SCHEDULE D BY-LAWS

.

1

Í

Í

5

Ĩ

E

1

f

.

.

# **BY-LAWS**

fiit

1

1

1

Ì

1

Ĩ

## OF

# **CENTRAL SQUARE VILLAS**

DATE: JUNE 1, 2009

BLOCK, COLUCCI, LONGO, P.C. Attorneys for Sponsor One Niagara Square Buffalo, New York 14202

## BY-LAWS OF CENTRAL SQUARE VILLAS

0

.

## TABLE OF CONTENTS

ARTICLE I	PLAN OF UNIT OWNERSHIP
Section 1.01	Unit Ownership 1
Section 1.02	Applicability of By-Laws 1
Section 1.03	Personal Application 1
<u>ARTICLE II</u>	UNIT OWNERS - VOTING RIGHTS AND MEETINGS
Section 2.01	Voting
Section 2.02	Right to Vote
Section 2.03	Proxies
Section 2.04	Annual Meetings; First Election of Board of Directors 2
Section 2.05	Place of Meetings
Section 2.06	Special Meetings
Section 2.07	Notice of Meetings
Section 2.08	Waiver and Consent
Section 2.09	Quorum
Section 2.10	Majority of Vote
Section 2.11	Order of Business at Meetings
ARTICLE III	BOARD OF MANAGERS
Section 3.01	Number and Qualification
Section 3.02	Powers and Duties
Section 3.03	Committees Acting on Behalf of Board of Managers
Section 3.04	Nomination, Election and Term of Office
Section 3.05	Removal of Members of the Board of Managers
Section 3.06	Resignation of Members of the Board of Managers
Section 3.07	Vacancies
Section 3.08	Organizational Meeting 8
Section 3.09	Regular Meetings
Section 3.10	Special Meetings
Section 3.11	Quorum of Board of Managers
Section 3.12	No Compensation
Section 3.13	Liability of the Board of Managers
Section 3.14	Managing Agent and Manager
ARTICLE IV	OFFICERS
Section 4.01	Designation
Section 4.02	Election of Officers
Section 4.03	Removal of Officers

# TABLE OF CONTENTS (Cont'd.)

-

## PAGE

h

1

ĺ

1

Q

5

1

Section 4.04 Section 4.05 Section 4.06 Section 4.07 Section 4.08 Section 4.09	President
ARTICLE V Section 5.01 Section 5.02 Section 5.03 Section 5.04 Section 5.05 Section 5.06 Section 5.07	COMMON CHARGES AND ASSESSMENTSDetermination of Common Charges10Collection of Assessments11Rights and Obligations re Foreclosureof Liens for Unpaid Charges11Notice of Default11Statement of Common Charges12Operating Account12Other Accounts12
ARTICLE VI Section 6.01 Section 6.02 Section 6.03	RECORDS AND AUDITSAnnual StatementInspection of RecordsAvailability of Records and Legal Documents12
ARTICLE VII	USE AND MAINTENANCE OF THE CONDOMINIUM PROPERTY
Section 7.01 Section 7.02 Section 7.03 Section 7.04 Section 7.05 Section 7.06 Section 7.07 Section 7.08 Section 7.09	Repairs and Maintenance Which are the Responsibility of the Board of Managers13Repairs and Maintenance Which are the Responsibility of the Unit Owners13Quality of Maintenance and Repairs14Restrictions on Use of Units14Rules of Conduct17Abatement of Violations17Obligation and Lien for Cost of Enforcement17Penalties and Fines17Owner Responsible for Tenants18
Section 7.02 Section 7.03 Section 7.04 Section 7.05 Section 7.06 Section 7.07 Section 7.08	Repairs and Maintenance Which are the Responsibility of the Board of Managers13Repairs and Maintenance Which are the Responsibility of the Unit Owners13Quality of Maintenance and Repairs14Restrictions on Use of Units14Rules of Conduct17Abatement of Violations17Obligation and Lien for Cost of Enforcement17Penalties and Fines17

# TABLE OF CONTENTS (Cont'd.)

1

Û

C

-

T

.

ARTICLE X Section 10.01	P AMENDMENT Amendments to By-Laws	21
ARTICLE XI Section 11.01	MISCELLANEOUS Notices	21
Section 11.02	Conflicts; Compliance with Article 9-B	22
Section 11.03	No Waiver for Failure to Enforce	22
Section 11.04	Captions	
Section 11.01 Section 11.02 Section 11.03	Notices	22 22 22

iii

· -

330

.

#### ARTICLE I PLAN OF UNIT OWNERSHIP

Section 1.01 <u>Unit Ownership</u>. The Property, including the Improvements thereon, located at 339 Pleasant View Drive, in the Town of Lancaster and County of Erie, New York (and more fully described on Schedule A annexed to the Declaration establishing the Condominium) known as Central Square Villas (the "Property") has been or will be, prior to conveyance of the first Unit therein, submitted by The Marrano/Marc Equity Corporation, a Florida Corporation (the "Sponsor"), to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration and shall be known as "Central Square Villas" (the "Condominium").

**Section 1.02** <u>Applicability of By-Laws</u>. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land and all improvements thereon (including the Units and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances thereto, and all other property, personal or mixed, intended for use in connection therewith. The term "Unit" shall include a specific residential dwelling within a townhome style building containing four (4), six (6) or eight (8) units and the attached garage, together with the land underlying said Unit.

**Section 1.03** <u>Personal Application</u>. All present and future owners (hereinafter referred to as "Unit Owners"), mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations which may be promulgated.

The acquisition, lease or occupancy of a Unit will signify that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted and will be complied with.

#### ARTICLE II UNIT OWNERS - VOTING RIGHTS AND MEETINGS

**Section 2.01** <u>Voting</u>. Each Owner of a Unit (including the Sponsor) shall be entitled to vote at all meetings of Unit Owners for each Unit owned by such Unit Owner, but the Board of Managers may not cast any of its votes for the election of any member to the Board. The vote of each Unit shall be weighted to correspond to the percentage interest in the common elements of the Unit owned. If a Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. Upon the recording of title to a Unit in the name of joint Owners, a document can be filed with the Board of Managers designating which of the Owners of such Unit shall have the right to cast votes for the Unit. If such a document is not filed, the Board of Managers may in good faith adopt a rule or policy for making a determination as to which of the Owners may cast the vote for the Unit. A fiduciary shall be the voting member with respect to any Unit owned in a

fiduciary capacity. Voting shall be on a percentage basis and the percentage of the total number of votes to which the Owner is entitled shall be the percentage thereof assigned to the Unit in Section 5.03 of the Declaration.

**Section 2.02** <u>Right to Vote</u>. At any meeting of the Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

**Section 2.03** <u>Proxies</u>. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting. Any proxy shall be rendered invalid if the Unit Owner is present at such meeting.

Section 2.04 Annual Meetings; First Election of Board of Managers. The Sponsor shall have control of the Board of Managers for five (5) years from the date of closing of title to the first Unit or until the transfer of title to more than 50% of the Units, whichever shall first occur. After the transfer of title to more than 50% of the Units or the termination of said five (5) year period the Sponsor shall notify all Unit Owners that the first meeting shall be held within thirty (30) days thereafter. At such meeting all Unit Owners, including the Sponsor, shall elect a new three (3) member Board. Notwithstanding any contrary provision of these By-Laws or the Declaration, and subject to the following sentence, so long as the Sponsor of the Condominium shall continue to own one (1) Unit or Lot, the Sponsor shall have the right to appoint or elect one (1) of the three (3) members of the Board of Managers. If Sponsor exercises its right to so appoint a member of the Board of Managers Sponsor may not cast its votes with respect to the Units which it owns for the other members of the Board. When the Sponsor no longer owns any Unit or Lot it shall have no further right to appoint any members of the Board of Managers. Except as otherwise provided in Section 3.04(a) hereof, members of the Board of Managers elected by the Sponsor shall serve for a term of one year. All other members of the Board of Managers shall be elected by the Unit Owners (excluding Sponsor if Sponsor has exercised its right to appoint a member of the Board of Managers) and shall serve for the terms prescribed by these By-Laws.

Annual meetings of the Unit Owners shall be held on the first Tuesday of May of each year at 7:00 p.m. or on such other date and such other time and at such place convenient to the Unit Owners as shall be designated by the Board of Managers. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Section 3.04 of these By-Laws. The Unit Owners may also transact such other business of the Condominium at such meeting as may properly come before them.

**Section 2.05** <u>Place of Meetings</u>. Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

**Section 2.06** <u>Special Meetings</u>. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of

Managers or upon a petition signed and presented to the Secretary by the Owners of Units having more than a 40% interest in the common elements of the Condominium. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 2.07** <u>Notice of Meetings</u>. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten (10) but not more than fifty (50) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to (i) each Unit Owner of record, at such Unit Owner's permanent residence or other address as such Unit Owner shall have designated by notice in writing to the Secretary, and (ii) all mortgagees of a Unit who have requested the same. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days and not more than fifty (50) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

**Section 2.08** <u>Waiver and Consent</u>. Whenever the vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, applicable law or these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

**Section 2.09 Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning Units having 50% of the total interest in the common elements of the Condominium shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a quorum has not attended, Unit Owners owning Units having a majority in common interest of those present at such meeting, either in person or by proxy, may, with notice to all Unit Owners, whether present or not, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented. Once a quorum shall have been established at any meeting of Unit Owners such quorum shall not be broken due to the absence of members initially constituting the quorum at a meeting adjourned to a later date for a continuation of the same affairs.

**Section 2.10** <u>Majority of Vote</u>. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. The term "majority of Unit Owners" shall mean those Unit Owners holding more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, in accordance with Section 2.01 hereof.

**Section 2.11** Order of Business at Meetings. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Report of Board of Managers
- (f) Reports of committees
- (g) Election of members of the Board of Managers, in the case of an annual meeting
- (h) Unfinished business
- (i) New business

#### ARTICLE III BOARD OF MANAGERS

**Section 3.01** <u>Number and Qualification</u>. The affairs of the Condominium shall be governed by a Board of Managers, initially consisting of three (3) persons designated by the Sponsor. Successors to these designees shall be elected by the Unit Owners at the first meeting of Unit Owners held pursuant to Section 2.04 of these By-Laws. Commencing with the election at such meeting, the Board of Managers shall be composed of three (3) persons, all of whom shall be Owner-occupants or members of an Owner-occupant's household who are unrelated to the Sponsor or its principals (subject to the right of Sponsor to appoint one (1) member of the Board until Sponsor no longer owns any Units in the Condominium), so long as such persons are willing to serve. Thereafter, a majority of the Board of Managers must be Owner-occupants or members or members of an Owner-occupant's household who are unrelated to the Sponsor or its principals.

**Section 3.02** <u>Powers and Duties</u>. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners or which require the consent of Sponsor as set forth in the Declaration. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Determination and levying of annual charges (which, together with special assessments shall collectively be referred to as "common charges") payable in monthly installments (or such other periodic installments as the Board shall determine) to cover the cost of common expenses required for the affairs of the Condominium, including without limitation, the operation and

maintenance of the Property. The Board of Managers may increase the annual charges or impose a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners in accordance with their respective common interests.

(b) Collection and use of the assessments collected to arrange for repair, maintenance and replacement of the common elements within Central Square Villas, and for such other purposes as required pursuant to the Offering Plan, Declaration of Condominium and these By-Laws.

(c) Operation, care, upkeep and maintenance of the Property within the development, excluding the interior of the Units and the attached garages.

(d) Making of repairs, additions and improvements to or alterations of the Property in accordance with the provisions of these By-Laws and the Declaration of Condominium.

(e) Obtaining and maintaining insurance for the Property pursuant to the provisions of Section 8.01 hereof.

(f) Paying any taxes and filing tax returns required of the Condominium.

(g) Bringing and defending actions against the Owners which are pertinent to the operation of the Condominium and bringing actions on behalf of Unit Owners as provided for in Section 339-dd of the Real Property Law or in the Declaration.

(h) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Property, provided, however that (i) the consent of at least 66-2/3% in number and in common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of 15% of the amount of the then current annual budget of the Condominium and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the common expenses without the consent of the Unit Owner.

(i) Adoption and amendment of reasonable Rules and Regulations covering the details of operation of the Condominium and use of the Property. Such Rules and Regulations and amendments shall be binding upon Unit Owners when the Board has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Unit Owner. (j) Collection of delinquent assessments by suit or otherwise, abatement of nuisances and the seeking of damages from Unit Owners for violations of the Rules and Regulations referred to herein.

(k) Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the matters hereinabove set forth.

(1) Complying with any change in New York law as it may affect the Condominium.

(m) Taking any and all actions as are necessary or appropriate in the judgment of the Board of Managers to enforce the provisions of the Declaration and compliance therewith.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor owns at least one (1) Unit or Lot, the Board of Managers may not, without the Sponsor's prior written consent, (i) except for necessary repairs or any work required by law, make any addition, alteration or improvement to the Property, or (ii) borrow money on behalf of the Condominium, or (iii) reduce the quantity or quality of services or maintenance of the Property, or (iv) hire any employee in addition to the employees, if any, provided for in the initial budget of the Condominium except as may be necessary to maintain the quantity or quality of services or maintenance.

Section 3.03 <u>Committees Acting on Behalf of Board of Managers</u>. Except as limited by this Section 3.03, the Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each such committee to consist of one (1) or more Unit Owners, at least one of whom shall be a member of the Board of Managers, which to the extent provided in said resolution or resolutions, shall have and may exercise such powers of the Board of Managers in the management of the business and affairs of the Condominium as such resolution or resolutions shall provide.

**Section 3.04** <u>Nomination, Election and Term of Office</u>. Nominations for election to the Board of Managers shall be made by a Nominating Committee which shall be appointed by the Board of Managers. The Board of Managers shall also receive any nominations in writing presented by Unit Owners not on the Nominating Committee at least ten (10) days prior to the annual meeting and shall include said nominations on the ballot. Nominations may also be made from the floor at the annual meeting of the Condominium Unit Owners. The Nominating Committee shall make as many nominations for election to the Board of Managers as it shall, in its sole discretion, determine, but not less than the number of vacancies as are to be filled as provided below.</u>

Except as provided in Section 2.04 of these By-Laws, which gives Sponsor certain rights to elect members of the Board of Managers:

(a) The term of office of two (2) of the three (3) members of the Board of Managers elected at the first meeting of Unit Owners (including any member of the Board appointed by Sponsor) shall be fixed to expire as of the date of the second succeeding annual meeting of the Unit Owners and the term of office of one (1) of the three (3) members of the Board of Managers elected at the first meeting of the Unit Owners shall be fixed to expire as of the date of the next succeeding annual meeting of the Unit Owners;

(b) At the expiration of the initial term of office of each respective member of the Board of Managers, a successor shall be elected to serve for a term of two (2) years; and

(c) The members of the Board of Managers shall hold office until their respective successors shall have been elected by the Unit Owners.

**Section 3.05** <u>Removal of Members of the Board of Managers</u>. Subject to the limitations set forth below, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers elected by the Unit Owners may be removed, with or without cause, by a majority of Unit Owners in number and in common interest other than the Sponsor, and a successor may then and there or at some later date be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. Members of the Board of Managers appointed by the Sponsor may be removed without cause only by the Sponsor, but may be removed for cause by the Unit Owners in the same manner as any other member of the Board of Managers may be removed for cause; the successor to such removed member shall be appointed by the Sponsor.

**Section 3.06** <u>Resignation of Members of the Board of Managers</u>. A member of the Board of Managers may resign at any time by giving written notice to the Board, or to the President or Secretary of the Condominium. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board, President or Secretary, as the case may be, and acceptance of the resignation shall not be necessary to make it effective.

**Section 3.07** <u>Vacancies</u>. Except as hereinafter provided, vacancies in the Board of Managers occurring other than as a result of removal pursuant to Section 3.05 shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners or until a successor is elected. If the vacancy occurs with respect to any member of the Board of Managers designated or elected by the Sponsor pursuant to these By-Laws, the Sponsor shall have the sole right to choose the successor to fill the unexpired portion of the term of such Board member.

**Section 3.08** <u>Organizational Meeting</u>. The first organizational meeting of the Board shall be held within thirty (30) days after the Board shall have been constituted pursuant to these By-Laws. The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter at such date, time and place as may be practicable.

**Section 3.09** <u>**Regular Meetings**</u>. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers personally or by mail, at least two (2) days prior to the day set for such meeting. Any one or more members of the Board may participate in such regular meetings or special meetings as described below by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such meeting.

**Section 3.10** <u>Special Meetings</u>. Special meetings of the Board of Managers may be called by the President on two (2) days' notice to each member of the Board either personally or by mail, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Any member of the Board of Managers may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by such member of the time and place of the meeting and the business to be conducted thereat. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 3.11** Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws, the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, with notice to all Unit Owners until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 3.12** <u>No Compensation</u>. No member of the Board of Managers shall receive any compensation for acting as such.

**Section 3.13** <u>Liability of the Board of Managers</u>. The members of the Board of Managers shall not be liable to the Unit Owners for any errors of judgment, negligence, or otherwise in acting as a member of the Board of Managers except for their own individual willful misconduct or bad faith. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. Every agreement made by the Board or behalf of the Condominium shall provide that the members of the Board are acting only as agents for the Condominium and shall have no personal liability thereunder.

No member of the Board of Managers shall engage in any transactions which conflict with such person's duties as a Board member without the prior approval of a disinterested majority of the remaining Board members after full disclosure of all material facts.

**Section 3.14** <u>Managing Agent and Manager</u>. The Board of Managers may employ for the Condominium a managing agent or manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize.

#### ARTICLE IV OFFICERS

**Section 4.01** <u>Designation</u>. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers.

**Section 4.02** <u>Election of Officers</u>. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

**Section 4.03** <u>Removal of Officers</u>. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

**Section 4.04** <u>President</u>. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of Unit Owners and of the Board of Managers. The President shall execute agreements, contracts and leases on behalf of the Condominium except as the Board of Managers by resolution may delegate to other officers of the Condominium, or otherwise determine. He shall have the authority to do any and all acts and things and to direct any officers, employees or agents of the Condominium to do such acts and things not prohibited by applicable law or these By-Laws as are reasonably appropriate for the fulfillment of the purposes of the Condominium and to the execution and enforcement of the Declaration, these By-Laws and any Rules and Regulations established by the Condominium Board of Managers.

**Section 4.05** <u>Secretary</u>. The Secretary shall (i) keep the minutes of all meetings of the Unit Owners and of the Board of Managers; (ii) record all votes and the minutes of all proceedings in a book to be kept for that purpose; (iii) have charge of such books and papers as the Board of Managers may direct; (iv) give or cause to be given notice of all meetings of Unit Owners and all special meetings of the Board of Managers; and (v) in general, perform all the duties incident to the office of Secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

**Section 4.06** <u>Treasurer</u>. The Treasurer shall (i) have the responsibility for Condominium funds, including the collection and handling of common charges; (ii) be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; (iii) be responsible for the deposit of all moneys and other valuable effects in the name of the Condominium in such depositories as may from time to time be designated by the Board of Managers; (vi) sign or endorse any and all checks, notes or similar instruments in the ordinary course of business, except as the Board in any specific instance may otherwise direct; and (v) in general, perform all the duties incident to the office of Treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.07 <u>Agreements, Contracts, Leases, etc.</u>. The Board of Managers by resolution may authorize any officers or agents of the Condominium in any specific instance to execute agreements, contracts, leases or related documents on behalf of the Condominium.

Section 4.08 <u>Compensation of Officers</u>. No officer shall receive any compensation for acting as such.

**Section 4.09** <u>Conflicts of Interest</u>. No officer shall engage in any transaction which conflicts with such person's duties as an officer without the prior approval of a majority of the Board of Managers after full disclosure of all material facts.

#### ARTICLE V COMMON CHARGES AND ASSESSMENTS

Section 5.01 Determination of Common Charges. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the proposed budget to all Unit Owners at least fifteen (15) days prior to the adoption thereof. The Board shall send a copy of the budget as adopted and any supplement thereto to every Unit Owner. The Board of Managers shall determine the total amount required, including the operational items such as insurance, snow removal, maintenance of the lawns and shrub beds and other operating expenses, as well as required reserves and charges, to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units in accordance with the respective common interests appurtenant to such Units. Said common charges or assessments shall be payable in monthly installments unless the Board of Managers establishes other periods for payment. Special assessments, should such be required, shall be allocated, levied and paid in the same manner as hereinabove provided for Annual Charges, except for assessments levied against particular Unit Owners as provided in Section 7.02 hereof. The Board of Managers shall have the authority to impose any special assessments as are provided for or authorized by the provisions of the Declaration.

**Section 5.02** <u>Collection of Assessments</u>. If a common charge or assessment or any installment thereof is not paid within ten (10) days after the due date, the Board of Managers may impose a late charge in such amount or amounts as the Board of Managers deems reasonable, provided such late charges are equitably and uniformly applied.

If the common charge or assessment or installment thereof is not paid within thirty (30) days after the due date, the common charge or assessment shall bear interest from the due date at such rate as may be fixed by the Board of Managers from time to time, such rate not to exceed the maximum rate of interest then permitted by law; and the Board of Managers may bring legal action against the Unit Owner personally obligated to pay the same or foreclose the lien on such Unit pursuant to, and in the manner provided by New York State Law. The cost of any such proceedings and other costs and expenses incurred in efforts to collect such past due common charges or assessments, including reasonable attorney's fees, shall be added to the amount of such common charge or assessment, accelerated installments, if any, late charges and interest. Any amounts collected on past due common charges or assessments shall be applied in the following order: attorney's fees, other costs of collection, interest, late charges, and then the common charges or assessments, beginning with the common charge or assessment past due for the longest period.

Section 5.03 <u>Rights and Obligations re Foreclosure of Liens for Unpaid</u> <u>Common Charges</u>. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the Unit. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

**Section 5.04** <u>Notice of Default</u>. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, shall, at the request of any mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Managers. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of common charges or other default of the Unit Owner which could result in a lien against the Unit of such Owner.

Section 5.05 Statement of Common Charges. Upon the written request of a Unit Owner, lessee or mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers, the Manager or the managing agent shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate (i) whether or not the common charges due have been paid; (ii) the amount of such common charges, including interest and costs, if any, due and payable; and (iii) whether any other amounts or charges are owing to the Condominium, e.g., for a special assessment or for the cost of extinguishing a violation of the Declaration or Rules and Regulations. A reasonable charge, as determined by the Board of Managers, may be made for the issuance of this certificate, except when requested by Sponsor for any Unit owned by Sponsor. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

**Section 5.06** <u>Operating Account</u>. There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all common charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation of the Condominium including, but not limited to, wages, repairs, maintenance and other operating expenses.

**Section 5.07** <u>Other Accounts</u>. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

#### ARTICLE VI RECORDS AND AUDITS

**Section 6.01** <u>Annual Statement</u>. An annual report (audit or review) of the receipts and expenditures of the Condominium, prepared by an independent public or certified public accountant, shall be delivered to all Unit Owners.

The cost of the annual report and other services required by this Section 6.01 shall be paid by the Association as a common expense.

**Section 6.02** <u>Inspection of Records</u>. Every Unit Owner or his representative shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers but not more often than once a month.

**Section 6.03** <u>Availability of Records and Legal Documents</u>. The Board of Managers shall make available for inspection by Unit Owners upon reasonable notice and during normal business hours current copies of the Condominium's Declaration, By-Laws, Rules and Regulations, budget, schedule of assessments and any other books, records and financial statements of the Condominium. The Board may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

#### ARTICLE VII MAINTENANCE OF THE CONDOMINIUM PROPERTY

Section 7.01 Repairs and Maintenance Which are the Responsibility of the Board of Managers. The Board of Managers is responsible for the maintenance, repair and replacement of the common elements within Central Square Villas consisting of all the Property except the Units and attached garages and the land underlying the Unit, including, but without limitation, (i) any other land within the boundaries of the Condominium Property; (ii) the private water system and lateral sewer pipes from the individual Units to the public sewer mains; (iii) all other utility pipes, wires, conduits, and other materials which are not part of the Units, i.e., which service two or more Units, and are not owned by the Condominium Board of Managers, public utility companies or independent authorities; (iv) all private roadways within the development; (v) various open green areas throughout the development; (vi) street lighting; (vii) the recreational facilities associated with the Condominium, including the walking trail, clubhouse, swimming pool and tot lot play area; and (viii) all other apparatus and installations on the Property for common use or which may be necessary or convenient to the existence, maintenance or safety of the common elements or two or more of the Units.

