



PRESENTS

THE BUILDERS LIMITED WARRANTY

10 YEAR WRITTEN WARRANTY FOR MANUFACTURED HOUSING

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

Place validation sticker here.
Warranty is invalid without sticker.

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

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 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 #927 • Application For Warranty form #946 • Validation Sticker*

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



5300 Derry Street, Harrisburg, PA 17111
PH: (717) 561-4480

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Dear Home Buyer,

Congratulations on the purchase of your new Home. This is probably one of the most important investments you've ever made and we wish you many years of enjoyment.

You've chosen a quality-built Home from a leading Builder which includes the MHWC Builder's 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. In 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. For the remaining nine years, your Warranty applies to Major Structural Defects as defined in this book.

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.

Congratulations and enjoy your new Home!

Very truly yours,

MHWC

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

MHWC is the **Administrator** of this **Limited Warranty**. MHWC 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**.

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 MHWC 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 re-location during repairs.

7. Cooling, Ventilating and Heating Systems

All duct work, 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**.*

10. Electrical Systems

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

11. Home

A single family dwelling and/or a two or more unit structure which may be conveyed as a single unit pre-manufactured before delivery to site.

12. Insurer

Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC): 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 addenda.

14. Major Structural Defects (MSD)

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

- actual physical damage to one or more of the following specified load-bearing segments of the **Home**;
- causing the failure of the specific major structural components; and
- 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:

- roof framing members (rafters and trusses);
- floor framing members (joists and trusses);
- bearing walls;
- columns;
- lintels (other than lintels supporting veneers);
- girders; and
- load-bearing beams.

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

- non-load-bearing partitions and walls;
- wall tile or paper, etc.;
- plaster, laths or drywall;
- flooring and subflooring material;
- brick, stucco, stone, veneer, or exterior wall sheathing;
- any type of exterior siding;
- roof shingles, sheathing* and tar paper;
- Heating, Cooling, Ventilating, Plumbing, Electrical and mechanical Systems;
- Appliances, fixtures or Items of Equipment;

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

**Section
I.
Definitions
(continued)**

- (10) doors, windows, trim, cabinets, hardware, insulation, paint and stains;
- (11) decks, porches and chimneys; and
- (12) tie down wires, anchoring devices, cables and straps.
- 15. Manufacturer**
The provider of the **Home** to the **Builder**. Warranty obligations vary from **Manufacturer to Manufacturer**. Contact your **Builder** for specific conditions.
- 16. Owner**
See **Purchaser**.
- 17. Plumbing Systems**
All pipes located within the **Home** and their fittings, including gas supply lines and vent pipes.
- 18. 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.
- 19. Residence**
See **Home**.
- 20. 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**.
- 21. 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**.
- 22. 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:
- the coverages in this **Limited Warranty**;
 - an action performed or to be performed by any party pursuant to this **Limited Warranty**; or
 - the cost to repair or replace any item covered by this **Limited Warranty**.
- 23. Warrantor**
Your **Builder** in Year 1; the **Insurer** in Years 2-10 and in Year 1 if your **Builder** defaults.
- 24. 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**.

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

Section II. The Limited Warranty

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

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 MHC 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** at the same address during the ten-year term of this **Limited Warranty**, except in the case of a foreclosure that voids the warranty as provided in Section II.A.6.* If the structure is moved from its original delivery site, the **Limited Warranty** will be declared null and void.
6. 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.*
7. This **Limited Warranty** is subject to changes required by various regulating bodies. FHA and VA, as well as some local agencies have mandated the additions noted in the Addenda Section of this **Limited Warranty** book. Notations throughout indicate where the Addenda apply.

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. **TEN YEAR COVERAGE: Major Structural Defects (MSD)** are warranted for ten (10) years from the **Effective Date Of Warranty**. Your **Builder** is the **Warrantor** during Year 1 of this **Limited Warranty** and the **Insurer** is the **Warrantor** in Years 2-10.

D. Conditions*

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

Section II. The Limited Warranty (continued)

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.

