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EPA Region 4 Compliance Summary Report Form

Quarterly Reporting Periods 5 through 8
October 27, 2026

Section I. Overview

Provide a brief and general description of the data presented in this report and include a summary of: all unauthorized discharges; all Authorized States' formal enforcement actions regarding DHI's Applicable Permits; and trends associated with compliance with Stormwater Requirements.

This EPA Region 4 Compliance Summary Report (this "**Third Compliance Summary Report**") is provided pursuant to Paragraph 25 and Appendix G of the Consent Decree entered in United States, et al. *v. D.R. Horton, Inc., et al.*, No. 24-cv-428 (N.D. Ala. Aug. 6, 2024) (the "**Consent Decree**"), among the United States, the State Plaintiffs (together with the United States, the "**Consent Decree Parties**"), and D.R. Horton, Inc. and D.R. Horton, Inc. – Birmingham (collectively, "**DHI**"). Capitalized terms used but not defined in this Third Compliance Summary Report have the meanings assigned to such terms in the Consent Decree.

DHI submitted the first Compliance Summary Report (the "**First Compliance Summary Report**") to the United States on April 25, 2025. The First Compliance Summary Report provided a summary of the information required by the Consent Decree (the "**Required Information**"), including: (i) a summary of trends and program improvements relating to DHI's compliance with Stormwater Requirements during Quarterly Reporting Periods 1 and 2 ("**QRPs 1 and 2**"); (ii) a description of unauthorized discharges during QRPs 1 and 2; and (iii) a summary of the Authorized States' formal enforcement actions regarding DHI's Applicable Permits during QRPs 1 and 2.

DHI submitted the second Compliance Summary Report (the "**Second Compliance Summary Report**") to the United States on October 24, 2025. The Second Compliance Summary Report provided a summary of the Required Information relating to DHI's compliance with Stormwater Requirements during QRPs 3 and 4.

This Third Compliance Summary Report updates the Second Compliance Summary Report to provide the Required Information relating to DHI's compliance with Stormwater Requirements during Quarterly Reporting Periods 5 through 8 ("**QRPs 5 through 8**").

DHI EPA Region 4 Overview

During QRPs 5 through 8, DHI had a total of 2,285 Sites selected for QCIR across the following six DHI Regions which oversee 44 Divisions within EPA Region 4:

1. Carolina Region: The Carolina Region consists of eight Divisions – Asheville, Charlotte North, Charlotte South, Eastern NC, Greensboro, Greenville, Raleigh North, and Raleigh South. The Carolina Region spans across two of the EPA Region 4 states: North Carolina and South Carolina. The Carolina Region had (i) 215 active Sites during QRP 5, (ii) 212 active Sites during QRP 6, (iii) 236 active Sites during QRP 7, and (iv) 231 active Sites during QRP 8.

2. Coastal Carolina Region: The Coastal Carolina Region consists of six Divisions – Charleston, Columbia, Hilton Head/Savannah, Myrtle Beach, Southern Virginia, and Wilmington. The Coastal Carolina Region spans across three of the EPA Region 4 states: Georgia, North Carolina, and South Carolina. The Coastal Carolina Region had (i) 188 active Sites during QRP 5, (ii) 195 active Sites during QRP 6, (iii) 193 active Sites during QRP 7, and (iv) 195 active Sites during QRP 8.

3. East Region: The East Region consists of seven Divisions – Atlanta Central, Atlanta East, Atlanta West, Augusta, Jacksonville, Memphis, and Nashville. The East Region spans across six of the EPA Region 4 states: Georgia, Florida, Kentucky, Mississippi, South Carolina, and Tennessee. During QRPs 1 through 4, DHI's East Region included the Ohio Valley Sub-Region that had one Division within EPA Region 4, Louisville, which operated in Kentucky. Additionally, during QRPs 1 through 4, DHI's East Region also included the Chattanooga, Cincinnati, Knoxville, and Northeast Tennessee Divisions. These Divisions became a part of the new Ohio Valley Region effective October 1, 2025. Finally, the Jacksonville Division became part of DHI's East Region effective January 1, 2026. The Jacksonville Division's results (i) for QRPs 5 and 6 are included in DHI's Florida Region's results; and (ii) for QRPs 7 and 8 are included in DHI's East Region's results. The East Region had (i) 149 active Sites during QRP 5, (ii) 150 active Sites during QRP 6, (iii) 187 active Sites during QRP 7, and (iv) 185 active Sites during QRP 8.

4. Florida Region: The Florida Region consists of eight Divisions – Lakeland (fka Orlando West), Melbourne (fka East Florida), Ocala (fka West Central Florida), Orlando, Sarasota, Southeast Florida, Southwest Florida, and Tampa. During QRPs 5 through 8, the Florida Region operated in Florida only. As indicated above, effective January 1, 2026, the

Jacksonville Division became part of DHI's East Region. The Jacksonville Division's results (i) for QRPs 5 and 6 are included in DHI's Florida Region's results; and (ii) for QRPs 7 and 8 are included in DHI's East Region's results. The Florida Region had (i) 238 active Sites during QRP 5, (ii) 243 active Sites during QRP 6, (iii) 217 active Sites during QRP 7, and (iv) 220 active Sites during QRP 8.

5. Gulf Coast Region: The Gulf Coast Region consists of 10 Divisions – Baldwin, Birmingham, Huntsville, Jackson, Montgomery, Mobile/Mississippi, Panama City East, Panama City West, Pensacola, and Tallahassee. The Gulf Coast Region spans across five of the EPA Region 4 states: Alabama, Florida, Georgia, Mississippi, and Tennessee. The Gulf Coast Region had (i) 237 active Sites during QRP 5, (ii) 258 active Sites during QRP 6, (iii) 277 active Sites during QRP 7, and (iv) 265 active Sites during QRP 8.

6. Ohio Valley Region: During QRPs 1 through 4, DHI's Ohio Valley Sub-Region was part of DHI's East Region. However, effective October 1, 2025, the Ohio Valley Sub-Region became a stand-alone DHI Region. The new Ohio Valley Region consists of five Divisions that operate in EPA Region 4 – Chattanooga, Cincinnati, Knoxville, Louisville, and Northeast Tennessee. During QRPs 5 through 8, DHI's Ohio Valley Region operated in three of the EPA Region 4 states: Georgia, Kentucky, and Tennessee. The Ohio Valley Region had (i) 62 active Sites during QRP 5, (ii) 64 active Sites during QRP 6, (iii) 66 active Sites during QRP 7, and (iv) 70 active Sites during QRP 8.

Below is (i) a summary of trends and program improvements relating to DHI's compliance with Stormwater Requirements during QRPs 5 through 8; (ii) a description of unauthorized discharges during QRPs 5 through 8; and (iii) a summary of the Authorized States' formal enforcement actions regarding DHI's Applicable Permits during QRPs 5 through 8.

Summary of Trends During QRPs 5 through 8

Trends in DHI's compliance with Stormwater Requirements are discussed throughout this Third Compliance Summary Report. Overall, each of DHI's Regions in EPA Region 4 continued to improve its stormwater compliance program (the Regions' programs, collectively, "**DHI's Stormwater Compliance Program**") during QRPs 5 through 8. Regions that experienced decreased compliance in certain performance metrics during QRPs 5 through 8 continue to work with their Division Stormwater Compliance Representatives ("**DSCRs**") to address process weaknesses as those weaknesses are identified. As a result, DHI believes it will see continued improvement in DHI's Stormwater Compliance Program and increased compliance with Stormwater Requirements going forward. The improvements to DHI's Stormwater Compliance Program made through the end of QRP 2 were discussed in the First Compliance Summary Report, and additional improvements made during QRPs 3 and 4 were discussed in the Second Compliance Summary Report. The improvements made during QRPs 5 through 8 are discussed below and throughout this Third Compliance Summary Report. Below is a synopsis of certain high-level trends observed in the results from QRPs 5 through 8. Comparisons of DHI's compliance with Stormwater Requirements during QRPs 1 through 4 with DHI's results for QRPs 5 through 8 are discussed in greater detail in Section III of this Third Compliance Summary Report.

1. Unauthorized Discharge Trends: Overall, DHI's Regions in EPA Region 4 significantly reduced the number of discharges occurring beyond the permitted limits of disturbance ("**LOD**") and into receiving waters, including wetlands, during QRPs 5 through 8. The greatest improvement in reducing unauthorized discharges occurred between QRP 5 and QRP 6, when DHI saw an 88% reduction in reported discharges. Discharge reporting increased in QRP 8, after only 30 reported discharges during QRPs 6 and 7. This increase correlates with an increase in storm events following a long drought period that affected DHI's Carolina, Coastal Carolina, and Gulf Coast Regions.

2. Work Without Permit Trends: As reported in the First Compliance Summary Report, during QRPs 1 and 2, 28 Sites had work without permit occur for a total of 1,209 days across DHI's five Regions. However, in QRPs 3 and 4, only five Sites had work without permit occur for a total of 135 days. Compared to QRPs 1 and 2, during QRPs 3 and 4 the number of affected Sites decreased by 82% and the number of days of work without a permit decreased by 88.8%. Overall, during the first year after the Consent Decree's Date of Entry (i.e., QRPs 1 through 4), DHI had a total of 33 Sites with work without permit for a total of 1,344 days across DHI's five Regions in EPA Region 4. During the second year after the Consent Decree's Date of Entry (i.e., QRPs 5 through 8), DHI had a total of 13 Sites with work without permit for a total of 502 days across DHI's six Regions in EPA Region 4. While work without permit still occurred, (i) the number of affected Sites decreased by approximately 61%; and (ii) the number of days of work without a permit decreased by approximately 63%. The work without permit that occurred during QRPs 5 through 8 was primarily the result of: (i) changes in a Division's construction start schedules, lot purchase schedules, or approved site plans without proper communication among the Division's stormwater, land, and construction teams; (ii) ineffective stormwater permit monitoring or tracking; and (iii) field changes to the location of construction support activities (e.g., concrete washout locations) that did not align with DHI's permitted LOD. DHI's Divisions performed well during QRPs 5 and 6, with only eight reported days of work without permit; the remainder of the work without permit was identified during QRPs 7 and 8. The Region and Corporate Stormwater Teams have increased the frequency of Division visits and have held focused meetings and issued guidance memoranda and trainings to address specific instances of work without permit and further DHI's compliance with Stormwater Requirements in future QRPs. Additional information regarding DHI's work without permit and the program improvements made to DHI's permitting processes during QRPs 5 through 8 is provided in Section II.2 of this Third Compliance Summary Report. Because of DHI's continued efforts to improve its Divisions' permitting processes, DHI continues to anticipate fewer instances of work without permit going forward.