The Board of Managers shall be responsible for and shall arrange for (i) maintenance, repair and replacement of the private roadways, driveways and front service walkways throughout Central Square Villas; (ii) maintenance, repair and replacement of the exterior of the Units, including roofs, front porches, siding, trim, masonry, painting, gutters and downspouts (but not including window panes and doors); (iii) maintenance, repair and replacement of the water system and lateral sewer lines to the individual Units within the Condominium Property; (iv) maintenance, repair and replacement of the walking trail, clubhouse, swimming pool and tot lot play area; (v) snow removal from all private roadways, parking areas, driveways and front service walkways within Central Square Villas; (vi) lawn cutting and maintenance of all grass and green areas within Central Square Villas; and (vii) maintenance of all landscaping and shrub beds installed by Sponsor. The cost of such maintenance, repair and replacement shall be a common expense.

Section 7.02 <u>Repairs and Maintenance which are the Responsibility of the</u> <u>Unit Owners</u>. Unit Owners are solely responsible for all interior maintenance, repair and replacements of and to their Units and the attached garages, including, without limitation, (i) all mechanical systems, window panes and doors, including the front entry door, patio door and all garage doors; (ii) patios, if any; and (iii) all gas, electric, water, sewer, cable and television pipes, wires and conduits which service only one Unit. In no event will the Board of Managers have any obligation to maintain, repair or replace any of the foregoing, and the common charges shall not include the cost of maintenance, repair or replacement of any of the foregoing. Unit Owners are responsible for the overall appearance of their Units and shall maintain their Units in a safe, attractive and appealing condition.

Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.01 above but which is occasioned by a negligent or willful act or omission of (a) a Unit Owner, or (b) any family member, employee, agent, guest, tenant, or invitee of such Unit Owner, or (c) a family member, employee, agent, guest or invitee of the tenant of such Unit Owner, or (d) an employee, agent, guest or invitee of (i) any member of such Unit Owner's family or (ii) any family member of the tenant of such Unit Owner, shall be made at the cost and expense of such Unit Owner.

In the event that a Unit Owner fails to make any maintenance or repair to such Owner's Unit or limited common area appurtenant to such Unit, which maintenance or repair is necessary to protect any of the other Units, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so, or commence or be diligently continuing to do so, upon ten (10) days' written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to such Owner's Unit or for repairs to any limited common element restricted in use to such Unit Owner <u>and</u> which the Unit Owner is obligated to maintain pursuant to these By-Laws or the Declaration, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon, and, in such event, the Unit Owner failing to make such payment shall be liable for the reasonable attorney's fees and costs of such suit or proceeding together with interest on all sums due.

**Section 7.03** <u>Quality of Maintenance and Repairs</u>. All maintenance, repairs and replacements, whether made by the Board of Managers or by the Unit Owners, to the Units, doors, windows, garages or the exterior surface of the Units, including the roof, or to any generally visible portion of the foundation, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless the Board of Managers determines otherwise.

Section 7.04 <u>Restrictions on Use of Units and Common Elements</u>. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units and the Condominium Property, the use of the Units and the Property, including the limited common elements, shall be restricted to and shall be in accordance with the following provisions:

(a) Advertising and Signs. Except for signs erected by or with the permission of the Sponsor in connection with the initial development or sale of Units, no additional sign or other advertising device of any nature shall be placed for display to the public view on any Unit or limited common area or other portion of the Property including rights-of-way (including temporary signs advertising property for sale or rent).

(b) Animals, Birds and Insects. Except for one (1) dog, one (1) house cat, fish, or birds in a cage, no animals shall be kept or maintained in any Unit or on any limited common area or other portion of the Property except with the written consent of the Board of Managers which may, from time to time, (i) impose reasonable rules and regulations setting forth the type and number of animals, birds and insects, and (ii) prohibit certain types of animals, birds or insects entirely. No animal shall be permitted to run loose or be chained on Condominium Property, including limited common areas. Owners and/or occupants must accompany their pets and have their pets leashed at all times when on Condominium Property.

(c) Garbage and Refuse Disposal. Except for building materials during the course of construction or repair of any approved improvements, no lumber, metals, bulk materials, rubbish, refuse, garbage, trash or other waste materials (all of which are referred to herein as "trash") shall be kept, stored or allowed to accumulate outdoors on any portion of the Condominium Property, including limited common areas, except in sanitary containers and screened from adjacent and surrounding property. Such containers may be placed in the open within 24 hours of a scheduled pickup to provide access to persons making such pickup. The Board of Managers may, in its discretion, adopt and promulgate reasonable rules and regulations relating to size, shape, color and type of containers permitted and the manner of storage of the same on any portion of the Property.

(d) Noxious or Offensive Activities. No noxious or offensive activities shall be carried out on the Condominium Property, including the limited common areas, nor shall anything be done thereon that may be or become a nuisance or annoyance in the area or to the Owners or occupants thereof. The emission of smoke, soot, fly ash, dust, fumes, herbicides, insecticides, and other types of air pollution or radioactive emissions or electro-magnetic radiation disturbances shall be controlled so as not to (i) be detrimental to or endanger the public health, safety, comfort or welfare, (ii) be injurious to property, vegetation or animals, (iii) adversely affect property values or otherwise produce a public nuisance or hazard, or (iv) violate any applicable zoning regulations or other governmental law, ordinance or code.

(e) Television and Radio Antennas. No outside television antenna shall be erected on any Unit or other portion of the Condominium Property, including limited common areas, except with the consent of the Board of Managers.

(f) Residential Use Only. The Units shall be used for residential purposes and purposes incidental and accessory thereto, except the Sponsor may use or more Units or other portions of the Property for model homes and/or real estate office.

(g) Commercial and Professional Activity on Property. No wholesale, retail, or any other business of any kind whatsoever, including a salon, studio, laboratory, home industry or medical or dental office, shall be conducted in or on any Unit, limited common area or other portion of the Property without the written consent of the Board of Managers or any Architectural Committee thereof, except (i) by the Sponsor in conjunction with the initial construction, development and sale of the Units, and (ii) the conducting of business by telephone. This restriction is not intended to preclude the operation of any inhome office for purposes other than those set forth above.

(h) Outside Storage. Outside storage or parking of commercial or recreational vehicles, camper bodies, boats and trailers shall not be allowed except as may be otherwise permitted by the Board of Managers (unless prohibited by the applicable zoning requirements).

(i) Outdoor Repair Work. With respect to a Unit or limited common area appurtenant thereto, no extensive work on any motor vehicles, boats or machines of any kind shall be permitted outdoors on any such limited common areas.

(j) Oversized, Commercial and Unlicensed Vehicles. Unless used in connection with the construction or sale of Units by the Sponsor, or the maintenance of the Property, or unless otherwise consented to by the Board of Managers, the following shall not be permitted to remain overnight on the Property: (i) commercial vehicles of a weight of two (2) tons or more; and (ii) unlicensed motor vehicles of any type.

(k) Clotheslines. No outdoor drying or airing of any clothing or bedding shall be permitted within the Property unless authorized by the Board of Managers.

(l) Lease of Entire Unit Only. An Owner shall not lease any portion of a Unit (other than the entire Unit).

(m) Snowmobiles. No snowmobiles, motor bikes or similar motor vehicles shall be operated on any portion of the Property except with the consent of the Board of Managers.

(n) Oil and Mining Operation. No portion of the Property shall be used for the purpose of boring, drilling, refining, mining, quarrying, exploring for or removing oil or other hydrocarbons, minerals, gravel or earth (except soil borings taken by the developer in connection with the improvement of said portion of the Property), and no derrick or other structure designed for use in boring for oil or natural gas or any other mineral shall be erected, maintained or permitted on any portion of the Property.

(o) No fences, walls, swimming pools, storage sheds, playground apparatus or swing sets, satellite dishes (except as otherwise permitted by law), outbuildings or other structures of any kind whatsoever shall be placed or erected on any Unit or limited common area within Central Square Villas.

(p) No changes, alterations, additions or modifications shall be made to the exterior of the Units or the limited common areas appurtenant thereto without the written consent of both the Sponsor, so long as the Sponsor shall retain title to any Units or Lots within Central Square Villas, and the Board of Managers of the Condominium or any Architectural Committee thereof.

**Section 7.05** <u>Rules of Conduct</u>. Rules and Regulations concerning the use of the Units, the common elements and the limited common elements may be promulgated and amended by the Board of Managers. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective.

Section 7.06 Abatement of Violations. The violation of any Rule or Regulation adopted by the Board of Managers, or of any By-Law contained herein, or of any provision of the Declaration, shall give the Board of Managers or its designees, the right, in addition to any other rights set forth in these By-Laws, (a) to enter the Unit in which, or as to which, such violation exists and to summarily abate, remove, repair or alter, at the expense of the Unit Owner, any structure, thing or condition that may exist therein contrary to the provisions of the Declaration, these By-Laws or the Condominium's Rules and Regulations, as the case may be, and the Board of Managers or its designees shall not be deemed thereby guilty in any manner of trespass subject to the laws of New York State; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation; or (c) to establish a penalty in accordance with Section 7.08 below. No Unit Owner shall have the right to enjoin, abate or remedy the continuance of a violation by appropriate legal proceedings at law or in equity until a reasonable time after a written request to the Board of Managers to remedy the matter has been delivered and the Board shall have failed or refused to act thereon.

**Section 7.07** <u>Obligation and Lien for Cost of Enforcement</u>. If any action is successfully brought to extinguish a violation of any rule or regulation adopted by the Board of Managers or to successfully enforce the provisions of the Declaration or these By-Laws, the cost of such action, including legal fees, shall become a binding personal obligation of the violator. If such violator is (a) the Unit Owner, or (b) any family member, employee, agent, tenant or guest or invitee of such Unit Owner, or (c) a family member or employee, agent, guest or invitee of the tenant of such Unit Owner, or (d) employee, agent, guest or invitee of (i) any member of such Unit Owner's family, or (ii) any family member of the tenant of such Unit Owner, such cost shall also be a lien upon the Unit of such Owner.

**Section 7.08** <u>Penalties and Fines</u>. In addition or as an alternative to an action at law or suit in equity, the Board of Managers may, with respect to any violation of the Declaration or of these By-Laws or any Rules and Regulations of the Condominium or of any committee of the Condominium, and after affording the alleged violator a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other person. Monetary penalties imposed against a Unit Owner or occupant shall be deemed an assessment against the Unit of such Owner and shall constitute a personal obligation of the Unit Owner and shall be collectible in the same manner as annual charges and special assessments under Article V of these By-Laws.

**Section 7.09** <u>Owner Responsible for Tenants</u>. Any lease of a Unit shall provide for full compliance by the tenant with the Declaration, By-Laws and Rules and Regulations of the Condominium. Should a tenant be in violation thereof at any time, the Board of Managers of the Condominium may send the Owner of the Unit which said tenant occupies written notice of such violation by certified or registered mail, return receipt requested. If the violation is not cured or eviction proceedings commenced against the tenant within fourteen (14) days after the Owner has received notice of such violation, or if the eviction proceedings are not reasonably diligently pursued thereafter, the Board of Managers may pursue any remedies which it may have under this Article VII.

#### ARTICLE VIII INSURANCE

**Section 8.01** <u>Insurance Obtained by Board of Managers</u>. The Board of Managers shall obtain and maintain, to the extent determined by the Board in its sole discretion to be reasonably obtainable and appropriate, and in such amounts as the Board shall determine to be appropriate unless otherwise required herein, the following insurance: (1) fire and casualty (blanket building), (2) general liability, (3) directors' and officers' liability, (4) fidelity bond, (5) workers' compensation, and (6) umbrella liability. The coverages shall be as follows:

1. <u>Fire and Casualty (Blanket Building) Insurance</u>. This insurance provides "All Risk" coverage for the full replacement value of the Units and other improvements (without deduction for depreciation) under the "Single Entity Concept", i.e., covering the Units as initially built including wall to wall carpeting, lighting fixtures, bathroom fixtures, kitchen appliances, wall coverings, and all machinery servicing the Units and common facilities, <u>excluding</u> the land, foundation, personal property of Unit Owners and occupants, and any and all improvements or alterations (including upgrading of appliances, kitchen cabinets, carpeting or lighting fixtures, built-ins and wall coverings) made by present or prior Owners or occupants.

Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, this fire and casualty insurance shall be in the amount of \$33,500.00, and may be thereafter changed by the Board of Managers from time to time as in its judgment may be appropriate.

The proceeds of all policies of physical damage insurance shall be payable to the Board of Managers or to an insurance trustee (bank, trust company, law firm or attorney) selected by the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding unless otherwise determined by the Unit Owners as hereinafter set forth. The obligation to restore or reconstruct after damage due to fire or other casualty supersedes the customary right of a mortgagee to have the proceeds of insurance coverage applied to the mortgage indebtedness. Each Unit Owner and such Owner's known mortgagee shall be a named insured on the policy and shall receive, at the time or purchase and at the time a new policy is obtained, or an existing policy renewed, a certificate evidencing proof of insurance coverage. Duplicate originals of the insurance policy shall be furnished to all known mortgagees of Units.

2. <u>General Liability Insurance Covering the Board of Managers</u>, the <u>Officers of the Condominium</u>, the Managing Agent and All Unit Owners (but not the liability of Unit Owners arising from occurrences within such Owner's Unit or within or on any limited common area appurtenant to such Owner's Unit). This insurance provides payment for all sums for which the insured shall become legally obligated to pay as damages because of bodily injury or property damage. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, this public liability insurance shall be in the amount of \$1,000,000.00 covering claims for bodily injury and property damage and may be thereafter changed by the Board of Managers from time to time as in its judgment may be appropriate.

3. <u>Directors' and Officers' Liability Insurance Covering "Wrongful"</u> <u>Acts of a Member of the Board of Managers or Officer of the Condominium</u>. This coverage provides for funds to be available to defend suits against members of the Board of Managers and officers of the Condominium for their allegedly wrongful acts and to pay any claims which may result. The policy shall be on a "claims made" basis so as to cover all prior officers and members of the Board of Managers. The policy shall provide for "participation" by the members of the Board of Managers of the Condominium only to the minimum extent required by law or applicable governmental regulation. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, the directors' and officers' liability coverage shall be in the amount of \$1,000,000.00, which amount may be subsequently modified by the Board of Managers as it may deem appropriate.

4. Fidelity Bond Covering All Members of the Board of Managers, Officers and Employees of the Condominium and the Condominium's Managing Agent. A fidelity bond is intended to protect the Board of Managers and Unit Owners against misappropriation, forgery, theft or other dishonest acts of any members of the Board of Managers, officers and employees of the Condominium and the Condominium's Managing Agent who handle or are responsible for Condominium funds. The bond shall be in an amount not less than the estimated maximum of funds , including reserves, owned by or under the control of the Condominium or Managing Agent at any given time. Until the first meeting of the Board of Managers elected by the Unit Owners, the coverage shall be \$50,000.00 for dishonest acts and forgery.

5. <u>Workers Compensation Insurance</u> provides statutory coverage for employees of the Condominium if injured while participating in a work activity for the Condominium.

6. <u>Umbrella Liability Insurance</u>. This coverage provides excess liability for claims that exceed the coverage provided under comprehensive general liability, workers compensation and automobile insurance.

The Board of Managers may also obtain such other insurance as it shall deem necessary or desirable from time to time.

The deductible amount, if any, on any insurance policy purchased by the Board of Managers shall be a common expense; provided, however, that the Board of Managers may assess against a Unit Owner any for which liability is incurred as a result of any act or omission of such Unit Owner as a consequence of which such Unit Owner is directly or indirectly liable or responsible in accordance with the provisions of the Declaration.

**Section 8.02** <u>Insurance Carried by Unit Owners</u>. Unit Owners may obtain types of insurance coverage which the Board of Managers does not provide or is not obligated to provide, including the following:

1. <u>Fire and Casualty Coverage</u> for (i) any upgrading, i.e., any replacement to the original construction of the Unit or equipment in the Unit which is of better quality, larger or more costly than a replacement to the item as installed in the Unit at the time it was initially offered for sale. Such upgraded items may include kitchen and bathroom flooring, carpeting, bathroom tile and fixtures, lighting fixtures, kitchen cabinets and wall coverings; (ii) any fixtures installed or improvements made to the Unit by the Unit Owner which are not replacements of items in the Unit at the time the Unit was initially offered for sale; and (iii) the personal property of the Unit Owner or occupants.

2. <u>Liability Coverage</u> for occurrences within the Unit or the limited common area appurtenant to the Unit owned by the Unit Owner.

#### ARTICLE IX SELLING, MORTGAGING AND LEASING UNITS

**Section 9.01** <u>Selling and Leasing Units</u>. Units can be sold or leased, provided that (i) no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until all unpaid common charges and special assessments assessed against his or her Unit shall have been paid to the Board of Managers, and (ii) no Unit may be leased for a term of less than six (6) months. However, such unpaid common charges and special assessments can be paid out of the proceeds of the sale of a Unit or by the Grantee. Any lease of a Unit shall provide for full compliance by the tenants with the Declaration, By-Laws, Rules and Regulations of the Condominium. The Owner shall be responsible for violations by such Owner's tenant and shall be subject to actions by the Board of Managers in accordance with Section 7.09 of these By-Laws.

**Section 9.02** <u>Mortgaging of Units and Notice to Board of Managers</u>. Each Unit Owner shall have the right to mortgage his Unit without restriction. A Unit Owner who mortgages his Unit shall so notify the Board of Managers in writing of the name and address of the Mortgagee.

**Section 9.03** <u>Gifts and Devises, etc.</u>. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy without restriction.

#### ARTICLE X AMENDMENT

**Section 10.01** <u>Amendments to By-Laws</u>. Except as hereinafter provided otherwise, these By-Laws may be modified, altered or amended at any duly called meeting of Unit Owners provided that:

(a) A notice of the meeting containing a full statement of the proposed modification, alteration, or amendment has been sent to all Unit Owners as listed on the books and records of the Condominium and to all mortgagees of Units who have requested the same;

(b) at least 66-2/3% of the Unit Owners in number and in common interest approve the change;

(c) The Board of Managers obtains the approval of the eligible mortgage holders who represent at least 51% of the votes of unit estates that are subject to mortgages held by eligible holders; and

(d) The change is set forth as an amendment to the Declaration and these By-Laws duly recorded in the Erie County Clerk's Office.

Section 2.01, insofar as it provides that the Sponsor, so long as it is the Owner of Units, may cast votes attributable to such Units; Section 2.04, insofar as it provides that the Sponsor, so long as it is the Owner of Units, shall be entitled to elect specified numbers of members of the Board of Managers; Section 3.02, insofar as it provides that so long as the Sponsor owns at least one (1) Unit, the Board of Managers may not exercise certain powers without the Sponsor's prior written consent, and this Section 10.01, however, may not be amended without the consent in writing of the Sponsor prior to the fifth anniversary of the closing of title to the first Unit if the Sponsor shall continue to be the Owner of one or more Units.

#### ARTICLE XI MISCELLANEOUS

**Section 11.01** <u>Notices</u>. All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper addressed, if to go to the Board of Managers, at the office of the Condominium, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or

Mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice shall be deemed the equivalent thereof.

Section 11.02 <u>Conflicts; Compliance with Article 9-B</u>. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of the statute or of the Declaration, whichever the case may be, shall control.

**Section 11.03** <u>No Waiver for Failure to Enforce</u>. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

**Section 11.04** <u>Captions</u>. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

**Section 11.05** <u>Severability</u>. Should any part of these By-Laws be deemed void or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these By-Laws shall not be impaired or affected in any manner.

#### **CERTIFICATION BY SPONSOR AND PRINCIPAL OF SPONSOR**

Re: Central Square Villas Pleasant View Drive Town of Lancaster County of Erie State of New York

We are the Sponsor and the principal of Sponsor of the Condominium Offering Plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for the Certification. We jointly and severally certify that the Offering Plan does, and that the documents submitted hereafter by us which amend or supplement the Offering Plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) not contain any representation or statement which is false, where I/we:

έ.

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;

- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This Certification is made under penalty or perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

THE MARRANO/MARC EQUITY CORPORATION

mas By

Patrick A. Marrano, President

Uas

PATRICK A. MARRANO

Subscribed and sworn to before me this  $\underline{/ \underbrace{}}_{\underline{/}}$  day of April, 2009

In Notary Public

MICHAEL J. KREAMER NOTARY PUBLIC - STATE OF NEW YORK NO. 01KR4763972 QUALIFIED IN ERIE COUNTY MY COMMISSION EXPIRES 08/31/2010

#### CERTIFICATION OF SPONSOR'S ENGINEER

### RE: CENTRAL SQUARE VILLAS BOARD OF MANAGERS TOWN OF LANCASTER, NEW YORK

"The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans dated February 13 and April 24, 2009, and examined the specifications that were prepared by The Marrano/Marc Equity Corporation, and prepared the Report dated February 2009, a copy of which is intended to be incorporated in the offering plan so that prospective purchasers may rely on the Report.

We are a registered engineer in the State of New York in which the property is located with an office at 4950 Genesee Street, Suite 165, Buffalo, New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

- sets forth in narrative form the description and/or physical condition of the entire property (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined;
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to fund their judgment concerning the description and/or physical condition of the property (the aspects of the property discussed in the addendum) as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;

Engineer's Report

- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
  - (a) knew the truth;
  - (b) with reasonable effort could have known the truth;
  - (c) made no reasonable effort to ascertain the truth; or
  - (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

David F. Pratt, P.E.

Subscribed and sworn before me

day of this 25

CLIFFORD D. KRUMM, JR. Notary Public, State of New York Qualified in Erie County #4781751 My Commission Expires August 31, 2022

Greenman-Pedersen, Inc.

#### RE: CENTRAL SQUARE VILLAS LANCASTER, NEW YORK

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has asked me to prepare a report describing the construction of the condominium units (the "Report"). I have examined the building plans and specifications that were prepared by Richard J. Skop, P.E., dated April 2009, and prepared the Report dated April 2009, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a licensed engineer in the State in which the property is located with an office at 3160 Rt. 394, Buffalo, New York 14758.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying them with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

- sets forth in narrative form the description and/or physical condition of the aspects of the property discussed in the Report as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the aspects of the property discussed in the Report as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

- (vii) does not contain any representation or statement which is false, where I:
  - (a) knew the truth;
  - (b) with reasonable effort could have known the truth;
  - (c) made no reasonable effort to ascertain the truth; or
  - (d) did not have knowledge concerning the representation or statement made.

I further certify that I do not own or control nor have any beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

**Richard Skop** 

Subscribed and sworn to before me this 151 day of April, 2009

Notary Public

JENNIFER E. GILL Notary Public, State of New York Qualified In Erle County My Commission Expires June 20, 2010

# $\frac{\mathbf{HARMON} \ \mathbf{HOMES}}{\mathbf{REALTY, INC.}}$

#### CERTIFICATION ON ADEQUACY OF BUDGET

#### CENTRAL SQUARE VILLAS CONDOMINIUM LANCASTER, NEW YORK

April 3, 2009

STATE OF NEW YORK)

) ss:

COUNTY OF ERIE

#### **RE: CENTRAL SQUARE VILLAS CONDOMINIUM**

The Sponsor of the Condominium Association Offering Plan for the captioned property retained our firm (Harmon Homes Realty, Inc.) to review Schedule B containing projections of income and expenses for the first year of operation as a Condominium Association. The experience of Michael P. Harmon, President, in this field includes:

Currently Harmon Homes Realty, Inc. is the Managing Agent for the following Condominium and Homeowner Associations; Hillcrest Heights Association, Inc., 40 units; Hillcrest Heights North Association, Inc., 32 units; Villa Park Condominium, 16 units; Forestream Association, Inc., 67 units; Westview Park Homeowners Association, Inc., 48 units., Village Station Homeowners Association, Inc., 88 units; Parwood Patio Homes Inc., 77 units; Springbrook Shores Homeowners Association, Inc., 60 units; Crystal Common Condominium, 36 units; Gardenville on the Green, 48 units; Burroughs Association LTD. 25 units; Meadowbrook Patio Homes, 72 units. Burchfield Village Patio Homes Association, Inc. 68 units; Courtyards at Pleasant Meadows Condominium, 105 units; Hickory Grove Village Condominium, 82 units.

