannot be observed under normal conditions, it is your responsibility to substantiate that the need for warranty performance exists and to pay both the cost of the substantiation and the cost of correcting any damage done by such substantiation. If properly substantiated, your reasonable expenses in this regard will be reimbursed by the Warrantor.*



C. MEDIATION AND INSPECTION FOLLOWING A REQUEST TO ADMINISTRATOR FOR WARRANTY PERFORMANCE

1. Within thirty (30) days after the **Administrator** receives proper notice of a 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 possesses relevant information.
2. At any time after the **Administrator** receives proper notice of your request for warranty performance, the **Administrator** may schedule an inspection of the alleged **Defect**. You must fully cooperate with the **Administrator** by providing reasonable access for such inspection and by providing any information requested of you by the **Administrator** regarding such **Defect**.
3. If your **Builder** has defaulted regarding a year one **Defect** obligation for which the **Builder** is the **Warrantor**, and you are entitled to a remedy under this **Limited Warranty**, prior to repair or replacement of the **Defect(s)**, you must pay to the **Administrator** a Warranty Service Fee of \$250.00 for each request for warranty performance. If the **Administrator** elects to pay you cash rather than to repair or replace the **Warranted Item**, the Warranty Service Fee will be subtracted from the cash payment due you.
4. During years one through six, you must pay the **Administrator** a Warranty Service Fee of \$500.00 for each request for warranty performance regarding a **Designated Structural Element** prior to repair or replacement. If the **Administrator** elects to pay you cash rather than to repair or replace the **Warranted Item**, the Warranty Service Fee will be subtracted from the cash payment due you.

D. ARBITRATION

1. If after thirty (30) days the **Administrator** has not been able to successfully mediate your request, or at an earlier time when the **Administrator** believes that your **Builder** and you are at an impasse, then the **Administrator** will notify you that your request has become an **Unresolved Warranty Issue**.
2. If the **Administrator** determines that an **Unresolved Warranty Issue** exists, either you or the **Warrantor** may request arbitration. Arbitration is the sole recourse for an **Unresolved Warranty Issue**. It is in lieu of court proceedings, the right to which is hereby waived, and the findings of the **Arbitrator** are **final and binding** on all parties with no right to an appeal.

3. To begin the arbitration process, you must give the **Administrator** written notice requesting arbitration of the **Unresolved Warranty Issue**. The written notice of your request for arbitration must be received by the **Administrator** no later than thirty (30) days following the expiration of the warranty period. However, if you receive notification of an **Unresolved Warranty Issue** from the **Administrator** following the expiration of the warranty period, then this period is extended and written notice of your request for arbitration must be received by the **Administrator** no later than thirty (30) days from the date of your receipt of notification of the **Unresolved Warranty Issue**. If you make this request, you must pay the arbitration fees before the matter is submitted to the arbitration service. The **Arbitrator** has the power, however, at the close of the arbitration to charge this fee to any party or to split it between the parties.
4. Within twenty (20) days after the **Administrator** receives your written request and the arbitration fees, your **Unresolved Warranty Issue** will be submitted to a neutral, reputable arbitration service experienced in arbitrating residential construction matters for resolution. The arbitration service will select a qualified **Arbitrator** to arbitrate the matter.



5. The arbitration will be conducted by an independent arbitration service upon which you and the **Administrator** agree and will be conducted in accordance with this **Limited Warranty** and the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.* In the event you and the **Administrator** do not agree on an independent arbitration service, either you or the **Administrator** may petition an appropriate North Carolina court for appointment of an **Arbitrator**.
6. If any party begins litigation in violation of this Arbitration clause, that party must reimburse the other parties for their costs and expenses, including attorneys' fees incurred in seeking to dismiss such litigation.

SECTION III. HOW TO REQUEST WARRANTY PERFORMANCE

7. Enforcement of Arbitration Award.

- a. Except as provided in Subsection b below:
 - i. For a year one **Defect** that is not a **Defect** in a **Designated Structural Element**, the **Builder** must comply with the **Arbitrator's Award** within sixty (60) days from the date the **Administrator** sends it to the **Builder**.
 - ii. In years one through six for a **Defect** in a **Designated Structural Element**, the **Warrantor** must comply with the **Arbitrator's Award** within sixty (60) days from the date the **Administrator** receives it.
- b. The **Warrantor** must begin compliance as soon as possible and complete it within the sixty (60) day compliance period, except for repairs that would reasonably take more than sixty (60) days to complete for reasons including, but not limited to, inclement weather. In such circumstances, the **Warrantor** will complete such repairs or replacement as soon as possible without incurring overtime or weekend expenses.



