

Customer Name _____

Property Address _____



Limited Warranty Agreement

INTRODUCTION

Our commitment to you is simple; the workmanship and materials in your home are warranted against defects for one year after the original closing date on your home. Your home can also be enrolled into a ten-year limited warranty program if elected, which is administered by a national company, separate and apart from Riptide Builders, LLC.

Limited Warranty Agreement

The construction standards set forth in that limited warranty are based upon a cross section of standards from around the country, and are recognized by HUD and other federal agencies. This commitment to quality is easy to understand and based on common sense. We believe that you have the right to expect that the home you have purchased is clean, complete and free from defects at the time of closing. Should a defect arise after closing, Riptide Builders, LLC. will arrange for the correction of the defect. For the purpose of this service, a defect shall be deemed to be a condition of any item warranted by Riptide Builders, LLC. that does not meet the allowable tolerance specified herein. No materials used in constructing a home will last forever, although most will last for a long time if properly maintained. It is our goal to help you to understand how to prolong the life of your home through proper care and maintenance.

The following sections describe what you should expect from Riptide Builders, LLC, as well as what your home should expect from you. Also, you will find exclusions, limitation of liability, and how to request warranty service. Although not anticipated to occur, should a dispute arise between you and Riptide Builders, LLC., the Riptide Builders, LLC. Limited Warranty Agreement also includes a dispute resolution procedure for accelerated settlement of differences.

EXPECTATIONS

The following will set forth what you should expect from Riptide Builders, LLC., and what actions you are expected to take.

1. Routine Care and Maintenance

Riptide Builders, LLC. – Riptide Builders, LLC. Limited Warranty Agreement and the optional ten-year limited warranty issued for your home is not a maintenance or service agreement. We will correct defects that occur in your home during the warranty period, provided you have properly maintained and cared for your home. If you have questions on maintaining your home or its components, the Warranty Department at Riptide Builders, LLC. will be happy to assist you.

Homeowner – While Riptide Builders, LLC. provides you with many recommendations for proper care and maintenance, it would be impossible to detail every aspect of how to maintain your home. As the homeowner, it is your responsibility to read the information provided to you, and to learn how to care for your home.

2. Soil and Finished Grade

Riptide Builders, LLC. - Your home has been constructed on soils to withstand the load of your home. Although there may be some minor settlement, it should not settle in such a manner as to create structural defects during the life of the limited warranty.

Homeowner – The finished grade surrounding your home has been designed with a specific drainage pattern to carry surface water away from the foundation. Water should not be directed toward the foundation of your home, either in rain water or watering of your lawn and other vegetation.

3. Concrete Surfaces

Riptide Builders, LLC. - The concrete surfaces in and around your home should function as they were intended without excessive settlement and cracking. However, it is almost certain that some cracking will occur, and you should expect it to happen. In exterior concrete, cracks will occur in sidewalks and driveways. On the interior of your home, cracks may occur in concrete floors, both in living areas, as well as garage slabs and basement floors. As concrete ages and cures, it will shrink, often resulting in cracks.

Homeowner – Road salts and other de-icing materials will harm the surface of your driveway and sidewalks. Excessive weight, such as moving vans or other large vehicles, may cause the concrete to settle and crack. Avoid allowing these conditions to occur.

4. Intrusion of the Elements

Riptide Builders, LLC. - Your home should not leak, except when conditions such as a wind-driven rain force rainwater through your vents, windows or under doors.

Homeowner – In many areas, caulking provides a sealant around doors, windows and other wall penetrations. These areas require annual inspection by you. Where areas have separated or cracked, routine maintenance is required. Avoid allowing water from sprinklers to come in contact with the exterior of your home.

5. Mechanical Systems

Riptide Builders, LLC. - The mechanical systems of your home include the heating, ventilation, cooling, electrical, and plumbing. These systems were designed for normal usage in your home.

Homeowner – You should not place abnormal demands on these systems. Some systems must be cleaned periodically. Furnace filters must be changed on a regular basis. Drains may become sluggish or clogged because of the materials disposed of in them.

6. Finished Surfaces

Riptide Builders, LLC. – Walls, ceilings and floors will maintain their uniform characteristics for a reasonable time. Proper cleaning and maintenance will prolong the various finishes in the home. Painted surfaces will need to be repainted from time to time. Depending on the geographic area, you may need to devote special attention to some surfaces. Water is the worst enemy for any finished wood surfaces.

7. Understanding the Difference Between a Scheduled Service Visit and an Emergency

There are two types of service requests. The homeowner will receive scheduled service around the 30 days and eleven-month anniversaries after closing. However should an emergency arise during other times, the homeowner should follow the instructions outlined in the Emergency Section of this booklet.

CONDITIONS

1. This Riptide Builders, LLC. Limited Warranty Agreement is a part of your contract. It cannot be affected, altered or amended in any way except by a formal written agreement, signed by the original purchaser and Riptide Builders, LLC.
2. All requests for service must be in writing and sent by mail, email, facsimile or hand delivered to the office of Riptide Builders, LLC.
3. If required action by Riptide Builders, LLC.. is delayed by an event beyond its control, such performance will be excused until the delaying effects or the event are remedied. Such events include, but may not be limited to, acts of nature, or acts or omissions by the occupant of the home or any other person not a party to Riptide Builders, LLC.
4. Riptide Builders, LLC. must be given the opportunity to address and correct defects in accordance with the standards set forth in this document. After receiving written notice of the issues appointments for reviewing the items in need of repair, as well as performing the repairs are normally scheduled Monday through Friday between the hours of 8:00 AM and 5:00 PM.
5. It shall be at the sole discretion of Riptide Builders, LLC. how to make the repair. The decision whether to repair, replace or pay the reasonable cost of repair or replacement belongs to Riptide Builders, LLC.
6. Every effort will be made to match the repaired area as closely as possible to the original surface. However, exact matches in color, texture and pattern cannot be guaranteed. Riptide Builders, LLC. is not responsible for discontinued items. If an item is discontinued, Riptide Builders, LLC. will repair or replace the item with a similar item of like or equal quality.
7. Costs incurred for unauthorized repairs will not be reimbursed by Riptide Builders, LLC. Written authorization prior to incurring the expenses must be obtained from the Director of Warranty Services at Riptide Builders, LLC.
8. The Riptide Builders, LLC. Limited Warranty Agreement has limitations and exclusions. It is the homeowner's responsibility to read this document, as well as other warranty documents provided to him. Although Riptide Builders, LLC. provides information on many issues, it is not possible to provide everything that a homeowner needs to know about owning a home. It is the homeowner's responsibility to learn about routine maintenance and care for all aspects of the home.
9. If the homeowner is not qualified or equipped to perform routine maintenance and repairs, it is his responsibility to incur the cost of hiring a competent individual or company for that purpose.

STANDARDS

Minor imperfections in your home are normal. Your home is constructed of many natural materials. Should a condition arise in your home that you believe is not normal, please review the following standards. If the condition does not meet the standard, you must send a written Service Request to the Warranty Department at Riptide Builders, LLC.

A. CONCRETE

1. Observation: Cracks appear in control joints of finished concrete.

Comments: All concrete will crack due to normal drying and curing. Control joints are intentionally placed in certain concrete areas, such as sidewalks and driveways, to attempt to "control" the cracking to those areas. Cracking may extend beyond the control joints. This is considered normal, and is not a defect.

Action Required: No action required by Riptide Builders, LLC.

2. Observations: Cracks in concrete floors that rupture or significantly impair the performance of the floor covering.

Comments: All concrete will crack due to normal drying and curing. Concrete is not replaced because of cracking.

Action Required: Riptide Builders, LLC. will correct cracks in excess of 1/8" in width or vertical displacement, so the crack is not readily noticeable when the floor covering is in place. Cracks will be corrected by filling and or surface patching.

3. Observations: Cracks appear in unfinished basement floors.

Comments: All concrete will crack due to normal drying and curing. Concrete is not replaced because of cracking.

Action Required: Riptide Builders, LLC., will correct cracks that exceed 1/8" in width or vertical displacement. Cracks will be corrected by filling and or surface patching. The repaired area will be visible because there will be a difference in material color

4. Observation: Concrete surface disintegrates.

Comments: Deterioration caused by salt and other de-icing materials or chemicals, grease and motor oil are beyond the control of Riptide Builders, LLC., and will not be considered as a deficiency.