Michael P. Harmon is a member of the Community Association Institute and he has received the AMS (Association Management Specialist) designation and the CMCA (Certified Manager of Community Associations) designation from the Community Association Institute.

Michael P. Harmon is a licensed Real Estate Broker with the State of New York for over 20 years and specializes in sales of new Townhomes, having sold well over 350 units in the last 15 years. He is also a member of the National Association of Realtors and the Buffalo Association of Realtors.

Michael P. Harmon is also a member of the New York State Association of Realtors.

Harmon Homes Realty, Inc. prepares budgets for all of the properties it manages, and oversees expenditures of same.

Sales • Property Management • Rental Service

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 22 in so far as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on our experience in managing residential property.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of operation as a Condominium Association.

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium association operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of operation as a condominium association;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where 1: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of operation as a condominium association.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law,

NARMON HOMES REALTY, INC.

MAUL Michael P. Harmon, CMCA, AMS

Michael P. Harmon, CMCA, AMS President

Subscribed and Sworn to before me this \_\_\_\_\_ day of

2009 Notary Public

BARBARA E. GRAFF Notary Public, State of New York Qualified in Erie County Reg. No. 01GR5030062 My Commission Expires July 5, <u>2010</u>

## HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

#### WARRANTIES ON SALES OF NEW HOMES

Section 777. Definitions. 777-a. Housing Merchant Implied Warranty. 778-b. Exclusion or Modification of Warranties.

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building Code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship will meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and use of materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portion which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multiunit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing Merchant Implied Warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee, or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder, or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness, and all other implied warranties with respect to goods shall be governed by the part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test, and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

1.00

777-b. Exclusion or Modification of Warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when such term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-A of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

#### **ESCROW AGREEMENT**

THIS AGREEMENT is made this 1st day of April, 2009, between The Marrano/Marc Equity Corporation (the "Sponsor") and Block, Colucci, Longo, P.C. (the "Escrow Agent").

**WHEREAS,** The Marrano/Marc Equity Corporation is the Sponsor of an offering plan to convert to condominium ownership the premises located at 339 Pleasant View Drive, in the Town of Lancaster, New York, which premises are known as Central Square Villas; and

**WHEREAS,** Block, Colucci, Longo, P.C. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's Regulations promulgated thereunder; and

**WHEREAS,** Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this Agreement.

**NOW, THEREFORE,** in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

#### 1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Citizens Bank at its branch located at 414 Main Street, Buffalo, New York 14203. The account number is

**1.3** Escrow Agent is the sole signatory on the account.

**<sup>1.2</sup>** The name of the account is Central Square Villas Condominium Escrow Account.

**1.4** The escrow account shall be an interest-bearing account as disclosed in the offering plan.

**1.5** The escrow account is an IOLA established pursuant to Judiciary Law Section 497.

#### 2. <u>DEPOSITS INTO THE ESCROW ACCOUNT</u>

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to, the order of Block, Colucci, Longo, P.C., as Escrow Agent for Central Square Villas. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and the requisite notice was timely mailed to the subscriber or purchaser.

#### 3. <u>RELEASE OF FUNDS</u>

**3.1** Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's Regulations. Consummation of the plan shall not relieve sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

**3.2** Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser; or (b) a determination of the Attorney General, or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the Regulations of the Attorney General pertaining to release of escrowed funds.

**3.3** Sponsor shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan, or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

**3.4** If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's Regulations and has so notified Escrow Agent in accordance with such provisions.

#### 4. <u>RECORDKEEPING</u>

**4.1** Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

**4.2** Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the

maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

**4.3** Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

#### 5. <u>GENERAL OBLIGATIONS OF ESCROW AGENT</u>

**5.1** Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

**5.2** A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

#### 6. **RESPONSIBILITIES OF SPONSOR**

**6.1** Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to the closing of an individual transaction to Escrow Agent.

**6.2** Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's Regulations.

#### 7. <u>TERMINATION OF AGREEMENT</u>

**7.1** This Agreement shall remain in effect unless and until it is canceled by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an

amendment with the Department of Law providing for a successor escrow agent; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent, as described in paragraph
7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

#### 8. <u>SUCCESSORS AND ASSIGNS</u>

**8.1** This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

#### 9. <u>GOVERNING LAW</u>

**9.1** This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

#### 10. ESCROW AGENT'S COMPENSATION

**10.1** Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

#### 11. SEVERABILITY

11.1 If any provision of this Agreement, or the application thereof to any person or circumstance, is determined to be invalid or unenforceable, the remaining provisions of this Agreement, or the application of such provision to other persons or to other circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

#### 12. ENTIRE AGREEMENT

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's Regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

ESCROW AGENT

Block, Colucci, Longo, P.C.

By\_ Mark J. Longo,

SPONSOR

The Marrano Marc Equity Corporation 42

Fatrick A. Marrano, President

### APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE **DISPOSITION OF DOWNPAYMENTS**

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: \_\_\_\_\_

Address of Building or Name of Project

File Number:

Application is made to the Attorney General to consider and determine the disposition of downpayments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

- 1. Name \_\_\_\_\_ of Applicant
- 2. Address of Applicant
- З. Name, Address and Telephone Number of Applicant's Attorney (if any)
- 4. This is an application for
  - [] return of downpayment
  - forfeiture of downpayment []
  - other: []
- 5. The project is

a conversion of occupied premises newly constructed or rehabilitated [] vacant (as is)

- 6. The project is structured as
  - a cooperative
  - [] a condominium

[]

- [] a homeowners association
- [] a timeshare
- [] other: \_\_\_\_\_

7.	Name and Address of Sponsor		
8.	Name and Address of Escrow Agent		
9.	If downpayments are maintained in an escrow account:		
	(a)	Name of account	
	(b)	Name and address of bank	
	(c)	Account Number (if known)	
	(d)	Initial interest rate (if known)	
10.	If downpayments have been secured by bonds:		
	(a)	Name and address of bond issuer or security	
	(b)	Copy of bond included in this application (DO NOT SEND ORIGINAL BOND.) If not included, explain:	
11.	If downpayments have been secured by a letter of credit:		
	(a)	Name and address of bank which issued the letter of credit:	
	(b)	Date of expiration of the letter of credit (if known)	
12.	Plan information:		
	(a)	Date of filing of plan	
	(b)	Plan      []    has been declared effective. Approximate date      []    has not been declared effective	

•

·

- (c) If effective, the plan
  - [] has closed or the first unit has closed
  - [] has not closed
  - [] don't know
- (d) Downpayments are secured by
  - [] escrow account
  - [] bonds
  - [] letter of credit

#### 13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)
- (b) Date on which subscription or purchase agreement was signed \_\_\_\_\_\_
- (c) Date(s) of downpayment(s) \_\_\_\_\_
- (d) Total amount of downpayment(s) \_\_\_\_\_
- (e) Names and addresses of subscribers or purchasers affected by this application:

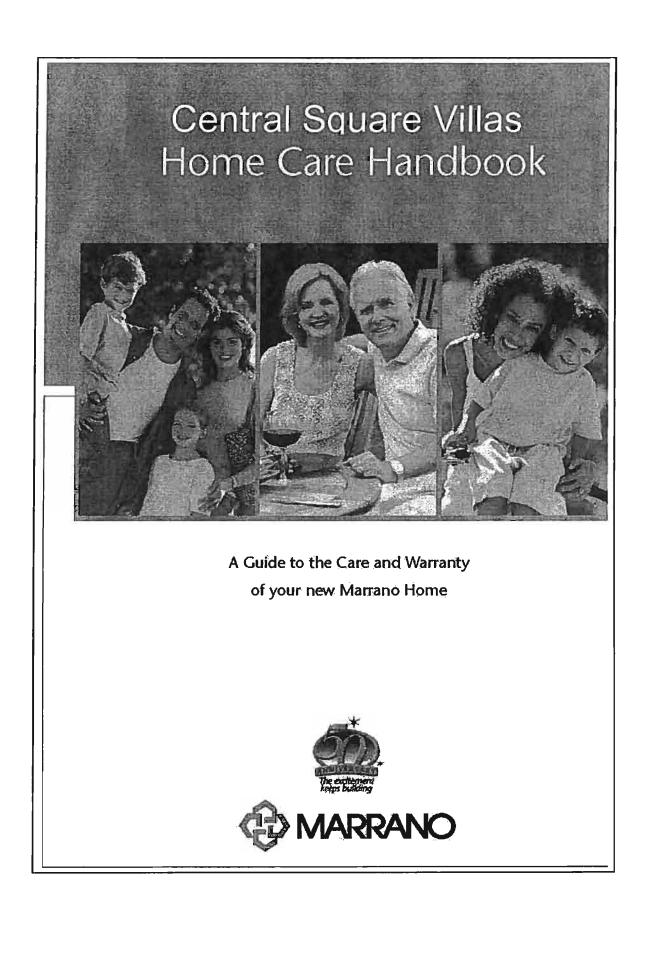
14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:	Date:
Name (Printed):	
Telephone: (Home)	(Business)
Mailing Address:	



# Home Care Handbook

A Guide to the Care and Warranty of your new Marrano Home

### Caring for Your Home

Marrano/Marc Equity has constructed your home with carefully selected materials and the effort of experienced craftsmen and laborers under the supervision of our field personnel, with the administrative support of our office personnel. Although this group works from detailed plans and specifications, no two homes are exactly alike. Each one is unique; a home is one of the last handbuilt products left in the world. Over time, each behaves differently.

Although quality materials and workmanship have been used in creating your home, similar to an automobile, it requires care from the first day. Regular homeowner maintenance is essential to providing a quality home for a lifetime. This section of our Handbook was assembled to assist you in that effort.

### Table of Contents

- 1 Homeowner Use and Maintenance Guidelinesintroduction to the maintenance information in this Handbook
- 2 Marrano/Marc Equity Limited Warranty Guidelines – introduction to the criteria Marrano/ Marc Equity uses to screen warranty items
- 3 Warranty Reporting Procedures – standard, emergency, miscellaneous, and appliance warranty procedures
- 6 Warranty Item Processing Procedures – a simple description of a complex process
- 9 Warranty Service Summary a one-page guide to who to contact in various service situations
- 10 Fire Prevention reminders to prevent fire in your home
- 12 Extended Absences tips for preparing and reminders for the day you leave
- 14 Energy and Water Conservation – suggestions consuming energy and water wisely An alphabetical list of the items in your home, including maintenance hints, warranty criteria, and troubleshooting tips.

An alphabetical list of the items in your home, including maintenance hints, accepted standards, and troubleshooting tips.

- 16 Air Conditioning
- 18 Asphalt
- 19 Cabinets 20 Carpet
- 23 Caulking
- 24 Ceramic Tile
- 25 Concrete Flatwork
- 27 Condensation
- 28 Countertops
- 29 Door and Locks
- 31 Drywall
- 32 Electrical System
- 35 Expansion and Contraction 36 Fireplace – Wood Burning
- 38 Foundation
- 39 Garage Overhead Door
- 41 Gas Shut-Offs
- 42 Ghosting
- 43 Grading and Drainage
- 45 Gutters and Downspouts
- 46 Hardware
- 47 Hardwood Floors
- 49 Heating System: Gas Forced Air
- 52 Hot Water Heater: Gas
- 53 Humidifier
- 54 Landscaping
- 57 Linoleum
- 58 Masonry
- 59 Mirrors 60 Mold
- 61 Paint and Stain
- 63 Plumbing
- 68 Railings
- 69 Roof
- 70 Shower Doors or Tub Enclosures
- 71 Siding
- 72 Smoke Detectors/CO Detectors
- 73 Stairs
- 74 Stucco
- 75 Sump Pump
- 76 Ventilation
- 77 Windows, Screens, and Sliding Glass Doors
- 79 Wood Trim

- 82 Limited Warranty all the details of what's covered and claim procedures under your Marrano/Marc Equity home warranty
- 88 Forms for your convenience when reporting warranty items and giving us feedback about this Handbook

1

### Homeowner Use and Maintenance Guidelines

We are proud of the homes we build and the neighborhoods in which we build them. We strive to create lasting value. This is best achieved when you, as the homeowner, know and perform appropriate maintenance tasks. Periodic maintenance is necessary because of normal wear and tear, the inherent characteristics of the materials used in your home, and normal service required by the mechanical systems. Natural fluctuations in temperature and humidity also affect your home, resulting in maintenance items. The natural and manufactured materials, the components interact with each other and the environment.

We recognize that it is impossible to anticipate and describe every attention needed for good home care. We focused on items that homeowners commonly ask about. The subjects are listed in alphabetical order to make finding answers to your questions convenient. Because we offer home buyers a variety of floor plans and optional features, this Handbook may discuss components that are not present in your home.

#### Checklists

You will find several checklists included in this Handbook. These cover fire prevention reminders, energy and water conservation tips, suggestions for extended absences, appliance service information, home maintenance supplies list, and a maintenance schedule. Again we make no claim that we have included every detail. We do believe we have provided you with a good start, and we've allowed space for you to add your own notes to our checklists.

#### **Prompt Attention**

In addition to routine care, many times a minor maintenance attention provided immediately saves you a more serious, time-consuming, and sometimes costly repair later. Note also that neglecting routine maintenance can void applicable limited warranty coverage on all or part of your home.

By caring for your new home attentively, you ensure uninterrupted warranty coverage as well as your enjoyment of it for years. The attention provided by each homeowner contributes significantly to the overall desirability of the community.

#### Manufacturer Literature

Please take time to read the literature (warranties, use and care guides) provided by the manufacturers of consumer products and other items in your home. The information contained in that material is not repeated here. Although much of the information may be familiar to you, some points may differ significantly from homes you have had in the past.

We make every effort to keep the information in this Handbook current. However, if any detail in our discussion conflicts with the manufacturer's recommendations, you should follow the manufacturer's recommendations.

Activate specific manufacturer's warranties by completing and mailing any registration cards included with their materials. In some cases, manufacturer's warranties may extend beyond the first year and it is in your best interests to know about such coverages.

### Marrano/Marc Equity Limited Warranty Guidelines

While we strive to build a defect-free home, we are realistic enough to know that, with repeated use, an item in the home may fail to perform as it should. When this occurs, we will make necessary corrections so the item meets our warranty guidelines. In support of this commitment, Marrano/ Marc Equity provides you with a limited warranty.

#### **Corrective Actions**

In addition to the information contained in the limited warranty itself, this Handbook includes details about the criteria we will use to evaluate concerns you report. The purpose is to let you know what our warranty commitment is for the typical concerns that can come up in a new home. The Handbook describes the corrective action we will take in a many common situations.

#### We Sometimes Break Our Own Rules– In Your Favor

Our criteria for qualifying warranty repairs are based on typical industry practices in our region and meet or exceed those practices. Please note that we reserve the right, at our discretion, to exceed these guidelines if common sense or individual circumstances make that appropriate, without being obligated to exceed all guidelines to a similar degree or for other homeowners whose circumstances are different.

#### We Sometimes Say No

With a product as complex as a home, different viewpoints regarding which tasks are homeowner maintenance responsibilities and which are Marrano/Marc Equity warranty responsibilities are possible. If you request warranty service on a maintenance item, we will explain to you the steps you should take to care for the item. We are available to answer your home-care questions during and after your warranty period. Providing normal maintenance for your home is your responsibility.

#### Warranty Specimen Provided for Your Review

You will receive the signed limited warranty document at your closing. We provide a specimen copy for your review at the time you sign your purchase agreement. Please read through this information, as well as the service procedures and guidelines discussed on the following pages. If you have any questions, please contact our Customer Care Department.

### Warranty Reporting Procedures

Providing warranty service for a new home is more complicated than for other products. When you purchased your home, you actually purchased hundreds of items and the work of 35 to 50 independent trade contractors. With so many details and people involved, a planned system is essential.

Our warranty service system is designed based on your findings followed by a phone call to our Customer Care Department for non-emergency items. This provides you with the maximum protection and allows us to operate efficiently, thereby providing faster service to all homeowners.

You are welcome to mail, fax, e-mail, or call in your service request. Our computer system permits Marrano/Marc Equity personnel to focus their time producing results for you and following up with the subcontractors doing repairs to your home. Experience has taught us that accuracy and efficiency suffer when we work outside this system and sacrifice careful documentation.

#### 30-Day Follow Up Phone Call

For your convenience and in order for our Customer Care Department to operate at maximum efficiency, we contact you approximately 30 days after the closing of your home. This allows you sufficient time to become settled in your new home and to use most components repeatedly. If you are having any difficulties with any items in your home, we can schedule an appointment with a Customer Care Representative to address any concerns or answer any questions you may have.

#### **10-Month Follow Up Inspection**

At the beginning of the tenth month in your home, our Customer Care Department will be contacting you to schedule a follow up visit to your home. At least one party listed on the contract must be present for the follow up. We will be happy to discuss any maintenance questions you may have at that time. Please keep notes of any concerns you may find. This will be the "one time" repair service we offer on several components such as drywall.

#### **10-Month Follow Up Service**

After the follow up of your home, we will compile a list of the services that you and our Customer Care Representative have reviewed during your 10-month follow up. You will then receive a phone call from our Customer Care Department to schedule your service. This service will require an adult to be present in the home at all times to allow our subcontractors entrance to your home. The amount of time needed for service varies depending on the amount of repairs required. Our Customer Care Department coordinates the subcontractors to complete their work during the scheduled date(s). Keep in mind, exterior work may need to be completed at a time other than the scheduled service date, weather permitting.

### Warranty Reporting Procedures – continued

#### **Emergency Service**

While emergency warranty situations are rare, when they occur, prompt response is essential. Begin by checking items you can check. Troubleshooting tips appear in this Handbook for several of your home's components:

Please refer to the individual categories to review these hints; you will find them at the end of the corresponding sections. Often the appropriate action by you can solve a problem immediately or mitigate the situation until a technician arrives.

If your review of the troubleshooting tips fails to solve the problem, during business hours, call Marrano/Marc Equity's Customer Care Department: (716) 675-1200.

After hours, or on weekends or holidays, call the necessary trade contractor or utility company directly. Their phone numbers are listed on the Emergency Phone Numbers sheet you receive at orientation. We suggest that you insert the Emergency Phone Numbers sheet in this section of your homeowner Handbook or secure it inside a kitchen cabinet, near your phone.

Our trade contractors or local utility companies provide emergency responses to the following conditions:

- . Total loss of heat when the outside temperature is below 50 degrees F
- Total loss of electricity
- Total loss of water
- Plumbing leak that requires the entire water supply to be shut off
- Gas leak
- Carbon monoxide detector (Fire Department)

Note that if a service (gas, electricity, water) is out in an entire area, attention from the local utility company is needed. Trade contractors are unable to help with such outages.

AIR CONDITIONING – Understandably, if your air conditioner is not working, you want it fixed pronto. In a typical scenario, many other homeowners across our region will discover they too need service on their air conditioners on the same hot day that you do. The trades who address these needs generally respond to calls on a first come, first served basis. If your call for service comes during this time period, you may wait several days for a technician to arrive. For this reason, we recommend that you operate your air conditioner as soon as warm temperatures begin. In this way, if service is needed, you can avoid the rush and get a more satisfactory response.

**ROOF LEAK** – While we agree with homeowners that a roof leak is indeed an emergency, the reality is that repairs cannot safely or effectively be performed while the roof is wet. During business hours, contact our office with the information, take appropriate steps to mitigate damage, and we will follow up when conditions make repairs possible. (See Roof section for more details.)

### Warranty Reporting Procedures - continued

OTHER EMERGENCIES – In addition to emergency situations covered by our limited warranty, be prepared for other kinds of emergencies. Post phone numbers for the fire department, police, paramedics, and poison control near phones in your home. Have companies in mind in the event you need a locksmith, water extraction, glass breakage repair, or sewer router service. If you are new to the area, neighbors may be able to recommend good service providers. Introduce your children to neighbors who might be available to help in an emergency if you are not home.

#### **Other Warranty Service**

We schedule appointments for miscellaneous requests on a first come, first serve basis between the standard appointments. As a result, service on miscellaneous requests may take a bit longer to address.

#### Kitchen Appliance Warranties

The manufacturers of kitchen appliances have asked to work directly with homeowners if any repairs are needed for their products. Customer service phone numbers are listed in the use and care materials for each appliance. Be prepared to provide the model and serial number of the item and the closing date on your home. For your convenience, we have included an Appliance Service information sheet among the other checklists in this Handbook.

Appliance warranties are generally for one year; refer to the literature provided by the manufacturer for complete information. Remember to mail in any registration cards you receive with manufacturer materials. Being in the manufacturer's system assures that in the event of a recall the company can contact you and arrange to provide the needed correction.

### Warranty Item Processing Procedures

When we receive a warranty service request, our Customer Care Department may contact you for an inspection appointment. Warranty inspection appointments are available Monday through Friday, 8:00 a.m. to 5:00 p.m. We inspect the items listed in your request to confirm warranty coverage and determine appropriate action. Generally, reported items fall into one of three categories:

- Trade contractor item
- In-house item
- Home maintenance item

If a trade contractor or an in-house employee is required to perform repairs, we issue a warranty work order describing the situation to be addressed. If the item is home maintenance, we will review the maintenance steps with you and offer whatever informational assistance we can. Occasionally the inspection step is unnecessary. In that case, we issue the needed work orders and notify you that we have done so.

#### Access to Your Home

Marrano/Marc Equity conducts inspections of interior warranty items only when an adult is available to accompany our representative and point out the items you have listed. Both our in-house service technicians and those of our trade contractors will likewise perform repairs only when an adult is available to admit them to your home. An adult is a person 18 or older who has your authorization to admit service personnel and sign completed work orders.

We do not accept keys, nor will we permit our trade contractors to accept your key and work in your home without an adult present. While we recognize that this means processing warranty service items may take longer, we believe your peace of mind and security should be our first concern.

#### Exterior Items

Exterior items can usually be inspected and repaired without an adult present, provided access is available (for instance, no locked gate). If you prefer to meet with us and discuss the item(s) in question, we are happy to arrange an appointment to do that.

#### **Repair Appointments**

Depending on the work needed, at the conclusion of the inspection appointment, the warranty manager will most likely ask you to designate a work date——a date a minimum of 15 days from the inspection date—for approved repairs to be made. This 15-day time frame allows us to notify appropriate trades people and arrange for most repairs to occur on the same day.

Although on occasion work must occur in sequence and more than one work date might be needed, this system works well in the majority of situations.

#### Inspection and Work Hours

Many homeowners ask whether evening and weekend appointment times are available.

Marrano/Marc Equity understands the desire for appointments outside normal business hours. We recognize the trend to services being available "24/7" in many businesses. However, in investigating how such appointments could be arranged, we discovered many factors that make extended service hours impractical.

• A significant portion of repairs require daylight for proper execution. This applies to drywall, paint, and exterior work of almost any type.

7

### Warranty Item Processing Procedures - continued

- We also found that most of the 35 to 50 independent trade contractors who helped us build your home—many of whom operate as small companies—were unable to work all week and also be available for extended hours. Therefore, the few repairs that could be performed in off-hours failed to eliminate the need for repair appointments during normal hours.
- Administrative staff and supervisors would need to be available to answer questions. Having some personnel work extended hours meant being short staffed during normal business hours.
- When we calculated the impact on wages and salaries for adding more personnel or compensating existing personnel for working nontraditional hours, we found that this affected overhead, and consequently the prices for our homes.

We are still looking for a workable long-term answer to this recognized dilemma. Meanwhile, our warranty hours will be as follows:

- Administrative staff: Monday through Friday, between 8:30 a.m. until 5:00 p.m.
- Inspection appointments: Monday through Friday, between 8:00 a.m. until 5:00 p.m.
- Work appointments: Monday through Friday, between 8:00 a.m. until 4:30 p.m.

Evening and weekend appointments are reserved for emergency situations. We appreciate your understanding and cooperation with these policies.

#### Pets

Marrano/Marc Equity respects the pets that many homeowners count as members of their households. To prevent the possibility of an animal getting injured or lost, or giving in to its natural curiosity about tools and materials used for repairs, we ask that you restrict all animals to a comfortable location during any warranty visit, whether for inspection or warranty work. This policy is also for the protection of our employees and trades personnel. We have instructed Marrano/Marc Equity and trades personnel to reschedule the appointment if pets have access to the work area.

#### Your Belongings

In all work that we perform for our homeowners we are concerned that their personal belongings be protected. When warranty work is needed in your home, we ask that you remove vulnerable items or items that might make performing the repair difficult. Marrano/Marc Equity and trade personnel will reschedule the repair appointment rather than risk damaging your belongings.