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 nonresidential 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 seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure),

- f. 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. The **Manufacturer** may have its own warranty obligations.
- h. after Year 1, to, resulting from, or made worse by all components of structurally attached decks, balconies, patios, porches, stoops, porch roofs and porticos.
- i. 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.
- j. 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.
- k. 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

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

Section II. The Limited Warranty (continued)

- part of the **Home** itself.
1. caused by shipment/transportation. The **Builder** or **Manufacturer** may have other insurance which will apply.
 - m. caused by any item listed as an additional exclusion on the **Application for Warranty** form.
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. dampness, condensation or heat build-up caused by your failure to maintain proper ventilation.*
 - e. intrusion of water into crawl spaces.*
 - f. the weight and/or performance of any type of waterbed or any other furnishing which exceeds the load-bearing design of the **Home**.
 - g. 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**.
 - h. 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.
 - i. your failure to perform routine maintenance.
 - j. your failure to minimize or prevent such loss or damage in a timely manner.
 - k. 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.
1. 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.
 - m. negligent maintenance or operation of the **Home** and its systems by anyone other than your **Builder** or its agents, employees or subcontractors.
 - n. any portion of a Water Supply System, private or public, including volume and pressure of water flow.
 - o. quality and potability of water.
 - p. any portion of a Sewage Disposal System, private or public, including design.
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 thirty (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,

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**Section
II.
The
Limited
Warranty
(continued)**

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**. 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**.

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 Limit of Liability as established by the **Builder** on the **Application For Warranty** Form. 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.

SAMPLE

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

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
1. FRAMING			
CEILING	1.1 Uneven ceiling.	Builder will correct if unevenness exceeds 1/4 in. within a 32 in. measurement.	Some minor framing imperfections should be expected.
FLOOR	1.2 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.
	1.3 Floor squeaks.	Builder will correct if caused by a defective joist or improperly installed subfloor. The 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.
	1.4 Uneven floors.	Builder will correct floor slope which exceeds 1/240 of the room width or length. i.e. 10' wide room not to exceed 1/2" slope.	Minor slope or unevenness is normal.
ROOF	1.5 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	1.6 Bow or bulge.	Builder will correct bow or bulge exceeding 1/2 in. within a 32 in. vertical or horizontal measurement.	Minor framing imperfections should be expected.
	1.7 Out-of-plumb.	Builder will correct out-of-plumb condition which exceeds 3/4 in. within an 8 ft. vertical measurement.	Minor framing imperfections should be expected.
	1.8 Wall is out-of-square.	No action required.	A wall out-of-square is not a Defect.
2. EXTERIOR			
STRUCTURALLY ATTACHED WOOD OR COMPOSITE DECKS	2.1 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.
	2.2 Settlement.	Builder will correct slope of deck which exceeds a ratio of 2 in. within a 10 ft. measurement.	Some slope is often provided to allow for water drainage.
	2.3 Loose railing or post.	Builder will correct if due to improper installation.	Owner maintenance is required.
DOORS	2.4 Binds, sticks or does not latch.	Builder will correct if caused by faulty workmanship or installation.	Seasonal changes may cause doors to expand and contract and are usually temporary conditions. Consult door manufacturer if problem is due to materials.
	2.5 Wood door panel shrinks.	No action required.	Panels will shrink and expand and may expose unfinished surfaces.
	2.6 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.
	2.7 Split in panel.	Builder will correct if split allows the entrance of the elements.	Splits which do not allow the entrance of the elements are considered normal. Owner maintenance is required.

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
2. EXTERIOR (CONTINUED)			
DOORS (CONTINUED)	2.8 Separation between door and weather-stripping.	Builder will correct if daylight is visible or if entrance of the 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.
	2.9 Screen mesh is torn or damaged.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	2.10 Overhead garage door fails to operate or allows rain or snow to leak through.	Builder will correct garage doors that do not fit or operate properly.	Some entrance of the 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.
ROOFING	2.11 Roof and roof flashing leak.	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 buildups is the Owner's responsibility. Substantiation of an active and current leak is the Owner's responsibility.
	2.12 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.
	2.13 Shingles 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.
	2.14 Inadequate ventilation.	Builder will provide adequate ventilation.	Moisture accumulation in attics that are not adequately vented is a deficiency. Owner is responsible to keep vents clear of obstructions to promote air flow.
	2.15 Water stays in gutters.	Builder will correct to limit standing water depth at 1 in.	Owner is responsible for keeping gutters and downspouts clean.
	2.16 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.
STRUCTURALLY ATTACHED STOOP, PORCH & PATIO	2.17 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.
	2.18 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.
WALL COVERING	2.19 Entrance of the 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 the elements or separations exceeding 3/8 in. by caulking or other methods.	Any separations 3/8 in. or less are considered routine Owner maintenance.
	2.20 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.