3. PCIR Trends: As reported in the First Compliance Summary Report, in QRPs 1 and 2, DHI had 75 Sites with a missed PCIR across DHI's five Regions. Although DHI had 81 missed PCIRs across its five Regions in QRPs 3 and 4, DHI's percentage of compliant PCIRs increased from 80% in the First Compliance Summary Report to 91% in the Second Compliance Summary Report. DHI identified 43 missed PCIRs across its six Regions in EPA Region 4 during QRPs 5 through 8. Thus, since the Second Compliance Summary Report, DHI's percentage of compliant PCIRs has further increased from 91% to approximately 97.5% as of the end of QRP 8. During QRPs 5 through 8, DHI's Divisions and Regions continued to refine their PCIR processes and, as of the end of QRP 8, every DHI Division in EPA Region 4 had communication procedures in place focused on coordination between construction and stormwater personnel. Additionally, as of the end of QRP 8, DHI's Divisions in EPA Region 4 had implemented PCIR tracking procedures that make current PCIR status at each Division's Sites available for inter-departmental review. DHI believes these process improvements will continue to reduce the number of missed PCIRs in future QRPs. Additional information regarding DHI's compliance with the Consent Decree's PCIR requirements during QRPs 5 through 8 is provided in Section II.3 of this Third Compliance Summary Report.

4. Inspections and Corrective Actions Trends: During QRPs 3 and 4, the DHI Regions within EPA Region 4 saw an increase in compliance for both Inspections and Corrective Actions compared to the results reported for QRPs 1 and 2 in the First Compliance Summary Report. For example, the Florida Region was able to reduce missed Corrective Actions to 0% in both QRPs 3 and 4. The Carolina Region saw continued improvement in compliance for Corrective Actions in QRPs 3 and 4, while the East Region maintained a compliance rate of 94% during QRPs 3 and 4. The Gulf Coast Region saw the most significant improvement in Inspection compliance between QRPs 3 and 4, with a compliance rate of 93% in QRP 3 and 99% in QRP 4. This trend continued through QRPs 5 through 8, as DHI's overall Corrective Action compliance rate increased to 94%, while DHI's Inspection compliance rate remained at 98%. The Florida Region maintained 0% missed Corrective Actions during QRPs 5 through 8. The Carolina, Coastal Carolina, East, and Gulf Coast Regions saw an increased compliance rate for Corrective Action completion from QRPs 5 and 6 to QRPs 7 and 8. Additional information regarding DHI's compliance with the Consent Decree's (i) Site Inspection requirements during QRPs 5 through 8 is provided in Sections II.4-5 of this Third Compliance Summary Report; and (ii) Corrective Action requirements during QRPs 5 through 8 is provided in Section III.A of this Third Compliance Summary Report.

The Corporate Stormwater Team believes DHI will see continued improvement in each of these categories in the next Compliance Summary Report as a result of DHI's continued focus on the program improvements discussed below.

Summary of Program Improvements During QRPs 5 through 8

During QRPs 5 through 8, DHI's Regions and Divisions continued to make concerted efforts to continue to improve: (i) the inter-departmental communication processes among the Divisions' stormwater, land acquisition, and construction teams; (ii) the training of all individuals working in DHI's Stormwater Compliance Program; (iii) the processes relating to DHI's Stormwater Pollution Prevention Plans ("**SWPPPs**"); and (iv) the field conditions at DHI's Sites. Each of these efforts is described in greater detail below.

Additionally, during QRPs 5 through 8, DHI's Corporate and Region Stormwater Teams continued to regularly evaluate the program improvements made within a particular Region or Division, and, when appropriate, to work to introduce these improvements to DHI's other Regions and Divisions. As described in the First Compliance Summary Report, one way the Corporate Stormwater Team disseminates information regarding these program improvements is through a monthly "DSCR Spotlight". The DSCR Spotlight is designed to promote best practices among DHI's Divisions and Regions and to acknowledge the accomplishments of DSCRs who are doing exemplary work that improves DHI's stormwater compliance while meeting the requirements of the Applicable Permit and the Consent Decree. The DSCR Spotlight includes information about specific processes and/or trainings that the highlighted DSCR developed and/or conducted which resulted in improvements to their Division's stormwater compliance efforts. The DSCR Spotlight also includes a section that highlights collaborative efforts between DHI's Divisions and Regions to integrate processes that have improved compliance from one Division or Region into another Division's or Region's processes.

During QRPs 5 through 8, the DSCR Spotlights included examples of various Division programs, training, and process improvements, including:

1. the guidance provided by the Southwest Florida Division's DSCR for Spot Lot PCIRs to ensure the Division's entitlements team and Site Stormwater Compliance Representatives ("**SSCRs**") were properly trained on the sequence of construction activities;

2. the Charlotte Division's best management practices ("**BMPs**") installation training for erosion and sediment control contractors ("**ESC Contractors**") after Site audits revealed improperly sized temporary construction drives;

3. the Montgomery Division's use of automated email updates to track and manage the completion of Daily Logs across its Sites; and

4. the Charleston Division's in-field testing of different inlet protections and seed blends to determine which BMPs would best support compliance. These tests occurred on Sites with different topography, soils, and other environmental conditions to build better erosion control plans for future Sites with similar characteristics. The Charleston Division also installed a six-inch curb cutback at the end of its rock drives to improve sediment capture during heavy rain.

Beginning in QRP 4, the Corporate Stormwater Team began including all DHI Regions and Divisions in the DSCR Spotlight, allowing personnel outside of EPA Region 4 to learn from and engage with the program. At the end of QRP 5, the DSCR Spotlight featured a DSCR from a Division not subject to the Consent Decree for the first time, giving DSCRs in EPA Region 4 the opportunity to learn from personnel outside of the Consent Decree.

Additionally, at the beginning of QRP 5, the Corporate Stormwater Team hosted the Region Stormwater Compliance Representatives ("**RSCRs**") for a "Consent Decree Year One Review" meeting. During the meeting, the Corporate Stormwater Team and the RSCRs (i) reviewed trends in DHI's Stormwater Compliance Program, (ii) discussed various program improvements made within the different Regions, and (iii) collaborated on areas of focus for the upcoming QRPs.

Another example of collaborative efforts between DHI's Divisions and Regions is the joint meeting between the Coastal Carolina and Florida Regions in QRP 5. At the meeting, the RSCRs and DSCRs from both Regions came together to review the efforts made to improve DHI's Stormwater Compliance Program within their respective Regions and Divisions, and to share best practices relating to their field processes, BMPs, permitting and PCIR processes, and other aspects of their compliance programs.

Improvements in Inter-Departmental Communication Processes

Because DHI has 44 Divisions in six Regions in EPA Region 4, effective inter-departmental communication is critical to the success of DHI's Stormwater Compliance Program, and the information shared among DHI's Divisions, Regions, and Corporate teams needs to be clear and consistent. Thus, during QRPs 5 through 8, DHI's Regions within EPA Region 4 continued to emphasize the importance of communication. Below are examples of processes that have been implemented to ensure that communication is effective, clear, and consistent among DHI employees regarding stormwater management.

1. Stormwater Team Meetings: During QRPs 5 through 8, the Corporate and Region stormwater teams continued to hold at least bi-monthly or monthly meetings with all DSCRs in a Region to discuss any challenges and concerns they were encountering, and to provide guidance from Corporate or Region about procedures, processes, and improvements. To further improve this process, in QRP 5, DHI's Florida Region began providing a monthly in-person option for this meeting so that DSCRs could collaborate after the conclusion of the formal meeting. Additionally, Region teams continued to hold frequent meetings with their Division teams to: (i) ensure everyone remained focused on a compliant culture, (ii) discuss any new policies, guidance, and process changes, and (iii) otherwise share success stories of increased compliance.

2. Stormwater Compliance Emails: During QRP 6, DSCRs managing Sites in Alabama created an automatic daily report that is sent to their email. This report is used to determine which Sites have not yet had a daily log performed and to communicate with the SSCR to either (i) confirm no construction activity took place or (ii) perform the daily log observation and report. Similarly, DSCRs in most of DHI's Divisions in EPA Region 4 have implemented a process to review ERX Daily Summary Emails and send reminders to SSCRs to sign Inspection reports and highlight Action Items that are approaching deadlines. These emails also provide training on good housekeeping, BMP maintenance, and environmental awareness. When necessary, the DSCRs include the land or construction management teams on their reminder emails to ensure SSCRs meet the expectations set within the Division for timely review of reports, Action Items, and other stormwater information.

3. Stormwater Guidance Memoranda: Within the Florida Region, the RSCRs issued 23 guidance memoranda during QRPs 5 through 8 outlining process improvements on various aspects of Division program management, including guidance for PCIRs, permitting, SWPPP collaboration and creation, vacation coverage, spot lots, notices of termination, concrete washout areas and concrete management, and receiving waters identification.

4. Stormwater Integration in Division Processes: During QRPs 5 through 8, the DSCRs continued to remain involved in their Division's internal operations and acquisition processes by attending their Division's land department meetings. This integration improves compliance by helping ensure that Sites: (i) have a SWPPP created prior to DHI's acquisition of the property; (ii) have received permit authorization from the Authorized State prior to land disturbance at the Site; and (iii) have completed the PCIR process prior to DHI's commencement of construction activities at the Site.

Continued Focus on Stormwater Training

During QRPs 5 through 8, DHI's Corporate, Region and Division stormwater teams also continued to emphasize the importance of training to DHI's Stormwater Compliance Program. For example:

1. The Carolina Region continued to bring the DSCRs together for in-person training and discussions to improve their Divisions' processes and procedures. During QRP 7, the Region's RSCRs and DSCRs attended the Southeastern International Erosion Control Association's conference together to continue to enhance the team's collective stormwater

knowledge. Additionally, the Carolina Region DSCRs continue to host SSCR trainings that cover BMP installation, inspection requirements, SWPPP updates, Action Item compliance, and other stormwater compliance matters.

2. In the Coastal Carolina Region, the Charleston, Hilton Head/Savannah, and Myrtle Beach Divisions began holding bi-monthly or monthly "lunch and learns" and/or Site tours with their Inspection Consultants for an afternoon of training and collaboration. During these meetings, the DSCRs emphasize QCIR findings, Inspection scope of work, and trends observed since the last meeting. Additionally, to promote a positive and engaged stormwater compliance culture, the Charleston and Myrtle Beach Divisions began recognizing their highest-performing SSCRs with an award for their dedication to the stormwater program, and the Southern Virginia Division added stormwater performance metrics to its existing construction award.

3. In the Gulf Coast Region, during QRP 5, the Tallahassee Division DSCR began presenting a quarterly training to the Division's SSCRs and vendors to present examples of stormwater "dos and don'ts". Additionally, the Panama City Division DSCR hosted a meeting with the Pensacola and Tallahassee Division DSCRs, with the support of the RSCRs, to present DHI's stormwater expectations and collaborate with Inspection Consultants to find improvements to the SWPPP and Inspection processes.

Improvements in DHI's SWPPP Processes

During QRPs 5 through 8, DHI's Regions within EPA Region 4 continued to refine their SWPPP processes, including by expanding the use of electronic SWPPPs in states where the Applicable Permit allows them. During this period, the Hilton Head/Savannah, Myrtle Beach, and Southern Virginia Divisions in DHI's Coastal Carolina Region began using electronic SWPPPs. These Divisions made the transition after receiving feedback from other DSCRs, RSCRs, and Corporate Stormwater Compliance Representatives ("**CSCRs**") that electronic SWPPPs improved: (i) compliance with the Applicable Permit requirement to keep SWPPPs available on-Site, because hard-copy SWPPPs may be damaged, destroyed, or lost; (ii) the efficiency of SWPPP updates; and (iii) the SWPPP audit process, because DSCRs can more readily review the SWPPPs for their Sites. DHI believes additional Divisions will implement electronic SWPPPs going forward.