#### Surfaces

We expect all personnel who work in your home to arrive with appropriate materials to cover the work area, protecting it from damage and catching the dust or scraps from the work being performed. Similarly, all personnel should clean up the work area, removing whatever excess materials they brought in.

Repair personnel will routinely check the work area for any existing damage to surfaces. They may document with photographs any scratches, chips, or other cosmetic damage prior to beginning repairs to avoid any later disagreement about how and when such damage occurred.

### Warranty Item Processing Procedures - continued

#### Signatures on Work Orders

Signing a work order acknowledges that a technician worked in your home on the date shown and with regard to the items listed. It does not negate any of your rights under the warranty nor does it release us from any confirmed warranty obligation. If you prefer not to sign the work order, the technician will note that, sign the work order and return it to us for our records.

If you are dissatisfied with any service we provide, you can note that on the work order or call the Customer Care Department with your feedback. We will review your concerns and determine whether our requirements have been met. While complaints of this type are infrequent, we are more than willing to address your concerns.

#### **Completion Time**

Regular review of outstanding work orders is part of our office routine. Checking with trades and homeowners alike, we strive to identify the cause for delays and get all warranty work completed within an appropriate and reasonable amount of time.

We intend to schedule warranty work orders within 15 work days of the inspection unless you are unavailable for access. If a back-ordered part or similar circumstance causes a delay, we will let you know. Likewise, when weather conditions prevent the timely completion of exterior items, we track those items and follow up to ensure that they are addressed when conditions are right. This can mean a wait of several months.

#### **Missed Appointments**

Good communication is one key to successful completion of warranty items. We strive to keep homeowners informed and to protect them from inconvenience. One of our challenges in this regard is when unexpected events sometimes result in missed appointments.

If a Marrano/Marc Equity employee or a trade person will be late, he or she should contact you as soon as the delay is recognized, offering you a choice of a later time the same day or a completely different appointment. If you must miss an appointment, we appreciate being alerted as soon as you realize your schedule has changed. We can put work orders on "hold" for 10 to 30 days and re-activate them when your schedule offers a better opportunity to arrange access to the home.

### Warranty Service Summary

The many details of warranty coverage can be confusing. We hope this summary of key points will help. If you do not know whom to contact, call our Customer Care Department and we will guide you.

#### Warranty Hours

- Administrative staff: Monday through Friday, between 8:30 a.m. until 5:00 p.m.
- Inspection appointments: Monday through Friday, between 8:00 a.m. until 5:00 p.m.
- Work appointments: Monday through Friday, between 8:00 a.m. until 4:30 p.m.

#### Appliances

Contact the manufacturer directly with model and serial number, closing date, and description of problem. Refer to your Appliance Service information sheet.

#### Emergency

First, check the troubleshooting tips under several individual headings in this Handbook. If those tips do not solve the problem, during our business hours (Monday through Friday, 8:30 a.m. until 5:00 p.m.), call our Customer Care Department: (716) 675-1200.

After business hours or on weekends or holidays, contact our emergency number (716) 712-0364, the trade or appropriate utility company directly using the emergency numbers you receive at your orientation.

#### Non-emergency

You are welcome to mail, fax, e-mail, or call in your service request during regular business hours.

Marrano/Marc Equity 2730 Transit Road West Seneca, NY 14224

Phone (716) 675-1200 Fax (716) 675-0210

customercare@marranohomes.com

#### Storm Damage or Other Natural Disaster

Contact your homeowner's insurance agent immediately. Contain damage as much as possible without endangering yourself. In extreme situations, photograph the damage.

### **Fire Prevention**

Fire safety should be practiced by all family members. Awareness of potential dangers and preventive actions are preferable to even the fastest response. Keep these hints in mind and add your own reminders in the space provided on the next page.

#### Train Family Members

- Ensure that all family members know what escape routes exist in your home.
- Conduct a fire drill with family members.
- Test the carbon monoxide and smoke detectors to assure they function and so that everyone recognizes the sound. Follow the manufacturer's directions for cleaning and servicing all of your carbon monoxide and smoke detectors. All detectors are hardwired with a battery backup. Change batteries when you change your clocks.
- As soon as possible, teach young children how and when to dial 9-1-1.
- Have a general use fire extinguisher and instruct all family members in its location and use.
- Teach children the safe use of appliances such as irons and toasters.

#### **Practice Prevention**

- Store matches away from children and heat sources.
- Avoid smoking in bed.
- Avoid leaving small children home alone, even for a short time.
- Maintain appliances in clean and safe working condition.

- · Avoid overloading electrical outlets.
- Ensure that all electrical cords are in good condition.
- Avoid having any flammable objects or materials near the stove.
- Keep the range hood filter clean to prevent a build up of grease.
- Allow space for cooling around electrical equipment.
- Unplug the iron when it is not in use. Do not leave an iron that is on unattended.
- Use electric blankets with care, following manufacturer directions.
- Store volatile materials (paint, gasoline for the lawn mower, and so on) in appropriate containers, away from flames (such as pilots lights) or heat sources. Many trash collection services offer a means for you to dispose of hazardous items. Check with your service provider for details.
- Keep the barbeque clear of flammable objects and materials.

### Fire Prevention - continued

- If your home includes a gas fireplace follow all directions and do not leave the fireplace unattended when it is on. If you have a wood burning fireplace:
  - -Arrange for professional cleaning of the chimney at appropriate intervals.
  - -Maintain the spark arrester on the chimney.
  - -Never use liquid fire starters (such as for a charcoal barbeque) in an indoor fireplace.
  - -Use a screen or glass doors when a fire is burning.
  - -Confirm the fire is out before closing the flue.
  - -Do not leave the fireplace unattended while a fire is burning.

#### Your Additional Reminders and Notes:

- During holidays, ensure that all cords and connections are in good condition and of appropriate capacity for electrical decorations.
- If you decide to remodel, finish the basement, or add onto your home, obtain a building permit and work with trained professionals. Ensure that all building department inspections occur and that the work complies with all applicable codes. This also applies to installing a gas line for an outdoor barbeque, a gas fireplace, clothes dryer, and so on.

### **Extended Absences**

Whether for a vacation, business travel, or other reasons, nearly all of us occasionally leave our homes for days or weeks at a time. With some preparation, such absences can be managed uneventfully. Keep these guidelines in mind and add additional reminders that are appropriate to your situation.

#### Plan in Advance

- Ask a neighbor to keep an eye on the property. If possible, provide them with a way to reach you while you are away.
- If you will be gone an especially long time (over two weeks) consider arranging for a house sitter.
- Arrange for someone to mow the lawn or shovel snow.
- Notify local security personnel or police of the dates you will be away.
- Stop mail, newspapers, and other deliveries.
- Use lighting timers (available at hardware stores for \$10 to \$20).
- Confirm that all insurance policies that cover your property and belongings are current and provide sufficient coverage.
- Mark valuable items with identifying information.
   Consider whether you have irreplaceable items that should be stored in a bank vault or security box.

#### As You Leave

- · Forward phone calls to a relative or close friend.
- Unplug computers and other electronic devices that might be harmed in an electric storm.
- Leave window coverings in their most typical positions.
- Confirm that all doors and windows are locked and the deadbolts are engaged.
- Shut off the main water supply. Set the thermostat on the water heater to "vacation" to save energy.
- Store items such as your lawn mower, bicycles, or ladders in the garage.
- Disengage the garage door opener (pull on the rope that hangs from the mechanism). Use the manufacturer's lock to bolt the overhead door. Caution: Attempting to operate the garage door opener when the manufacturer's lock is bolted will burn out the motor of your opener. Upon your return, unlock the garage door first, then re-engage the motor (simply push the button to operate the opener and it will reconnect) to restore normal operation.
- Leave a second car in the drive.
- Summer: Turn your air conditioner fan to on. Set the thermostat to 78.
- Winter: Set the thermostat to a minimum of 55. Leave doors on cabinets that contain plumbing lines open. Leave room doors open as well. This allows heat to circulate.
- Arm your security system, if applicable.

13

Extended Absences – continued

Your Additional Reminders and Notes:

1

### **Energy and Water Conservation**

Good planning and thoughtful everyday habits can save significant amounts of energy and water. In the process of conserving, you also save money as an additional benefit. Keep these hints in mind as you select and use your home's features:

#### Heating and Cooling

- Maintain all your home's systems in clean and good working order to prevent inconvenience and maximize efficiency. Arrange for a professional to service heat and air conditioning systems a minimum of once every two years.
- Keep filters clean or replace them regularly.
- Learn how to use your day/night thermostat for comfort and efficient energy use.
- If you have a zoned system (more than one furnace and separate controls) think through operating schedules and temperature settings to maximize comfort and minimize energy consumption.
- During cold days, open window coverings to allow the sun to warm your home. Close them when the sun begins to set.
- Limit use of your fireplace in extremely cold or windy weather when the chimney draft will draw room air out at an extreme rate.
- During the winter, humidifying the air in your home allows the air to retain more heat and is a general health benefit. Note: If condensation develops on your windows, you have taken a good thing too far and need to lower the setting on the humidifier. Do not attempt to use a humidifier when you are using your air conditioner. See also Condensation Pg #27.

- Ceiling fans cost little to operate and the moving air allows you to feel comfortable at temperatures several degrees higher.
- On hot days, close all windows and the window coverings on windows facing the sun to minimize solar heating and reduce demands on your air conditioner.
- Whole house fans draw cool outside air into the home through open windows, often effectively creating a comfortable temperature. Do not run a whole house fan at the same time as air conditioning. An attic exhaust fan can be installed to reduce cost of Air Conditioning.
- Plan landscaping elements that support efficient energy use:
  - -Deciduous trees provide shade during the summer and permit solar warming in winter.
  - -Evergreen trees and shrubs can create a windbreak and reduce heating costs.
  - -Position trees to shade the roof and still allow good air flow around the home.
  - -Plant shrubs and trees to shade the air conditioner without obstructing air flow around the unit.

#### Water and Water Heater

• Follow the steps outlined in the manufacturer's directions for draining water from your water heater in order to remove accumulated hard-water scale that builds up inside the tank. Timing will depend on the nature of your water supply. • Correct plumbing leaks, running toilets, or dripping faucets ASAP.

## Energy and Water Conservation - continued

#### Appliances

15

- In selecting your home's appliances, compare the information on the (yellow and black) Energy Guide sticker. Sometimes spending a bit more up front can reduce operating costs over the life of the appliance, conserving energy at the same time.
- Use cold water when operating your disposal. This not only saves hot water you pay to heat, it preserves the disposal motor.
- When baking, preheat your oven just five minutes before you use it. When possible, bake several items at the same time or at least consecutively. Turn the oven off a few minutes before baking time is done.
- Microwave rather than using the range when possible, especially during hot weather.
- Run the dishwasher when it has a full load and use the air-dry cycle. Avoid regular use of the rinse and hold cycle.
- Turn electric burners off a few minutes before cooking is complete.
- Refrigerators with the freezer on top generally use significantly less energy than side-by-side models.
   Select an appropriate size for your needs; two small refrigerators use more energy than one large one.

#### Electrical

- Use compact fluorescent lighting where possible. Incandescent bulbs are less efficient source of light.
- Turn lights and other electric items off when you finish using them or leave the room. Do not plug refrigerators or freezers into GFI protected outlet.

### Air Conditioning

#### Homeowner Use and Maintenance Guidelines

Air conditioning can greatly enhance the comfort of your home, but if it is used improperly or inefficiently, wasted energy and frustration will result. These hints and suggestions are provided to help you maximize your air conditioning system.

Your air conditioning system is a whole-house system. The air conditioning unit is the mechanism that produces cooler air. The air conditioning system involves everything inside your home including, for example, drapes, blinds, and windows.

Your home air conditioning is a closed system, which means that the interior air is continually recycled and cooled until the desired air temperature is reached. Warm outside air disrupts the system and makes cooling impossible. Therefore, you should keep all windows closed. The heat from the sun shining through windows with open drapes is intense enough to overcome the cooling effect of the air conditioning unit. For best results, close the drapes on these windows.

Time is very important in your expectations of an air conditioning system. Unlike a light bulb, which reacts instantly when you turn on a switch, the air conditioning unit only begins a process when you set the thermostat.

For example, if you come home at 6:00 p.m. when the temperature has reached 90 degrees F and set your thermostat to 75 degrees, the air conditioning unit will begin cooling, but will take much longer to reach the desired temperature. During the whole day, the sun has been heating not only the air in the house, but the walls, the carpet, and the fumiture. At 6:00 p.m. the air conditioning unit starts cooling the air, but the walls, carpet, and furniture release heat and nullify this cooling. By the time the air conditioning unit has cooled the walls, carpet, and furniture, you may well have lost patience.

If evening cooling is your primary goal, set the thermostat at a moderate temperature in the morning while the house is cooler, allowing the system to maintain the cooler temperature. The temperature setting may then be lowered slightly when you arrive home, with better results. Once the system is operating, setting the thermostat at 60 degrees will not cool the home any faster and can result in the unit freezing up and not performing at all. Extended use under these conditions can damage the unit.

#### Adjust Vents

Maximize air flow to occupied parts of your home by adjusting the vents. Likewise, when the seasons change, readjust them for comfortable heating.

#### **Compressor Level**

Maintain the air conditioning compressor in a level position to prevent inefficient operation and damage to the equipment.

#### SEE ALSO GRADING AND DRAINAGE.

#### Humidifier

If a humidifier is installed on the furnace system, turn it off when you use the air conditioning; otherwise, the additional moisture can cause a freeze-up of the cooling system.

#### Manufacturer's Instructions

The manufacturer's Handbook specifies maintenance for the condenser. Review and follow these points carefully. Since the air conditioning system is combined with the heating system, follow the maintenance instructions for your furnace as part of maintaining your air conditioning system.

### Air Conditioning - continued

#### **Temperature Variations**

Temperatures may vary from room to room by several degrees Fahrenheit. This is due to such variables as floor plan, orientation of the home on the lot, type and use of window coverings, and traffic through the home.

#### TROUBLESHOOTING TIPS: No Air Conditioning

Before calling for service, check to confirm that the:

- Thermostat is set to "cool" and the temperature is set below the room temperature.
- Blower panel cover is installed correctly for the furnace blower (fan) to operate. Similar to the way a clothes dryer door operates, this panel pushes in a button that lets the fan motor know it is safe to come on. If that button is not pushed in, the fumace will not operate.
- Air conditioner and furnace breakers on the main electrical panel are on. (Remember if a breaker trips you must turn it from the tripped position to the off position before you can turn it back on.)
- 220 switch on the outside wall near the air conditioner is on.
- Switch on the side of the furnace is on.
- Fuse in furnace is good. (See manufacturer literature for size and location.)
- Filter is clean to allow air flow.
- · Vents in individual rooms are open.
- Air returns are unobstructed.
- Air conditioner has not frozen from overuse.

Even if the troubleshooting tips do not identify a solution, the information you gather will be useful to the service provider you call.

#### Marrano/Marc Equity Limited Warranty Guidelines

The air conditioning system should maintain a temperature of 78 degrees or a differential of 15 degrees from the outside temperature, measured in the center of each room at a height of 5 feet above the floor. Lower temperature settings are often possible, but neither the manufacturer nor Marrano/Marc Equity guarantee this.

#### Compressor

The air conditioning compressor must be in a level position to operate correctly. If it settles during the warranty period, Marrano/Marc Equity will correct this.

#### Coolant

The outside temperature must be 70 degrees F or higher for the contractor to add coolant to the system. If your home was completed during winter months, this charging of the system is unlikely to be complete and will need to be performed in the spring. Although we check and document this at orientation, your call to remind us is welcome in the spring.

#### Non-emergency

Lack of air conditioning service is not an emergency. Air conditioning contractors in our region respond to air conditioning service requests during normal business hours and in the order received.

## Asphalt

## Homeowner Use and Maintenance Guidelines

Asphalt is a flexible and specialized surface. Like any other surface in your home, it requires protection from things that can damage it. Over time, the effects of weather and earth movement will cause minor settling and cracking of asphalt. These are normal reactions to the elements and do not constitute improperly installed asphalt or defective material. Avoid using your driveway for one week after it is installed. Keep people, bicycles, lawn mowers, and other traffic off of it.

## **Chemical Spills**

Asphalt is a petroleum product. Gasoline, oil, turpentine, and other solvents or petroleum products can dissolve or damage the surface. Wash such spills with soap and water immediately, and then rinse them thoroughly with plain water.

### Hot Weather

Avoid any concentrated or prolonged loads on your asphalt, particularly in hot weather. High-heeled shoes, motorcycle or bicycle kickstands, trailers, or even cars left in the same spot for long periods can create depressions or punctures in asphalt.

#### Nonresidential Traffic

Prohibit commercial or other extremely heavy vehicles such as moving vans or other large delivery trucks from pulling onto your driveway. We design and install asphalt drives for conventional residential vehicle use only: family cars, vans, light trucks, bicycles, and so on.

## Sealed Coating

Exposure to sunlight and other weather conditions will fade your driveway, allowing the surface gravel material to be more visible. This is a normal condition and not a material or structural problem. You do not need to treat the surface of your asphalt driveway. However, if you choose to treat it, wait a minimum of 12 months and use a high quality coal tar emulsion sealant. Hairline cracks will usually be filled by the sealing process. Larger cracks can be filled or patched with good quality crack filler, available at most hardware stores.

## Marrano/Marc Equity Limited Warranty

We perform any asphalt repairs by overlay patching. Marrano/Marc Equity is not responsible for the inevitable differences in color between the patch and the original surface. Seal coating can eliminate this cosmetic condition and is your responsibility.

## Alligator Cracking

If cracking that resembles the skin of an alligator develops under normal residential use, Marrano/ Marc Equity will repair it. If improper use, such as heavy truck traffic, has caused the condition, repairs will be your responsibility.

#### Settling

Settling next to your garage floor of up to 1.5 inches across the width of the driveway is normal. Settling or depressions elsewhere in the driveway of up to one inch in any 8-foot radius are considered normal. We will repair settling that exceeds these measurements.

## Thermal Cracking

Your driveway will exhibit thermal cracking, usually during the first 12 months. These cracks help your driveway adapt to heating and freezing cycles. Cracks should be evaluated in the hottest months—July or August. We will repair cracks that exceed ½ inch in width.

**Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

## Cabinets

## Homeowner Use and Maintenance Guidelines

Your selection sheets are your record of the brand, style, and color of cabinets in your home. If you selected wood or wood veneer cabinets, expect differences in grain and color between and within the cabinet components due to natural variations in wood and the way it takes stain.

#### Cleaning

Products such as lemon oil or polishes that include scratch cover are suggested for wood cabinet care. Follow container directions. Use such products a maximum of once every 3 to 6 months to avoid excessive build-up. Avoid paraffin-based spray waxes and washing cabinets with water, as both will damage the luster of the finish.

#### Hinges

If hinges catch or drawer glides become sluggish, a small amount of silicone lubricant will improve their performance.

#### Moisture

Damage to cabinet surfaces and warping can result from operating appliances that generate large amounts of moisture (such as a crock pot) too near the cabinet. When operating such appliances, place them in a location that is not directly under a cabinet.

#### Marrano/Marc Equity Limited Warranty Guidelines

During the orientation, we will confirm that all cabinet parts are installed and that their surfaces are in acceptable condition.

### Alignment

Doors, drawer fronts, and handles should be level and even.

#### Operation

Cabinets should operate properly under normal use.

#### **Separations**

We will correct gaps between cabinets and the ceiling or cabinets and the walls by caulking or other means if the gap exceeds 1/8 inch (locations behind appliances are accepted from this repair).

#### Warping

If doors or drawer fronts warp in excess of 1/4 inch within 24 inches, we will correct this by adjustment or replacement.

#### Wood Grain

Readily noticeable variations in wood grain and color are normal in all wood or wood veneer selections. Replacements are not made due to such variations

## Carpet

## Homeowner Use and Maintenance Guidelines

Your selection sheets provide a record of the brand, style, and color of floor coverings in your home. Please retain this information for future reference. Refer to the various manufacturers' recommendations for additional information on the care of your floor coverings.

#### **Burns**

Take care of any kind of burn immediately. First, snip off the darkened fibers. Then use a soapless cleaner and sponge with water. If the burn is extensive, talk with a professional about replacing the damaged area.

## Cleaning

You can add years to the life of your carpet with regular care. Carpet wears out because of foot traffic and dirt particles that get trampled deep into the pile beyond the suction of the vacuum. The dirt particles wear down the fibers like sandpaper and dull the carpet. The most important thing you can do to protect your carpet is to vacuum it frequently.

Vacuum twice each week lightly and once a week thoroughly. Heavy traffic areas may require more frequent cleaning. A light vacuuming is three passes; a thorough job may need seven passes. A vacuum cleaner with a beater-bar agitates the pile and is more effective in bringing dirt to the surface for easy removal.

Vacuuming high-traffic areas daily helps keep them clean and maintains the upright position of the nap. Wipe spills and clean stains immediately. For best results, blot or dab any spill or stain; avoid rubbing. Test stain removers on an out-of-the-way area of the carpet, such as in a closet, to check for any undesirable effects. Have your carpet professionally cleaned regularly, usually after 18 months in your home and then once a year after that.

## Crushing

Fumiture and traffic may crush a carpet's pile fibers. Frequent vacuuming in high-traffic areas and glides or cups under heavy pieces of fumiture can help prevent this. Rotating your furniture to change the traffic pattern in a room promotes more even wear. Some carpets resist matting and crushing because of their level of fiber, but this does not imply or guarantee that no matting or crushing will occur. Heavy traffic areas such as halls and stairways are more susceptible to wear and crushing. This is considered normal wear.

## Fading

Science has yet to develop a color that will not fade with time. All carpets will slowly lose some color due to natural and artificial forces in the environment. You can delay this process by frequently removing soil with vacuuming, regularly changing air filters in heating and air conditioning systems, keeping humidity and room temperature from getting too high, and reducing sunlight exposure with window coverings.

#### Filtration

If interior doors are kept closed while the air conditioning is operating, air circulation from the closed room flows through the small space at the bottom of the door. This forces the air over the carpet fibers, which in turn act as a filter, catching particulate pollution. Over time, a noticeable stain develops at the threshold.

#### See Also Ghosting

## Carpet - continued

#### Fuzzing

In loop carpets, fibers may break. Simply clip the excess fibers. If it continues, call a professional.

## Pilling

Pilling or small balls of fiber can appear on your carpet, depending on the type of carpet fiber and the type of traffic. If this occurs, clip off the pills. If they cover a large area, seek professional advice.

## Rippling

With wall-to-wall carpeting, high humidity may cause rippling. If the carpet remains rippled after the humidity has left, have a professional re-stretch the carpeting using a power stretcher, not a kneekicker.

## Seams

Carpet usually comes in 12-foot widths, making seams necessary in most rooms. The more dense and uniform the carpet texture, the more visible the seams will be.

Carpet styles with low, tight naps result in the most visible seams. Seams are never more visible than when the carpet is first installed. Usually with time, use, and vacuuming the seams become less visible. You can see examples in the model homes of how carpet seams diminish after they have been vacuumed repeatedly and have experienced traffic.

## Shading

Shading is an inherent quality of fine-cut pile carpets. Household traffic causes pile fibers to assume different angles; as a result, the carpet appears darker or lighter in these areas. A good vacuuming, which makes the pile all go in the same direction, provides a temporary remedy.

## Shedding

New carpeting, especially pile, sheds bits of fiber for a period of time. Eventually these loose fibers are removed by vacuuming. Shedding usually occurs more with wool carpeting than with nylon or other synthetics.

## Snags

Sharp-edged objects can grab or snag the carpet fiber. When this occurs, cut off the snag. If the snag is especially large, call a professional.

## **Sprouting**

Occasionally you may find small tufts of fiber sprouting above carpet surface. Simply use scissors to cut off the sprout. Do not attempt to pull it, because other fibers will come out in the process.

## Stains

No carpet is stain-proof. Although your carpet manufacturer designates your carpet as stainresistant, some substances may still cause permanent staining. These include hair dyes, shoe polish, paints, and India ink. Some substances destroy or change the color of carpets, including bleaches, acne medications, drain cleaners, plant food, insecticides, and food or beverages with strongly colored natural dyes as found in some brands of mustard and herbal tea.

Refer to your care and maintenance brochures for recommended cleaning procedures for your particular fiber. Pretest any spot-removal solution in an inconspicuous area before using it in a large area. Apply several drops of the solution, hold a white tissue on the area, and count to ten. Examine both tissue and carpet for dye transfer and check for carpet damage.