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

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
2. EXTERIOR (CONTINUED)			
WALL COVERING (CONTINUED)	2.21 Skirting, non-masonry foundation enclosure deteriorates, delaminates or comes loose.	Builder will correct affected area if due to improper workmanship or installation.	Separated, loose or delaminated siding can also be due to improper maintenance. Wavy siding may be due to temperature changes and can be expected. Consult siding manufacturer if problem is due to materials.
	2.22 Siding materials become detached from the Home.	Builder will correct affected area if due to improper workmanship or installation.	Separated, loose or delaminated siding can be due to improper maintenance and is not considered a Defect.
	2.23 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.
	2.24 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 warranty.
	2.25 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.
	2.26 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 overspray, brushmarks, etc., are common and should be expected.
	2.27 Knot holes bleed through paint or stain.	Builder will correct affected area where excessive bleeding of knots appear.	Knot holes will be apparent depending on the quality of material used.
	2.28 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.
	2.29 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.
WINDOWS	2.30 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.
	2.31 Clouding or condensation between panes of glass.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	2.32 Glass breakage.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	2.33 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. It may be necessary for Owner to have storm windows installed to provide a satisfactory solution in high wind areas. All caulking materials expand and contract due to temperature variation and dissimilar materials. Maintenance of weatherstripping is Owner's responsibility.

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
2. EXTERIOR (CONTINUED)			
WINDOWS (CONTINUED)	2.34 Difficult to open, close or lock.	Builder will correct.	Windows should open, close and lock with reasonable pressure.
3. INTERIOR			
DOORS	3.1 Latch is loose or rattles.	No action required.	Some minor movement should be expected.
	3.2 Binds, sticks or does not latch.	Builder will correct if due to faulty workmanship or installation.	Seasonal changes may cause doors to expand and contract and are usually temporary conditions. Consult door manufacturer if problem is due to materials.
	3.3 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.
	3.4 Excessive opening at bottom.	Builder will correct gaps in excess of 2½ in. between bottom of passage door and finished floor.	Gaps under doors are intended for air flow.
	3.5 Rubs on carpet.	Builder will correct.	Builder is not responsible if Owner installs carpet.
WALLS, CEILINGS, SURFACES, FINISHES & TRIM	3.6 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 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.
	3.7 Peeling of wallpaper.	Builder will correct if not due to Owner neglect or abuses.	Builder is not responsible for wallpaper installed by Owner. Owner is responsible for maintaining adequate ventilation in areas of high humidity, like kitchens and bathrooms.
	3.8 Separated seams in wallpaper.	Builder will correct if wall surface is readily visible.	Minor imperfections can be expected.
	3.9 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.
	3.10 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.
	3.11 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.
	3.12 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.

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

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
3. INTERIOR (CONTINUED)			
WALLS, CEILINGS, SURFACES, FINISHES & TRIM (CONTINUED)	3.13 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.
	3.14 Cracking or deterioration of caulking.	No action required.	All interior caulking shrinks and deteriorates. Owner maintenance is required.
	3.15 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.
	3.16 Pre-finished panels come loose.	Builder will correct affected area.	Owner is responsible for establishing a pre-closing walk through inspection list.
	3.17 Staple holes visible in trim.	No action required.	Exposed staples are normal and are not a Defect.
FLOOR COVERING	3.18 Resilient flooring comes loose at edge.	Builder will correct.	Owner maintenance is required.
	3.19 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.
	3.20 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.
	3.21 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.
	3.22 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.
	3.23 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.
	3.24 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.
	3.25 Visible gaps at carpet seams.	Builder will correct gaps.	Seams will be apparent. Owner maintenance is required.
	3.26 Carpet becomes loose or buckles.	Builder will correct one time only.	Some stretching is normal. Owner should exercise care in moving furniture.

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4. MECHANICAL

ELECTRICAL	4.1 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.
	4.2 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.