Action Required: Riptide Builders, LLC. will correct concrete where the surface has disintegrated, resulting in pitting due to improper placement of concrete. The extent of the correction will be determined by Riptide Builders, LLC. Should replacement be required of one section of concrete, the entire area will not be replaced. Only the defective area will be corrected. It should be understood by the homeowner that the corrected area will not match the surrounding areas.

5. Observation: Concrete surfaces become discolored.

Comments: Certain materials and aggregates in the concrete, as well as lawn fertilizers and other materials may cause the concrete to discolor or stain. This condition is beyond the control of Riptide Builders, LLC.

Action Required: No action required by Riptide Builders, LLC.

6. Observation: Concrete floor in attached garage cracks.

Comments: All concrete will crack due to normal drying and curing. Cracks in the garage slab do not affect the structural integrity of the home. Cracks are generally caused by the normal drying and curing of the concrete, as well as, the vehicular traffic on the slab. Concrete will not be replaced because of cracking.

Action Required: Riptide Builders, LLC. will correct cracks that exceed 1/4" in width or vertical displacement. Correction will generally be made by filling and/or surface patching the crack. The color of the repaired area will differ from the original concrete.

7. Observation: There are areas of unevenness, high or low areas, in concrete floors of living areas.

Comments: In areas not initially intended for finished floor coverings, or where an area is designed for drainage purposes, unevenness in excess of 1/4" may be expected. This is not a defect.

Action Required: Riptide Builders, LLC. will correct areas of unevenness that exceed 1/4" within a 32" distance, other than areas established for drainage.

8. Observation: Cracks appear in poured concrete foundation walls (basements or exterior surface of monolithic slabs).

Comments: All concrete will crack due to normal drying and curing. Concrete will not be replaced because of cracking.

Action Required: Riptide Builders, LLC. will correct cracks that exceed 1/8" in width by filling and/or surface patching. The color of the repaired area will not match the adjacent areas.

9. Observation: Cracks appear in sidewalk, patio or driveway.

Comments: Homeowner must not permit moving vans or other heavy items to be on the driveway, sidewalk or patio. If such activity is observed, no action will be taken by Riptide Builders, LLC. for any cracks that may occur. Most residential concrete will crack as part of the drying and curing process. Cracks should be anticipated.

Action Required: Riptide Builders, LLC. will repair cracks in excess of 1/8" in width by filling and surface patching. There will be a color variation between the repair and the original concrete. Concrete will not be replaced because of cracking.

10. Observation: Concrete separates from adjacent brick or masonry.

Comments: It is common for the joint between concrete and adjacent surfaces to separate because of the dissimilar materials.

Action Required: Riptide Builders, LLC. will correct separations in excess of ¼" in width by filling with a caulking material one time. Thereafter, it is a homeowner's maintenance item.

11. Observation: Concrete porch or patio settles, heaves or pulls away from the home.

Comment: Some settlement, heaving or separation should be expected.

Action Required: Riptide Builders, LLC. will repair separations or settlement in excess of 1" in width or height.

B. MASONRY

1. Observation: Cracks appear in the mortar joints, bricks, stone or concrete blocks.

Comments: Small cracks are common in masonry construction. Some variation in color of the repaired area should be expected.

Action Required: Riptide Builders, LLC. will correct cracks in excess of 1/8" in width by filling or re-pointing. The color of the repair material may not match the adjacent areas.

2. Observation: A white chalky substance appears on the concrete blocks or brick veneer.

Comments: Efflorescence is caused by salt and chemicals used in the manufacturing process leeching out of the block or brick. This is a normal occurrence of masonry. This chalky substance is easily cleaned by using a stiff brush and a mild bleach solution.

Action Required: Riptide Builders, LLC. will clean the chalky substance (efflorescence) from the blocks or bricks.

3. Observation: Condensation appears on the interior of basement or crawl space walls.

Comments: Condensation on the interior of any part of the home is beyond the control of Riptide Builders, LLC. Condensation is caused by many factors, including humidity in the air and individual living habits. The homeowner may want to consider installing a dehumidifier for certain conditions. Maintaining adequate ventilation and moisture control, including seasonal adjustment of crawl space vent openings, is considered routine homeowner maintenance.

Action Required: Riptide Builders, LLC. will not take any action.

C. FRAMING

1. Observation: A wall is out of plumb.

Comments: If the homeowner has applied custom paint or other wall coverings after closing, Riptide Builders, LLC. will not be responsible for restoring those items. If the homeowner does apply other wall coverings after closing, he should maintain a supply of the materials for future repairs and touch-ups.

Action Required: Riptide Builders, LLC. will correct walls that are out of plumb in excess of ½" in a height of 8 feet. The wall will be finished to the original material that was in place at the time of closing. Riptide Builders, LLC. will match the color and texture as close as possible. However, an exact match will not be guaranteed. Riptide Builders, LLC. is not responsible for applying or matching custom paints or wall coverings placed after closing.

2. Observation: A wall in a room is out of square.

Comments: If the homeowner has applied custom paint or other wall coverings after closing, Riptide Builders, LLC. will not be responsible for restoring those items. If the homeowner does apply other wall coverings after closing, he should maintain a supply of the materials for future repairs and touch-ups.

Action Required: Riptide Builders, LLC. will correct a wall that is out of square more than 1" in 12 feet. If it is necessary to repair wall and/or ceiling finishes, Riptide Builders, LLC. is responsible for returning the surface to its original condition at time of closing. Riptide Builders, LLC. is not responsible for applying matching custom paints or wall coverings placed after closing.

3. Observation: A ceiling or a wall has a bulge or depression.

Comments: Due to the natural tendencies and irregularities of framing lumber, minor variations in the actual dimensions of each piece may vary, causing some imperfections. This should be expected. If the homeowner has applied custom paint or other wall coverings after closing, Riptide Builders, LLC. will not be responsible for restoring those items. If the homeowner does apply other wall coverings after closing, he should maintain a supply of the materials for future repairs and touch-ups.

Action Required: Riptide Builders, LLC. will correct any bow or depression that exceeds ¼" over a span of three framing members (wall studs or ceiling joists or trusses), measured perpendicular to the framing members; or in excess of ¼" over a length of 6 feet, measured in the same direction as the framing member. If it is necessary to repair wall and/or ceiling finishes, Riptide Builders, LLC. is responsible for returning the surface to its original condition at time of closing.

4. Observation: There is a high or low area, or an out of level area in the floor.

Comments: Due to the natural tendencies and irregularities of framing lumber, minor variations in the actual dimensions of each piece may vary, causing some imperfections. This should be expected. If the homeowner has applied other floor coverings after closing, Riptide Builders, LLC. will not be responsible for restoring those items. If a homeowner does apply other floor coverings after closing, he should maintain a supply of the materials for future repairs and touch-ups.

Action Required: Riptide Builders, LLC. will correct high or low areas that exceeds ¼" over a span of three framing members (joists or trusses), measured perpendicular to the framing members; or in excess of ¼" over a length of 6 feet, measured in the same direction as the framing member. If it is necessary to repair floor finishes, Riptide Builders, LLC. is responsible for returning the surface to its original condition at time of closing.

5. Observation: The floor squeaks or pops.

Comments: A squeak-proof floor is not guaranteed. Floor squeaks are often temporary conditions. They may come and go depending on weather conditions, such as rain and humidity. They may also be caused by lumber shrinkage, a natural process beyond the builder's control. Jumping or bouncing on a floor to initiate a squeak is not acceptable. Only squeaks that are located while walking normally on the floor will be

Action Required: Riptide Builders, LLC. will make a reasonable effort to minimize the squeak if it is caused by a defective truss or joist, or because of loose subflooring. If the repair can be made without disturbing floor coverings, such as from the underside, the repair will be made in that manner.

D. INTERIOR WALL AND CEILING FINISHES

1. Observation: Cracks, separations or nail pops appear.

Comments: Due to the drying out process of the materials used to construct your home, some shrinkage is likely to occur, resulting in nail pops, separations at corners, etc. This is normal and should be expected.