## Carpet - continued

## Static

Cooler temperatures outside often contribute to static electricity inside. To avoid the problem, look for carpets made with anti-static. You can also install a humidifier to help control static build-up.

## Marrano/Marc Equity Limited Warranty Guidelines

During your orientation, we will confirm that your carpet is in acceptable condition. We will correct stains or spots noted at this time by cleaning, patching, or replacement. Marrano/Marc Equity is not responsible for dye lot variations if replacements are made.

## **Edges**

Edges of carpet along moldings and edges of stairs should be held firmly in place. In some areas, metal or other edging material may be used where carpet meets another floor covering.

# Caulking

### Homeowner Use and Maintenance Guidelines

Time and weather will shrink and dry caulking so that it no longer provides a good seal. As routine maintenance, check the caulking and make needed repairs. Caulking compounds and dispenser guns are available at hardware stores. Read the manufacturer's instructions carefully to be certain that you select an appropriate caulk for the intended purpose.

## **Colored Caulk**

Colored caulking is available where larger selections are provided. As with any colored material, dye lots can vary.

## Latex Caulk

Latex caulking is appropriate for an area that requires painting, such as along the stair stringer or where wood trim meets the wall.

## Silicone Caulk

Caulking that contains silicone will not accept paint; it works best where water is present, for example, where tub meets tile or a sink meets a countertop.

#### Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we confirm that appropriate areas are adequately caulked.

## **One-Time Repair**

We will touch up caulking one time during your materials and workmanship period. We suggest that this be performed with your 10-month follow-up service.

See Also Countertops, Expansion And Contraction, Stairs, And Wood Trim

#### Homeowner Use and Maintenance Guidelines

Your selection sheets include the brand and color of your ceramic tile.

#### Cleaning

Ceramic tile is one of the easiest floor coverings to maintain. Simply vacuum when needed.

Occasionally, a wet mopping with warm water may be appropriate. Avoid adding detergent to the water. If you feel a cleaning agent is required, use a mild solution of warm water and dishwasher crystals (they will not result in a heavy, difficult-to-remove lather on the grout). Rinse thoroughly.

The ceramic tile installed on walls or countertops in your home may be washed with any nonabrasive soap, detergent, or tile cleaner. Abrasive cleaners will dull the finish.

#### **Grout Discoloration**

Clean grout that becomes yellowed or stained with a fiber brush, cleanser, and water. Grout cleansers and whiteners are available at most hardware stores.

## Sealing Grout

Sealing grout is your decision and responsibility. Once grout has been sealed, ongoing maintenance of that seal is necessary and limited warranty coverage on grout that has been sealed is void.

#### Separations

Expect slight separations to occur in the grout between tiles. This grout is for decorative purposes only; it does not hold the tile in place. Cracks in the grout can be filled using premixed grout purchased from flooring or hardware stores. Follow package directions.

## **Ceramic Tile**

Tile around bathtubs or countertops may appear to be pulling up after a time. This is caused by normal shrinkage of grout or caulk and shrinkage of wood members as they dry out. If this occurs, the best remedy is to purchase tub caulk or premixed grout from a hardware store. Follow directions on the container. This maintenance is important to protect the underlying surface from water damage.

#### Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we confirm that tile and grout areas are in acceptable condition. We will repair or replace cracked, badly chipped, or loose tiles noted at that time. Marrano/Marc Equity is not responsible for variations in color or discontinued patterns. New grout may vary in color from the original.

#### **One-Time Repair**

Cracks appearing in grouting of ceramic tiles at joints or junctions with other materials are commonly due to shrinkage. Marrano/Marc Equity will repair grouting, if necessary, one time during the first year. We are not responsible for color variations in grout or discontinued colored grout. Any grouting or caulking that is needed after that time is your responsibility.

## **Concrete Flatwork**

## Homeowner Use and Maintenance Guidelines

By maintaining good drainage, you protect your home's foundation and the concrete flatwork: the basement floor, porch, patio, driveway, garage floor, and sidewalks.

Concrete slabs are floating---they are not attached to the home's foundation walls. These are not a structural (load-bearing) element of the home and are covered by the one year material and workmanship warranty. Concrete patios are pinned to the foundation wall.

Movement of the basement slab or any concrete slab results in cracking. Minimize this movement by following [Builder's] landscaping recommendations, the objective of which is to prevent moisture from reaching soils around and under the home.

### Cracks

A concrete slab 10 feet across shrinks approximately 5/8 inch as it cures. Some of this shrinkage shows up as cracks. Cracking of concrete flatwork also results from temperature changes that cause expansion and contraction.

During the summer, moisture finds its way under the concrete along the edges or through cracks in the surface. In winter, this moisture forms frost that can lift the concrete, increasing the cracking. Maintaining drainage away from all concrete slabs will minimize cracking from this cause.

As cracks occur, seal them with a waterproof concrete caulk (available at hardware or home improvement stores) to prevent moisture from penetrating to the soil beneath. Cracks in control joints are a normal condition.

### **Expansion Joints**

We install expansion joints to help control expansion. However, as the concrete shrinks during the curing process, moisture can penetrate under the concrete and lift the expansion joint. When this occurs, fill the resulting gap with a gray silicone sealant, which you can purchase at most hardware stores.

### **Heavy Vehicles**

Prohibit commercial or other extremely heavy vehicles such as moving vans and other large delivery trucks from pulling onto your driveway. We design and install concrete drives for conventional residential vehicle use only: family cars, vans, light trucks, bicycles, and so on.

## Ice, Snow, and Chemicals

Driving or parking on snow creates ice on the drive, which magnifies the effects of snow on the concrete surface. Remove ice and snow from concrete slabs as promptly as possible after snow storms. Protect concrete from abuse by chemical agents such as pet urine, fertilizers, radiator overflow, or de-icing agents, such as road salt that can drip from vehicles. All of these items can cause spalling (chipping of the surface) of concrete.

#### Sealer

A concrete sealer, available at paint stores, will help you keep an unpainted concrete floor clean. Do not use soap on unpainted concrete. Instead, use plain water and washing soda or, if necessary, a scouring powder.

## Marrano/Marc Equity Limited Warranty Guidelines

Concrete slabs are floating – they are not attached to the home's foundation walls. Because these slabs are not a structural (load-bearing) element of the home, they are excluded from coverage under the structural warranty.

## Concrete Flatwork - continued

### Color

Concrete slabs vary in color. Marrano/Marc Equity provides no correction for this condition.

## Level Floors

Concrete floors in the habitable areas of the home will be level to within 1/4 inch within any 32-inch measurement with the exception of an area specifically designed to slope toward a floor drain.

## Separation

Marrano/Marc Equity will correct separation of concrete slabs from the home if separation exceeds one inch.

## Settling or Heaving

Marrano/Marc Equity will repair slabs that settle or heave in excess of 1 inch or if such movement results in negative drainage (toward the house) or hazardous vertical displacement.

## Spalling (Surface Chips)

Causes of spalling include animal urine, radiator overflow, fertilizer, uncleared snow and ice, icemelting agents, and road salts from vehicles. Repair of spalling is a home maintenance task.

## Standing Water

Water may stand on exterior concrete slabs for several hours after precipitation or from roof runoff. Marrano/Marc Equity will correct conditions that cause water to remain longer than 12 hours unless it is from roof run-off or melting snow or ice.

## Condensation

#### Homeowner Use and Maintenance Guidelines

When warm, moist air comes into contact with cooler surfaces, the moisture condenses. Outside we see this as dew; inside you may see it as a layer of moisture on glass windows and doors. This condensation comes from high humidity within the home combined with low outside temperatures and inadequate ventilation. Family lifestyle significantly influences two out of three of these conditions.

### Humidifier Operation

If your home includes a humidifier, closely observe manufacturer's directions for its use. Instructions to turn the humidifier off during air conditioning season are typical. Moderate settings in winter can maintain desired comfort levels without contributing too much moisture to your home. You may need to experiment to find the correct level for your family's lifestyle. If you have water accumulating on your windows, turn off your humidifier.

## Mold

In extreme cases, condensation forming on windows, if left unchecked, will cause window sills to mold. If condensation appears on your windows or window sills, wipe them with a clean dry cloth and begin to ventilate your home.

#### See Also Mold And Ventilation Sections

## **New Construction**

Some experts have estimated that a typical new home contains 50 gallons of water. Water is part of lumber, concrete, drywall texture, paint, caulk, and other materials used in building. Wet weather during construction adds more. This moisture evaporates into the air as you live in your home-- adding to the moisture generated by normal living activities. Over time, this source of moisture will diminish.

## Normal Activities

As you live in your home, your daily lifestyle contributes to the moisture in the air also. Cooking, laundry, baths and showers, aquariums, plants, and so on all add water to the air in your home. Likewise, your daily routine can mitigate the amount of moisture in your home and reduce condensation on interior surfaces.

### Temperature

Avoid setting your thermostat at extreme temperatures. Heating your home will cause the materials to dry out faster, generating more moisture into the air; drying the materials out too fast also increases shrinkage cracks and separations.

## Ventilation

Develop the habit of using exhaust fans in bathrooms and over the stove. When weather conditions permit, open windows so fresh air can circulate through your home. Keep the dryer exhaust hose clean and securely connected. When possible, open drapes and blinds to allow air to circulate.

## Marrano/Marc Equity Limited Warranty Guidelines

Condensation results from weather conditions and a family's lifestyle. Marrano/Marc Equity has no control over these factors. The limited warranty coverage excludes condensation

## Countertops

## Homeowner Use and Maintenance Guidelines

Use a cutting board to protect your counters when you cut or chop. Protect the counter from heat and from extremely hot pans. If you cannot put your hand on it, do not put it on the counter. Do not use countertops as ironing boards and do not set lighted cigarettes on the edge of the counter.

## Caulking

The caulking between the countertop and the wall, along the joint at the backsplash (the section of counter that extends a few inches up the wall along the counter area), and around the sink may shrink, leaving a slight gap. Maintaining a good seal in these locations is important to keep moisture from reaching the wood under the laminates and to prevent warping.

### Cleaning

Avoid abrasive cleaners that will damage the luster of the surface.

#### Mats

Rubber drain mats can trap moisture beneath them, causing the laminated plastic to warp and blister. Dry the surface as needed.

See Also Ceramic Tile.

## Marrano/Marc Equity Limited Warranty Guidelines

During your orientation we confirm that all countertops are in acceptable condition. We repair noticeable surface damage such as chips, cracks, and scratches noted on the orientation list. Repair of surface damage noted subsequent to this is one of your home maintenance responsibilities.

#### Laminates

Laminated countertops will have one or more discernible seams. Marrano/Marc Equity will repair gaps or differential at the seams that exceed 1/16 inch.

## Manufactured Marble

Edges should be smooth and even. Where backsplash joints occur at corners, the top edges should be even within 1/16 inch.

### Separation from Wall

Separation of countertops from walls, backsplash, and around sinks results from normal shrinkage of materials. Marrano/Marc Equity will re-caulk these areas one time during the materials and workmanship warranty. Subsequently caulking will be your home maintenance responsibility.

## **Doors and Locks**

### Homeowner Use and Maintenance Guidelines

The doors installed in your home are wood products subject to such natural characteristics of wood as shrinkage and warpage. Natural fluctuations caused by humidity and the use of forced air furnaces, showers, and dishwashers, interior doors may occasionally require minor adjustments.

#### **Bifold Doors**

Interior bifolds sometimes stick or warp because of weather conditions. Apply a silicone lubricant to the tracks to minimize this inconvenience.

#### **Exterior Finish**

To ensure longer life for your exterior wood doors, plan to refinish them at least once a year. Stained exterior doors with clear finishes tend to weather faster than painted doors. Treat the finish with a wood preserver every three months to preserve the varnish and prevent the door from drying and cracking. Reseal stained exterior doors whenever the finish begins cracking or crazing.

#### Hinges

You can remedy a squeaky door hinge by removing the hinge pin and applying a silicone lubricant to it. Avoid using oil, as it can gum up or attract dirt. Graphite works well as a lubricant but can create a gray smudge on the door or floor covering beneath the hinge if too much is applied.

#### Keys

Keep a duplicate privacy lock key where children cannot reach it in the event a youngster locks him-or herself in a room. The top edge of the door casing is often used as a place to keep the key. A small screwdriver or similarly shaped device can open some types of privacy locks.

#### Locks

Lubricate door locks with graphite or other waterproof lubricant. Avoid oil, as it will gum up.

#### Shrinkage

Use putty, filler, or latex caulk to fill any minor separations that develop at mitered joints in door trim. Follow with painting. Panels of wood doors shrink and expand in response to changes in temperature and humidity. Touching up the paint or stain on unfinished exposed areas is your home maintenance responsibility.

#### Slamming

Slamming doors can damage both doors and jambs and can even cause cracking in walls. Teach children not to hang on the doorknob and swing back and forth; this works loose the hardware and causes the door to sag.

#### Sticking

The most common cause of a sticking door is the natural expansion of lumber caused by changes in humidity. When sticking is caused by swelling during a damp season, do not plane the door unless it continues to stick after the weather changes.

Before planing a door because of sticking, try two other steps: first, apply either a paste wax, light coat of paraffin, or candle wax to the sticking surface; or second, tighten the screws that hold the door jamb or door frame. If planing is necessary even after these measures, use sandpaper to smooth the door and paint the sanded area to seal against moisture.

#### Warping

If a door warps slightly, keeping it closed as much as possible often returns it to normal.

## Doors and Locks - continued

## Weather Stripping

Weather stripping and exterior door thresholds occasionally require adjustment or replacement.

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we confirm that all doors are in acceptable condition and correctly adjusted. Marrano/Marc Equity will repair construction damage to doors noted on the orientation list.

## Adjustments

Because of normal settling of the home, doors may require adjustment for proper fit. Marrano/ Marc Equity will make such adjustments.

## Panel Shrinkage

Panels of wood doors shrink and expand in response to changes in temperature and humidity. Although touching up the paint or stain on unfinished exposed areas is your home maintenance responsibility, Marrano/Marc Equity will repair split panels that allow light to be visible.

## Warping

Marrano/Marc Equity will repair doors that warp in excess of 1/4 inch.

## Drywall

### Homeowner Use and Maintenance Guidelines

Slight cracking, nail pops, or seams may become visible in walls and ceilings. These are caused by the shrinkage of the lumber, variances in climate (humidity & temperature), and normal deflection of lumber to which the drywall is attached.

### Ceilings

The ceilings in your home are easy to maintain: periodically remove dust or cobwebs as part of your normal cleaning and repaint as needed.

#### Repairs

With the exception of the one-time repair service provided by Marrano/Marc Equity, care of drywall is your maintenance responsibility. Most drywall repairs can be easily made. This work is best done when you redecorate the room.

Repair hairline cracks with a coat of paint. You can repair slightly larger cracks with drywall compound and tape. To correct a fastener pop; either scrape head and use screwdriver for a screw or to reset the nall with a hammer and punch. Cover it with drywall compound, which is available at paint and hardware stores. Apply two or three thin coats. When dry, sand the surface with fine-grain sandpaper, and then paint. You can fill indentations caused by sharp objects in the same manner.

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation, we confirm that drywall surfaces are in acceptable condition.

### **One Time Repairs**

One time during the 10-month follow-up service, Marrano/Marc Equity will repair drywall shrinkage cracks and fastener pops and will touch up the repaired area using the same paint color that was on the surface when the home was delivered. Touchups will be visible.

Repainting the entire wall or the entire room to correct this is your choice and responsibility. You are also responsible for custom paint colors or wallpaper that has been applied subsequent to closing. Due to the effects of time on paint and wallpaper, as well as possible dye lot variations, touch-ups are unlikely to match the surrounding area.

## Lighting Conditions

Marrano/Marc Equity does not repair drywall flaws that are only visible under particular lighting conditions.

## **Related Warranty Repairs**

If a drywall repair is needed as a result of other warranty-based repair (such as a plumbing or roof leak), Marrano/Marc Equity completes the repair by touching up the repaired area with the same paint that was on the surface when the home was delivered. If more than one-third of the wall is involved, we will repaint the wall corner to corner. You are responsible for custom paint colors or wallpaper that has been applied subsequent to closing. The effects of time on paint and wallpaper, as well as possible dye lot variations, mean touch-up may not match the surrounding area.

## **Electrical System**

#### Homeowner Use and Maintenance Guidelines

Know the location of the breaker panel; it includes a main shut-off that controls all the electrical power to the home. Individual breakers control the separate circuits. Each breaker is marked to help you identify which breaker is connected to which major appliances, outlets, or other service. Should a failure occur in any part of your home, always check the breakers in the main panel box.

#### **Breakers**

Circuit breakers have three positions: on, off, and tripped. When a circuit breaker trips, it must first be turned off before it can be turned on. Switching the breaker directly from tripped to on will not restore service.

### **Breakers Tripping**

Breakers trip because of overloads caused by plugging too many appliances into the circuit, a worn cord or defective appliance, or operating an appliance with too high a voltage requirement for the circuit. The starting of an electric motor can also trip a breaker.

If any circuit trips repeatedly, unplug all items connected to it and reset. If it trips when nothing is connected to it, you need an electrician. If the circuit remains on, one of the items you unplugged is defective and will require repair or replacement.

#### Buzzing

Fluorescent fixtures use transformer action to operate. This action sometimes causes a buzzing.

#### Fixture Location

We install light fixtures in the locations indicated on the plans. Moving fixtures to accommodate specific furniture arrangements or room use is your responsibility.

#### GFCI (Ground-Fault Circuit-Interrupters)

GFCI receptacles have a built-in element that senses fluctuations in power. Quite simply, the GFCI is a circuit breaker. Building codes require installation of these receptacles in bathrooms, the kitchen, outside, and the garage (areas where an individual can come into contact with water while holding an electric appliance or tool). Heavy appliances such as freezers or power tools will trip the GFCI breaker.

Caution: never plug a refrigerator or food freezer into a GFCI-controlled outlet. The likelihood of the contents being ruined is high and the limited warranty does not cover such damage.

Each GFCI circuit has a test and reset button. Once each month, press the test button. This will trip the circuit. To return service, press the reset button. If a GFCI breaker trips during normal use, it may indicate a faulty appliance and you will need to investigate the problem. One GFCI breaker can control up to three or four outlets.

#### Grounded System

Your electrical system is a three-wire grounded system. Never remove the bare wire that connects to the box or device.

#### Light Bulbs

You are responsible for replacing burned-out bulbs other than those noted during your orientation.

#### Luminous Light Panels

Translucent panels covering ceiling lights are made of polystyrene plastic. To clean, gently push up, tilting the panel slightly and remove it from the fixture frame. Wash with a diluted (1 to 2 percent) solution of mild detergent and warm water.

32

## Electrical System - continued

Do not rinse; the soap film that remains reduces static electricity that attracts dust.

Over time, the plastic panel may yellow and will become brittle and may need to be replaced if it cracks or breaks. Replacement material can be found at home center and hardware stores. Most suppliers will cut the panel to fit so if you need to purchase a replacement, be sure to note the size you need.

Bulbs for these fixtures can be purchased at home centers or hardware stores. Avoid exceeding the wattage indicated inside the fixture.

#### **Modifications**

If you wish to make any modifications, contact the electrician listed on the Emergency Phone Numbers you receive at the orientation. Having another electrician modify your electrical system during the warranty period can void that portion of your limited warranty.

#### Outlets

If an outlet is not working, check first to see if it is controlled by a wall switch or GFCI. Next, check the breaker.

If there are small children in the home, install safety plugs to cover unused outlets. This also minimizes the air infiltration that sometimes occurs with these outlets. Teach children to never touch electrical outlets, sockets, or fixtures.

#### Underground Cables

Before digging, check the location of buried service leads by calling the local utility locating service. In most cases, wires run in a straight line from the service panel to the nearest public utility pad. Maintain positive drainage around the foundation to protect electrical service connections.

#### Under-or Over-Cabinet Lights

The selection of optional under- or over-cabinet lighting provides either task lighting or atmosphere to your kitchen. We suggest you note the size and type of bulbs in these fixtures and keep replacements on hand.

## Troubleshooting Tips: No Electrical Service No Electrical Service Anywhere in the Home

Before calling for service, check to confirm that the:

- Service is not out in the entire area. If so, contact the utility company.
- Main breaker and individual breakers are all in the on position.

## No Electrical to One or More Outlets

Before calling for service, check to confirm that the:

- Main breaker and individual breakers are all in the on position.
- Applicable wall switch is on
- GFCI is set (see details on GFCIs, earlier in this section)
- · Item you want to use is plugged in
- · Item you want to use works in other outlets
- · Bulb in the lamp is good

Even if the troubleshooting tips do not identify a solution, the information you gather will be useful to the service provider you call

## Electrical System - continued

#### Marrano/Marc Equity Limited Warranty Guidelines

During the orientation, we confirm that light fixtures are in acceptable condition and that all bulbs are working. Marrano/Marc Equity's limited warranty excludes any fixture you supplied.

### **Designed Load**

Marrano/Marc Equity will repair any electrical wiring that fails to carry its designed load to meet specifications. If electrical outlets, switches, or fixtures do not function as intended, Marrano/Marc Equity will repair or replace them.

#### GFCI (Ground-Fault Circuit-Interrupters)

Marrano/Marc Equity is not responsible for food spoilage that results from your plugging refrigerators or freezers into a GFCI outlet.

#### **Power Surge**

Power surges are the result of local conditions beyond the control of Marrano/Marc Equity and are excluded from limited warranty coverage. These can result in burned-out bulbs or damage to sensitive electronic equipment such as TVs, alarm systems, and computers. Damage resulting from lightning strikes are excluded from limited warranty coverage.

## **Expansion and Contraction**

## Homeowner Use and Maintenance Guidelines

Changes in temperature and humidity cause all building materials to expand and contract. Dissimilar materials expand or contract at different rates. This movement results in separation between materials, particularly dissimilar ones. You will see the effects in small cracks in drywall and in paint, especially where moldings meet drywall, at mitered corners, and where tile grout meets tub or sink. While this can alarm an uninformed homeowner, it is normal.

Shrinkage of the wood members of your home is inevitable and occurs in every new home. Although this is most noticeable during the first year, it may continue beyond that time. In most cases, caulk and paint are all that you need to conceal this minor evidence of a natural phenomenon. Even though properly installed, caulking shrinks and cracks. Maintenance of caulking is your responsibility.

## Marrano/Marc Equity Limited Warranty

Marrano/Marc Equity provides one-time repairs at 10-month follow-up service to many of the effects of expansion and contraction. See individual categories such as drywall and caulk for details.

## Fireplace - Wood Burning

#### Homeowner Use and Maintenance Guidelines See Also Fire Prevention.

Most of us feel a fireplace is an excellent way to create a warm, cozy atmosphere. However, without sufficient information, your use of the fireplace can result in heat (and dollars) being wasted. To help prevent that, consider the following points.

Look upon burning a fire as a luxury that adds much to the atmosphere but just a little to the heat in a home. About 10 percent of the heat produced by a fire is radiated into the house. In many older homes, the air used by the fireplace for combustion is replaced with cold outside air drawn in through cracks around doors and windows. However, your home is constructed so tightly that this does not happen. We install a fresh air vent to supply the fireplace with combustion air and reduce the amount of heated air the fire draws from your house. Open this vent before starting the fire as you do the damper.

Close the damper and cold air vent when the fireplace is not in use. Leaving these open is equivalent to having an open window in the house. If the fire is still burning, but you are finished enjoying it, use glass doors to prevent heated air from being drawn up the chimney until your damper can be closed.

One caution on the use of glass doors: do not close them over a roaring fire, especially if you are burning hard woods (such as oak or hickory) because this could break the glass. Also, when closing the doors over a burning fire, open the mesh screens first. This prevents excessive heat build-up on the mesh, which might result in warping or discoloration. Your objective in building a fire should be a clean, steady, slow-burning fire. Begin with a small fire to allow the components of the fireplace to heat up slowly. Failure to do so may damage the fireplace and can void the warranty. Start the fire by burning kindling and newspaper under the grate; two to three layers of logs stacked with air space between, largest logs to the rear, works best. One sheet of paper burned on top of the stack will help the chimney start to draw. Any logs 6 inches in diameter or larger should be split.

# Caution: do not burn trash in the fireplace and never use any type of liquid fire starter.

Remove old ashes and coals from under the grate when completely cool. A light layer is desirable as an insulator and will help to reflect heat.