Additionally, during QRPs 5 through 8, DHI's Divisions throughout EPA Region 4 continued to improve the SWPPP creation process to reduce the number of corrections identified during subsequent SWPPP audits. For example, after identifying recurring trends in feedback concerning SWPPP updates, the Corporate Stormwater Team met with one of the consultants that prepares SWPPPs for DHI's East and Ohio Valley Regions to revise the template used for future DHI Sites. The Corporate Stormwater Team also instructed the consultant to incorporate information regarding sensitive and protected areas, construction sequencing, and associated Site activities. To help DSCRs provide SWPPP consultants with the information necessary to prepare accurate, Site-specific SWPPPs, the CSCRs and RSCRs revised the SWPPP creation request form to promote the submission of consistent and sufficient information.

Improvements to Field Conditions

During QRPs 5 through 8, DHI's stormwater teams within EPA Region 4 continued to work with Division management to proactively improve the field conditions at DHI's Sites. These efforts to improve field compliance included: (i) improving housekeeping at DHI's Sites, (ii) reducing maintenance needs at DHI's Sites, and (iii) providing consistent messaging to DHI's contractors at DHI's Sites. Specific examples of these efforts include the following:

1. Carolina Region: In the Carolina Region, the DSCRs continued providing BMP training to their Divisions during the Divisions' construction and land meetings. This BMP training has enabled the SSCRs to more quickly recognize what compliance looks like when performing Site walks in their communities. For example, during QRP 7, the Asheville Division developed a process to install tree save fence along the curb to block access to the driveway location after the temporary drive is removed in preparation for the permanent driveway. The Division also shortened the period during which temporary lot drives are used by installing permanent driveways once the slab is poured. Both processes reduced the number of Action Items for refreshing temporary rock entrances and for sediment tracked into the roadway. At a different Site, following a QCIR, the Asheville DSCR determined that the existing inlet protection was insufficient and replaced it with a toggle bolt-style grate gator curb inlet protection. This change produced immediate results, and Action Items for sediment accumulation at the inlet and for clogged or damaged inlet protection were no longer noted.

2. Coastal Carolina Region: During QRPs 5 through 8, the Coastal Carolina Region RSCRs began using a discharge tracking spreadsheet that enables the Region to better understand why discharges occur and to work with the DSCRs to prevent recurrence. After reviewing several discharges, the Wilmington DSCRs noticed that improper stabilization application was causing discharges. The DSCRs held an on-Site training with the Inspection Consultant and ESC Contractor that focused on proper stabilization techniques, how to identify concerns with stabilization application, and the communication process to follow so that the DSCRs can address any concerns before a discharge occurs. In QRPs 7 and 8, the Charleston, Hilton Head/Savannah, Myrtle Beach, and Southern Virginia Divisions hired additional ESC Contractors to balance workloads between Sites, integrate new ideas from the additional vendors, and provide ESC Contractors more support if they are unable to timely complete all assigned work without assistance.

3. East Region: In the East Region, during QRPs 5 through 8, several DSCRs continued to refine their processes for construction support activities, including requiring that specific locations at their Sites be designated for material lay downs, storage, and concrete washouts. This process informed vendors of the portions of each Site available for construction support activities and enabled the SSCRs to plan for increased vendor traffic in those areas. The East Region also improved field conditions during QRPs 5 through 8 through the Atlanta Central Division DSCR's testing of various curb inlet protection BMPs after noting an issue with a coconut fiber mat BMP during QRP 4. The DSCR first increased the maintenance frequency for the BMP but found that this did not prevent the mats from quickly clogging with sediment. The DSCR then tested rock bag inlet protection at the Site, but because the Site had narrow roads, vehicles frequently damaged the rock bags. By QRP 8, the DSCR had tested wattle and block curb inlet protection and found that the wattles functioned as intended and were damaged by traffic less frequently. The DSCR is now attempting to source a shorter version of the current wattle. In another example, during QRP 8, the Augusta DSCR discovered a disruption in a Site's intended drainage pattern while reviewing the site plan. The DSCR restored the intended drainage flow path, which improved the functionality of the stormwater system and reduced the number of repairs noted at the affected portion of the Site.

4. Florida Region: During QRPs 5 through 8, the Florida Region DSCRs and RSCRs continued to focus on providing consistent training to their SSCRs, Inspection Consultants, and ESC Contractors. These training efforts resulted in increased compliance with Inspections and Corrective Actions from QRPs 1 through 4 to QRPs 5 through 8. Additionally, the Florida Region continued to focus on consistently communicating with and providing follow-up training to their SSCRs, Inspection Consultants, and ESC Contractors. For example, during QRP 5, the RSCRs began issuing a monthly newsletter that provides DSCRs with goals and focus points for their Divisions and recognizes SSCRs, DSCRs, Inspection Consultants, and other contractors who demonstrate a strong dedication to stormwater compliance. DSCRs also focused on improving field conditions through training and by ensuring that qualified contractors were assigned to each Site. For instance, in QRP 6, the Sarasota Division replaced the grading contractor for a Site with a company that understood and followed the requirements of the Division's stormwater program. As part of the same effort, the DSCRs and SSCRs developed a plan for SSCRs to provide more frequent "toolbox talks" focused on good housekeeping practices and limiting BMP damage while working at the Sites. Additionally, the Division's purchasing team engaged a waste management vendor with large waste receptacles to reduce the frequency of maintenance items relating to waste receptacles at the Division's Sites.

5. Gulf Coast Region: During QRPs 5 through 8, Divisions in DHI's Gulf Coast Region continued their training programs regarding proper concrete management and handling of potential stormwater pollutants ("**PSPs**"). For example, the Pensacola DSCRs continued to distribute bilingual "PSP Wallet Cards," which supplement the Division's PSP training and are intended to improve PSP compliance at the Division's Sites. Additionally, during QRPs 7 and 8, the Panama City and Mobile/Mississippi Division DSCRs provided their ESC Contractors with updated BMP specifications for concrete washouts to increase the capacity and efficacy of the BMP. In another example, during QRP 8, the Huntsville Division implemented a treatment train to address challenges with a Site's topography and soil conditions. The treatment train, which uses rock rings installed in the Site's basins, successfully reduced the turbidity of the stormwater before it reached the basin's outfall.

6. Ohio Valley Region: DSCRs within the Ohio Valley Region worked within their respective Divisions to improve Corrective Action compliance, reduce repeat maintenance concerns on Site, and plan for tighter workspaces on high-density construction Sites. For example, the Chattanooga DSCRs worked with their land and construction teams to update the Division's planned BMPs for townhome communities and installed enhanced curb cutbacks along all townhome lots to reduce vendors' damage to curbside perimeter controls and minimize sediment tracking off the lot.

Unauthorized Discharges During QRPs 5 through 8

The total number of unauthorized discharges during QRPs 5 through 8 reported in this Third Compliance Summary Report is 236, which represents (i) a 65% decrease from the 679 total discharges during QRPs 1 and 2 reported in the First Compliance Summary Report; and (ii) a 34% decrease from the 358 total discharges during QRPs 3 and 4 reported in the Second Compliance Summary Report. Specific information regarding instances of (i) discharges beyond the permitted LOD and (ii) discharges into receiving waters (including wetlands) at DHI's Sites during QRPs 5 through 8 is provided below. The information below also explains why each instance occurred and describes the program improvements DHI has continued to implement to prevent similar discharges at DHI Sites in the future.

Offsite Discharge of a Visible Amount of Sediment Beyond the Permitted Limits of Disturbance

During QRPs 5 through 8, DHI's Regions in EPA Region 4 had a total of 236 discharges of sediment beyond the permitted LOD.

1. Carolina Region: The Carolina Region discovered 65 instances of discharges beyond the permitted LOD. Forty-two of these instances (65%) occurred during the "look back" periods for Sites in QRPs 5 and 6. The Region saw a 45% decrease in the number of instances during QRPs 7 and 8, with 23 discharges beyond the permitted LOD. Of the 65 instances overall:

- 94% were the result of failed, missing, or improperly maintained BMPs.
- 5% were the result of exceedance storm events.
- 1% were caused by a direct action of a vendor damaging or removing BMPs.

2. Coastal Carolina Region: The Coastal Carolina Region discovered 69 total instances of discharges of sediment beyond the permitted LOD. Fifty-seven of these instances (82%) occurred during the "look back" periods for Sites in QRPs 5 and 6. The Region saw a 79% decrease in the number of instances during QRPs 7 and 8, with 12 discharges beyond the permitted LOD. The Coastal Carolina Region experienced several exceedance storm events across its Divisions in QRPs 5 and 8, which led to increased instances of sediment discharges from Sites during those QRPs. Of the 69 total instances overall:

   - 54% were the result of exceedance storm events.
   - 46% were the result of failed, missing, or improperly maintained BMPs.

3. East Region: The East Region discovered 22 total instances of discharges of sediment beyond the permitted LOD. 16 of these instances (73%) occurred during the "look back" periods for Sites in QRPs 5 and 6, and the Region saw a 63% decrease, with six instances in QRPs 7 and 8. Of the 22 total instances overall:

   - 44% were the result of failed, missing, or improperly maintained BMPs.
   - 40% were the result of exceedance storm events.
   - 16% were the result of using the incorrect BMP per the approved Plan or a direct action of a vendor damaging or removing BMPs.

4. Florida Region: The Florida Region discovered 56 total instances of discharges of sediment beyond the permitted LOD. Forty-four of these instances (79%) occurred within the QCIR "look back" periods for Sites in QRPs 5 and 6. QRPs 7 and 8 saw a 73% decrease, with 12 instances. Of the 56 instances overall:

   - 90% were the result of failed, missing, or improperly maintained BMPs.
   - 5% were the result of incorrect use of BMPs based on Site conditions or the approved Plan.
   - 5% were caused by a direct action of a vendor damaging or removing BMPs.

5. Gulf Coast Region: The Gulf Coast Region discovered 19 total instances of discharges of sediment beyond the permitted LOD. Six of these instances (32%) occurred within the QCIR "look back" periods for Sites in QRPs 5 and 6. QRPs 7 and 8 saw an 117% increase with 13 instances due to an increased frequency and intensity of rain events during the review period. Of the 19 instances overall:

   - 100% were the result of failed, missing, or improperly maintained BMPs. One of these instances was tied to a storm exceedance event in the Baldwin Division.

6. Ohio Valley Region: The Ohio Valley Region discovered five total instances of discharges of sediment beyond the permitted LOD in QRPs 7 and 8. Out of these five instances, two (40%) were recorded in QRP 7 and three (60%) were recorded in QRP 8. Of the five instances overall:

   - 80% were the result of failed, missing, or improperly maintained BMPs.
   - 20% were the result of using the incorrect BMP per the approved Plan or a direct action of a vendor damaging or removing BMPs.