Action Required: Drywall cracks and nail pops are a simple homeowner maintenance project. A paint touchup kit is provided at closing to assist you with these simple repairs.

2. Observation: Wallpaper begins to peel.

Comment: Riptide Builders, LLC. is not responsible for wallpaper installed by the homeowner or another contractor. The homeowner is responsible for maintaining adequate ventilation in areas where there are high levels of humidity, such as bathrooms and kitchens.

Action Required: If the wallpaper was originally applied by Riptide Builders, LLC., peeling will be corrected, only if it was improperly installed. If the peeling is the result of high humidity levels, Riptide Builders, LLC. will take no action.

3. Observations: Lumps, ridges or nail pops appear on walls after the homeowner has wall covering installed.

Comments: Because it is normal to have defects occur in drywall, such as nail pops and cracks, it is highly recommended that the homeowner wait until after the first year before applying any custom wall coverings.

Action Required: Drywall repairs are a simple homeowner maintenance project. A paint touchup kit is provided at closing to assist you with these simple repairs

4. Observation: Ceramic wall coverings crack or become loose.

Comments: A tile cracked as a result of being struck by an object is not a construction defect. Color variations in the grout occur because of personal living habits and time.

Action Required: Riptide Builders, LLC. will correct cracked and loose tiles if caused by a defect in construction. Riptide Builders, LLC. is not responsible for discontinued patterns or color variations.

5. Observation: Cracks appear in grout lines of ceramic wall tiles.

Comments: Some shrinkage is normal where grout is adjacent to other materials, such as bathtubs and walls. Re-grouting of these cracks is a homeowner maintenance responsibility during the life of the home. The builder is not responsible for color variations in the grout. Color variations occur because of personal living habits and time.

Action Required: Riptide Builders, LLC. will correct cracks in grout joints that are not due to normal shrinkage.

6. Observation: Paint on walls, ceiling or trim is peeling or flaking.

Comments: Every effort will be made to match the color and texture as closely as possible. However, when the home was originally finished, the paint was most likely applied by spraying. After a home is occupied, painting to correct deficiencies is brushed or rolled. Additionally, because of fading, and residues from cooking, candle burning, smoking or other activities in the home, the color may vary slightly. This is normal and should be expected. In bathroom areas, it is not unusual for paint to peel above shower surrounds, as a result of the high moisture content from the water, or spray from the shower head. It is the homeowner's responsibility to properly ventilate these areas during and after the operation of the shower to remove the moisture from the room. Peeling paint above showers is normally beyond the builder's control, and is considered as homeowner maintenance.

Action Required: Where peeling paint is caused by improper application of the paint, Riptide Builders, LLC. will correct these areas by scraping and painting the affected area. If more than 75% of a wall or ceiling is affected, the entire surface will be repainted to the nearest stopping points, such as corner to corner. Riptide Builders, LLC. will not repair those areas where the damage is caused by high moisture or shower spray.

7. Observation: Minor paint or drywall defects.

Comments: Every effort will be made to deliver a defect free home, however minor paint and drywall defects are normal conditions.

Action Required: Riptide Builders, LLC. will provide the homeowner two walk throughs in order to correct cosmetic defects. Riptide Builders, LLC. will correct any paint or drywall defects that are readily visible from a distance of 6 feet under normal lighting conditions prior to closing. Paint or drywall defects after closing are a home owner maintenance item and a paint touch up kit has been provided for this purpose.

D. INTERIOR TRIM AND WOODWORK

1. Observation: Surface defects in finished woodwork.

Comments: Chips, indentations and hammer marks must be noted and corrected prior to closing. Riptide Builders, LLC. will take no action on these items after closing.

Action Required: A paint touch up kit has been provided, containing caulking, sanding block and paint for your convenience.

2. Observation: Gaps between trim and adjacent surfaces, and gaps at trim joints.

Comments: Some separations due to lumber drying and shrinkage are normal and should be expected. A paint touch-up kit has been provided, containing caulking, sanding block and paint, for your convenience.

Action Required: Homeowner Maintenance.

3. Observation: Caulking cracks or deteriorates.

Comments: Caulking will shrink and crack due to drying of the materials used in the construction of the home, or minor movement between adjacent materials. This is normal and should be expected. It is the homeowner's responsibility to routinely inspect caulking in the wet areas of the home, such as around sinks and bathtubs. If these areas should separate, the homeowner should use approved caulking to maintain these areas. Failure to maintain the caulking in these areas could cause significant water damage to the home. These damages would not be corrected by Riptide Builders, LLC., as this would be considered as negligent maintenance by the homeowner. Remember, even properly installed caulk will eventually require maintenance and/or replacement.

Action Required: Homeowner maintenance.

F. INTERIOR FLOOR COVERINGS

1. Observation: The floor covering fades, stains or discolors.

Comments: Fading is not necessarily a deficiency. The manufacturer's warranty will apply to material defects. The manufacturer's warranty is separate and apart from the Riptide Builders, LLC. Limited Warranty Agreement. The homeowner must exercise care when cleaning the floor, only using products recommended by the manufacturer. Sunlight will fade some coverings. Rubber backed mats will cause vinyl floors to yellow.

Action Required: Riptide Builders, LLC. will correct stains or spots only if listed on the pre-closing walk-through inspection list.

2. Observations: There are cuts, scratches or gouges in the floor covering.

Comments: Sharp or heavy objects, such as high heels, table and chair legs, can cause similar problems, and are not covered by this service.

Action Required: Riptide Builders, LLC. will not take any action unless the cuts, scratches or gouges are listed on the pre-closing walk-through inspection list.

3. Observation: The vinyl floor comes loose at the edges. Comments: The homeowner must exercise care when cleaning the floor. Excessive water near edges will cause the adhesive to loosen.

Action Required: Riptide Builders, LLC. will correct loose edges that have lost their adhesion due to improper installation. Damages caused by excessive water will not be corrected.

4. Observation: There are bubbles under the vinyl floor.

Comments: The homeowner must use caution when moving heavy objects across the floor. Sliding heavy furniture or objects across the floor may cause it to stretch, resulting in bubbles.

Action Required: Riptide Builders, LLC. will correct the bubble under the vinyl floor, if caused by improper installation.

5. Observation: Nail pops are visible through the vinyl flooring.

Comments: The vinyl where the nail pop occurred may be repaired by cutting out a section of vinyl and patching in a new piece. When remnants of the vinyl floor covering are left in your home, the pattern and dye lot will match the original flooring. If remnants are not available, a section may be removed from a discreet location, such as from under a refrigerator or stove to obtain a good match. Repairing a nail pop does not necessitate replacement of the entire piece of vinyl. If remnants are not available, the builder will match the existing pattern and dye lot as close as possible. An exact match will not be guaranteed. Riptide Builders, LLC. is not responsible for discontinued colors and patterns.

Action Required: Riptide Builders, LLC. will correct nail pops that have broken through the floor covering.

6. Observation: There are seams or gaps in the resilient flooring.

Comments: It is often necessary to have seams in a vinyl floor because of the size of the room and the manufactured width of material. Seams will not be invisible. The homeowner is responsible for maintaining the floor and cleaning dirt that may accumulate at seams. The homeowner must exercise care when cleaning the floor, using only products recommended by the manufacturer. Excessive water near edges will cause the adhesive to loosen.

Action Required: Riptide Builders, LLC. will correct gaps at seams that exceed 1/16" in width. Where dissimilar floor materials meet, a gap will be repaired if it exceeds 1/8" in width.

7. Observations: Ridges or depressions appear in the vinyl floor due to irregularities in the subfloor.

Comments: The ridge or depression is measured using a 6" rule across the area, with 3" on either side of ridge or depression.

Action Required: Riptide Builders, LLC. will correct ridges or depressions that exceed 1/8".

8. Observation: The carpet is wearing prematurely.

Comments: High traffic areas and personal living habits will affect the wearability of the carpet.

Action Required: Riptide Builders, LLC. will take no action. The manufacturer's warranty will apply for material defects. Riptide Builders, LLC. will assist the homeowner in contacting the manufacturer.

9. Observation: The seams are visible in the carpet.

Comments: Seams may be visible. Seams that are separated or pushing up will be addressed. Certain vacuum cleaner beater bars and pets can pick seams.