- c. 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.
- d. You must provide the **Warrantor** with reasonable weekday access to your **Home** during normal business hours so that it can perform its obligations. Failure by you to provide such access to the **Warrantor** may result in further damage that will not be covered by this **Limited Warranty** and may extend the time during which the **Warrantor** may fulfill its obligations.

E. CONDITIONS OF WARRANTY PERFORMANCE

1. Before the **Warrantor** pays for the reasonable cost of repair or replacement, you must sign and deliver to the **Builder**, and/or the **Insurer** and 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 therefrom.
2. When repair or replacement of a warranted **Defect** has been completed, you must sign and deliver to the **Builder**, and/or the **Insurer** and 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 them. The repaired or replaced **Warranted Items** will continue to be warranted by the **Limited Warranty** for the remainder of the applicable periods of coverage.
3. 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 right, including, but not limited to, assigning the proceeds of any insurance or warranties to the **Warrantor**. You shall do nothing to prejudice these rights of subrogation.
4. You must provide the **Warrantor** and/or **Administrator** with reasonable weekday access during normal business hours to inspect the condition of your **Home** and/or to perform their obligations.





- A. This is **NOT** an insurance policy, a maintenance agreement or a service contract.
- B. This **Limited Warranty** provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.
- C. This **Limited Warranty** is binding on the **Builder** and you and your heirs, executors, administrators, successors and assigns.
- D. This **Limited Warranty** shall be interpreted and enforced in accordance with the laws of North Carolina, except that arbitration hereunder shall be conducted pursuant and according to the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.*
- E. This **Limited Warranty** is separate and apart from other contracts between you and your **Builder**, including any sales agreements. It cannot be affected, altered or amended in any way by any other agreement, except as stated in Subsection F below.
- F. This **Limited Warranty** cannot be modified, altered or amended except by a formal written instrument signed by you, your **Builder**, and the **Administrator**.
- G. 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.
- H. All notices required under this **Limited Warranty** must be in writing and emailed to warranty.resolution@rwcwarranty.com or sent by Certified Mail, Postage Prepaid, Return Receipt Requested, to the recipient's address shown on the **Application For Warranty**, or to whatever address the recipient may otherwise designate in writing. If you send your written notice by email to warranty.resolution@rwcwarranty.com, the written notice will not be considered received without a valid confirmation of receipt number. If you do not receive a confirmation of receipt number within 48 hours of emailing your written notice, contact RWC by calling (717) 561-4480 and request to speak with the Warranty Resolution Department's Customer Service.
- I. If performance by the **Warrantor** under this **Limited Warranty** is 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 or nature, acts of the common enemy, war, riot, civil commotion or sovereign conduct, epidemic, pandemic, or acts or omissions by you or a person or entity not a party to this **Limited Warranty**.
- J. In this **Limited Warranty**, reference to a person includes entities and vice versa. Use of the singular includes the plural. Use of one gender includes the other gender.

To help you better understand certain terms in your **Limited Warranty**, the following definitions apply:

- A. **Administrator.** Residential Warranty Company, LLC (RWC) is the **Administrator** of this **Limited Warranty**. RWC is neither the **Warrantor** nor the **Insurer**.
- B. **Appliances and Equipment.** 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, including all attachments and appurtenances.
- C. **Application For Warranty.** The form signed by you, the **Purchaser**, and your **Builder** which identifies the location, the **Effective Date of Warranty**, and the Final Sales Price of the **Home**. If the **Builder** participates in the RWC Electronic Enrollment Process, you will not receive an **Application For Warranty** form. This information will be included on your **Warranty Confirmation**.
- D. **Arbitrator.** The person appointed by the independent arbitration service to resolve an **Unresolved Warranty Issue**.
- E. **Builder.** The person or entity that built your **Home** and has obtained this **Limited Warranty** for you.
- F. **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**, as well as costs of shelter, transportation, food, moving, storage, or other incidental expenses related to relocation during repairs.
- G. **Defect.** A condition of a **Warranted Item** that, according to the **Warranty Standards** described in Section II, requires action by the **Warrantor**. Failure to complete construction of the **Home** or any portion of the **Home**, in whole or in part, is not considered a **Defect**.
- H. **Deflection.** A turning or bending of a **Designated Structural Element** from its original position. **Deflection** is measured from any two end points and a third reference point. The reference point may be located at any distance between the two end points.
- I. **Designated Structural Elements (DSE).** Those items defined specifically in the **Limited Warranty Standards** Section II.B provided that the element is load-bearing to the **Home** itself. A load-bearing structural element is one of the **Designated Structural Elements** listed in Section II.B., the principal purpose of which is to support designed dead loads in addition to its own weight. For example, floating slabs and partition walls that are not designed to carry any load other than their own are not load-bearing structural elements. This Warranty is limited



- to ONLY those **Designated Structural Elements** of the **Home** which exceed the tolerances explicitly set forth in Section II.B.
- J. **Effective Date of Warranty.** It is the date coverage begins as specified on the **Application For Warranty** form. If the **Builder** participates in the Electronic Enrollment Process, the **Effective Date** is as identified on the **Warranty Confirmation**.
- K. **Electrical System.** All wiring, electrical boxes and connections, that provide electricity to the **Home** up to the house side of the meter base.
- L. **Heating, Ventilating, and Cooling System.** All ductwork, refrigerant lines, steam and water pipes, registers, convectors and dampers.
- M. **Home.** The single family dwelling identified on the **Application For Warranty** form, which may be a detached house, a townhouse, or duplex. If the **Builder** is participating in the Electronic Enrollment Program, it is the dwelling identified on the **Warranty Confirmation**.
- N. **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 III. for instructions on requesting warranty performance.)*
- O. **Limited Warranty.** The terms and conditions contained in this Book.
- P. **Owner.** See **Purchaser**.
- Q. **Plumbing System.** All pipes located within the **Home** and their fittings, including, but not limited to, gas supply lines and vent pipes.
- R. **Purchaser.** You. The **Purchaser** includes the first buyer of the warranted **Home** and anyone who owns the **Home** during the warranty period.
- S. **Residence.** See **Home**.
- T. **Sewage Disposal System.** This System includes, but is not limited to, all waste, drainage, sewer pipes and lines, cleanouts, tanks, pumps, drain fields and seepage pits, outside and beyond the exterior wall of the **Home**, whether the System is private or public.
- U. **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**.
- V. **Unresolved Warranty Issue.** All requests for warranty performance, demands, disputes, controversies and differences that may arise between the **Purchaser** and the **Warrantor** that cannot be resolved between them. An **Unresolved Warranty Issue** may be a disagreement regarding:
- What this **Limited Warranty** covers;
 - An action performed, to be performed, or not performed under this **Limited Warranty**; or
 - The cost to repair or replace any item covered by this **Limited Warranty**.
- W. **Warrantor.** Your **Builder** in year one for **Defects** that are not **Defects in Designated Structural Elements**; the **Insurer** in years one through six for **Defects in Designated Structural Elements** and for **Defects** other than those in **Designated Structural Elements** in year one if your **Builder** defaults.
- X. **Warranted Items.** Those items in the **Home** that are specifically identified in the **Warranty Standards** described in Section II that can require action from the **Warrantor** if a **Warranty Standard** is not met.
- Y. **Warranty Confirmation.** The document you obtain by going to confirm.rwcwarranty.com (or by contacting RWC if you do not have access to the Internet). It includes your Validation Number, Effective Date of Warranty, Term of Coverage, and any applicable Addenda.
- Z. **Warranty Standards.** The standards, described in Section II, by which the condition of a **Warranted Item** will be judged to determine whether action by the **Warrantor** is required, and if so, the type of action that such condition requires of **Warrantor**.
- AA. **Water Supply System.** 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**, whether private or public.

SAMPLE



RESIDENTIAL WARRANTY COMPANY, LLC

NORTH CAROLINA NEW HOME LIMITED WARRANTY