#### Spark Arrester

If the spark arrester becomes clogged, the diminished air flow will affect the performance of the fireplace and may be a fire hazard. Have the arrester cleaned professionally when needed.

#### **Chimney Cleaning**

Creosote and other wood-burning by-products accumulate inside the flue over a period of time. This build-up can be a fire hazard. The way you use your fireplace and the type of wood you burn determine the frequency of your chimney cleanings. For instance, burning soft woods or improperly seasoned woods necessitates more frequent cleaning. Hire a qualified chimney sweep for this cleaning.

#### Cracks

Normal shrinkage of mortar results in hairline cracks in masonry. Marrano/Marc Equity will repair cracks that exceed 1/8 inch in width. The repair consists of pointing or patching and the mortar color will be matched as closely as possible, but expect some variation.

#### 37

## Fireplace - Wood Burning - continued

Exterior masonry may have chips, irregular surfaces, and color variations, which occur during manufacturing, shipping, or handling. Unless such conditions affect the structural integrity of the home, no repair is provided.

## **Discoloration**

Discoloration of the firebox or brick is a normal result of use and requires no corrective action. Mortar-style fireplaces may develop cracks due to temperature changes and other factors.

#### Downdraft

Although extremely high winds can result in a downdraft, this condition should be temporary and occasional. We will determine and correct continuous malfunction if caused by a construction or design defect.

#### **Glass Doors**

During the orientation we confirm that glass fireplace doors, when included with the home, are in acceptable condition. Typical glass cleaners are not are not acceptable cleaning agents for fireplace glass doors. Fireplace door cleaner can be purchased at your local fireplace distributor.

#### Water Infiltration

In unusually heavy or prolonged precipitation, especially when accompanied by high winds, some water can enter the home through the chimney. The limited warranty excludes this occurrence.

Marrano/Marc Equity offers direct-vent gas fireplaces. If you ordered this type of fireplace, it is demonstrated during the orientation. Read and follow all manufacturers' directions. A slight delay between turning the switch on and flame ignition is normal. The flames should ignite gently and silently. If you notice any deviation from this and any gas smell, immediately shut off the switch and report it to the gas company.

Excessive winds can cause a downdraft, which can blow out the pilot, requiring you to relight it before using the fireplace.

Caution: the exterior vent cover for a direct-vent gas fireplace becomes extremely hot when the fireplace is operating.

## Marrano/Marc Equity Limited Warranty Guidelines

Fireplaces are not intended to be the sole heat source in the home. The fireplace should function properly when Marrano/Marc Equity's and the manufacturer's directions are followed.

## Foundation

#### Homeowner Use and Maintenance Guidelines

We install the foundation of your home according to the recommendations of our consulting engineer. The walls of the foundation are poured concrete with steel reinforcing rods. To protect your home's foundation, follow guidelines for installation and maintenance of landscaping and drainage in this Handbook.

### Cracks

Even though an engineer designed the foundation and we constructed it according to engineering requirements, surface cracks can still develop in the wall. Surface cracks are not detrimental to the structural integrity of your home.

#### Dampness

Due to the amount of water in concrete, basements may be damp. Condensation can form on water lines and drip onto the floor. We recommend the use of a de-humidifier to keep dampness under control.

#### Future Construction in Basement

If you decide to perform additional construction in the basement, obtain guidelines from a licensed engineer, obtain a building permit, and comply with all codes and safety requirements. Marrano/ Marc Equity does not warrant that you will be able to obtain such a permit because of the possibility that building codes may change.

## Marrano/Marc Equity Limited Warranty Guidelines

The foundation of your home has been designed and installed according to the recommendations of an engineer.

#### **Cosmetic Imperfections**

Slight cosmetic imperfections in foundation walls, such as a visible seam where two pours meet or slight honeycombing (aggregate visible), are possible and require no repair unless they permit water to enter.

#### Cracks

Shrinkage or settling cracks are not unusual in foundation walls, especially at the comers of basement windows. Marrano/Marc Equity will seal cracks that exceed 1/4 inch in width.

#### Leaks

Marrano/Marc Equity will correct conditions that permit water to enter the basement, provided you have complied with the drainage, landscaping, and maintenance guidelines.

#### Water Proofing System

Your house has been surrounded with a water resistant vapor barrier. This system has a Manufacturers' Warranty provided the product has not been compromised. Please see the Manufacturers Warranty for details.

## Garage Overhead Door

## Homeowner Use and Maintenance Guidelines

Since the garage door is a large, moving object, periodic maintenance is necessary.

## Light Visible

Garage overhead doors cannot be airtight. Some light will be visible around the edges and across the top of the door. Weather conditions may result in some precipitation entering around the door as well as some dust especially until most homes in the community have landscaping installed.

At bottom seal, try to keep snow and ice build up from under door and corners. Strong gusts of wind may blow water and snow under door, this is a normal situation.

### Lock

If the lock becomes stiff, apply a silicone or graphite lubricant. Do not use oil on a lock, as it will stiffen in winter and make the lock difficult to operate.

## Lubrication

Every 6 months (or more often if required), apply a lubricant such as silicone spray to all moving parts: track, rollers, hinges, pulleys, and springs. Avoid over lubricating to prevent drips on vehicles or the concrete floor. At the same time, check to see that all hardware is tight and operating as intended without binding or scraping.

## Opener

To prevent damage to a garage door opener, be sure the door is completely unlocked and the ropepull has been removed before using the operator. If you have an opener installed after closing on your home, we suggest that you order it from the company that provided and installed the garage door to assure uninterrupted warranty coverage. Be familiar with the steps for Handbook operation of the door in the event of a power failure.

If Marrano/Marc Equity installed a door opener as one of your selections, during orientation we demonstrate the electric eye that provides a safety stop in the event someone crosses through the opening while the overhead door is in motion. Use care not to place tools or other stored items where they interfere with the function of the electric eye.

Realigning or adjusting the safety sensor is the customer's responsibility; it not considered a warranty issue. Refer to owners manual.

Expect to replace the battery in the garage opener remote controls about once a year. The battery is usually a 3 volt Lithium. If provided, the keyless pad uses a 9 volt battery.

## Painting-(if applicable)

Repaint the garage door when you repaint your home, or more often if needed to maintain a satisfactory appearance.

## Garage Overhead Door - continued

## Safety

Follow the manufacturer's instructions for safe and reliable operation. Do not allow anyone except the operator near the door when it is in motion. Keep hands and fingers away from all parts of the door except the handle. Do not allow children to play with or around the door.

For your safety, after the expiration of the one-year warranty, have any needed adjustments made by a qualified specialist. The door springs are under a considerable amount of tension and require special tools and knowledge for accurate and safe servicing. Have the door inspected by a professional garage door technician after any significant impact to the door.

### Marrano/Marc Equity Limited Warranty Guidelines

The garage door should operate smoothly and with reasonable ease. The door can become misaligned and require adjustment, which Marrano/Marc Equity will provide within the first year unless the problem is caused by the installation of a garage door opener subsequent to closing on the home.

# Gas Shut-Offs

41

## Homeowner Use and Maintenance Guidelines

You will find shut-offs on gas lines near their connection to each item that operates on gas. In addition, there is a main shut-off at the meter. We point these out during the orientation.

## Gas Leak

.

If you suspect a gas leak, leave the home and call the gas company immediately for emergency service.

## Marrano/Marc Equity Limited Warranty Guidelines

The gas company is responsible for leaks up to the meter. Marrano/Marc Equity will correct leaks from the meter into the home.

## Ghosting

#### Homeowner Use and Maintenance Guidelines

Recent feedback from homeowners (in both old and new homes) regarding black sooty stains which develop on surfaces in homes (on carpet, walls, ceilings, appliances, mirrors, and around area rugs—to list a few examples) have caused much investigation and research.

The conclusion of the research and laboratory tests has been that the majority of this staining or "ghosting" results from pollution of the air in the home caused by burning scented candles. Incomplete combustion of hydrocarbons as these candles burn contributes a considerable amount of soot to the air. This sooty substance then settles or accumulates on surfaces of the home. The sooty deposits are extremely difficult to remove; on some surfaces (light-colored carpet, for instance), they are impossible to clean completely away.

The popularity of scented candles has increased many-fold in recent years. If this is an activity that is part of your lifestyle, we caution you about the potential damage to your home. When this condition results from homeowners burning candles or other lifestyle choices, the resulting damage is excluded from our limited warranty coverage.

#### See Also Carpet/Filtration.

## Grading and Drainage

## Homeowner Use and Maintenance Guidelines

The final grades around your home have been inspected and approved for proper drainage of your lot. Our surveyor completes a drainage certification and then the local building authorities as well as Marrano/Marc Equity inspect the site. Yards drain from one to another. You and your neighbors share an overall drainage plan for the community. Use caution when installing landscaping, fencing, or additions to your home to prevent causing water problems on adjacent lots.

### Drainage

Maintain the slopes around your home to permit the water to drain away from the home as rapidly as possible. This is essential to protect your foundation. Failure to do so can result in major structural damage and will void your warranty.

## **Exterior Finish Materials**

Maintain soil levels below siding, stucco, brick, or other exterior finish materials. Contact with the soil can cause deterioration of the exterior finish material and encourages pest infestations.

## Roof Water

Do not remove the splash blocks or downspout extensions from under the downspouts. Keep these in place at all times, sloped so the water drains away from your home quickly.

## Rototilling

Rototilling can significantly change drainage swales. You can minimize this by rototilling parallel to the swales rather than across them.

## Settling

The area we excavated for your home's foundation was larger than the home to allow room to work. In addition, some trenching is necessary for installation of utility lines. Although we replaced and compacted the soil, it does not return to its original density. Some settling will occur, especially after prolonged or heavy rainfall or melting of large amounts of snow. Settling can continue for several years. Inspect the perimeter of your home regularly for signs of settling and fill settled areas as needed to maintain positive drainage.

## Subsurface Drains

Occasionally Marrano/Marc Equity installs a subsurface drain to ensure that surface water drains from a yard adequately. Keep this area and especially the drain cover clear of debris so that the drain can function as intended.

### See Also Landscaping. *Marrano/Marc Equity Limited Warranty Guidelines*

We established the final grade to ensure adequate drainage away from the home. Maintaining this drainage is your responsibility. If you alter the drainage pattern after closing, or if changes in drainage occur due to lack of maintenance, the limited warranty is vold.

## **Backfill Settlement**

Backfilled or excavated areas around the foundation and at utility trenches should not interfere with the drainage away from your home. If these areas settle greater than 6" during the first year, Marrano/Marc Equity will fill the areas one time at your 10-month follow up service and subsequently will provide you with fill dirt to maintain positive drainage.

#### Erosion

Marrano/Marc Equity is not responsible for weathercaused damage to unlandscaped yards after the final grade has been established or the closing date, whichever occurs last

## Grading and Drainage - continued

### **New Sod**

New sod installation and the extra watering that accompanies it can cause temporary drainage problems, as can unusually severe weather conditions.

#### Recommendations

Marrano/Marc Equity documents the grades that exist at the time of delivery of your home or as soon thereafter as possible. The ground must be dry and free of frost to make these determinations. Once final grades are set, Marrano/Marc Equity will inspect drainage problems reported in writing during the warranty period, compare grades to those originally established, and advise you on corrective actions you might take.

#### Swales

Marrano/Marc Equity does not alter drainage patterns to suit individual landscape plans. Typically, a lot receives water from and passes water on to other lots, so changes in grade often affect adjacent or nearby lots. Marrano/Marc Equity advises against making such changes. After heavy rain or snow, water may stand in swales up to 24 hours.

#### **Under Concrete**

Marrano/Marc Equity will fill visible sunken areas under concrete during the first year.

#### Winter Grading

Due to weather conditions, especially during winter and early spring, the final grade may not have been established at the time of closing. We document the status of your grading at the time of delivery. When conditions permit, grading work will continue. Confirm that we have completed your grading before beginning landscaping. **Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

## **Gutters and Downspouts**

### Homeowner Use and Maintenance Guidelines

Check gutters periodically and remove leaves or other debris. Materials that accumulate in gutters can slow water drainage from the roof, cause overflows, and clog the downspouts.

## Extensions or Splash blocks

Extensions should discharge outside of rock or bark beds so that water is not dammed behind the edging materials that might be used.

#### Ladders

Use caution when leaning ladders against gutters, as this may cause dents.

#### Leaks

If a joint between sections of gutter drips, caulk the inside joint using a commercial gutter caulking compound available at hardware stores.

#### Snow and Ice

Clear excess snow from downspouts as soon as possible to allow the gutter to drain and to prevent damage. Severe ice or snow build-up can damage gutters, and such damage is not covered by the limited warranty.

#### See Also Roof/Ice Dam.

## Marrano/Marc Equity Limited Warranty Guidelines

Gutters over 3 feet long are installed with a slight slope so that roof water will flow to the downspouts.

#### Leaks

We correct leaks that occur during the warranty period.

#### **Overflow**

Gutters may overflow during periods of excessively heavy rain. This is expected and requires no repair.

#### Standing Water

Small amounts of water (up to one inch) will stand for short periods of time in gutters immediately after rain. No correction is required for these conditions.

**Note:** If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item.

## Hardware

## Homeowner Use and Maintenance Guidelines

Doorknobs and locks should operate correctly with little attention. Over time, they may need slight adjustments due to normal shrinkage of the framing. Occasionally, you may need to tighten screws or lubricate.

## Marrano/Marc Equity Limited Warranty Guidelines

We confirm that all hardware is in acceptable condition during orientation. The limited warranty excludes repairs for cosmetic damage subsequent to the orientation.

Marrano/Marc Equity will repair hardware items that do not function as intended.

# Hardwood Floors

## Homeowner Use and Maintenance Guidelines

In daily care of hardwood floor, preventive maintenance is the primary goal.

## Cleaning

Sweep or vacuum on a daily basis or as needed. A hardwood floor should never be wet mopped. Excessive water causes wood to expand and can possibly damage the floor. Check with the hardwood company if your floor has a water-based finish. Use general maintenance products designed for the care of your hardwood floor or ask your authorized dealer. Always clean your hardwood lengthwise.

## **Dimples**

Placing heavy furniture or dropping heavy or sharp objects on hardwood floors can result in dimples.

## Filmy Appearance

A white, filmy appearance can result from moisture, often from wet shoes or boots.

## Furniture Legs

Install proper floor protectors on furniture placed on hardwood floors. Protectors will allow chairs to move easily over the floor without scuffing. Regularly clean the protectors to remove any grit that may have accumulated. Keep in mind, repeated use over time will scuff floor. When moving heavy furniture, carry it or place it on a rug, wrong side up, and slide the rug.

## Humidity

Wood floors respond noticeably to changes in humidity in your home. Especially during winter months the individual planks or pieces expand and contract as humidity changes. Problems related to humidity level variations can be minimized by proper ventilation, dehumidifying or heating.

## Mats and Area Rugs

Use protective mats at the exterior doors to help prevent sand and grit from getting on the floor. Gritty sand is wood flooring's worst enemy. However, be aware that rubber backing on area rugs or mats can cause yellowing and warping of the floor surface.

### Pets

Be sure to keep pets' nails trimmed and clean as they could damage the finish of your hardwood floor. Although the finish is very durable and resistant, sharp and pointed objects can cause damage to your floor.

### Separation

Expect some shrinkage around heat vents or any heat-producing appliances, or during seasonal weather changes.

#### See also Warping.

### Shoes

High heels should never be wom on hardwood floors. A woman weighing 125 pounds will exert over 2,000 pounds of pressure per square inch on the floor. That's enough to damage your hardwood floor.

## Spills

Clean up food spills immediately with a dry cloth.

## **Splinters**

When floors are new, small splinters of wood can appear.

## Traffic Paths

A dulling of the finish in heavy traffic areas is likely.

## Hardwood Floors - continued

#### Warping

Warping will occur if the floor repeatedly becomes wet or is thoroughly soaked even once. Slight warping in the area of heat vents or heat-producing appliances is also typical.

### Wax

Never use wax, household detergents or soap; they will leave a greasy film on your floor which can be very slippery. Once you wax a polyurethane finish floor, recoating is difficult because the new finish will not bond to the wax. The preferred maintenance is preventive cleaning and recoating annually or as needed to maintain the desired luster.

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we will confirm that hardwood floors are in acceptable condition. We will correct any readily noticeable cosmetic defects listed during the orientation. You are responsible for routine maintenance of hardwood floors.

#### Separations

Shrinkage will result in separations between the members of hardwood floors. If these exceed 1/8 inch, Marrano/Marc Equity will fill them one time. Marrano/Marc Equity is not responsible for removing excess filler that appears on the surface if the boards expand due to subsequent changes in humidity and expel the filler.

## Heating System: Gas Forced Air

## Homeowner Use and Maintenance Guidelines

Good maintenance of your furnace can save energy dollars and prolong the life of the furnace. Carefully read and follow the manufacturer's literature on use and maintenance. The guidelines here include general information only.

## Adjust Vents

Experiment with the adjustable registers in your home to establish the best heat flow for your lifestyle. Generally, you can reduce the heat in seldom-used or Interior rooms. This is an individual matter and you will need to balance the system for your own family's needs.

## **Avoid Overheating**

Do not overheat your new home. Overheating can cause excessive shrinkage of framing lumber and may materially damage the home. In the beginning, use as little heat as possible and increase it gradually.

## Blower Panel (Fan cover)

You need to position the blower panel cover correctly for the fumace blower (fan) to operate. This panel compresses a button that tells the blower it is safe to operate. Similar to the way a clothes dryer door operates, this panel pushes in a button that lets the fan motor know it is safe to come on. If that button is not pushed in, the furnace will not operate.

## **Combustion Air**

Some Town's require a combustion air duct for the furnace. If so, the outside end of this duct is covered with a screen to minimize insect or animal from entering the duct. Cold air coming in though this duct means it is functioning as it should.

Caution: never cover or block the combustion air vent in any way. Outside air is needed to supply the furnace with sufficient oxygen. Blocking the combustion air vent will cause the furnace to draw air down the vent pipe and pull poisonous gases back into your home.

## **Duct Cleaning**

Exercise caution before spending money on professional ductwork cleaning services. A study by the EPA found no proof that ductwork cleaning improves indoor air quality, nor was evidence found that it prevents health problems. For more information contact the EPA and request document EPA-402-K-97-002. Or you can view this information on their Website: www.epa.gov/iaq/ pubs/.

### **Ductwork Noise**

Some popping or pinging sounds are the natural result of ductwork heating and cooling in response to airflow as the system operates.

## **Furnished Home**

The heating system was designed with a furnished home in mind. If you move in during the cooler part of the year and have not yet acquired all of your draperies and furnishings, the home may seem cooler than you would expect

## Heating System: Gas Forced Air - continued

## Fuse

Some furnaces have a fuse directly above the on-off switch. This fuse is an S10, S12, or S15 fuse. It absorbs any spikes in the line such as close electrical strikes or power surges. Unlike old fuses that burn out and clearly indicate that they are blown, these fuses, similar to automobile fuses, have a spring that depresses when tripped. Unless you have examined these quite carefully before, it may be hard to determine if the fuse has blown. We suggest that you buy some extra fuses of the same size to have on hand.

### Gas Odor

If you smell gas, call the gas company immediately.

### Odor

A new heating system may emit an odor for a few moments when you first turn it on. An established system may emit an odor after being unused for an extended time (such as after the summer months if you do not use air conditioning). This is caused by dust that has settled in the ducts and should pass quickly.

## **On-Off Switch**

The fumace has an on-off blower switch. This switch looks like a regular light switch and is located in a metal box outside the furnace. When turned off, this switch overrides all furnace commands and shuts down the blower. This is usually done only when maintenance service is being performed, although young children have been known to turn the furnace off using this switch. (If your furnace is a highefficiency model, it does not have a pilot or an on-off switch.)

### **Return Air Vents**

For maximum comfort and efficient energy use, arrange furniture and draperies to allow unobstructed airflow from registers and to cold air returns.

#### **Temperature**

Depending on the style of home, temperatures can normally vary from floor to floor as much as 4 degrees (from middle of room-5' off floor) or more on extremely cold days. The furnace blower will typically cycle on and off more frequently and for shorter periods during severe cold spells.

#### Thermostat

The furnace will come on automatically when the temperature at the thermostat registers below the setting you have selected. Once the furnace is on, setting the thermostat to a higher temperature will not heat the home faster. Thermostats are calibrated to within plus or minus 2 degrees.

#### Trial Run

Have a trial run early in the fall to test the furnace. (The same applies to air conditioning in the spring.) If service is needed, it is much better to discover that before the heating season.

## Troubleshooting Tips: No Heat

Before calling for service, check to confirm that the:

- Thermostat is set to "heat" and the temperature is set above the room temperature.
- Blower panel cover is installed correctly for the furnace blower (fan) to operate. This panel compresses a button that tells the blower it is safe to operate. Similar to the way a clothes dryer door operates, this panel pushes in a button that lets the fan motor know it is safe to come on. If that button is not pushed in, the furnace will not operate.

#### 51

## Heating System: Gas Forced Air - continued

- Breaker on the main electrical panel is on. (Remember, if a breaker trips you must turn it from the tripped position to the off position before you can turn it back on.)
- Switch on the side of the furnace is on.
- Fuse in furnace is good. (See manufacturer literature for size and location.)
- Gas line is open at the main meter and at the side of the furnace.
- Filter is clean to allow airflow.
- · Vents in individual rooms are open.
- Air returns are unobstructed.

Even if the troubleshooting tips do not identify a solution, the information you gather will be useful to the service provider you call.

## Marrano/Marc Equity Limited Warranty Guidelines

We will install heating systems according to local building codes, as well as to engineering designs of the particular model home.

Adequacy of the system is determined by its ability to establish a temperature of 70 degrees F, as measured in the center of the room, 5 feet above the floor. In extremely cold temperatures (0 degrees below or colder), the system should be able to maintain a temperature differential of 70 degrees from the outside temperature.

#### **Duct Placement**

The exact placement of heat ducts may vary from those positions shown in similar floor plans.

#### Ductwork

Although the heat system is not a sealed system, the ductwork should remain attached and securely fastened. If it becomes unattached, Marrano/Marc Equity will repair as needed.

### **Furnace Sounds**

Expansion or contraction of metal ductwork results in ticking or popping sounds. While eliminating all these sounds is impossible, Marrano/Marc Equity will correct oil canning. (Oil canning occurs when a large area of sheet metal like those found in air ducts makes a loud noise as it moves up and down in response to temperature changes.)

#### Thermostat

Thermostats are calibrated to plus or minus 2 degrees.

## Hot Water Heater: Gas

## Homeowner Use and Maintenance Guidelines

Carefully read and follow the manufacturer's literature for your specific model of water heater.

## **Condensation**

Condensation inside your new water heater may drip onto the burner flame. This causes no harm and in most cases will disappear in a short period of time.

## Drain Tank

Review and follow manufacturer's timetable and instructions for draining several gallons of water from the bottom of the water heater. This reduces the build-up of chemical deposits from the water, prolonging the life of the tank and saving energy dollars.

## Pilot

Please refer to Manufactures Instructions on water heater

## Safety

Vacuum the area around a gas-fired water heater to prevent dust from interfering with proper flame combustion. Avoid using the top of a heater as a storage shelf.

## Temperature

Please refer to Manufactures Instructions on water heater to set temperature.

## TROUBLESHOOTING TIPS: NO HOT WATER

Before calling for service, check to confirm that the:

• Pilot is lit. (Directions will be found on the side of the tank.)

- Temperature setting is not on "vacation" or too low.
- Water supply valve is open.

Refer to the manufacturer's literature for specific locations of these items and possibly other troubleshooting tips.

Even if the trouble shooting tips do not identify a solution, the information you gather will be useful to the service provider you call.

## Marrano/Marc Equity Limited Warranty Guidelines

Refer to the manufacturer's limited warranty for information regarding coverage of the water heater.

See also Plumbing

## Humidifier

### Homeowner Use and Maintenance Guidelines

Operate a humidifier only with the furnace, not with the air conditioner. If you notice condensation on windows, the humidifier should be turned off. Clean the moisture pad according to the manufacturer's instructions and suggested timetable.

## Marrano/Marc Equity Limited Warranty Guidelines

Refer to the manufacturer's limited warranty for information regarding coverage of the humidifier.