Action Required: Riptide Builders, LLC. will correct seams that are gapped or peaking if seams are improperly installed.

10. Observation: The carpet becomes loose or buckles.

Comments: The homeowner must exercise caution when moving furniture or heavy objects across the carpet.

Action Required: Riptide Builders, LLC. will correct carpet that comes loose or buckles as a result of improper installation.

11. Observation: The ceramic or marble floor cracks or comes loose.

Comments: A tile cracked as a result of an object being dropped on it is not a construction defect. Color variations in the grout occur because of personal living habits and time.

Action Required: Riptide Builders, LLC. will correct cracked and loose tiles if caused by a defect in construction. Riptide Builders, LLC. is not responsible for discontinued patterns or color variations.

12. Observation: Cracks appear in grout joints or adjacent to other objects, such as bathtubs.

Comments: Some shrinkage is normal where grout is adjacent to other materials, such as bathtubs and walls. Re-grouting of these cracks is a homeowner maintenance responsibility during the life of the home. The builder is not responsible for color variations in the grout. Color variations occur because of personal living habits and time.

Action Required: Riptide Builders, LLC. will correct cracks in grout joints that are not due to normal shrinkage.

13. Observation: There are open joints in finished wood flooring.

Comments: Wood floors are subject to swelling and shrinking due to seasonal humidity and moisture changes in the home. Some shrinkage should be expected, especially around heat vents or heat-producing appliances, such as fireplaces. While boards may be installed tight initially, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or openings that close during non-heating seasons are not considered deficiencies.

Action Required: Riptide Builders, LLC. will determine the cause of the open joints. If the open joints exceed 1/8" and are the result of a construction defect, they will be repaired one time. The correction method may include filling the open joints, and refinishing the repaired area to match the adjacent area as close as possible. An exact match cannot be guaranteed. Inability to obtain an exact match will not result in a total replacement or refinishing of the floor.

14. Observation: The hardwood floors are cupping or crowning.

Comments: Cupping and crowning are caused by moisture content in the wood. Moisture content is affected by the amount of humidity in the home, as a result of weather conditions and personal living habits. These are beyond the builder's control. Warping will occur if the floor becomes repeatedly wet or is thoroughly soaked even one time. The homeowner must read and learn the manufacturer's recommended care of the product in their home. The homeowner is responsible for maintaining those areas of the home that may have an affect on the moisture level in the home. Please review the maintenance requirements for crawl spaces, basements, grading, drainage and landscaping.

Action Required: Riptide Builders, LLC. will not take any action.

15. Observation: Some of the boards are loose.

Comments: Repairs are made generally by nailing through or injecting glue under the board. The injection hole or nail head will be filled with matching filler. An exact color match is not guaranteed.

Action Required: Riptide Builders, LLC. will correct loose boards.

16. Observation: A board is higher than the adjacent board.

Comments: Some difference between adjacent boards is not unusual. Repairs are made generally by nailing through or injecting glue under the board. The injection hole or nail head will be filled with matching filler. An exact color match is not guaranteed.

Action Required: Riptide Builders, LLC. will correct high boards where a credit card (or similar card) will not pass from one board to the next

17. Observation: There is popping or crackling under a glue-down wood floor.

Comments: Crackling and popping is generally caused when the glue has not adhered to the subfloor.

Action Required: Riptide Builders, LLC. will correct areas where crackling or popping occur. Repairs may be made by injecting adhesive through holes drilled through the boards. The holes are filled with matching filler. An exact color match cannot be guaranteed.

G. DOORS – INTERIOR AND EXTERIOR

1. Observation: The latch, doorknob or hinge is loose or rattles.

Comments: Some minor movement should be expected. Strike plates may need to be slightly adjusted from time to time. It is normal for hardware to loosen over time as a result of use. The homeowner should use caution not to over tighten the screws.

Action Required: The homeowner is required to perform routine maintenance on the home. Riptide Builders, LLC. will take no action on this item.

2. Observation: A door binds, sticks or does not latch.

Comments: Seasonal changes may cause door to expand and contract and is usually a temporary condition. During the warmer months, the doors may bind slightly because of higher humidity levels in the air. However, in the cooler months while the home is being heated, the air is dryer, causing the doors to contract and operate normally.

Action Required: Riptide Builders, LLC. will correct if the cause is faulty workmanship or materials.

3. Observation: Doors warp.

Comments: Seasonal changes may cause doors to expand and contract and is usually a temporary condition. During the warmer months, the doors may bind slightly because of higher humidity levels in the air. However, in the cooler months while the home is being heated, the air is dryer, causing the doors to contract and operate normally. When measuring for warping, the indentations at raised panels are not considered when determining the extent of the warp.

Action Required: Riptide Builders, LLC. will correct doors that warp in excess of $\frac{1}{4}$ " , when measured vertically, horizontally, or diagonally.

4. Observation: There is an excessive opening at the bottom of an interior door. Comments: The gap at the bottom of an interior door is to aid in the ventilation of the home.

Action Required: Builder will correct gaps in excess of 1-1/2" between the bottom of a passage door and finished floor, or in excess of 2" between the bottom of a closet door and a finished floor.

5. Observation: Door rubs on the finished floor covering.

Comment: If the homeowner changes the original floor covering, Riptide Builders, LLC. is not responsible for this condition.

Action Required: Riptide Builders, LLC. will correct the condition.

6. Observation: Door panel shrinks.

Comments: Wood is a natural product, and may shrink and expand over time due to the drying process, seasonal changes, and exposure to the elements. The homeowner should not permit spray from lawn sprinklers or power washers to hit the exterior doors.

Action Required: Riptide Builders, LLC. will correct if shrinkage permits the entrance of water under normal conditions.

7. Observation: There is a separation between an exterior door and the weather-stripping.

Comments: Even with properly installed weather-stripping, some back and forth movement of the door when closed should be expected. The weather-stripping is installed to press against the door when closed. It is flexible and will move when the door is closed. The threshold at the exterior door is adjustable. At the time of closing, the threshold has been properly adjusted. Over time, the threshold may go out of adjustment due to stepping on it as the homeowner enters and leaves the house. The homeowner should inspect the area at the bottom of exterior doors on a regular basis to determine if any water is entering under the door. It is the homeowner's responsibility to adjust the threshold, as necessary, being careful not to strip the screws.

Action Required: Riptide Builders, LLC. will correct if light is visible or if entrance of the elements occurs under normal conditions. A one-time occurrence during a storm with wind-driven rains is not considered as normal conditions.

8. Observation: The screen in the door is torn.

Comments: Riptide Builders, LLC. will correct torn or missing screen only if noted prior to closing. This must be noted on the walk through inspection form and completed prior to closing.

Action Required: It is the homeowner's responsibility to repair torn screens that occur after closing.

9. Observation: Overhead garage door fails to operate or allows rain or snow to leak through.

Comments: Some entrance of the elements should be expected, as the garage door is not necessarily tightly sealed. If a garage door opener is installed by someone other than the builder, Riptide Builders, LLC. is not responsible for the operation of the door. On a yearly basis, a light gauge oil should be applied to the track, rollers, hinges, pulleys and springs. Also check to see that all nuts and bolts are tight.

Action Required: Riptide Builders, LLC. will correct garage doors that do not fit or operate properly.

H. WINDOWS

1. Observation: Condensation or frost appears on interior window surface.

Comments: Condensation on windows is relative to the personal living habits of the occupants of the home. Temperature differences between the interior of the home and outdoors, along with the humidity levels in the home created by personal living habits and weather conditions, will cause condensation to form on window surfaces.

Action Required: No action is required by Riptide Builders, LLC.

2. Observation: Window is difficult to open, close or lock.
Comments: Windows should open, close and lock with reasonable pressure. The homeowner should take reasonable care when latching and unlatching tilt windows for cleaning purposes to avoid damaging the mechanism. The homeowner should not have to force a lock to engage or disengage.

Action Required: Riptide Builders, LLC. will correct the window to operate with reasonable effort.

3. Observation: Clouding or condensation appears between the panes of glass.

Comments: The homeowner must take precautions when operating and cleaning the windows to prevent accidental damage. Accidental damage would not be repaired under this service.