Offsite Discharge of a Visible Amount of Sediment into Receiving Waters (including Wetlands)

During QRPs 5 through 8, DHI's Regions in EPA Region 4 had a total of 55 discharges of sediment that reached receiving waters, including wetlands. This represents (i) a 58% decrease from the 132 total discharges impacting receiving waters, including wetlands, during QRPs 1 and 2 reported in the First Compliance Summary Report; and (ii) a 17% decrease from the 66 total discharges impacting receiving waters, including wetlands, during QRPs 3 and 4 reported in the Second Compliance Summary Report. This decrease indicates that the program improvements discussed in the Second Compliance Summary Report and below are improving Site compliance across DHI's Regions.

The number of discharges into receiving waters (including wetlands) discussed in this Third Compliance Summary Report is based on the definition of "waters of the United States" ("**WOTUS**") previously applied by EPA and the U.S. Army Corps of Engineers. The total number of discharges of sediment into receiving waters (including wetlands) discussed below may be lower under the narrower definition of WOTUS proposed by EPA and the U.S. Army Corps of Engineers to conform to the Supreme Court's decision in *Sackett v. EPA*, 598 U.S. 651 (2023), which was initially announced on March 12, 2025, as well as the supplemental definitions proposed on November 17, 2025, and September 4, 2026.

1. Carolina Region: Of the 65 instances of discharges of sediment beyond the permitted LOD in the Carolina Region during QRPs 5 through 8 noted above, seven of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Four of these discharges occurred in QRPs 5 and 6, while three occurred in QRPs 7 and 8, for a 25% decrease during QRPs 7 and 8.

2. Coastal Carolina Region: Of the 69 instances of discharges of sediment beyond the permitted LOD in the Coastal Carolina Region during QRPs 5 through 8 noted above, 27 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Nineteen of these discharges occurred in QRPs 5 and 6. The remaining eight instances occurred in QRPs 7 and 8, for an approximate 58% decrease during QRPs 7 and 8.

3. East Region: Of the 22 instances of discharges of sediment beyond the permitted LOD in the East Region during QRPs 5 through 8 noted above, three of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Of these discharges, one occurred in QRP 5, one occurred in QRP 6, and one occurred in QRP 8 for a 50% decrease from QRPs 5 and 6 to QRPs 7 and 8.

4. Florida Region: Of the 56 instances of discharges of sediment beyond the permitted LOD in the Florida Region during QRPs 5 through 8 noted above, eight of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Three of these discharges occurred in QRP 5, while the remaining five instances occurred during QRP 8 as a result of improper dewatering procedures.

5. Gulf Coast Region: Of the 19 instances of discharges of sediment beyond the permitted LOD in the Gulf Coast Region during QRPs 5 through 8 noted above, 10 of those discharges were offsite discharges of sediment into receiving waters, including wetlands. Three of those discharges occurred in QRPs 5 and 6, while the remaining seven occurred in QRP 8. The increase in reported discharges in QRP 8 correlates with increased rainfall accumulation and storm frequency, as well as improved discharge reporting procedures within some of the Divisions.

6. Ohio Valley Region: Of the five instances of discharges of sediment beyond the permitted LOD in the Ohio Valley Region during QRPs 7 and 8 noted above, none were offsite discharges of sediment into receiving waters, including wetlands.

Program Improvements for Unauthorized Discharges

During QRPs 5 through 8, DHI's Regions continued to take management steps in response to the above-described discharges. Compared to QRPs 1 and 2, DHI has achieved a 65% reduction in discharges beyond the permitted LOD. Of the five DHI Regions that were in EPA Region 4 during QRPs 1 through 4, four saw an 85% to 95% decrease in reported discharges in QRP 8 compared to QRP 1. Additionally, DHI's continued focus on protecting sensitive areas within or adjacent to its Sites has reduced sediment impacts to receiving waters, including wetlands, by 58% compared to QRPs 1 and 2 and by 17% compared to QRPs 3 and 4.

For example, during QRPs 5 through 8, DHI continued to implement the use of additional buffers between the silt fence / perimeter BMP and the LOD in all six of DHI's Regions in EPA Region 4. Additionally, as noted in the Second Compliance Summary Report, many DSCRs continue to be involved in plan reviews before construction commences in a community, enabling those DSCRs to proactively select the most effective BMPs for sediment loss reduction. Thereafter, the DSCRs remain involved throughout the construction of a Site to monitor and evaluate the effectiveness of the BMPs implemented.

The Carolina Region DSCRs have continued their efforts to help create better erosion control plans and to provide on-Site training to ESC Contractors and grading crews to ensure the planned BMPs are installed and maintained correctly. For instance, when dewatering activities or the use of a pump is required at a Site, the Raleigh DSCRs require the Site contractor to provide its plan before commencing work. This gives the DSCRs time to review the plan and develop a schedule for DSCRs to be present on-Site during the work. Additionally, the Carolina Region DSCRs continue to use pre-storm Site walks and readiness procedures for field staff to protect Site perimeters and prevent discharges. Since QRP 1, the Carolina Region has reduced the number of discharges across its Sites by approximately 87%.

The Coastal Carolina Region DSCRs continued to use the program strategies noted in the Second Compliance Summary Report to help limit unauthorized discharges. In addition, the DSCRs have begun reviewing all dewatering plans before work starts at their Sites to assess the planned dewatering process and to develop a schedule for on-Site monitoring while the dewatering is being performed. The Region's programmatic strategies continue to include:

- Providing on-Site inspector and vendor trainings to cover proper stabilization practices and BMP maintenance in sensitive areas.
- Using discharge tracking spreadsheets to determine the cause and preventability of discharges, communicating their findings to the Division land, construction, and leadership teams, and partnering with those teams to address discharges through BMP selection and Site-management strategies during the planning phase.
- Installing additional or stronger BMPs in areas of the Sites that are in proximity to sensitive areas (e.g., double-rowed fence at the proper spacing, silt fence outlets, and increased matting and seeding).

Since QRP 1, the Coastal Carolina Region has reduced the number of discharges across its Sites by approximately 89%.

Since QRP 1, the Florida Region has reduced the number of discharges across its Sites by approximately 96%. The Florida Region continued to implement numerous program improvements related to unauthorized discharges during QRPs 5 through 8. For example:

- To ensure wetlands are adequately protected, the Tampa DSCRs began requiring all Site work contractors to provide a detailed plan for special activities, such as dewatering and temporary access point installation, so that the DSCRs can review, comment on, and approve the plans before such activities begin. This plan review focuses on determining how to achieve the desired outcome without impacting sensitive areas and on planning and budgeting for the proper BMPs before work is approved to start.

- The Melbourne DSCR implemented a more targeted Site management approach pursuant to which the DSCR visits any Site with noted turbidity concerns or an offsite discharge daily until the Site is back into full compliance with the Applicable Permit. As part of this approach, the DSCR provided the Inspection Consultants and the Site contractors additional training on dewatering plans, monitoring practices, and reporting procedures. Finally, the DSCR holds pre-construction conferences with the Site development contractor to ensure a plan is in place to effectively complete the Site work within the requirements of the Applicable Permit.

- The Ocala DSCRs implemented a pre-acquisition review of the plans for each spot-lot to determine the appropriate BMPs for each lot.

Since QRP 1, the Gulf Coast Region has reduced the number of discharges across its Sites by 50%. During QRPs 5 through 8, the Gulf Coast Region DSCRs continued to work with their field teams to make proactive changes to their Sites intended to reduce the likelihood of discharges occurring on Sites, with an overall goal of reducing the number of Corrective Actions required.

Because DHI's Ohio Valley Region was not a stand-alone DHI Region until October 1, 2025 (during QRP 5), no comparison of discharges for QRPs 1 and 8 is provided for the Ohio Valley Region.

Formal Enforcement Actions Regarding DHI's Applicable Permits

During QRPs 3 and 4, DHI's Regions in EPA Region 4 had a total of 22 regulatory enforcement actions. During QRPs 5 through 8, DHI's Regions in EPA Region 4 had a total of 16 new regulatory enforcement actions. To date, 15 of these 16 regulatory enforcement actions have been closed, with seven (44%) closed within 15 days of commencement of the enforcement action. No significant fines or penalties were imposed in connection with the regulatory enforcement actions closed during QRPs 5 through 8.

Below is a brief description of the formal enforcement actions during QRPs 5 through 8 for each of DHI's Regions in EPA Region 4:

1. Carolina Region: There were four regulatory enforcement actions within the Carolina Region during QRPs 5 through 8. Additionally, one enforcement action originally reported in the First Compliance Summary Report was resolved during QRP 7. The new regulatory enforcement actions are the following:

    a. State of North Carolina – The Greensboro Division received a Notice of Violation ("**NOV**") from the City of Winston-Salem on October 8, 2025 at the Fishel Village Phase 2 Subdivision for failure to follow the approved plan, insufficient BMPs to retain sediment on Site, and improperly chosen, installed, or poorly maintained BMPs. The Division worked with the City to improve Site conditions and the NOV was rescinded on December 4, 2025.

    b. State of North Carolina – The Greensboro Division received an NOV from the North Carolina Department of Environmental Quality ("**NCDEQ**") on March 27, 2026 at The Townes of Bermuda Run Phase 2 (Lybrook Village) Subdivision for stream impacts at a temporary crossing location and silt fence installed within the Zone 2 stream buffer. During an on-Site inspection and meeting with DHI personnel, NCDEQ and the North Carolina Division of Water Resources ("**NCDWR**") determined that a Notice of Continuing Violation ("**NOCV**") would be issued until the permanent stream crossing was installed and functional. A follow-up inspection for the Site was scheduled for August 27, 2026. The plan modification and as-builts for the installed stream culverts have since been submitted to NCDEQ for approval. To date, the NOCV has not been released.

    c. State of North Carolina – The Greensboro Division received an NOV from the Town of Kernersville on April 13, 2026 at the Glenview Townhomes Subdivision for an illicit concrete discharge. The Division immediately cleaned the impacted areas and installed a new concrete washout facility. The NOV was closed on April 16, 2026.

    d. State of North Carolina – The Greensboro Division received an NOV from NCDWR on June 18, 2026 for alleged wetland impacts (0.005 acre) prior to issuance of the Clean Water Act Section 401 Water Quality Certification. After an on-Site meeting among DHI, NCDEQ, NCDWR, and the U.S. Army Corps of Engineers, the agencies

determined that the impacts resulted from work in a previous phase that did not require a permit and that the impacts could remain because they would be required again for work in the future phase, which was then under permit review. The NOV was rescinded on August 3, 2026.

The following enforcement action previously reported in the Second Compliance Summary Report was resolved during QRP 7:

e. State of North Carolina – The Raleigh Division performed all plan revisions and subsequent requests for field modifications at the Baker Farm Subdivision and the senior engineer at the Raleigh Regional Office for NCDEQ confirmed additional plan revisions are not required. A formal letter was not provided, but the Regional Director for NCDEQ declared the NOCV was rescinded and a subsequent regulatory inspection noted the Site was no longer under enforcement on March 2, 2026.