ì

## Landscaping

#### Homeowner Use and Maintenance Guidelines

Providing complete details on landscape design is beyond the scope of this Handbook. Many excellent books, videos, and computer software programs are available that offer your this information. Local nurseries and landscape professionals can also assist you.

In planning your landscaping, think of proportion, texture, color, mature size, maintenance needs, soft and hard surfaces, lighting, fencing, edging, and water requirements. A beautiful yard requires considerable planning and regular attention. Most homeowners take years to achieve the yard they want. Planning to install items in stages can spread the cost and work over several seasons.

## Winter Grading

Due to weather conditions, especially during winter and early spring, the final grade may not have been established at the time of closing. We document the status of your grading at the time of delivery. When conditions permit, grading work will continue. Confirm that we have completed your grading before beginning landscaping

#### Bark or Rock Beds

Do not allow edging around decorative rock or bark beds to dam the free flow of water away from the home. You can use a non-woven landscape fabric between the soil and rock or bark to restrict weed growth while still permitting normal evaporation of ground moisture.

#### First 5 Feet

It is not recommended to place sprinkler heads within 5 feet of your home. Make sure sprinklers are not hitting your house because they can cause damage to your exterior trim.

## **Hired Contractors**

You are responsible for changes to the drainage pattern made by any landscape, concrete, deck, or pool contractor. Discuss drainage with any company you hire to do an installation in your yard.

#### Requirements

Check with your local building department and homeowners association before designing, installing, or changing landscaping for any regulations that they require you to follow.

#### Seeded/Hydro Seeded Lawns

If lawn seeding is part of your home purchase, consider this just the first step in establishing your yard. Remember that the forces of nature are far stronger than grass seed. You will need to over seed at some point, perhaps more than once. Heavy storms can cause washouts and erosion that you will need to correct. It generally takes at least three growing seasons to establish a good lawn, longer if weather conditions are difficult or if you do not have the time to devote to lawn care.

Before over-seeding, remember to fill any slight depressions with a light layer of topsoil. Minimize traffic of all kinds on newly seeded areas and avoid weed killer for at least 120 days. Keep the seed moist, not wet.

#### Sod

Newly placed sod requires extra water for several weeks. Water at regular intervals for the first three weeks (ideally in the cool part of the day just before sunrise). Be aware that new sod and the extra watering it requires can sometimes create drainage concerns (in your yard or your neighbor's) that will disappear when the yard is established and requires normal watering.

## Landscaping - continued

## Sprinkler System

You are responsible for routine cleaning and adjusting of sprinkler heads as well as shutting the system down in the fall. Failure to drain the system before freezing temperatures occur can result in broken lines, which will be your responsibility to repair. If you are in an area with an association, check to see if sprinkler maintenance is covered in your monthly dues.

Conduct weekly operational checks to ensure proper performance of the system. Direct sprinkler heads away from the home. Trickler- or bubbler-type irrigation systems are not recommended for use adjacent to your home.

Automatic timers permit you to water at optimum times whether you are at home, away, awake, or asleep. The amount of water provided to each zone can be accurately and consistently controlled and easily adjusted with a timed system. Check the system after a power outage and keep a battery in place if your system offers that as a backup.

#### Stones

The soil in your area may have stones and rocks. Removing these naturally occurring elements is a maintenance activity because over time they do rise to the surface. If Marrano/Marc Equity installs seed or sod, large rocks will be picked up and surface raking performed. You will need to provide continued attention to this condition as you care for your yard.

### Trees

Marrano/Marc Equity values trees as one of the features that make up an attractive community and add value to the homes we build. We take steps to protect and preserve existing trees in the area of your home. In spite of our efforts, existing trees located on construction sites can suffer damage from construction activities, which manifest months after the completion of construction.

Damage to existing trees can be caused by such things as compaction of soil in the root zone, changing patterns of water flow on the lot, disturbing the root system, and removing other trees to make room for the home. The newly exposed tree may react to conditions it is unaccustomed to. Caring for existing trees, including pruning dead branches or removing these trees altogether is your responsibility.

Remember to water trees during the summer.

Mulch around trees and avoid tilling or planting flower beds around trees. This is especially important while trees are recovering form the construction process.

Trees and other plant materials that exist on the lot when construction begins and are not part of any landscaping installed by Marrano/Marc Equity are excluded from warranty coverage.

#### **Utility Lines**

A slight depression may develop in the front lawn along the line of the utility trench.

Before any significant digging, check the location of buried service leads by calling the local utility locating service. In most cases, wires and pipes run in a straight line from the main service to the pubic supply.

## Landscaping - continued

#### See also Easements. Waiting to Landscape

If you leave ground un-landscaped, it erodes. Correcting erosion that occurs after closing is your responsibility.

#### Weeds

Weeds will appear in your new lawn whether seed or sod is used. Left un-landscaped, your yard will quickly begin to show weeds. When soil is disturbed, dormant seeds come to the surface and germinate. The best control is a healthy lawn, achieved through regular care and attention.

## Marrano/Marc Equity Limited Warranty

Landscape materials we install are warranted for one growing season. We will confirm the healthy condition of all plant materials during the orientation. Maintaining the lawn and landscaping is your responsibility. Marrano/Marc Equity is not responsible for weed control or fertilization. Refer to you association guidelines to see what may be applicable. **Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

## Linoleum

## Homeowner Use and Maintenance Guidelines

## Discoloration

Place walk-off mat at outside entrances to reduce the amount of dirt brought into your home. We recommend mats without latex or rubber backing since these backings can cause permanent discoloration.

## Cleaning

Sweep or vacuum your floor regularly to remove loose dirt which can scratch your floor.

Do not use detergents, abrasive cleaners, or "mop and shine" products. These products may leave a dull film on your floor.

Vinyl flooring can be very slippery when wet. Allow time for floor to dry after washing. Immediately wipe up wet areas from spills, foreign substances, or wet feet.

## **Dents or Depressions**

Dents or depressions can result from sharp objects such as high heel shoes or furniture legs. Use floor protectors on furniture to reduce indentation. As a general rule of thumb, the heavier the item, the wider the floor protector needed.

When moving appliances or heavy furniture, lay a plywood or cardboard panel on your floor and "walk" the item across it. This protects your floor from scuffing and tears.

### Marrano/Marc Equity Limited Warranty Guidelines

Marrano/Marc Equity will not be responsible for discontinued patterns or color variations of floor coverings, or for problems caused by Home Owner neglect or abuse.

## Nail pops

Nail pops can appear in the surface of your flooring. Nail pops that are readily apparent will be reset at your 10-month follow up service although replacement of the flooring due to the reappearance of nail pops is not the responsibility of Marrano/Marc Equity.

## Bubbling

Should you linoleum lift, bubble or become unglued, Marrano/Marc Equity will repair or replace, at our discretion, the affected flooring as required. .

## Seams or Shrinkage

Gaps shall not exceed 1/16° of an inch in width in linoleum floor covering joints. Where dissimilar materials meet, a gap will not exceed 1/8° of an inch

## Masonry

#### Homeowner Use and Maintenance Guidelines

#### Efflorescence

The white, powdery substance that sometimes accumulates on brick surfaces is called efflorescence. This is a natural phenomenon and cannot be prevented. In cases, you can remove it by scrubbing with a stiff brush and vinegar. Consult your home center or hardware store for commercial products to remove efflorescence.

#### Concave vs. Raked Brick Joints

Concave brick joints are the most common types of mortar finishes and the most weatherproof. We also offer a raked joint which offers dramatic shadow lines on the wall. This is when a special metal raking tool is used to rake out the mortar up to  $\frac{1}{2}$  inch deep between bricks.

#### Marrano/Marc Equity Limited Warranty Guidelines

Small hairline cracks due to shrinkage are common in mortar joints. Cracks in a brick or stone wall that exceed 3/8 of an inch will be repaired during you 10month follow-up service. Marrano/Marc Equity will not be responsible for any color variance between old and new mortar. **Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

# Mirrors

## Homeowner Use and Maintenance Guidelines

To clean your mirrors use any reliable liquid glass cleaner or polisher available at most hardware or grocery stores. Avoid acidic cleaners and splashing water under the mirror; either can cause the silvering to deteriorate. Acidic cleaners are usually those that contain ammonia or vinegar. Avoid getting glass cleaners on plumbing fixtures as some formulas can deteriorate the finish.

## Marrano/Marc Equity Limited Warranty Guidelines

We will confirm that all mirrors are in acceptable condition during the orientation. Marrano/Marc Equity will correct scratches, chips, or other damage to mirrors noted during the orientation.

## Mold

### Homeowner Use and Maintenance Guidelines

Mold is a fungus that spreads through the air in microscopic spores. These spores love moisture and feed on surfaces or dirt. On siding, they look like a layer of dirt. To determine whether you are dealing with mold or dirt, wipe the surface with a cloth or sponge dampened with bleach. If the bleach causes the surface to lose its dark appearance, you are most likely seeing mold.

Cleaning mold from your home is your responsibility. Solutions that remove mold are available from local paint or home improvement stores. Wear protective eyewear and rubber gloves for this task; the chemicals that remove mold are unfriendly to humans.

### Marrano/Marc Equity Limited Warranty Guidelines Marrano/Marc Equity warranty excludes mold.

# Paint and Stain

### Homeowner Use and Maintenance Guidelines

Because of changes in the formula for paint (such as the elimination of lead to make paints safer), painted surfaces must be washed gently using mild soap and as little water as possible. Avoid abrasive cleaners, scouring pads, or scrub brushes. Flat paints show washing marks more easily than gloss paints do. Often better results come from touching up rather than washing the paint.

### Colors

Your selection sheets are your record of the paint and stain color names, numbers, and brands in your home.

#### Exterior

Regular attention will preserve the beauty and value of your home. Check the painted surfaces of your home's exterior annually. Caulk and repaint before much chipping or wearing away of the original finish occurs; this will save the cost of extensive surface preparation.

Plan on refinishing the exterior surface of your home approximately every two to three years or as often as your paint manufacturer suggests for your area and climate. Climatic conditions control the chemical structure of the paint used on the exterior. Over time, this finish will fade and dull a bit. Depending on the exposure to weather of each surface, the paint on some parts of your home may begin to show signs of deterioration sooner than others. When you repaint the exterior of your home, begin by resetting popped nails and removing blistered or peeling portions of paint with a wire brush or putty knife. Sand, caulk, spot with primer, and then paint the entire area. Use a quality exterior paint formulated for local climate conditions.

Avoid having sprinklers spray water on the exterior walls of your home. This will cause blistering, peeling, splintering, and other damage to the home.

#### Severe Weather

Hail and wind can cause a great deal of damage in a severe storm, so inspect the house after such weather. Promptly report damage caused by severe weather to your insurance company.

#### Stain

For minor interior stain touch-ups, a furniture-polishand-stain treatment is inexpensive, easy to use, and will blend in with the wood grain. Follow directions on the bottle. 

#### Touch-Up

When doing paint touch-ups, use a small brush, applying paint only to the damaged spot. Touch-up may not match the surrounding area exactly, even if the same paint mix is used. When it is time to repaint a room, prepare the wall surfaces first by cleaning with a mild soap and water mixture or a reliable cleaning product.

## Wall Cracks

We suggest that you wait until your 10-month followup service to repair drywall cracks or other separations due to shrinkage. This is a one time service provided by Marrano/Marc Equity.

#### See also Drywall

## Paint and Stain - continued

### Marrano/Marc Equity Limited Warranty Guidelines

During your orientation we will confirm that all painted or stained surfaces are in acceptable condition. Marrano/Marc Equity will touch up paint as indicated on the orientation list. You are responsible for all subsequent touch-up, except painting we perform as part of another warranty repair.

#### Cracking

As it ages, exterior wood trim will develop minor cracks and raised grain. Much of this will occur during the first year. Raised grain permits moisture to get under the paint and can result in peeling. This is not a defect in materials or workmanship. Paint maintenance of wood trim is your responsibility.

#### Fading

Expect fading of exterior paint or stain caused by the effects of sun and weather. Marrano/Marc Equity limited warranty excludes this occurrence.

#### Touch-Up Visible

Paint touch-up is visible under certain lighting conditions.

#### Wood Grain

Because of wood characteristics, color variations will result when staln is applied to wood. This is natural and requires no repair. Today's water-base paints often make wood grain visible on painted trim. Marrano/Marc Equity does not provide corrections for this condition. **Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

# Plumbing

## Homeowner Use and Maintenance Guidelines

Your plumbing system has many parts, most of which require little maintenance. Proper cleaning, occasional minor attention, and preventive care will assure many years of good service from this system.

## **Aerators**

Even though your plumbing lines have been flushed to remove dirt and foreign matter, small amounts of minerals may enter the line. Aerators on the faucets strain much of this from your water. Minerals caught in these aerators may cause the faucets to drip because washers wear more rapidly when they come in contact with foreign matter.

#### See also Dripping Faucet.

#### **Basement Construction**

If you perform any construction in your basement, ensure that the plumbing lines in the basement or crawl space are not isolated from the heating source without insulation being added.

#### Cleaning

Follow manufacturer's directions for cleaning fixtures. Avoid abrasive cleansers. They remove the shiny finish and leave behind a porous surface that is difficult to keep clean. Clean plumbing fixtures with a soft sponge and soapy water (a nonabrasive cleaner or a liquid detergent is usually recommended by manufacturers). Then polish the fixtures with a dry cloth to prevent water spots.

#### Clogs

The main causes of toilet clogs are domestic items such as disposable diapers, excessive amounts of toilet paper, sanitary supplies, Q-tips, dental floss, and children's toys. Improper garbage disposal use also causes many plumbing clogs. Always use plenty of cold water when running the disposal. This recommendation also applies to grease; supplied with a steady flow of cold water, the grease congeals and is cut up by the blades. If you use hot water, the grease remains a liquid, then cools and solidifies in the sewer line. Allow the water to run 10 to 15 seconds after shutting off the disposal.

You can usually clear clogged traps with a plumber's helper (plunger). If you use chemical agents, follow directions carefully to avoid personal injury or damage to the fixtures.

1

Clean a plunger drain stopper—usually found in bathroom sinks—by loosening the nut under the sink at the back, pulling out the rod attached to the plunger, and lifting the stopper. Clean and return the mechanism to its original position.

#### **Dripping Faucet**

You can repair a dripping faucet by shutting off the water at the valve directly under the sink, then removing the faucet stem, changing the washer, and reinstalling the faucet stem. The shower head is repaired the same way. Replace the washer with another of the same type and size. You can minimize the frequency of this repair by remembering not to tum faucets off with excessive force. (Please note that some manufacturers do not use rubber washers.)

## Extended Absence

If you plan to be away for an extended period, you should drain your water supply lines. To do this, shut off the main supply line and open the faucets to relieve pressure in the lines. You may also wish to shut off the water heater. Do this by turning off the cold water supply valve on top and the gas control at the bottom. Drain the tank by running a hose from the spigot on the bottom to the basement floor drain. If you leave the tank full, keep the pilot on and set the temperature to its lowest or "vacation" setting. Check manufacturer's directions for additional hints and instructions.

See also extended absence checklist.

### Fiberglass Fixtures

For normal cleaning use a nonabrasive bathroom cleanser and sponge or nylon cleaning pad. Avoid steel wool, scrapers, and scouring pads. Auto wax can provide a shine and restore an attractive appearance.

#### **Freezing Pipes**

Provided the home is heated at a normal level, pipes should not freeze at temperatures above 0 degrees Fahrenheit. Set the heat at a minimum of 55 degrees F if you are away during winter months. Keep garage doors closed to protect plumbing lines running through this area from freezing temperatures.

In unusually frigid weather, or if you will be gone more than a day or two, open cabinet doors to allow warm air to circulate around pipes. Use an ordinary hair dryer to thaw pipes that are frozen. Never use an open flame.

## **Gold or Brass Finish**

Avoid using any abrasive cleaners on gold or antique brass fixtures. Use only mild detergent and water or a cleaning product recommended by the manufacturer.

## Jetted Tubs

If your home includes a jetted tub follow manufacturer directions for its use and care. Never operate the jets unless the water level is at least one inch above the jets. Be cautious about using the tub if you are pregnant or have heart disease or high blood pressure; discuss the use of the tub with your doctor. Tie or pin long hair to keep it from away from the jets where it might become tangled—a potentially dangerous event.

Clean and disinfect the system every one to two months, depending on usage. To do this, fill the tub with lukewarm water and add one cup of liquid chlorine bleach. Run the jets for 10 to 15 minutes, drain and fill again. Run for 10 minutes with plain water, drain.

Auto wax will help seal and preserve your tub's surface. Avoid abrasive cleansers.

#### Leaks

If a major plumbing leak occurs, the first step is to turn off the supply of water to the area involved. This may mean shutting off the water to the entire home. Then contact the appropriate contractor.

## Low Flush Toilets

We want to draw your attention to a water-saving regulation that went into effect in 1993 which prohibits the manufacture of toilets that use more than 1.6 gallons of water per flush. In the search for a balance among comfort, convenience, and sensible use of natural resources, the government conducted several studies. The 1.6-gallon toilet turned out to be the size that overall consistently saves water.

As a result of implementing this standard, flushing twice is occasionally necessary to completely empty the toilet bowl. Even though you flush twice on occasion, rest assured that overall you are saving water and we have complied with the law. Similarly, flow restrictors are manufactured into most faucets and all shower heads and cannot be removed. We apologize for any inconvenience this may cause.

## Low Pressure

Occasional cleaning of the aerators on your faucets (normally every three to four months) will allow proper flow of water. The water department controls the overall water pressure.

## Main Shut-Off

The water supply to your home can be shut-off entirely in two locations. The first is at the street and the second is at the meter. We will point both of these out during your orientation.

## Marble or Manufactured Marble

Marble and manufactured marble will not chip as readily as porcelain enamel but can be damaged by a sharp blow. Avoid abrasive cleansers or razor blades on manufactured marble; both damage the surface. Always mix hot and cold water at manufactured marble sinks; running only hot water can damage the sink.

### **Outside Faucets**

Outside faucets (sillcocks) are freeze-proof, but in order for this feature to be effective, you must remove hoses during cold weather, even if the faucet is located in your garage. If a hose is left attached, the water that remains in the hose can freeze and expand back into the pipe, causing a break in the line. Repair of a broken line that feeds an exterior faucet is a maintenance item. Note that Marrano/Marc Equity does not warrant sillcocks against freezing.

### Porcelain

You can damage porcelain enamel with a sharp blow from a heavy object or by scratching. Do not stand in the bathtub wearing shoes unless you have placed a protective layer of newspaper over the bottom of the tub. If you splatter paint onto the porcelain enamel surfaces during redecorating, wipe it up immediately. If a spot dries before you notice it, use a recommended solvent.

## **Running Toilet**

Please call a Plumbing Professional

#### Shut-Offs

Your main water shut-off is located near your meter. You use this shut-off for major water emergencies such as a water line break or when you install a sprinkler system or build an addition to your home. Each toilet has a shut-off on the water line under the tank. Hot and cold shut-offs for each sink are on the water lines under the sink.

#### **Sprinklers**

You should routinely inspect sprinkler heads and provide seasonal service to maintain proper functioning.

See also Landscaping/Sprinkler

### Stainless Steel

Clean stainless steel sinks with soap and water to preserve their luster. Avoid using abrasive cleaners or steel wool pads; these will damage the finish. Prevent bleach from coming into prolonged contact with the sink as it can pit the surface. An occasional cleaning with a good stainless steel cleaner will enhance the finish. Rub in the direction of the polish or grain lines and dry the sink to prevent water spots.

Avoid leaving produce on a stainless steel surface, since prolonged contact with produce can stain the finish. Also avoid using the sink as a cutting board; sharp knives will gouge the finish.

Local water conditions affect the appearance of stainless steel. A white film can develop on the sink if you have over-softened water or water with a high concentration of minerals. In hard water areas, a brown surface stain can form appearing like rust.

#### Tank Care

Avoid exposing the toilet to blows from sharp or heavy objects, which can cause chipping or cracking. Avoid abnormal pressures against the sides of the tank. It is possible to crack the tank at the points where it is attached to the bowl.

#### Water Filter or Softener

If you install either a water filter or a water softener, carefully read the manufacturer's literature and warranty for your specific model.

## Troubleshooting Tips: Plumbing No Water Anywhere in the Home

Before calling for service, check to confirm that the:

- Main shut off on the meter inside your home is open.
- Main shut off at the street is open.
- Individual shut-offs for each water-using item are open.

### No Hot Water

See Water Heater

Leak Involving One Sink, Tub, or Toilet • Check caulking and grout.

- Confirm shower door or tub enclosure was properly closed.
- Turn water supply off to that item.
- Use other facilities in your home and report problem on next business day.

## Leak Involving a Main Line

- Turn water off at the meter in your home.
- Call emergency number for service.

#### Back Up at One Toilet

If only one tollet is affected, corrections occur during normal business hours.

- Shut off the water supply to the toilet involved.
- Use a plunger to clear the blockage.
- Use a snake to clear the blockage.
- If you've been in your home fewer than 30 days, contact Marrano/Marc Equity or the plumber listed on your Emergency Phone Numbers sheet.

 If you've been in your home over 30 days, contact a router service.

### Sewer Back Up Affecting Entire Home

- If you've been in your home fewer than 30 days, contact Marrano/Marc Equity or the plumber listed on your Emergency Phone Numbers sheet.
- If you've been in your home over 30 days, contact a router service.
- Remove personal belongings to a safe location. If items are soiled, contact your homeowner insurance company.

Even if the troubleshooting tips do not identify a solution, the information you gather will be useful to the service provider you call.

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we will confirm that all plumbing fixtures are in acceptable condition and are functioning properly, and that all faucets and drains operate freely.

## **Clogged Drain**

Marrano/Marc Equity will correct clogged drains that occur during the first 30 days after closing. If a household item is removed from a clogged drain during this time, we will bill you for the drain service. After the first 30 days, you are responsible for correcting clogged drains.

#### **Cosmetic Damage**

Marrano/Marc Equity will correct any fixture damage noted on the orientation list. Repairing chips, scratches, or other surface damage noted subsequent to the orientation list is your responsibility.

#### **Exterior Faucets**

Marrano/Marc Equity will repair leaks at exterior faucets noted on the orientation list. Subsequent to orientation, repair of a broken line to an exterior faucet is your responsibility.

### **Freezing Pipes**

Provided the home is heated at a normal level, pipes should not freeze. Set heat at 55 degrees F if you are away during winter months. Keep garage doors closed to protect plumbing lines that run through this area.

#### Leaks

Marrano/Marc Equity will repair leaks in the plumbing system. If a plumbing leak caused by a warranted item results in drywall or floor covering damage, Marrano/Marc Equity will repair or replace items that were part of the home as originally purchased. We do not make adjustments for secondary damages (for example, damage to wallpaper, drapes, and personal belongings). Insurance should cover these items.

#### Noise

Changes in temperature or the flow of the water itself will cause some noise in the pipes. This is normal and requires no repair. Marrano/Marc Equity will repair persistent water hammer. Expect temperatures to vary if water is used in more than one location in the home at the exact same time.

#### Supply

Marrano/Marc Equity will correct construction conditions that disrupt the supply of water to your home if they involve service from the main water supply to your home, provided actions of yours have not caused the problem. Disruption of service due to failure of the water department system is the responsibility of the water department to correct.

## Railings

#### Homeowner Use and Maintenance Guidelines

Stained or wrought iron railings in your home require little maintenance beyond occasional dusting or polishing. Protect railings from sharp objects or moisture. Cover them during move-in so large pieces of furniture do not cause dents or scratches.

Stained railings will show variation in the way the wood grain took the stain. Some designs show seams where pieces of wood came together to form the railing.

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we will confirm that all railings are in good condition. Marrano/Marc Equity installs railings in positions and locations to comply with applicable building codes. Railings should remain securely attached with normal use.

# Roof

## Homeowner Use and Maintenance Guidelines

The shingles on your roof do not require any treatment or sealer. The less activity your roof experiences, the less likely it is that problems will occur.

## **Clean Gutters**

Maintain the gutters and downspouts so that they are free of debris and able to quickly drain precipitation from the roof.

### Ice Dam

An ice build-up (ice dam) may develop in the eaves during extended periods of cold and snow. Severe accumulations of snow should be removed to reduce the possibility of ice dams. Your homeowner insurance may cover this damage which is excluded from warranty

### Leaks

If a leak occurs, try to detect the exact location. This will greatly simplify finding the area that requires repair when the roof is dry.