Action Required: Riptide Builders, LLC. will correct the window if it is not properly installed.

4. Observation: There is an excessive draft around a window.

Comments: Some drafts should be expected during high winds. This will particularly occur during the cooler months.

Action Required: Riptide Builders, LLC. will correct the window if it is not properly installed.

5. Observation: The glass is broken.

Comment: The homeowner must take precautions when operating and cleaning the windows to prevent accidental damage. Accidental damage would not be repaired under this service. Cracks must be noted prior to closing, and noted on the walk-through inspection list. Cracks that occur after closing, other than stress cracks, are the homeowner's responsibility.

Action Required: Riptide Builders, LLC. will correct stress cracks.

I. KITCHENS AND BATHROOMS – CABINETS AND SURFACES

1. Observation: The cabinet separates from the wall or ceiling.

Comments: Cabinets are to be securely fastened to the wall. Minor imperfections in the wall or ceiling surface may cause a gap to form between the cabinet and adjacent surface.

Action Required: Caulking the separation is one acceptable method of repair. This is a homeowners maintenance item.

2. Observation: The cabinet door or drawer warps.

Comments: Seasonal changes can cause some warping, and it may be temporary.

Action Required: Riptide Builders, LLC. will correct warped doors or drawers where the warp exceeds ¼" in width. The warp is measured from the face of the cabinet frame to the furthestmost point of warping, taking into consideration of the thickness of a bumper pad.

3. Observation: The cabinet hardware becomes loose.

Comments: Some minor movement should be expected. The homeowner is responsible for making adjustments. It is normal for hardware to loosen over time as a result of use. The homeowner should use caution not to over tighten the screws.

Action Required: Riptide Builders, LLC. will take no action.

4. Observation: The cabinet door panel or drawer front splits or breaks.

Comments: Cracked or broken cabinet parts must be noted on the pre-closing walk through inspection list.

Action Required: Riptide Builders, LLC. will take no action.

5. Observation: The cabinet door or drawer does not operate properly.

Comments: The homeowner is responsible for routine maintenance. The builder is not responsible for damage caused by abuse.

Action Required: Riptide Builders, LLC. will correct if caused by a defect in workmanship or materials.

6. Observation: There are cuts, chips, scratches, or cracks on the counter surface.

Comments: Items such as these must be noted on the pre-closing walk-through inspection list.

Action Required: Riptide Builders, LLC. will take no action unless noted prior to closing.

7. Observation: The countertop is delaminating.

Comments: Water permitted to stand on counter tops may cause delamination. Backsplashes and counter tops will need to be re-caulked from time to time. This is a homeowner maintenance issue. This would not be covered under this service. Always use a cutting board for chopping and cutting. Protect the counter from hot pans.

Action Required: Riptide Builders, LLC. will correct delaminated counter tops if caused by a defect in materials or workmanship.

J. PLUMBING AND FIXTURES

1. Observation: The finish on the faucet is deteriorating.

Comments: Finish surfaces are not warranted after closing. The homeowner must exercise caution in cleaning fixture surfaces. Do not use abrasive cleaners.

Action Required: Riptide Builders, LLC. will take no action unless noted on the pre-closing walk-through inspection list.

2. Observation: There are chips or scratches in the bathtub, sink, toilet etc.

Comments: Finish surfaces are not warranted after closing. The homeowner must exercise caution in cleaning surfaces. Do not use abrasive cleaners. Do not stand on fixtures.

Action Required: Riptide Builders, LLC. will not take any action unless noted prior to closing on the walk-through inspection list.

3. Observation: A pipe freezes and bursts.

Comments: Proper winterization of pipes is considered routine homeowner maintenance. If the homeowner is going to be away during the winter months, heat should be set no lower than 65 degrees. If temperatures are below normal, cupboard doors should be opened to allow heat to the pipes. Faucets should be let to drip slightly to help keep pipes from freezing. Outside faucets must be shut off during freezing temperatures, and the hose removed. Plumbing leaks caused by the homeowner not taking proper precautions are not considered the responsibility of the builder.

Action Required: Riptide Builders, LLC. will make necessary corrections to assure that plumbing pipes are adequately insulated against normal anticipated cold weather. Riptide Builders, LLC. will not be responsible for defects or damages caused by the homeowner's failure to take proper precautions.

4. Observation: Water pipes are noisy.

Comments: Some noise should be expected when first running water after the pipes have been idle through the night or day. When warm or hot water is drawn through pipes that have cooled, the hot water will cause the pipes to expand, sometimes causing a tapping noise. Likewise, as the pipes cool down, contraction may cause a similar noise. This is not a defect.

Action Required: Riptide Builders, LLC. will correct noisy pipes if caused by faulty workmanship and materials.

5. Observation: Plumbing fixture leaks or malfunctions.

Comments: Routine maintenance by the homeowner is required, such as cleaning faucet filters. A clogged filter on a faucet will cause low water pressure and erratic spraying.

Action Required: Riptide Builders, LLC. will correct leaky or malfunctioning fixtures if caused by a defect in materials or workmanship.

6. Observation: A pipe leaks inside the house.

Comments: Condensation on pipes is not considered a leak. In the event of a leak or a broken pipe, the homeowner must shut off the water to that area as soon as possible and call a plumber. The homeowner has been provided the name of the plumber to call for warranted repairs. Each sink and commode has a shut off valve for its water supply. The main water shut off can also be used to turn the water off. It is the homeowner's responsibility to take necessary action to minimize damage from a leak. If the homeowner is going to be away, the water should be shut off at the main water supply valve, if arrangements have not been made to have the house checked on a regular basis. Having to shut off the water to one area of the home is not considered as an emergency.

Action Required: Riptide Builders, LLC. will correct leaking pipes, if not caused by homeowner negligence.

7. Observation: The water supply stops.

Comments: If the water supply stops completely, the homeowner must first check the water shut off at the front of the house or garage. Check the water meter to determine that the water has not been shut down in the area. If the water supply is a private, on-lot well, check the water pump, and power to the water pump. The builder is not responsible for water lines that freeze due to extremely cold temperatures. Please read well the Warranty Exclusions.

Action Required: Riptide Builders, LLC. will correct if due to faulty workmanship or materials.

8. Observation: Drains clog and back up.

Comments: Each plumbing fixture in your home has a drain trap, designed to be a water barrier between your home and the danger of sewer gas. The trap holds water to prevent airborne bacteria and odor of sewer gas entering your home. If any fixture is used infrequently, the homeowner should run the water on a regular basis to replace water that has evaporated. Traps are the main point where clogs occur. When a drain from a sink, shower or tub clogs, the homeowner should first use a plunger. Many drain clogs are caused by improper use of a garbage disposal. When operating the garbage disposal, be sure to use plenty of cold water. If the plumber is called for service, and the clog is due to homeowner use, and not a defect in workmanship and materials, the homeowner will be responsible for the cost of the plumber's service call.

Action Required: Riptide Builders, LLC. will correct the clogged drain if caused by a defect in workmanship or materials.

K. ELECTRICAL

1. Observation: The circuit breakers trip.

Comments: The home is equipped with one or more Ground Fault Interrupter Circuits (GFCI) – in the wet areas such as, kitchen, bathrooms, garage and exterior of the home. GFCI's are intended to shut off (trip) as a safety precaution. Never plug a refrigerator or freezer into a GFCI. The control panel for your home contains a main shut off for all the power to the home. Individual breakers control separate circuits in the home. If the homeowner experiences a power shut off, he should first check to see if the breaker is tripped. The homeowner should locate the breaker for the appropriate circuit. The breaker will need to be turned all the way to the off position and back on. Even if the breaker does not appear to be tripped, turn the breaker all the way off and back on again. If a power outage is experienced in one bathroom, check the reset button for all GFCI's. The reset button may be located on an individual outlet or in the main panel box. If power is off for the entire home, check with the electric company for reported outages. A loss of power to a limited area of the home is not an emergency. If a wall outlet is not working, check to see if it is controlled by a wall switch.

Action Required: Riptide Builders, LLC. will correct if tripping occurs as a result of defective workmanship or materials.