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
4. MECHANICAL (CONTINUED)			
ELECTRICAL (CONTINUED)	4.3 Wiring fails to carry specified load.	Builder will correct if caused by defective workmanship or materials.	Owner maintenance is required.
HEATING & COOLING	4.4 Condensation lines clog under normal use.	No action required.	Condensation lines will clog under normal conditions. Continued operation of drain line requires Owner maintenance.
	4.5 Noisy duct work.	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.
	4.6 Duct work separates.	Builder will correct.	Owner maintenance is required.
	4.7 Refrigerant line leaks.	Builder will correct.	Owner maintenance is required on system.
	4.8 Insufficient heating.	Builder will correct if Heating System cannot maintain 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.
4.9 Insufficient cooling.	Builder will correct if Cooling System cannot maintain 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 area. 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.	
PLUMBING	4.10 Pipe freezes and bursts.	Builder will correct if due to improper installation.	Proper winterization of pipes is considered routine maintenance and Owner should maintain suitable temperatures inside the Home .
	4.11 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.
	4.12 Pipe leaks.	Builder will correct.	Condensation on pipes does not constitute leakage.
	4.13 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.
	4.14 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.

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

The following Warranty Standards 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	ACTION REQUIRED	COMMENTS
4. MECHANICAL (CONTINUED)			
PLUMBING (CONTINUED)	4.15 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.
	4.16 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 by this Limited Warranty.
5. SPECIALTIES			
BATHROOM & KITCHEN	5.1 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.
	5.2 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.
	5.3 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.
	5.4 Doors or drawers do not operate.	Builder will correct.	Owner maintenance is required. Design or layout issues are not warranted.
	5.5 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.
	5.6 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.
	5.7 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.
CHIMNEY & FIREPLACE	5.8 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.
	5.9 Firebox color is changed; accumulation of residue in chimney or flue.	No action required.	Owner maintenance is required.
	5.10 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.
	5.11 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.
	5.12 Water infiltration into firebox from flue.	No action required.	A certain amount of rainwater can be expected under certain conditions.
	5.13 Firebrick or mortar joint cracks.	No action required.	Intense heat may cause cracking.
INSULATION	5.14 Air infiltration around electrical receptacles.	No action required.	Air flow around electrical boxes is normal and is not a deficiency.

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The following Warranty Standards 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
B. TEN YEAR MSD
COVERAGE ONLY**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
B. TEN YEAR MSD COVERAGE			

MAJOR STRUCTURAL DEFECTS	B.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.	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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SAMPLE

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Section IV. Requesting Warranty Performance

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

A. Notice to Warrantor in Year 1

1. If a **Defect** occurs in Year 1, you must notify your **Builder** in writing. Your request for warranty performance should clearly describe the **Defect(s)** in reasonable detail. Your **Builder** is responsible for contacting the **Manufacturer**.
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 MHCW, **Administrator**, 5300 Derry Street, Harrisburg, Pennsylvania 17111, 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 mailed to MHCW and post-marked 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 first year of coverage, a request for warranty performance must be mailed to MHCW and postmarked no later than thirty (30) days after the end of the first 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 2–10

If a **Defect** related to a warranted **MSD** occurs in Years 2-10 of this **Limited Warranty**, you must notify the **Administrator** to review the item. All such notices must be presented in writing to MHCW, **Administrator**, 5300 Derry Street, Harrisburg, Pennsylvania 17111, 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;** *If these are unknown, the homeowner will be assessed a \$25.00 search fee which should be included with your notice.*

- 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 that your **Builder** and you are at an impasse, 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*

You begin the arbitration process by giving the Administrator written notice of your request for arbitration of an 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 ten year warranty period. However, if you receive notification of an **Unresolved Warranty Issue** from the **Administrator** following the expiration of the ten year 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**. Within twenty (20) days after the **Administrator's**

Section IV. Requesting Warranty Performance (continued)

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.