2. Coastal Carolina Region: There were four regulatory enforcement actions within the Coastal Carolina Region during QRPs 5 through 8, as described below.

   a. State of Georgia – The Hilton Head/Savannah Division received an NOV from Effingham County on June 18, 2026 at the Palm Ridge Subdivision for the untimely self-reporting of a discharge to wetlands. The discharge was mitigated, up-gradient areas were stabilized, and temporary BMPs were repaired or replaced. All repairs were completed by June 19, 2026 and the County closed the NOV during a follow-up inspection on June 30, 2026.

   b. State of South Carolina – The Charleston Division received a warning letter from the South Carolina Department of Environmental Services ("**SCDES**") on November 21, 2025 at the Division's Bass Drive Tract following a complaint regarding downed silt fence, the concrete washout, and windblown trash. The Division promptly repaired the BMPs and removed the trash. SCDES performed a follow-up inspection on December 18, 2025 and provided DHI with an "in compliance" letter.

   c. State of South Carolina – The Columbia Division received an NOV from Richland County on July 23, 2026 at the Livingston Woods Subdivision for improper inlet protection, rock outlet, and silt fence maintenance. The Division provided a response showing all corrections were completed by July 30, 2026. Richland County performed a re-inspection of the Site on August 4, 2026 and reported that the Site was in compliance.

   d. State of South Carolina – The Hilton Head/Savannah Division received a Second Notice from Jasper County on August 4, 2026 at Phase 1 of the Cypress Harbors Subdivision following a complaint relating to rainwater entering an adjacent property and general housekeeping on the Site. DHI met with the County, DHI's engineering team, and the developer to discuss possible remedies and the issue was resolved on August 12, 2026 when the County confirmed that the Site was properly engineered for drainage off the lots.

3. East Region: There were five regulatory enforcement actions within the East Region during QRPs 3 and 4 described in the Second Compliance Summary Report. Additionally, the following regulatory enforcement action from QRP 4 was inadvertently omitted from the Second Compliance Summary Report. That enforcement action was resolved during QRP 6.

   a. State of Georgia – The Atlanta East Division received an NOV from the Georgia Environmental Protection Division on August 5, 2025 at Phase 4 of the Flat Rock Hills Subdivision for filing a Notice of Termination ("**NOT**") prior to meeting the stabilization requirements and removing all temporary BMPs. The Division removed temporary BMPs from the Site and watched for adequate germination and coverage around the stormwater management facility. The NOV was resolved and the Site's NOT was approved on December 17, 2025.

   There was one new regulatory enforcement action within the East Region during QRPs 5 through 8 as follows:

   b. State of Tennessee – The Nashville Division received a notice of non-compliance following an inspection by the Tennessee Department of Environment and Conservation ("**TDEC**") at the Paddington Townhomes Subdivision on January 22, 2026. The Division completed the noted corrective actions by January 23, 2026 and provided a written response to TDEC on January 29, 2026. The TDEC inspector noted that TDEC would perform a re-inspection, but one did not occur. TDEC approved the Site's NOT request on June 24, 2026.

4. Florida Region: There was one regulatory enforcement action in the Florida Region during QRPs 3 and 4. There were no regulatory enforcement actions in the Florida Region during QRPs 5 through 8.

5. Gulf Coast Region: There were nine regulatory enforcement actions within the Gulf Coast Region during QRPs 3 and 4, as described in the Second Compliance Summary Report. Two of those enforcement actions were resolved in QRP 6 and QRP 7, respectively. Additionally, one regulatory enforcement action from QRP 4 was inadvertently omitted from the Second Compliance Summary Report. That enforcement action was resolved during QRP 4.

a. State of Alabama – As noted in the Second Compliance Summary Report, the Mobile Division received an NOV from the Alabama Department of Environmental Management ("**ADEM**") on July 7, 2025 at the Westlake Village Subdivision for not fully implementing BMPs to control runoff, discharges, turbidity, and other pollutants from entering State Waters, offsite sedimentation, and missing signage on Site. The Division installed additional BMPs on the Site and established vegetation on inactive portions of the Site and the NOV was closed on February 5, 2026.

b. State of Alabama – As noted in the Second Compliance Summary Report, the Mobile Division received an NOV from ADEM on July 10, 2025 at the Johnson Ranch Subdivision, which is adjacent to the Westlake Village Subdivision described above, and was cited for the same alleged violations. The Division worked with ADEM to provide periodic progress updates on the Site's compliance, and the NOV was closed on May 6, 2026.

The previously issued enforcement action, which was inadvertently omitted from the Second Compliance Summary Report, is as follows:

c. State of Florida – The Tallahassee Division received a Warning Letter from the Florida Department of Environmental Protection ("**FDEP**") on August 6, 2025 at the Olson Ridge Subdivision for a Site inspection on July 16, 2025 that documented turbid water moving through the Site's stormwater system and into the receiving water and Municipal Separate Storm Sewer System ("**MS4**"), sediment on walkways and roads, and missing Inspection documentation in the SWPPP. The Warning Letter was issued after the Division worked with FDEP to complete and document all necessary repairs, and it was closed the same day.

There were six new regulatory enforcement actions within the Gulf Coast Region during QRPs 5 through 8. All of these actions have since been closed or rescinded by the regulatory authority.

d. State of Alabama – The Montgomery Division received an NOV from ADEM on December 1, 2025 at the Highland Farms Subdivision for failure to fully implement BMPs to prevent potential uncontrolled discharges to State Waters and inconsistencies in the documented areas of disturbance within the Notice of Intent ("**NOI**") submittal compared to the on-Site field conditions. The Division coordinated with the permitting department for ADEM to make the necessary permit modifications and corrected all noted BMP Action Items from the regulatory inspection. The NOV was lifted on January 26, 2026.

e. State of Alabama – The Birmingham Division received a Warning Letter from ADEM on January 29, 2026 at the Saddlewood Trails Subdivision for failure to fully implement BMPs to prevent potential uncontrolled discharges to State Waters and improper housekeeping and equipment management. The Division corrected all BMP concerns noted within the regulatory inspection, and the enforcement action was closed on February 16, 2026.

f. State of Alabama – The Huntsville Division received an NOV from ADEM on April 16, 2026 at the Wyndhurst Manor Subdivision for failure to fully implement BMPs to prevent potential uncontrolled discharges to State Waters. The regulatory inspection took place on March 3, 2026 and the Site received a QCIR on March 26, 2026 which identified most of the BMP concerns reported within the ADEM report. Repairs on Site were confirmed completed by March 26, 2026 and additional BMPs were installed on the Site following the NOV, which was lifted on May 8, 2026.

g. State of Alabama – The Mobile Division received a Warning Letter from ADEM on May 13, 2026 at the Johnson Ranch Subdivision for failure to fully implement BMPs to prevent potential uncontrolled discharges to State Waters and accumulated sediment and/or turbidity offsite or within State Waters. The Division implemented corrections at the Site to prevent additional discharges from the outfalls, and the enforcement action was closed on July 14, 2026.

h. State of Alabama – The Mobile Division received a Warning Letter from ADEM on June 18, 2026 at the Ellen's Cove Subdivision for failure to fully implement BMPs to prevent potential uncontrolled discharges to State Waters. The Division implemented temporary stabilization measures and repaired BMPs and the Warning Letter was rescinded on July 30, 2026.

i. State of Florida – The Tallahassee Division received an Offer of Compliance Assistance from the FDEP on July 21, 2026 at the Pine Dove Estates Subdivision relating to missing documentation from the SWPPP, improper or insufficient BMPs, and sediment discharges into the stormwater management facility. The Division corrected all noted actions by July 28, 2026 and the regulatory enforcement was closed on July 29, 2026.

6. Ohio Valley Region: There was one regulatory enforcement action within the Ohio Valley Region during QRPs 5 through 8, as described below. This action has since been closed by the regulatory authority.

a. State of Tennessee – The Northeast Tennessee Division received an NOV from the City of Johnson City on September 25, 2025 at the Keebler Meadows Subdivision for sediment in the road and improper storage of sod

on the Site. The Division corrected all concerns by the end of the day on the date of issuance of the NOV and the NOV was closed on October 9, 2025.

Section II. Information for Categories of Self-Reported Stipulated Penalties

Number of days of discharge of pollutants from a Site to a water of the United States prior to obtaining coverage under the Applicable Permit		State	Days
II.1	No Applicable Sites	N/A	0
II.2	Per the applicable Quarterly Summary Reports, the number of days of construction activities requiring coverage under the Applicable Permit at a Site prior to obtaining coverage under the Applicable Permit.		
	Name of Site: Longmire Estates (ALR10C7AY)	AL	65
	Name of Site: Brookhaven (FLR20HI10)	FL	6
	Name of Site: Riverwalk (FLR10XB90)	FL	4
	Name of Site: The Reserve at Vista Lake (GAR395C85)	GA	92
	Name of Site: Hidden Forest (KYR10S697)	KY	2
	Name of Site: Oxford Reserve (KYR10T245)	KY	50
	Name of Site: Magnolia Farms (MSR108724)	MS	49
	Name of Site: Edgewood Estates (SCR10ZKKB)	SC	32
	Name of Site: Shadowood II (SCR10ZKE3)	SC	5
	Name of Site: Gardens at Riverwoods SD Phase 5 (TNR155432.01)	TN	46
	Name of Site: Neal's Landing (TNR136477)	TN	62
	Name of Site: Nexus South Phase 1 (TNR245232.05)	TN	13
	Name of Site: The Cove at Thrasher Landing Ph. 2 (TNR114100.02)	TN	76

Work Without Permit

During QRPs 1 through 4, 33 Sites had reported instances of work without permit within DHI's five Regions in EPA Region 4. Compared to QRPs 1 through 4, the number of days of work without permit decreased by approximately 63% and the number of affected Sites decreased by approximately 61% during QRPs 5 through 8. During QRPs 5 through 8, 13 of DHI's 2,285 Sites had instances of work without permit, for a compliance rate of 99.4%. Of the 13 instances of work without permit: (i) seven instances resulted from increasing the disturbed acreage before modifying the permit to increase the permitted acreage; (ii) five instances resulted from placing construction support activities outside of the permitted area; and (iii) one instance resulted from increasing the disturbed acreage to align with a revised construction plan without modifying the existing stormwater permit to increase the permitted acreage.

During this reporting period, each of DHI's Regions within EPA Region 4 – except DHI's reorganized Ohio Valley Region – achieved significant reductions in the number of reported days of work without a permit. As reflected in the table below, overall DHI reduced the number of days of work without a permit from QRPs 1 through 4 to QRPs 5 through 8 by approximately 63%.