## Limit Walking

Limit walking on your roof. Your weight and movement can loosen the roofing material and in turn result in leaks. Never walk on the roof of your home when the shingles are wet—they are slippery.

## Severe Weather

After severe storms, do a visual inspection of the roof for damages. Notify your insurance company if you find pieces of shingle in the yard or shingle edges lifted on the roof.

## Troubleshooting Tips: Roof Leak

Please keep in mind that roof leaks cannot be repaired while the roof is wet. However, you can get on the schedule to be in line when conditions dry out, so do call in your roof leak.

- Confirm the source of the water is the roof rather than from a
- Plumbing leak
- Open window on a higher floor
- Ice dam
- Clogged gutter or downspout
- Blowing rain or snow coming in through coderequired roof vents
- Gap in caulking
- Where practical, place a container under dripping water.
- If a ceiling is involved, and the water is excessive enough to cause the drywall to start to sag, use a screwdriver to poke a small hole in the drywall to release the water.
- Even if the troubleshooting tips do not identify a solution, the information you gather will be useful to the service provider you call.
- Remove personal belongings to prevent damage to them. If damage occurs, contact your homeowner insurance company to submit a claim.
- Report the leak to Marrano/Marc Equity during first available business hours.

## Marrano/Marc Equity Limited Warranty Guidelines

Marrano/Marc Equity will repair roof leaks other than those caused by severe weather, such as hail damage, or some action you have taken, such as walking on the roof. Roof repairs are made only when the roof is dry.

#### Inclement Weather

Storm damage is excluded from warranty coverage. Notify your homeowner insurance company if storm damage is discovered.

**Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

69

# Shower Doors or Tub Enclosures

## Homeowner Use and Maintenance Guidelines

Shower doors and tub enclosures require minimal care. Using a squeegee to remove water after a bath or shower will keep mineral residue and soap film to a minimum. A coating of wax can also help prevent build up of minerals and soap.

Use cleaning products suggested by the manufacturer to avoid any damage to the trim and hardware.

Avoid hanging wet towels on corners of doors; the weight can pull the door out of alignment and cause it to leak.

Check and touch-up caulking on an as needed basis.

## Marrano/Marc Equity Limited Warranty Guidelines

During your orientation we will confirm the good condition of all shower doors and tub enclosures. Marrano/Marc Equity warrants that shower doors and tub enclosures will function according to manufacturer specifications.

# Siding

## Homeowner Use and Maintenance Guidelines

Siding expands and contracts in response to changes in humidity and temperature. Slight waves are visible in slding under moist weather conditions; shrinkage and separations will be more noticeable under dry conditions. These behaviors cannot be entirely eliminated.

### Wood and Wood Products

Wood or wood-product siding will require routine refinishing. The timing will vary with climatic conditions. Maintain caulking to minimize moisture entry into the siding. Note that some paint colors will require more maintenance than others and some sides of the home may show signs of wear sooner based on their exposure to the elements. Some wood siding, such as cedar, is subject to more cracking and will require more maintenance attention.

#### Vinyl

Vinyl siding will occasionally require cleaning. Start at the top to avoid streaking and use a cleaning product recommended by your siding manufacturer. Follow directions carefully and be sure to exercise care when using a high pressure spray to wash siding.

#### **Cement Based Products**

Cement based siding will require repainting and caulking just as wood products do.

### See Also Paint And Wood Trim.

### Marrano/Marc Equity Limited Warranty Guidelines

Marrano/Marc Equity warrants all siding to be free of defects in material and workmanship. We will confirm the good condition of the siding during your orientation. Subsequent damage to the siding will by your responsibility to repair.

Marrano/Marc Equity will caulk and apply touch-up paint to cracks that exceed 3/16 inch. We provide this repair one time only during your 10-month follow up service. Paint or stain touch-up will not match.

We will correct any separation at joints or where siding meets another material if the separation allows water to enter the home. Marrano/Marc Equity will correct delaminating siding.

**Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

# Smoke Detectors/CO Detectors

## Homeowner Use and Maintenance Guidelines

Read the manufacturer's Handbook for detailed information on the care of your smoke detectors. Upon moving into your home make sure plastic covers (shower caps) have been removed from all smoke detectors.

## Battery

If a smoke detector makes a chirping sound that is a sign that the battery needs to be replaced. Follow manufacturer instructions for installing a new battery. Most smoke detectors use a 9-volt battery.

### Cleaning

For your safety, clean each smoke detector monthly to prevent a false alarm or lack of response in a fire. After cleaning, push the test button to confirm the alarm is working.

## Locations

Smoke detectors are installed in accordance with building codes, which dictate locations. Marrano/Marc Equity cannot omit any smoke detector and you should not remove or disable any smoke detector.

## Marrano/Marc Equity Limited Warranty Guidelines

Marrano/Marc Equity does not represent that the smoke detectors will provide the protection for which they are installed or intended. We will test smoke detectors during the orientation to confirm that they are working and to familiarize you with the alarm. You are responsible for obtaining fire insurance.

## **Stairs**

## Homeowner Use and Maintenance Guidelines

No known method of installation prevents all vibration or squeaks in a staircase. A shrinkage crack will develop where the stairs meet the wall. When this occurs, apply a thin bead of latex caulk and, when dry, touch up with paint.

## Marrano/Marc Equity Limited Warranty Guidelines

Although Marrano/Marc Equity does not warrant against stair vibration and squeaks, a reasonable effort will be made to correct them.

73

## **Stucco**

## Homeowner Use and Maintenance Guidelines

Stucco is a brittle cement product that is subject to expansion and contraction. Minor hairline cracks will develop in the outer layer of stucco. This is normal and does not reduce the function of the stucco in any way.

#### Drainage

To ensure proper drainage, keep dirt and concrete flatwork a minimum of 6 inches below the stucco screed (mesh underneath final coat of stucco). Do not pour concrete or masonry over the stucco screed or right up to the foundation.

#### **Sprinklers**

Since stucco is not a water barrier, avoid spraying water from irrigation or watering systems on stucco surfaces to avoid possible leaks. Check the spray from the lawn and plant irrigation system frequently to make certain that water is not spraying or accumulating on stucco surfaces.

### Marrano/Marc Equity Limited Warranty Guidelines

One time during the warranty period, Marrano/ Marc Equity will repair stucco cracks. The repair will not exactly match the surrounding area. This is caused by sun fade & other weather related reasons and or damage. **Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

# Sump Pump

## Homeowner Use and Maintenance Guidelines

If conditions on your lot made it appropriate, the foundation design includes a perimeter drain and sump pump. The perimeter drain runs around the foundation to gather water and channel it to the sump pit, or crock. When the water reaches a certain level, the pump comes on and pumps the water out of your home. Read and follow the manufacturer's directions for use and care of your sump pump.

If you store anything of value in the basement we recommend some sort of alarm or back up sump pump. They can be purchased thru the plumber or at any home center. Most back ups can be purchased for less than your insurance deductible if you sustain a loss.

## **Continuous Operation**

The pump may run often or even continuously during a heavy storm or long periods of rain. This is normal under such conditions.

## Discharge

Know where the discharge for your sump pump system is and keep the end of the drain clear of debris so that water can flow out easily.

## **Power Supply**

The sump pump runs on electricity. If power goes off, the pump cannot operate. Storm water (not sewage) could then enter your basement. You may wish to install a back-up system to guard against this possibility. Homeowner insurance does not usually cover damage to your property from this source: you may want to obtain a rider to cover this.

## **Roof Water**

Ensure that roof water drains quickly away from the home to avoid circulating it through your sump pump. Keep downspout extensions or splash blocks in place to channel water away from your home.

## **Routine Check**

Periodically check to confirm the pump is plugged in, the circuit breaker is on and that the pump operates. To check the operation of your sump pump, pour five gallons of water into the sump pump crock (hole). The pump should come on and pump the water out. Follow this procedure once a year.

## **Trees and Shrubs**

Avoid planting trees or shrubs with aggressive root growth patterns near your home's foundation. The roots can make their way into the perimeter drain and eventually clog the system.

## *Marrano/Marc Equity Limited Warranty Guidelines*

During your orientation we will discuss the sump pump and confirm it is operational. The pump is classified as an appliance and is warranted by the manufacturer.

## Ventilation

## Homeowner Use and Maintenance Guidelines

Homes today are built more tightly than ever. This saves energy dollars but creates a potential concern. Condensation, cooking odors, indoor pollutants, radon, and carbon monoxide may all accumulate. We provide mechanical and passive methods for ventilating homes. Your attention to ventilation is important to health and safety. Building codes require attic and crawl space vents to minimize accumulation of moisture.

### Attic Vents

Attic ventilation occurs through vents in the soffit (the underside of the overhangs) or on gable ends. Driving rain or snow sometimes enters the attic through these vents. Do not cover them to prevent this. Instead, cover the insulation in front of the vent. When you do this, precipitation that blows in safely evaporates and ventilation can still occur.

#### **Daily Habits**

Your daily habits can help keep your home well ventilated:

- Do not cover or interfere in any way with the fresh air supply to your furnace.
- Develop the habit of running the hood fan when you are cooking.
- Run the bath fans when bathrooms are in use.
- Air your house by opening windows for a time when weather permits.

Proper ventilation will prevent excessive moisture from forming on the inside of the windows. This helps reduce cleaning chores considerably.

## Marrano/Marc Equity Limited Warranty Guidelines

Marrano/Marc Equity warranty guidelines are referred to under appropriate sections of this handbook.

77

# Windows, Screens, and Sliding Glass Doors

## Homeowner Use and Maintenance Guidelines

Contact a glass company for re-glazing of any windows that break. Glass is difficult to install without special tools.

## Acrylic Block

Clean during moderate temperatures with only a mild soap and warm water using a sponge or soft cloth and dry with a towel. Avoid abrasive cleaners, commercial glass cleaner, razors, brushes, or scrubbing devices of any kind. Minor scratches can often be minimized using by rubbing a mild automotive polish.

## Aluminum

Clean aluminum metal surfaces with warm, clear water. Do not use powdered cleaner. After each cleaning, apply a silicone lubricant. Clean glass as needed with vinegar and water, a commercial glass cleaner, or the product recommended by the window manufacturer.

## Condensation

Condensation on interior surfaces of the window and frame is the result of high humidity within the home and low outside temperatures. Your family's lifestyle controls the humidity level within your home. If your home includes a humidifier, closely observe the manufacturer's directions for its use.

## Screen Storage and Maintenance

Many homeowners remove and store screens for the winter to allow more light into the home. To make reinstallation more convenient, label each screen as you remove it. Use caution: screens perforate easily and the frames bend if they are not handled with care. Prior to re-installing the screen, clean them with a hose and gentle spray of water.

## Sills

Window sills in your home are made of wood, wood product, man-made marble, or marble. The most common maintenance activity is dusting. Twice a year, check caulking and touch-up as needed. Wax is not necessary but can be used to make sills gleam. Protect wood and wood product sills from moisture. If you arrange plants on a sill, include a plastic tray under the pot.

## **Sliding Glass Doors**

Sliding glass doors are made with tempered glass which is more difficult to break than ordinary glass. If broken, tempered glass breaks into small circular pieces rather than large splinters which can easily cause injury.

Keep sliding door tracks clean for smooth operation and to prevent damage to the door frame. Silicone lubricants work well for these tracks. Acquaint yourself with the operation of sliding door hardware for maximum security.

Under certain lighting conditions, door glass may be hard to see. If you keep the screen fully closed when the glass door is open, your family will be accustomed to opening something before going through. You may want to apply a decal to the glass door to make it readily visible.

## **Sticking Windows**

Most sliding windows (both vertical and horizontal) are designed for a 10-pound pull. If sticking occurs or excessive pressure is required to open or close a window, apply a silicone lubricant. This is available at hardware stores. Avoid petroleum-based products.

## Windows, Screens, and Sliding Glass Doors - continued

#### Tinting

Applying tinting of foil lining to dual pane windows can result in broken windows due to heat build-up. Some manufacturers void their warranty on the windows if you apply tinting or foil lining. Contact the manufacturer to check on their current policy before you apply such coatings.

#### Weep Holes

In heavy rains, water may collect in the bottom channel of window frames. Weep holes are provided to allow excess water to escape to the outside. Keep the bottom window channels and weep holes free of dirt and debris for proper operation.

## Marrano/Marc Equity Limited Warranty Guidelines

We will confirm that all windows, screens, and sliding glass doors are in acceptable condition during the orientation. Marrano/Marc Equity will repair or replace broken windows or damaged screens noted on the orientation list. Windows should operate with reasonable ease and locks should perform as designed. If they do not, Marrano/Marc Equity will provide adjustments.

#### Condensation

Condensation on interior surfaces of the window and frame is the result of high humidity within the home and low outside temperatures. You influence the humidity level within your home; Marrano/Marc Equity provides no corrective measure for this condition.

Condensation that accumulates between the panes of glass in dual-glazed windows indicates a broken seal. Marrano/Marc Equity will replace the window if this occurs during the warranty period

#### Infiltration

Some air and dust will infiltrate around windows, especially before the installation of landscaping in the general area. Marrano/Marc Equity warranty excludes this occurrence.

#### Scratches

Marrano/Marc Equity confirms that all window glass is in acceptable condition at the orientation. Minor scratches on windows can result from delivery, handling, and other construction activities. Marrano/Marc Equity will replace windows that have scratches readily visible from a distance of 4 feet. Marrano/Marc Equity does not replace windows that have scratches visible only under certain lighting conditions.

#### **Tinting**

If you add tinting to dual-glazed windows, all warranties are voided. Damage can result from condensation or excessive heat build-up between the panes of glass. Refer to the manufacturer's literature for additional information.

### See also Ventilation

# Wood Trim

## Homeowner Use and Maintenance Guidelines

Shrinkage of wood trim occurs during the first two years or longer, depending on temperature and humidity. All lumber is more vulnerable to shrinkage during the heating season. Maintaining a moderate and stable temperature helps to minimize the effects of shrinkage. Wood will shrink less lengthwise than across the grain. Wood shrinkage can result in separation at joints of trim pieces. You can usually correct this with caulking and touch-up painting.

Shrinkage may also cause a piece of trim to pull away from the wall. If this occurs, drive in another nail close to, but not exactly in, the existing nail hole. Fill the old nail hole with putty and touch up with paint as needed. If the base shoe (small trim between base molding and the floor) appears to be lifting from the floor, this is probably due to slight shrinkage of the floor joists below. Again, you can correct this condition by removing the old nails and re-nailing. You may prefer to wait until after the first heating season to make any needed repairs at one time when redecorating.

#### See also Expansion and Contraction

## Marrano/Marc Equity Limited Warranty Guidelines

During the orientation we will confirm that wood trim is in acceptable condition. Minor imperfections in wood materials will be visible and will require no action. Marrano/Marc Equity will correct readily noticeable construction damage such as chips and gouges listed during the orientation.

#### Exterior

Marrano/Marc Equity will caulk and apply touch-up paint to cracks in exterior trim components that exceed 3/16 inch. We provide this repair one time only during your 10-month follow up service. Paint or stain touch-up will not match. We will correct any separation at joints that allows water to enter the home.

### **Raised Grain**

Because of the effects of weather on natural wood, you should expect raised grain to develop. This is normal and not a defect in the wood or paint. Warranty coverage excluded this condition.

**Note**: The Marrano/Marc Equity warranty covers the first year. If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of this item. The manufacturer's warranty begins the date of installation rather than the date of your closing. Please direct your questions regarding this item to your association.

-FACSIMILE LIMITED WARRANTY. A COMPLETED PAGE TO BE PROVIDED BY BUILDER AT THE TIME OF CLOSING-

80

## LIMITED WARRANTY

NAME OF PURCHASER(S):

ADDRESS OF PURCHASER(S):

4 U.S. Avenue

Buffalo, NY

Same as above

2730 Transit Road

Mr. & Mrs. John Public

ADDRESS OF HOME WARRANTED:

NAME OF BUILDER:

ADDRESS OF BUILDER:

West Seneca, NY 14224-2597

WARRANTY DATE: Date of closing or occupancy, whichever is sooner

The Marrano/Marc Equity Corporation

BUILDER'S LIMIT OF TOTAL LIABILITY:

Purchase price less lot value

THE SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONJUNCTION WITH THIS CONTRACT OR THE HOME AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS SPECIFICALLY PROVIDED IN THIS LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THIS LIMITED WARRANTY.

THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

# **Limited Warranty**

## 1. To Whom Given.

This Limited Warranty is extended to the Purchaser, whose name appears on page 80, while the purchaser owns the Home. It does not extend to subsequent owners of the Home or other persons.

## 2. By Whom Made.

This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1 (see facsimile on page 80).

## 3. Final Inspection of the Home.

Before the Purchaser moves into the Home or accepts the deed, the Builder will set up an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature - such as mars, chips, dents, cracks, or scratches - that may have occurred during the final stages of finishing the home, or any unfinished work caused by back-orders beyond the Builder's control. The Builder may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Home will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and Builder before occupancy of the Home or transfer of the deed.

When the Purchaser moves into the Home or accepts the deed, the Builder's responsibility is limited to:

- (a) completion of items shown on the Final Inspection Sheet, as provided in the Final Inspection Sheet, and
- (b) performance of warranty obligations under the provisions of the Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Builder's responsibilities for

Construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Home.

## 4. Limited Warranty.

This Limited Warranty excludes all other warranties on the construction and sale of the Home and its components both express and implied. There are no warranties which extend beyond the face hereof.

## 5. Warranty Coverages and Periods.

The Warranty Period for all coverages begins on the Warranty Date shown on page 80. (This Warranty Date is the date that the purchaser or member of the purchaser's family, takes title to the Home or any person begins residential occupancy of the Home, whichever date is earlier.) It ends at the expiration of the coverages shown below:

**Note**: If you are a member of a homeowner or condominium association, your association is responsible for the maintenance or replacement of <u>exterior</u> components of asphalt, grading and drainage, landscaping, masonry, paint and stain, roofing, siding, stucco and wood trim. The manufacturer's warranty for these exterior components begins the date of installation rather than the date of your closing. Please direct your questions regarding these items to your association.

#### FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Home will be free from latent defects that constitute:

- (a) Defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;
- (b) Defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder; or
- (c) Defective design, provided by architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

#### TWO-YEAR MAJOR SYSTEM COVERAGE: For two

years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home, which have been installed by the Builder, are warranted to be free from latent defects that constitute defective installation by the Builder.

Installation will be considered to be defective if the Builder's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code and the Accepted Standards which are attached to this Limited Warranty.

The Builder does not warrant that the components of these systems are free from manufacturing defects, or are merchantable or fit for a particular purpose. Only the workmanship on installation is warranted.

The Plumbing System means: Gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: All wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: All duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

#### FIVE-YEAR WATER INCURSION COVERAGE:

For five years from the Warranty Date, the roofing and siding systems, which have been installed by the builder, are warranted to be free from latent defects that constitutes defective installation by the builder and has resulted in water entry to the home.

Installation will be considered to be defective if the Builder's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code and the Accepted Standards which are attached to this Limited Warranty.

The Builder does not warrant that the components of these systems are free from manufacturing defects, or are merchantable or fit for a particular purpose. Only the workmanship on installation is warranted.

The roofing and siding system means all shingles, felt papers, aluminum trim, flashing and vinyl siding.

#### SIX-YEAR MATERIAL DEFECT COVERAGE:

For six years from the Warranty Date, the Home will be free from latent defects that are Material Defects, as defined below, and that constitute:

- (a) Defective workmanship performed by the Builder, an agent of the Builder or subcontractor of the Builder;
- (b) Defective materials provided by the Builder, an agent of the Builder or subcontractor of the Builder, or

(c) Defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Builder.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or if they fail to meet the Accepted Standards which are attached to this limited Warranty.

A Material Defect is a defect resulting in actual physical damage to the following load-bearing portions of the home caused by failure of such loadbearing portions which affects their load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable; Foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load bearing portions of the Home do not constitute a Material Defect for the Material Defect coverage: Roofing and sheeting; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation.

#### 6. Exclusions from All Coverages.

The following are excluded from the Basic Coverage, Major System Coverage, the Material Defect Coverage: (a) Loss or damage caused by workmanshipperformed by any person other than (I) the Builder,(II) an agent of the Builder, or (III) a subcontractor of the Builder.

(b) Loss or damage caused by defective materials supplied by any person other than (I) the Builder, (II) an agent of the Builder, (III) a subcontractor of the Builder.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Builder.

(d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Home prior to acceptance of the deed or occupancy of the Home ought to have revealed.

(e) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads, fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not part of the Home itself.

(f) After the First Year Basic Coverage, concrete floors of basements and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Home.

(g) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(h) Any damage to the extent that it is caused or made worse by:

(I) Negligence, improper maintenance, or improper operation by anyone other than the Builder, its employees, agents or subcontractors; or

(II) Failure by the Purchaser or anyone other than the Builder, its employees, agents or subcontractors; to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(III) Failure of the Purchaser to give notice to the Builder of any defects or damage within a reasonable time; or

(IV) Changes in the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or

(V) Changes, alterations or additions made to the Home by anyone after the Warranty Date shown on page 1 or

(VI) Dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Home.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(I) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Home Owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

(q) Failure of the Builder to complete construction of the Home.

(r) Loss or damage which arises while the Home is being used primarily for nonresidential purposes.

(s) Loss or damage due to abnormal loading on floors by the Home Owner which exceeds design loads as mandated by the Building Code.

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(u) Consequential damages and incidental damages (except where required by state law).

(v) Any claim not filed in a manner set forth below in paragraph 8, "Step-by-Step Claims Procedures."

#### 7. Warranty.

If a defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Builder's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Builder.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability, shown on page 80.

Repair, replacement or payment of reasonable cost for any Material Defect is further limited to (1) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Material Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Builder.

#### 8. Step-by-Step Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" (see facsimile on page 87) and must be received by the Builder, identified on page 80, no later than the first business day after the warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected.

#### NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Builder's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect the right of the Builder, including, but not limited to, the Builder's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide reasonable access to the Builder and the Builder's agents during normal business hours to complete inspection testing and repair or replacement.

(d) The Builder will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Builder will determine whether to accept or reject the claim. If the Builder rejects the claim, the Builder will give written notice of the decision to the claimant at the address shown on the Notice of Claim Form. If the Builder accepts the claim, the Builder will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form.

The Builder will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Builder's control.

#### 9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any Court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any Court or forum after the later of: (I) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 8(d) above.

#### 10. General Provisions.

(a) This Limited Warranty may not be changed or amended in any way, except in writing signed by both parties.

(b) This Limited Warranty is to be binding upon the Builder and the purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty include all other genders, and the use of plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the laws of New York State.

-FACSIMILE OF FORM THAT WILL BE INCLUDED WITH LIMITED WARRANTY AT TIME OF CLOSING-

## NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner: To ask the Marrano/Marc Equity Corporation to correct a defect in your Home that you think is covered by the Builder's Limited Warranty, you must complete this form and deliver the original to the Marrano/Marc Equity Corporation. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that we are aware of the problem, fill out this form and deliver it to us.

Your Name:

Mailing Address:

Phone:

Warranty Date:

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

(signature)

(date)

(signature)

(date)

#### APPLIANCE SERVICE

This sheet is for your convenience. For warranty service on an appliance, contact the appropriate manufacturer directly at the service number provided in the appliance literature. You will need

Closing Date \_\_\_\_\_

to supply the model and serial number (usually located on a small metal plate or seal attached to the appliance in an inconspicuous location), and the date of purchase (your closing date).

Appliance	Manufacturer	Model #	Serial #	Service Phone #
Range				
Range Hood				
Cooktop				
Oven				
Microwave				
Dishwasher				
Disposal				
Compacter				
Washer				
Dryer				
Refrigerator				
Freezer				

# Maintenance Schedule

Begin care of your home with organized records, including information about all of its components and your furnishings. This information will make caring for you home easier, the records may be useful in completing tax returns, and will be valuable when you sell your home. Another worthwhile step is to inventory all equipment, appliances, furnishings, and personal belongings. A photo album containing pictures of each room is an excellent supplemental item. In addition to normal daily and weekly care, develop a schedule of preventative routines based on the information in this Handbook and the manufacturer literature you receive. A change of season creates special maintenance needs so plan for winterizing and summarizing your home.

#### January -June

Task/Notes	Frequency	J	F	М	A	М	J
		1					
				·			
			1				

July -December

Task/Notes	Frequency	J	A	S	0	N	D
					ļ		
				<u></u>			
			ļ				