2. Observation: The lights dim when certain appliances are used.

Comments: The wiring in your home has been installed in accordance with the National Electrical Code. Each circuit is designed to provide service to different areas of the home. When certain appliances, such as vacuums, furnaces, etc. are turned on, the immediate draw for power may cause a dimming in other appliances on the same circuit. Full power generally returns within seconds. This is not a defect.

Action Required: Riptide Builders, LLC. will take no action.

3. Observation: An outlet, switch or fixture malfunctions.

Comments: Please see comments for Item 1 in this section.

Action Required: Riptide Builders, LLC. will correct, if caused by improper workmanship or materials.

L. HEATING, COOLING AND VENTILATION

1. Observation: Insufficient heat.

Comments: The heating system should be able to produce an inside temperature of at least 70 degrees Fahrenheit, under local outdoor winter design conditions. Temperature is measured at the center of the room, five feet above the floor. There may be periods where the outdoor temperature falls below the design temperature, thereby causing cooler temperatures inside. The way that the home is set on the lot will have an effect. For instance, the side of the home facing south will generally be warmer in the winter because of heat from the sun. Likewise, rooms on the north side of the house may be cooler because of the limited sun during cooler months. Many homes are designed with one unit, and one thermostat to control the heat for the entire home. It may be necessary to adjust vents or dampers to force more warm air to the cooler rooms. This is the homeowner's responsibility. Never block a heat supply or return air vent with furniture or boxes. Window blinds and curtains should be installed by the homeowner to help control the amount of heat loss in the winter. On sunny days, blinds and curtains that are left open will allow the sun to help warm the rooms that receive direct sun. Blinds and curtains should remain closed on windows that do not receive sunlight to help keep the heat in the room. Filters for the system must be changed on a regular

basis – monthly is suggested. Leaving interior doors open will help in the circulation of air, providing for a more even temperature throughout the home. Rooms on the lower floors will be cooler than rooms on the upper floors, because heat rises. Bonus rooms over garages are often cooler than the other rooms because of the additional cold air that flows across the garage ceiling. There may be differences in temperature between rooms of 4 to 5 degrees. This is acceptable. A recommended setting for the thermostat is 72 degrees. Maintaining an even temperature setting at all times is more beneficial to the heating capabilities of the system. Many homeowners will turn the thermostat down while they are away during the day and back up when they return home. The system will have to work harder and longer to heat the home because the furniture, drapes, carpet, walls and air have to reach the warmer temperature.

Action Required: Riptide Builders, LLC. will correct the system to perform as set forth above. The homeowner must perform routine maintenance and operation of the system as recommended by the manufacturer.

2. Observation: Insufficient cooling.

Comments: The cooling system should be able to produce an inside temperature of at least 78 degrees Fahrenheit, under local outdoor summer design conditions. Temperature is measured at the center of the room, five feet above the floor. There may be periods where the outdoor temperature rises above the design temperature, thereby causing warmer temperatures inside. The way that the home is set on the lot will have an effect. For instance, the sides of the home facing south and west will generally be warmer because of heat from the sun. Likewise, rooms on the north side of the house may be cooler because of the limited sun exposure. Many homes are designed with one unit, and one thermostat to control the cooling for the entire home. It may be necessary to adjust vents or dampers to force more cool air to the warmer rooms. This is the homeowner's responsibility. Never block an air supply or return air vent with furniture or boxes. Window blinds and curtains should be installed by the homeowner to help control the amount of heat gain in the warmer months. On sunny days, blinds and curtains that are left open will allow the sun to warm the rooms that receive direct sun. Blinds and curtains should remain closed on windows that receive sunlight to help keep the room cool. Filters for the system must be changed on a regular basis – monthly is suggested. Leaving interior doors open will help in the circulation of air, providing for a more even temperature throughout the home. Rooms on the lower floors will be cooler than rooms on the upper floors, because heat rises. Bonus rooms over garages are often warmer than the other rooms because of the additional warm air that flows across the garage ceiling. There may be differences in temperature between rooms of 4 to 5 degrees. This is acceptable. A recommended setting for the thermostat is 78 degrees. Maintaining an even temperature setting at all times is more beneficial to the cooling capabilities of the system. Many homeowners will turn the thermostat up while they are away during the day and back down when they return home. The system will have to work harder and longer to cool the home because the furniture, drapes, carpet, walls and air have to reach the cooler temperature. Setting the thermostat at a lower temperature, such as 60 degrees, will NOT cool the home any faster and may result in the unit freezing up and not performing at all. This can cause serious damage to the unit. On days where the outside temperature exceeds 95 degrees, a 15 degree differential between the inside and outside temperature is acceptable.

Action Required: Riptide Builders, LLC. will correct the system to perform as set forth above. The homeowner must perform routine maintenance and operation of the system as recommended by the manufacturer.

3. Observation: Condensation lines clog.

Comments: Condensation lines may clog under normal usage. It is the homeowner's responsibility to inspect the drain pan under the interior unit on a regular basis to assure that the condensation is being drained. If the drain pan is allowed to fill up and overflow, serious water damage can be caused to the home. This damage would not be covered under this service.

Action Required: Riptide Builders, LLC. will provide for an unobstructed condensation drain at the time of closing.

4. Observation: There is inadequate ventilation in the crawl space.

Comments: Numerous vent openings are placed around the perimeter of the crawl space. The vents are placed to permit cross ventilation in the crawl space. This ventilation system helps to maintain air circulation, prohibiting condensation from forming on the framing members and insulation. Failure to maintain adequate ventilation in a crawl space may cause serious damage to the home. If the vent openings are surrounded by a vent well, it is the homeowner's responsibility to keep the well clean of

leaves and other debris. During heavy or wind blown rains, it is possible that water will enter the crawl space through the vent openings.

Action Required: Riptide Builders, LLC. will provide adequate ventilation in the home at the time of closing. The homeowner must maintain the ventilation.

5. Observation: There is inadequate attic ventilation.

Comments: Most Riptide Builders, LLC. homes will have a ridge and soffit ventilation system for the attic. The soffit is the ventilated material on the underside of the roof overhang, and the ridge vent is set across the peak of the roof. It is important that the soffit vents remain unobstructed at all times. Do not fill the openings with insulation. This will cause serious structural damage to the home. Because of the location of the ridge vents at the highest points on the home, strong winds may cause them to come loose. This is not a construction defect and not covered under this service. It is the homeowner's responsibility to repair storm damages. The home may also be equipped with gable vents. During heavy, wind blown rain or snow, water may enter the home through these vents. This is not a defect.

Action Required: Riptide Builders, LLC. will provide adequate roof ventilation at the time of closing.

M. GAS FIRPLACES

1. Observation: The fireplace won't light.

Comments: The owner's manual provided at closing contains the instructions for lighting the pilot light. Make sure the valve for the gas line is open. Relighting of the pilot light is the homeowner's responsibility.

Action Required: Riptide Builders, LLC. will correct if there is a defect in workmanship or materials.

2. Observation: There is a smell when I operate my gas fireplace.

Comments: It is normal for a gas fireplace to give off some odor the first time it is burned. This is due to the curing of the paint and any undetected oil from the manufacturing process.

Action Required: No action is required.

3. Observation: There is a strong smell of gas.

Comments: If a gas smell is present, do not light the fireplace. Do not turn on an electric switch.

Action Required: The homeowner should immediately call the gas supplier.

N. EXTERIOR WALL COVERINGS

1. Observation: Brick or stone veneer cracks.

Comments: See Section B.

Action Required: Riptide Builders, LLC. will address as set forth in Section B.

2. Observation: Siding materials separate, delaminate or come loose.

Comments: Separated, loose or delaminated siding can also be caused by improper homeowner maintenance. Siding materials that are blown loose during high winds are not considered construction defects. Materials that delaminate as a result of a manufacturing error are not considered as a construction defect, and should be addressed to the manufacturer. Spray from lawn sprinklers should not be permitted to spray onto siding materials.

Action Required: Riptide Builders, LLC. will correct affected area if caused by improper workmanship. An exact color and texture match is not guaranteed.

3. Observation: There are separations between the siding or veneer and adjacent trim materials.

Comments: Some separations between the exterior wall covering and the adjacent trim or material is normal. Different materials next to each other will not meet perfectly. No separation should allow water to enter into the home. Vinyl siding is installed so that it can move back and forth to allow for expansion and contraction of the material. This is normal.