Region	Days of Work Without Permit								Percent Reduction from QRPs 1 to 4 to QRPs 5 to 8
	QRP 1	QRP 2	QRP 3	QRP 4	QRP 5	QRP 6	QRP 7	QRP 8	
Carolina	198	76	14	0	0	0	5	32	87%
Coastal Carolina	181	0	7	40	0	0	0	0	100%
East	157	264	0	74	0	0	0	151	69%
Florida	108	51	0	0	0	0	4	0	97%
Gulf Coast	95	79	0	0	6	0	114	0	31%
Ohio Valley	--	--	--	--	2	0	126	62	N/A
Total:	739	470	21	114	8	0	249	245	63%

1. Carolina Region: The Carolina Region identified 14 days of work without a permit in QRP 3 at one Site in DHI's Charlotte North Division. At this Site, the work without permit occurred when the Division installed a concrete washout and stored materials outside of DHI's permitted LOD due to a breakdown in communication between the Division's construction and stormwater teams. The construction activities were promptly discontinued and the affected areas stabilized after being identified in a QCIR. No work without permit occurred in the Carolina Region during QRPs 4, 5, and 6. The Carolina Region identified 37 days of work without a permit across two Sites – one instance was reported in QRP 7 and one was reported in QRP 8. While the Carolina Region's processes have greatly improved the Sites' compliance with permitting requirements, the Carolina Region experienced a notable increase in days of work without permit following the acquisition of a local builder with a number of Sites within DHI's Greenville Division's market. The acquisition effectively doubled the Division's number of Sites and significantly expanded the scope of work, creating additional challenges for the Division. Work without permit occurred on both Sites because the lots were released for construction prior to having a National Pollutant Discharge Elimination System ("**NPDES**") permit.

2. Coastal Carolina Region: In QRP 3, the Coastal Carolina Region identified seven days of work without permit at one of DHI's Myrtle Beach Division Sites. This occurred when DHI's engineer increased the disturbed acreage within the modified approved Plan. The DSCR submitted a permit modification to NCDEQ; however, the Division's land team commenced construction activities in an area of the Site covered by the permit modification before the modification was approved by NCDEQ. During QRP 4, the Coastal Carolina Region also identified 40 days of work without permit at DHI's Southern Virginia Division's first Site in North Carolina. Work without permit occurred on that Site when the Division commenced construction activities on three lots that were purchased prior to their originally scheduled takedown date. The lots were not permitted because the DSCR was not aware that DHI had closed on the lots early. Once the work without a permit was discovered during a review of a QCIR of the Site, DHI halted construction activities on those three lots until permit coverage was obtained. No work without a permit occurred in the Coastal Carolina Region during QRPs 5 through 8.

3. East Region: No work without a permit occurred in DHI's East Region during QRP 3. However, the East Region identified 74 days of work without permit across two Sites during QRP 4. DHI's Nashville Division incurred 53 days of work without a permit at one Site when the "Section 2" development phase was increased by approximately 2 acres mid-phase, but the additional acreage was not communicated to the DSCRs and therefore was not added to DHI's permitted area until the discrepancy was identified during a QCIR of the Site. The East Region also identified 21 days of work without a permit at one of DHI's Louisville Division's Sites. This occurred when the Division installed a concrete washout in an unpermitted open space due to a breakdown in communication between the Division's construction and stormwater teams. The concrete washout was promptly added to DHI's permitted area after being identified in a QCIR. No work without a permit occurred in the East Region during QRPs 5, 6, and 7. The East Region identified 151 days of work without permit across three Sites in QRP 8. Work without permit occurred at two Sites when an engineer modified the approved plan to increase the disturbed acreage at the Site without informing DHI's stormwater team of the increase in acreage. Work without a permit occurred at the third Site as a result of placing a concrete washout on a common area that was not covered by DHI's stormwater permit.

4. Florida Region: No work without permit occurred in the Florida Region during QRPs 3, 4, 5, 6, and 8. The Florida Region identified four days of work without permit on one Site in QRP 7 as a result of a grading contractor moving excess fill dirt from a permitted lot onto an unpermitted lot.

5. Gulf Coast Region: No work without permit occurred in the Gulf Coast Region during QRPs 3, 4, 6, and 8. The Gulf Coast Region identified 120 days of work without permit across three Sites – one instance occurred in QRP 5 and the other two occurred in QRP 7. The work without a permit during QRP 5 resulted from the Division disturbing an unpermitted lot for

staging a construction storage trailer and both instances in QRP 7 were the result of failing to incorporate all owned lots into the permitted acreage prior to beginning construction.

6. Ohio Valley Region: No work without permit occurred in QRP 6. The Ohio Valley Region identified two days of work without permit in QRP 5 as the result of a Division placing a concrete washout on an unpermitted portion of a Site. In QRP 7, the Ohio Valley Region reported 126 days of work without permit across two Sites in two Divisions. One reported instance was caused by placing a concrete washout outside of the permitted limits of construction, and the other instance was a result of vertical construction beginning on a lot that the stormwater team did not know had been purchased. In QRP 8, the Ohio Valley Region reported 62 days of work without permit when a DSCR prematurely terminated coverage on a lot that was later disturbed.

Program Improvements for Work Without Permit

Generally, the Corporate Stormwater Team has worked extensively with DHI's Region and Division stormwater teams to incorporate stormwater permitting into each of DHI's Divisions' (i) land and lot acquisition processes, and (ii) vertical construction starts processes. Additionally, during the review of QCIRs, the Corporate and Region Stormwater Teams audit each Site's permit to confirm that the permit was properly obtained and covers the entire area where DHI's construction activities are taking place. When potential concerns are identified, the Corporate Stormwater Team works with the Region and Division stormwater teams to determine whether work without permit occurred and, if so, the circumstances that led to the identified non-compliance. When work without permit is identified, the stormwater teams evaluate potential process improvements to prevent future instances of work without a permit.

Specific examples of program improvements within DHI's Regions and Divisions to prevent work without permit during QRPs 5 through 8 include the following:

1. Carolina Region: During QRPs 7 and 8, the Carolina Region RSCRs and the Greenville Division DSCRs implemented new permit and PCIR tracking procedures, including a new tracking spreadsheet to manage lot-specific permitting and PCIR procedures for every community. The Division stormwater team is required to update this spreadsheet daily and provide the spreadsheet to the Division's construction, land, and start teams during all meetings discussing construction start schedules. This process is designed to help the DSCRs identify potential gaps in permitting and PCIR coverage before lots are released for construction. The other Divisions in the Carolina Region have previously implemented similar processes to minimize the risks of starting work prior to permit authorization or PCIR finalization.

2. East Region: During QRPs 3 and 4, the Louisville Division implemented an enhanced process for ensuring proper permitting prior to starting construction on various portions of its Sites. As part of this process, the DSCR created a spreadsheet showing the NPDES permit information, lots, and PCIR dates for all of the Division's Sites. This spreadsheet is shared and reviewed with the purchasing, sales, and construction managers at the Division's starts meeting to determine if a lot is ready to be released to commence home construction. The DSCR also works with Division management to ensure concrete washouts and areas for construction support activities are planned based on the permitted area and not moved by the SSCRs or other contractors without prior request and approval. Similarly, in QRPs 3 and 4, the Atlanta East Division created a tiered review process for upcoming lot and Site start dates to successfully prevent work without permit. In this process, the DSCR attends a weekly starts meeting and receives two follow-up emails for (i) planned starts and (ii) expected building permits for the upcoming two weeks. The DSCR also provides updates to the starts spreadsheet and the Division's "go board" to ensure NPDES permits are effective and PCIRs are complete before DHI commences construction activities on the applicable portion of a Site. During QRP 8, the Atlanta West Division discovered that it had not modified a permit to reflect increased acreage resulting from a Plan revision. The Site remained idle for months and then resumed development, but the revised acreage was not added to the Site's stormwater permit. Upon discovery, the DSCRs implemented an enhanced process to ensure proper permitting when a Site's construction plans are modified to increase the disturbed acreage at the Site. As part of this enhanced process, the DSCRs: (i) completed an audit of the Division's active permits for self-developed Sites to ensure the permitted acreage was consistent with the disturbed acreage recorded on each Site's current construction plans; (ii) implemented a process for construction plan reviews that includes completing a checklist in connection with each NOI and Change of Information prior to submittal to the permitting authority; (iii) implemented a process to coordinate with the Division's Land Manager to ensure that all areas to be disturbed per any revised construction plans are covered by the Site's stormwater permit and have a PCIR completed before construction activities commence; and (iv) implemented a process to communicate the changes to the Site's permit coverage to their Inspection Consultant, including how the changes will affect the Site's active Site maps and activity logs.

3. Florida Region: In response to the work without permit identified in QRP 7 when a grading contractor relocated excess fill from a permitted lot to an unpermitted lot, the Melbourne Division implemented several program improvements including targeted trainings for the grading vendors, SSCRs, and third-party Inspection Consultants. Additionally, the Melbourne DSCR began providing the Division's SSCRs with maps highlighting high-risk areas while also requiring a formal confirmation that initial BMPs are properly installed on all DHI's permitted lots so that unpermitted areas are more easily recognized in the field. The DSCR also began placing signs within shared communities to clearly indicate areas that DHI's vendors are prohibited from disturbing. Finally, the DSCR reemphasized the process to be followed to obtain vendor certification of the Division's SWPPPs to ensure that the DSCR is aware of any changes to a vendor after construction begins.

4. Gulf Coast Region: In QRP 5, the Pensacola Division implemented enhanced protocols relating to construction support activities in an effort to prevent the recurrence of work without a permit relating to such activities at the Division's Sites. The DSCR memorialized these protocols in an outline that was provided to all of the Division's SSCRs. These enhanced protocols require the SSCRs to: (i) consult the Site SWPPP and active Site map to confirm the proposed construction support areas are within the permitted LOD before the SSCR designates a lot for construction support activities; (ii) thereafter confirm that any such support activities are occurring on the designated portion of the Site, including that any material deliveries are correctly placed in the designated area of the Site; and (iii) obtain approval of any proposed construction storage containers from the Division's construction management team and stormwater team before the SSCR is permitted to place an order for construction materials. As a result of the work without permit instances that occurred within DHI's Mobile/Mississippi Division during QRP 7, the Corporate and Region Stormwater Teams visited the Division for a week to (i) audit the Division's documentation and processes, (ii) review Site conditions, (iii) provide training, and (iv) implement improvements to the Division's stormwater compliance program. These improvements include: (i) requiring that the DSCR participate in the final construction plan review before the plans are submitted to the applicable governmental authorities for approval; (ii) requiring the DSCR to perform a pre-acquisition inspection of potential Sites and to provide a list of necessary stormwater corrections to be completed at the Site by the seller prior to DHI's acquisition; (iii) implementing a permit and PCIR tracking spreadsheet that is maintained by the stormwater team and provided to the Division's executive, operations, land, and construction/starts teams in a live, shareable format; (iv) requiring the DSCR to review and audit owned lots for every community; and (v) implementing a tiered stormwater structure so that the other Division teams have a clear point of contact. In QRP 6, the preceding DSCR was removed from the Division. Following the Region and Corporate visit to the Division in QRP 8, an existing Division stormwater employee was promoted within the Division and has accepted responsibility for the stormwater program.