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.*

In Year 1, 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. In Years 2-10, 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

- 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.
- In Year 1, if your **Builder** defaults in its warranty obligations, the **Administrator** will process the request for warranty performance provided you pay a warranty service fee of \$250 for each request prior to repair or replacement.*
- In Years 2-10 you must pay the **Administrator** a warranty service fee of \$500 for each request.*
- If the **Administrator** elects to award you cash rather than repair or replace a warranted item, the warranty service fee will be subtracted from the cash payment.
- 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**.*
- 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.
- 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.
- 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.
- Any **Warrantor** obligation is conditioned upon your proper maintenance of the **Home** and grounds to prevent damage due to neglect, abnormal use or improper maintenance.

**Section
V.
Addenda**

A. Foundation Addendum

This Addendum is applicable only if your Application For Warranty form and your validation sticker indicate that it is part of the Limited Warranty.

- Section I.B.14 Major Structural Defects** — The following language is added: Foundation Systems and Footings shall be deemed load-bearing components of the Home deemed to have MSD potential.
- Section III.A Year 1 Coverage Only** — The following standards are added:

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
6. FOUNDATION			
BASEMENT	6.1 Cracks appear in control joints.	No action required.	The expansion/contraction joint is placed to control cracking. It is not a deficiency.
	6.2 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.
	6.3 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 injection are examples of acceptable repair methods.
	6.4 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.
	6.5 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.
	6.6 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.
	6.7 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.
	6.8 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.
	6.9 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.
CRAWL SPACE	6.10 Cracks in poured concrete foundation walls.	Builder will correct any crack which exceeds 1/4 in. in width.	Surface patching and epoxy injection are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.
	6.11 Cracks in block or veneer wall.	Builder will correct cracks greater than 1/4 in. in width.	Surface patching and epoxy injection are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.

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Section V. Addenda (continued)

A. Foundation Addendum (continued)

This Addendum is applicable only if your Application For Warranty form and your validation sticker indicates that it is part of the Limited Warranty.

2. **Section III.A Year 1 Coverage Only** — The following standards are added: **(continued)**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
6. FOUNDATION (CONTINUED)			
CRAWL SPACE (CONTINUED)	6.12 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.
	6.13 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	6.14 Cracks appear at control joints.	No action required.	Expansion/contraction joint is placed to control cracking. This is not a deficiency.
	6.15 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.
	6.16 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.
	6.17 Crack in concrete floor that 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.
	6.18 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.
	6.19 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.
SITE WORK	6.20 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.
	6.21 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 the Owner's responsibility to fill affected areas. The party responsible for establishing the final grade shall provide positive drainage away from foundation. Owner is responsible for establishing and maintaining adequate ground cover.

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Section V.
Addenda
(continued)

B. HUD/USDA Addendum

This Addendum is applicable only to FHA Title II financed Homes. If this addendum is applicable, you will receive a validation sticker which indicates that this coverage is included on your Home. The Foundation Addendum (Section V.A.) coverage also applies for your Home.

1. **Section I.B. Emergency Condition** — *the following definition is added:* An **Emergency Condition** is an event or situation that presents an imminent threat of damage to the **Home** 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. **Sections II.A.5 and II.A.6.** - Foreclosure does not void the **Limited Warranty** for FHA/VA Financed **Homes** only.
5. **Section II.D** — *the following statement is added:* This agreement is noncancellable by **Warrantor**.
6. **Section II.D.9.** is deleted.
7. **Section II.D.10.** — *the following section 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.
8. **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.
9. **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.
10. **Section II.E.2.d** — *exclusion is deleted.*
11. **Section II.E.2.e** — *exclusion is deleted.*
12. **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.
13. **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.
14. **Section IV.E Arbitration** — *Because HUD does not require mandatory 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.
15. **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.
16. **Section IV.F.2 & IV.F.3** — *the following language is substituted:* In the first year, if your **Builder** does not fulfill its obligations under this **Limited Warranty**, the **Insurer** will be responsible for your **Builder's** obligations, subject to a one-time warranty service fee of \$250. The **Insurer's** liability in Years 2 through 10 under this **Limited Warranty** is subject to a warranty service fee of \$250 per request for warranty performance. In each instance, you must pay the fee prior to the **Insurer's** repair or replacement. In the event of payment, the fee will be subtracted from the cash payment.
17. **Section IV.F.5** — *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:
 - a. 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;
 - b. payment is being made in settlement of legal action;
 - c. you are represented by legal counsel.

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SAMPLE

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