Action Required: Riptide Builders, LLC. will correct any separations that allow water to enter the home.

4. Observation: The exterior caulking around doors, windows and trim is cracking and separating.

Comments: All caulking material will crack and separate from adjacent materials. Different materials will expand and contract at different degrees, often causing the caulking to separate from it. This is normal. It is the homeowner's responsibility to inspect the exterior of the home on a regular basis to determine if there are areas where the caulking has separated. These areas must be addressed in a timely manner to prevent water from entering the home. After the first year, the homeowner is responsible for maintaining the caulking. Just as with an automobile, if the homeowner does not have the tools or ability to perform required maintenance, he is responsible for hiring a contractor to perform the required maintenance.

Action Required: Riptide Builders, LLC. will correct separations in the exterior caulking one time during the first year after closing. This will occur at the eleven-month service. The homeowner must advise Riptide Builders, LLC. of areas in need of re-caulking.

5. Observation: There are waves in the vinyl siding.

Comments: Vinyl siding is a flexible material, and will expand and contract with changes in temperatures. More waves will be noticeable on hotter days. Vinyl siding is installed loose to allow it to move while expanding and contracting. The siding will also follow the contour of the framing and sheathing material.

Action Required: Riptide Builders, LLC. will correct waviness if caused by a defect in installation. Waves caused by temperature changes will not be addressed.

6. Observation: There are holes or dents in the vinyl siding. Comments: The homeowner must exercise caution when mowing the grass or trimming with a weed eater. Holes or dents made after closing are the homeowner's responsibility.

Action Required: Riptide Builders, LLC. will correct holes or dents noted on the pre-closing walk-through inspection list. Riptide Builders, LLC. is not responsible for damage noted after closing.

7. Observation: Paint or stain fades, peels or deteriorates.

Comments: Some fading is normal and is caused by weather conditions. Paint may peel from power washing. This is not a construction defect. If it is necessary to repair an area of peeling paint, the area will be repainted from corner to corner to avoid mismatched paint.

Action Required: Riptide Builders, LLC. will correct peeling paint that has been improperly applied.

8. Observation: Knot holes bleed through the paint.

Comments: Knot holes will be apparent because of the nature of wood.

Action Required: Paint touch is a simple homeowner maintenance item. A touch up kit has been provided for this purpose.

O. ROOFING

1. Observation: Roof or flashing leaks.

Comments: Leaks that occur from the roofing or flashing under normal conditions are defects. Wind-driven rains that cause leaks to occur at vent openings, louvers, etc. is not considered as a defect.

Action Required: Riptide Builders, LLC. will correct leaks that are caused by construction defects.

2. Observation: Shingles are lifted, curled or torn.

Comments: Roof shingles that lift or curl during the first year after closing, or tear loose during normal weather conditions are defects. Accidental loss or damage due to high winds, fallen trees, hail and other acts of nature are not covered under this service. These conditions are beyond the builder's control.

3. Observation: The gutters leak.

Comments: Gutters should not leak at seams or connections. During heavy rains, gutters may overflow due to the volume of water from the roof. This is not a defect. Stains that occur from the water overflowing the gutter are not a defect. The homeowner is responsible for cleaning the gutters on a regular basis. Even if there are no trees, or small trees on the lot, leaves and debris will collect in the gutter from winds. Gutters must be cleaned by the homeowner at least one time during a year. It is important that the gutters be cleaned prior to winter to remove fallen leaves. If gutters contain debris during the winter months, freezing water in the gutters may back up under the roofing material, causing a leak. This will not be covered under this service.

Action Required: Riptide Builders, LLC. will correct leaks that occur at seams or connections. No action will be taken for gutters that overflow because of debris in the gutters or heavy rains.

4. Observation: Water stands in the gutter, causing a leak.

Comments: It is normal for some water to stand in gutters. If water stands in excess of one inch, causing a leak, and is not caused by debris in the gutter or downspouts, it is a defect. Action Required: Riptide Builders, LLC. will correct gutters that hold water in excess of one inch that cause a leak. The homeowner is responsible for cleaning the gutters and downspouts on a regular basis.

P. GRADING AND DRAINAGE

1. Observation: Water is standing in the yard.

Comments: The lot surrounding the home has been graded to direct water away from the foundation of the home. Drainage swales have been developed on the lot to direct water away from the lot. Often, the drainage swale also collects surface water from adjoining lots in the drainage plan. After a normal rain, it is not unusual for water to stand on the lot for 24 hours. It is acceptable for swales to hold water for 72 hours after a normal rainfall. It is normal for water to lie in the yard and in swales during a rainfall. It is the homeowner's responsibility to maintain grass or other ground cover on the lot, including areas prone to erosion. Do not plant trees or shrubs in the swales. Do not fill in the swales. Standing water caused by obstructions placed in the drainage swale by the homeowner that alter the drainage pattern will not be corrected by the builder. The builder is not responsible for erosion. Erosion is considered as an act of nature and is beyond the builder's control. Following extended periods of rainfall where the ground is saturated, no determination will be made until the ground has returned to its normal condition.

Action Required: Riptide Builders, LLC. will correct standing water that lasts for more than 48 or 72 hours, as set forth above. No determination will be made in less than the 48 or 72 hour period. If designated wetlands are located on the property that area will remain untouched and natural.

2. Observation: The ground settles around the foundation or at utility trenches.

Comments: Some settlement around the foundation and at utility trenches is normal. Ground that settles in excess of six inches, or prevents the flow of water away from the foundation, is a defect. The homeowner must exercise caution when adding landscaping so as not to alter the drainage away from the foundation. Settlement over utility trenches made by someone other than the builder, such as the cable or telephone company, is not the builder's responsibility.

Action Required: Riptide Builders, LLC. will correct settlement as described above. The repaired area will receive seed and straw. The homeowner is responsible for watering and fertilizing the seeded area.

Q. LANDSCAPING

1. Observation: There are bare spots in the grassy areas.

Comments: The builder has provided a starter lawn with seed and straw and or sod. It is the homeowner's responsibility to water and fertilize the lawn to establish growth. It may be necessary for the homeowner to purchase and add more seed or sod in some areas. The builder is not responsible for water restrictions placed by local authorities, or for damage to the grass because of such restrictions. Information on proper lawn maintenance can be obtained from home improvement stores or landscapers.

Action Required: The homeowner is responsible for all maintenance to the lawn. Riptide Builders, LLC. will take no action.

2. Observation: The shrubs or trees are dead.

Comments: There is no warranty from Riptide Builders, LLC. on trees or shrubs. The homeowner is responsible for carefully inspecting trees and shrubs during the pre-closing walk-through inspection. The homeowner is responsible for watering trees and shrubs as needed. Trees and shrubs will absorb a large amount of water.

Action Required: If there is a concern with trees or shrubs during the pre-closing walk-through inspection, Riptide Builders, LLC. will have the installer inspect the items. If the installer agrees that the trees or shrubs are dead, they will be replaced.

R. DECKS AND BALCONIES

1. Observation: The wood is cupping, twisting or splitting.

Comments: The treated lumber used to construct decks and balconies is a natural product. Some cupping and splitting will occur due to the exposure to the elements. The builder does not seal or stain the wood. This is the homeowner's responsibility. All splintered or cracked boards that are defective must be noted on the pre-closing walkthrough inspection list.

Action Required: Riptide Builders, LLC. will only correct defects noted on the pre-closing inspection list.

EXCLUSIONS

The following are not covered under the Riptide Builders, LLC.

Service:

1. Surface defects on finishes not noted on a pre-closing walk-through inspection list, signed by the buyer and Riptide Builders, LLC. This includes, but may not be limited to, scratches, chips, gouges, tears, dents, stains, cuts, etc.

2. All landscaping materials.

3. Defects that first arise after the one-year anniversary of closing.

4. Defects that Riptide Builders, LLC. has not received written notice about from the homeowner in a timely manner during the first year, or more than seven days after the one-year closing anniversary.

5. Defects caused by the homeowner's failure to provide routine and proper maintenance.

6. Defects caused by the homeowner or his guests, whether invited or not.

7. Defects that are covered under other warranties, such as manufacturer's warranties.

8. Defects or damage caused by the homeowner's failure to take action in a timely manner, such as turning off the water supply after a leak is discovered.