5. Ohio Valley Region: As reported in the Second Compliance Summary Report, during QRP 4, the Louisville Division implemented a spreadsheet to track permitted areas and the status of PCIR completion after work without permit was reported at the Division's Hidden Forest Site. In QRP 5, the Division implemented additional tracking to improve inter-department communication relating to lot acquisitions and permitted acreage after an additional instance of work without permit at its Oxford Reserve Site was identified. Additionally, following the work without permit challenges, in QRP 7, the Corporate and Region Stormwater Teams visited the Division to (i) provide additional guidance relating to the Division's permit and PCIR tracking processes and (ii) promote the integration of the Division's stormwater team into the Division's construction and land departments' processes. Similarly, in QRP 7, to avoid disturbing unpermitted portions of a Site, the Chattanooga Division updated its active Site map tracking procedures to outline all permitted areas of its Sites so that DSCRs, SSCRs, and Site inspectors can easily determine the permitted areas in the field. Additionally, as a result of the work without permit discovered in QRP 7, the RSCR visited the Division to provide additional training and to assist with the implementation of stormwater permit tracking procedures throughout the Division. Finally, in QRP 8, the Corporate, Region, and Division stormwater teams worked with Knoxville Division leadership to improve the Division's permit tracking processes in an effort to prevent further instances of work without permit. As part of this effort, the team met with the TDEC Knoxville Environmental Field Office to discuss questions and obtain clarification regarding TDEC's permit program. Following those interactions, the Knoxville DSCR was instructed to revise all current and future SWPPPs to include a table showing the permitting history for the Site and the Corporate team provided revisions to the Division's permit and PCIR tracking spreadsheet to show the permitted lots as well as future lots which will require permit coverage and NOTs. This spreadsheet is now available to all Division management teams in a searchable format so that the information is available in real time and lots are only released for construction after both permit coverage and PCIR completion have been verified.

CCIR as a Tool for Improving the DHI Stormwater Compliance Program

During QRP 7, the Corporate Stormwater Team created a Corporate Compliance Inspection and Review ("**CCIR**") Follow-Up Task Tracker to improve efficiency when following up with the RSCRs and DSCRs on the management steps and process improvements identified during each CCIR. This tracker helps the team (i) organize upcoming and completed tasks and (ii) identify trends across CCIRs. For example, following a CSCR's QRP 7 visit to the Louisville Division and the CCIR performed at that time, the CCIR Follow-Up Task Tracker was used to monitor progress on the management steps assigned to improve the DSCR's organization and management of NPDES permits. The CCIR and Division identified areas for improvement in the Division's permitting process before any work without permit was identified through that QRP's QCIR review.

II.3	Number of failures to perform (including completion of all Corrective Actions) or, if performed, a material failure to document Pre-Construction Inspection & Review, if one was required by this Consent Decree	43

PCIR

During QRPs 5 through 8, DHI had 1,696 Sites that required PCIR. Of those Sites, 43 PCIRs were missed, for a compliance rate of approximately 97.5%. This represents an approximately 72% reduction in missed PCIRs compared to the number of missed PCIRs during QRPs 1 through 4 (in which DHI had 156 missed PCIRs across 1,231 Sites). DHI's 97.5% compliance rate during QRPs 5 through 8 also reflects continued improvement from (i) the 80% compliance rate in QRPs 1 and 2 (in which DHI missed 75 PCIRs out of 378 total Sites), and (ii) the 91% compliance rate in QRPs 3 and 4 (in which DHI missed 81 PCIRs out of 853 total Sites).

Of the missed PCIRs during QRPs 5 through 8:

- 40% were missed due to ancillary construction activities, such as installing a concrete washout or parking area, installing an entry monument or amenity, or designating a material-storage lot prior to performing a PCIR for that construction activity.
- 26% were missed due to a failure to properly obtain permit coverage for an area of the Site before commencing construction activities at that portion of the Site. These instances are described in greater detail in Section II.2 of this Third Compliance Summary Report.
- 19% were missed due to miscommunication between DSCRs and the construction or starts teams within a Division.
- 14% were missed due to a misunderstanding of the PCIR requirements or administrative errors in the Division's PCIR tracking process.

Program Improvements for PCIR

During QRPs 5 through 8, all Divisions across the DHI Regions in EPA Region 4 remained focused on improving communication between the DSCRs and the construction, starts, land management and field teams to ensure PCIRs are performed as required before construction activities begin on the portion of the Site covered by that PCIR. As noted in the Second Compliance Summary Report, almost all DSCRs attend and have increased their participation in their Division's construction, starts, and land meetings to communicate PCIR requirements and status for each Site. Some smaller Divisions do not hold these meetings on a set schedule, so the DSCRs work with these teams regularly throughout the week, sharing spreadsheets and meeting informally to provide the information. These efforts resulted in 68% fewer instances of missed PCIR attributed to communication breakdowns between the DSCRs and other Division teams during QRPs 5 through 8.

To further improve communication about PCIRs and other stormwater matters within Divisions, RSCRs in DHI's Carolina, Coastal Carolina, and Florida Regions have developed working relationships with Division executive and management teams to better support their DSCRs and build interdepartmental trust. As a result, these RSCRs are generally alerted to potential concerns within a Division sooner and have a better understanding of each Division's training needs. DSCRs and RSCRs in these Regions also report greater collaboration with other Division departments and stronger support when recommending program changes.

Additionally, in the Carolina Region, the RSCRs meet with all applicable DSCRs to review missed PCIRs and evaluate the circumstances that led to them. In the Coastal Carolina Region, all DSCRs have integrated PCIR date tracking into their Division's starts processes. In QRP 7, after missing three PCIRs for lots with ancillary construction support activities, the Wilmington Division provided additional training to its Starts and Construction teams, and the Division President reiterated the requirement to verify PCIR completion and permit coverage with the DSCRs before installing or relocating any construction support activities at a Site. Although this process was already in place, DSCRs found that some SSCRs had stopped following it in QRP 7. The issue was promptly resolved with the Division President's support.

Similarly, during QRP 7, the Melbourne Division reiterated its requirement that the DSCR be notified of, and sign off on, any relocation of a concrete washout area at the Division's Sites to ensure that PCIR is properly completed for these construction support activities. The Division first implemented this policy during QRP 3 following a missed PCIR at a construction support area; however, some of the Division's SSCRs subsequently stopped following the process and required a reminder of the Division's expectations. During QRP 7, following another PCIR compliance issue, the DSCR worked with the Division's Starts team to add a further safeguard to the Division's PCIR process. Under the revised process, the Starts team sends a stormwater approval email to the SSCRs and requires the SSCRs to verify that a PCIR has been completed and uploaded to DHI's Stormwater Software (ERX) before construction activities begin at the Site.

In the Gulf Coast Region, the Panama City East and West Divisions improved their PCIR process during QRPs 5 through 8 by adding a new form, provided with the starts and PCIR tracking sheets, to track funding requests and lot closings. This revised process reduced the Divisions' missed PCIRs by 50% in QRPs 5 and 6 (from six missed PCIRs to three), and the Divisions had no missed PCIRs in QRPs 7 and 8.

As discussed under Section II.2 of this Third Compliance Summary Report, during QRP 8, the Greenville Division created a permitting and PCIR tracking spreadsheet so that the departments could more readily share stormwater information after interdepartmental communication concerns were identified between QRPs 7 and 8. Many DSCRs have adopted a similar tracking process in their Divisions. For example, the Nashville Division implemented a stormwater permit and PCIR spreadsheet in QRP 5. In QRP 7, during a CCIR, the CSCR determined that this spreadsheet did not track all key stormwater information. The spreadsheet was then updated so that the DSCRs and other Division staff track state water impact permits, federal permits, MS4 approvals, and similar approvals, and it is now regularly shared among departments within the Division.

In many cases, the PCIR processes in place following QRP 4 have successfully prevented missed or improperly performed PCIRs. As long as Divisions periodically reinforce these procedures and require all staff to follow them, DHI believes it will see fewer reported instances of missed PCIRs going forward.

II.4	Total number of required Site Inspections							33,025
II.5	Percentage failure to perform or, if performed, a material failure to document a Site Inspection.							
	Total Percentage of Missed vs. Required Inspections (by Location)							
	Location	**Required**	**Missed**	**%**	**Location**	**Required**	**Missed**	**%**
	Alabama	2,279	72	3%	Mississippi	1,339	41	3%
	Florida	10,356	51	0%	North Carolina	6,098	79	1%
	Georgia	3,879	30	1%	South Carolina	4,429	87	2%
	Kentucky	404	28	7%	Tennessee	4,241	108	3%
							EPA Region 4 Total	2%

Inspections

During QRPs 5 through 8, a total of 33,025 Site Inspections were required on DHI's Sites in EPA Region 4 under the Applicable Permit and the Consent Decree. During these quarters, DHI timely completed 98.5% of all required Site Inspections (i.e., DHI timely completed 32,529 Site Inspections during QRPs 5 through 8). This represents an improvement over the 97.24% timely completion rate for QRPs 1 and 2 reported in the First Compliance Summary Report and maintains the 98% compliance rate reported in the Second Compliance Summary Report.

As reported in the Second Compliance Summary Report, the primary reason for missed Inspections during QRPs 3 and 4 was SSCRs failing to sign an Inspection report within two Business Days after the Inspection occurred (DHI self-disqualifies Inspections that are not signed within the timeframes required by the Consent Decree and the Applicable Permit). Missed signatures remained the largest contributor to missed Inspections during QRPs 5 through 8. DHI saw an approximately 11% decrease in missed Inspections between QRPs 7 and 8 but experienced a 30% increase in missed Inspections due to late signatures compared to QRPs 5 and 6.

To understand why the signature requirement was missed more often than other requirements, the Corporate Stormwater Team used the trends identified in the Second Compliance Summary Report and during QRPs 5 through 8 to ask Divisions to share their processes for meeting the two-day signature requirement. After reviewing these processes, the Corporate Stormwater Team provided learning materials, feedback, and expectations to Divisions that could benefit from process improvements; many of these materials were drawn from Divisions with successful processes.

Additionally, as a result of DHI's improvements to stormwater onboarding for new employees, described under Section IV.1 of this Third Compliance Summary Report, and the DSCRs' processes for reviewing SSCRs' training certificates, during QRPs 7 and 8, DHI had no missed Inspections due to an SSCR signing an Inspection report without having completed the required stormwater training, compared to 15 such missed Inspections in QRPs 5 and 6.

Overall, DHI saw an approximately 47% reduction in missed Inspections from QRPs 1 through 4 to QRPs 5 through 8, with DHI's missed Inspections decreasing from 927 total missed Inspections during QRPs 1 through 4 to 496 total missed Inspections during QRPs 5 through 8.

Program Improvements for Inspections

During QRPs 5 through 8, DSCRs across each of DHI's Regions in EPA Region 4 continued to hold weekly, bi-weekly, or monthly meetings with their Inspection Consultants and management teams to provide training and review concerns. Most DSCRs also routinely share QCIR feedback with routine inspectors to provide targeted training on the concerns noted in those QCIRs. Where Region or Corporate QCIR reviews or CCIRs found that a Division was not holding formal meetings with its Inspection Consultants, the Division was required to add this process to ensure its DSCRs regularly provide third-party teams with feedback, Site updates, and DHI's expectations for complete, accurate, and thorough Inspections. Several Divisions, including Nashville and Hilton Head/Savannah, also developed or maintained a practice of periodically walking Sites with their consultants to review the Inspection process.