9. Defects in anything not included in the final sales price of the home.

10. Bodily or personal injury, or damage to personal property.

11. Unforeseen changes in the level of the water table.

12. Damage caused by acts of nature, fire, drought, blasting, explosion, falling objects of any kind, vehicles, storms, earthquakes, flood, tidal water, swimming pools, underground springs, etc.

13. Standing water caused by runoff from off-site locations, not under the control of

Riptide Builders, LLC.; or standing water caused by the installation of a fence or other structure, constructed within the drainage pattern of the neighborhood.

14. Mold, rot or mildew.

15. Condensation.

16. Normal wear and tear.

17. Sound transmission or soundproofing between rooms, floors or the outdoors..

18. We warrant that your septic system will be installed and approved by the county health department. We cannot assume any further responsibility due to the multitude of variables involved. Any service, maintenance or alterations required subsequent to the approved installation is a homeowner's responsibility.

19. We will install a well, well pump, pressure tank and water line. We make no representation regarding supply or quality of water other than as required by the county, i.e., potable water at the time of inspection. Buyer is responsible for any water treatment equipment desired or required. The best indicator of the quality and quantity of water that you can anticipate from your well can be determined by asking neighbors adjacent to your homesite about their water supply.

20. Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. Since radium is contained in the earth's crust and dissolves readily in water, radon can be found virtually everywhere. Preliminary studies suggest that prolonged exposure to high levels of radon gas may result in adverse health consequences. This notice serves to advise you, the purchaser, that above average levels of radon gas may accumulate in any home, regardless of the type of home or who builds it. Because of the multitude of factors involved, it is difficult to predict whether a residence may be subject to high radon levels, unless tests to determine actual radon concentrations are conducted on a complete structure. We have made no investigation to determine whether there is radon gas or other environmental pollutants in the home or affecting the premises, although such conditions may exist. We have made no analysis or verification of the extent of the environmental or health hazard, if any, that may affect the premises or residents. We make no representation or warranty as to the presence or lack of radon or hazardous environmental condition, or as to the effect of radon or any such condition on the premises or residents. we further disclaim and purchaser waives, unless otherwise expressly provided for in builder's limited warranty, all warranties express or implied, including but not limited to the warranties of good workmanship, habitability, merchantability, and fitness of purpose and including any warranties that could be construed to cover the presence of radon or other environmental pollutants. The only warranties we provide to the purchaser are those contained in the limited warranty.

21. Glass breakage.

22. Reimbursement for costs or expenses incurred by the homeowner prior to receiving written authorization from the Director of Warranty Services.

23. Lost time or wages for the time spent at the home while repairs are being made.

24. Diminished market value.

25. Items in the home which we did not manufacture, such as any air conditioner, water heater, range, dishwasher and other appliances, equipment or "consumer products". We provide no warranty on such items, but will transfer to you any manufacturer's warranties we have on such items.

26. The home and its occupants may now or in the future be exposed to various environmental conditions in or near the home (including, but not limited to, radon gas in the soil, electromagnetic fields from power lines and appliances, the presence of surface and underground utilities facilities and the possibility of air, water and soil pollution). We do not claim any expertise concerning such conditions. We make no representations or warranties, express or implied, about such conditions and expressly disclaim any liability for any type of damages which such conditions might cause to the home or its occupants.

HOW TO SCHEDULE FOR SERVICE

A. Scheduled Service

1. It should be understood that some defects will occur after closing. There will be scheduled service visits to the home as needed between the hours of 8am – 5pm., Monday-Friday.
2. If the homeowner believes he has a defect that does not meet the standards set forth above, he must send a written notice to Riptide Builders, LLC., at 8985 Marshview Lane Sunset Beach, NC 28468.

The notice must contain the following information:

- Homeowner's name
- Address of the home, including subdivision, lot and block
- Telephone numbers – both daytime and evening
- Original closing date
- A specific description of the issues for which service is being requested.

3. The written notice can be sent by regular mail, certified mail, facsimile transmission, or email.

4. The homeowner should maintain a list of issues that he believes is covered under the Riptide Builders, LLC. The homeowner must send a written request to the Warranty Department at Riptide Builders, LLC., if service is required for issues covered under the Riptide Builders, LLC. Service.

5. If a situation, that is not an emergency but could cause damage to the home or furnishings, should arise between scheduled service calls, it is the homeowner's responsibility to send a written service request to the Warranty Department as soon as the condition is observed. Such non-emergency situations would include, but may not be limited to, roof leaks or window leaks.

6. Upon receipt of the Service Request, a Riptide Builders, LLC. representative will meet with the homeowner during normal business hours to review the issues.

7. Riptide Builders, LLC. will schedule for the corrections to be made to the home during normal business hours. Riptide Builders, LLC. will attempt to estimate the amount of time necessary to complete the repairs. However, the actual time will depend on the action required. Approximate arrival times for the repair contractor will be provided. The homeowner or his authorized representative must be present at all times while during repairs. The homeowner must provide clear and unobstructed access to areas in need of repair, and permit repairs to be made without interruption. Questions regarding any part of the repair should be directed to the Warranty Department.

8. After the corrections have been completed to meet the standards set forth in this booklet, the homeowner will be requested to sign a form indicating the corrections have been made.

B. Emergency Service

1. What is an emergency?

An emergency is defined as anything that would threaten the life, safety or health of the occupants of a home, prohibit the occupants from using the home, or that is causing immediate extensive damage to the home. Most actual emergencies will pertain to the electrical, plumbing, heating or cooling portions of the home.

The following are examples of emergencies requiring immediate attention:

- A TOTAL STOPPAGE of the plumbing sewer system, after the homeowner has attempted to clear the blockage by plunging.
- A WATER LEAK that requires the entire water service to be shut off at the meter to avoid serious damage to the home or its furnishings.
- A COMPLETE LOSS OF HEAT during the cold winter months, causing a temperature of 60 degrees or less.
- A COMPLETE LOSS OF AIR CONDITIONING, creating an indoor temperature of 85 degrees or more.
- A TOTAL LOSS OF ELECTRICITY after the homeowner has checked all electrical breakers and has called the power company to verify an outage.
- Any situation that ENDANGERS THE OCCUPANTS of the home. The following are examples of NON-EMERGENCY situations:
 - Roof leaks and window leaks – Although these can cause considerable damage, they are not an emergency because the leak cannot be repaired during inclement weather or while the material is still wet.
 - Incomplete service work.

2. How to Request Emergency Service.

- Each homeowner is provided with a list of telephone numbers for the contractors who performed the construction of the mechanical portions of the home.
- The homeowner should call the appropriate number directly in case of an actual emergency that is covered under the Riptide Builders, LLC. Service.
- The homeowner should call the Warranty Department after calling the appropriate contractor so that the emergency service can be documented in the service file.
- After corrections have been made, the homeowner will be requested to sign a form indicating that the repairs have been completed.

DISPUTE SETTLEMENT

Binding arbitration shall be the method to resolve any dispute that arises between Riptide Builders, LLC. and the homeowner with respect to any part of this document that cannot be resolved. The binding arbitration shall be governed by the procedures of the Federal Arbitration Act, 9 U S C 1 et. Seq. The party requesting the arbitration shall pay the arbitration fee in advance. Should the arbitrator's decision be in favor of the requesting party, the fee will be reimbursed by the other party. In the situation of a split decision, the fee will be pro-rated. Each party shall be responsible for the fees of attorneys and expert witnesses. The arbitration shall be conducted by an independent arbitration service designated by Riptide Builders, LLC., such as Construction Arbitration and Mediation Services, Inc. or Construction Arbitration Service. The decision of the arbitrator shall be final and binding on all parties. Whereas the Riptide Builders, LLC. Service provides for mandatory binding arbitration of unresolved disputes, if any party commences legal action in violation of this agreement, that party shall reimburse the other parties for their costs and expenses, including attorney's fees, in seeking dismissal of such legal action. Should any part of this document be found by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.

Riptide Builders, LLC.

By

Robert E. Hilditch

Date

Donald K. Bean IV

Date

By

Buyer

Date

By

Buyer

Date