Additionally, most Divisions in the Coastal Carolina Region engaged additional third-party Inspection Consultant companies to support the Division's Sites. All Divisions across the Coastal Carolina Region now have at least two Inspection Consultants performing Inspections on their Sites to ensure that Inspection schedules are followed and deadlines are met.

Program Improvements for Timely Signature on Inspection Reports

The Charleston Division implemented a requirement that all Site Inspections occur on Mondays and Tuesdays, except when holidays conflict with the routine schedule. This schedule gives SSCRs a consistent routine for meeting the Inspection-report signature requirement and gives the ESC Contractors additional working days to complete Corrective Actions.

In the Florida Region, to address concerns with missed Inspections due to SSCRs failing to timely sign Inspection reports, the Sarasota Division implemented a holiday tracking policy in which the SSCRs must add their planned vacation time to a spreadsheet so the DSCR and construction team can ensure all Sites have an SSCR scheduled to work and sign the Inspection reports during all federal and DHI holidays.

Applicable Permit Renewals

As noted in the Second Compliance Summary Report, in QRP 6 the Corporate Stormwater Team set calendar reminders six months prior to the expiration date of every Applicable Permit. These reminders give the Corporate Stormwater Team time to review the draft Applicable Permit, work with the DSCRs and RSCRs on potential comments, prepare guidance memoranda on complying with permit changes, and draft the slides for the Annual Refresher Training.

In QRP 7, this process also gave the Corporate Stormwater Team enough time to finalize, at ADEM's request, a standard permittee designation and duly authorized representative letter to simplify the permit renewal process under the Alabama Applicable Permit. The Corporate Stormwater Team also submitted comments on EPA's Construction General Permit.

As a result of this process, DHI provided comments on the proposed Florida Applicable Permit in QRP 6 and the proposed Tennessee Applicable Permit in QRP 7. Additionally, after reviewing the Tennessee Applicable Permit draft, the Corporate Stormwater Team drafted updates to the DHI Inspection template to mirror the Inspection report changes in the permit draft. DHI will submit these updates to the State, subject to any further changes, as soon as the permit becomes effective.

II.6	Total number of required Quarterly Compliance Inspections and Reviews							2,285
II.7	**Percentage failure to perform, or if performed, a material failure to document a required Quarterly Compliance Inspection & Review**							
	Location	**Required**	**Missed**	**%**	**Location**	**Required**	**Missed**	**%**
	Alabama	305	1	0%	Mississippi	72	0	0%
	Florida	649	1	0%	North Carolina	413	1	0%
	Georgia	227	0	0%	South Carolina	407	1	0%
	Kentucky	20	0	0%	Tennessee	192	0	0%
							EPA Region 4 Total	0%
II.8	Number of Quarterly Compliance Summary Reports prepared 1 – 7 days after the deadline							0
II.9	Number of Quarterly Compliance Summary Reports prepared 8 – 30 days after the deadline							0
II.10	Number of Quarterly Compliance Summary Reports prepared 31 – 90 days after the deadline							0
II.11	Number of failures at the time of a Quarterly Compliance Inspection & Review as required by the Consent Decree to have a Site Stormwater Compliance Representative designated for the Site that meets all requirements of the Consent Decree related to the designation, including having current required stormwater training							0

QCIR Processes

As more specifically described in Section V below, QCIRs are chosen for each quarter within DHI's Stormwater Software, ERX, which has been customized to incorporate the Consent Decree requirements for QCIR selection. As noted in the First Compliance Summary Report, in May 2022, DHI's Corporate team began requiring that Divisions in EPA Region 4 conduct "practice QCIRs" in preparation for the Consent Decree. Since that time and throughout QRPs 5 through 8, DHI's Corporate and Region Stormwater Teams have reviewed completed QCIRs for accuracy and quality and to provide feedback and corrections, when necessary, to improve the effectiveness of QCIRs as a tool to refine DHI's stormwater compliance program.

In the East, Florida, and Ohio Valley Regions, the RSCRs control QCIR scheduling to ensure all QCIRs are performed in a timely manner. In the Gulf Coast Region, beginning in QRP 7, the RSCR began setting a deadline by which the DSCR must start all QCIRs to improve workload management. The Carolina and Coastal Carolina Regions permit the DSCRs to schedule their own QCIRs but set deadlines by which all QCIRs must be completed. The Corporate Stormwater Team tracks each Division's progress weekly throughout each QRP and coordinates with Region and Division teams as necessary to ensure timely completion of all QCIRs.

DSCRs across all of DHI's Regions in EPA Region 4 use calendar reminders to ensure the QCIR 14-day and 21-day timelines are met and to reduce the number of QCIRs that need to be started again as a result of missed signature deadlines. These calendar invites are shared with the applicable SSCRs for each Site and are shared with their routine Inspection Consultants. Certain Regions also share these calendar invites with their RSCRs to better track the applicable deadlines.

In some Divisions in DHI's Carolina, Coastal Carolina, East, Florida, and Ohio Valley Regions, the DSCRs perform some of the QCIRs themselves and assign others to a third-party Inspection Consultant. During QRPs 5 through 8, all QCIRs in the Gulf Coast Region were performed by the DSCRs as opposed to a third-party consultant.

Another example of a program improvement to DHI's QCIR process is the process to track the certifications of DHI's DSCRs in EPA Region 4. This process was implemented in DHI's Gulf Coast Region at the end of QRP 8, when the Corporate Stormwater Team became aware that the DSCR for DHI's Birmingham Division had allowed his Alabama State Certification to expire in January 2026 under the belief that he did not need to renew that certification because he also had a current National Certification. Upon discovering this, the DSCR was scheduled for the next available training course to become recertified. As a result, the Corporate and Region Stormwater Teams audited the certifications of all DSCRs in the Gulf Coast Region and created a spreadsheet to track the certifications held by all DSCRs in the Region, as well as the respective expiration dates of each DSCR's certifications. Calendar reminders are then created to ensure that the DSCRs do not allow any of their state or national certifications to lapse. Similar processes had already been implemented in DHI's Carolina, Coastal Carolina, and Florida Regions. Additionally, the Corporate Stormwater Team began working with the RSCRs for the remaining two DHI Regions in EPA Region 4, DHI's East and Ohio Valley Regions, to implement a certification tracking process in those Regions.

Additional information regarding DHI's compliance program for QCIRs in EPA Region 4 is described in Section V of this Third Compliance Summary Report.

Section III. Corrective Actions / Stormwater Pollution Prevention Plan

	Total Number of Required Action Items (by Location)			
	Location	**Total #**	**Location**	**Total #**
III.A.1	Alabama	6,358	Mississippi	3,938
	Florida	73,720	North Carolina	33,434
	Georgia	9,584	South Carolina	25,407
	Kentucky	417	Tennessee	8,660
			EPA Region 4 Total	161,518

As noted in the Second Compliance Summary Report, efforts are continually being made by DHI's stormwater teams, including DHI's Inspection Consultants and ESC Contractors, to ensure that Corrective Actions are completed in accordance with the timeframes provided by the Applicable Permit. DSCRs continue to provide training to their SSCRs and consultants to: (i) emphasize that Action Items must be corrected in the field prior to being closed in ERX; and (ii) better use ERX to communicate when work is in progress and/or completed in the field.

Additionally, the Carolina, Coastal Carolina, Florida, and Gulf Coast Regions emphasized improving overall Site conditions through trade management, good housekeeping procedures, and SSCR and DSCR BMP checks. In some Divisions, these BMP checks are documented and sent to the ESC Contractor to make additional repairs on the Site throughout the week prior to the next routine Inspection. This procedure is designed to reduce the number of Corrective Actions that need to be listed during Inspections.

Another process which has reduced the number of Action Items that need to be listed on a report was developed in the Montgomery Division. This Division updated its stormwater billing structure so that the ESC Contractor is allowed to make all necessary repairs on Site, including repairs not documented in the Inspection report, which is usually prepared one or two days before the ESC Contractor arrives on Site.

The efforts found in these Regions reflect a shift toward reducing the number of recorded Action Items identified during Inspections in QRPs 5 through 8 compared to QRPs 3 and 4. In QRPs 3 and 4, across DHI's 17,821 total Inspections, there was an average of six Action Items per Inspection. In QRPs 5 through 8, across DHI's 33,025 total Inspections, there was an average of five Action Items per Inspection.

Overall, the number of Action Items identified during Inspections of DHI's Sites in EPA Region 4 has declined from 211,223 total Action Items during QRPs 1 through 4 to 161,518 total Action Items during QRPs 5 through 8 – a 24% reduction from the first year of the Consent Decree to the second year of the Consent Decree.

Below is a location-by-location comparison of the total number of Action Items recorded in (i) QRPs 1 and 2, (ii) QRPs 3 and 4, (iii) QRPs 5 and 6, and (iv) QRPs 7 and 8:

Location	QRPs 1 & 2 Action Items	QRPs 3 & 4 Action Items	QRPs 5 & 6 Action Items	QRPs 7 & 8 Action Items	Percent Reduction QRPs 1 to 4 vs QRPs 5 to 8
Alabama	2,338	3,516	2,902	3,456	-9%
Florida	62,652	47,321	32,218	41,502	33%
Georgia	7,339	6,669	4,245	5,339	32%
Kentucky	123	132	231	186	-64%
Mississippi	2,139	3,820	2,152	1,786	34%
North Carolina	21,295	21,295	15,818	17,616	21%
South Carolina	11,833	12,346	11,663	13,744	-5%
Tennessee	3,323	5,082	3,899	4,761	-3%
Total:	111,042	100,181	73,128	88,390	24%

III.A.2

Number of failures to complete Corrective Actions within the time frame required by the Applicable Permit or, if completed, a material failure to record the information. **10,149**

Corrective Actions – Total Percentage Missed (by Location)

Location	Required	Missed	%	Location	Required	Missed	%
Alabama	6,358	432	7%	Mississippi	3,938	2,981	76%
Florida	73,720	412	1%	North Carolina	33,434	2,720	8%
Georgia	9,584	229	2%	South Carolina	25,407	2,510	10%
Kentucky	417	16	4%	Tennessee	8,660	849	10%
					EPA Region 4 Total		6%

Corrective Actions

During QRPs 3 and 4, 92% of Corrective Actions identified at DHI's Sites were completed within the timeframes required by the Applicable Permit. With respect to the 8% of Corrective Actions that were not completed within the Applicable Permit timeframes, the primary reasons for such failure included: (i) SSCRs not signing off on field-completed items in a timely manner, and (ii) short timelines for completing Corrective Actions in certain jurisdictions.

During QRPs 5 through 8, DHI's rate of completing Corrective Actions within the timeframes required by the Applicable Permit increased to 94%. As shown below, this increase was most significant at Sites in Mississippi and North Carolina.

Location	QRPs 1 & 2 % Missed	QRPs 3 & 4 % Missed	QRPs 5 & 6 % Missed	QRPs 7 & 8 % Missed	QRPs 5 to 8 % Missed
Alabama	8.25%	7%	6%	7%	7%
Florida	2.33%	0%	1%	0%	1%
Georgia	4.92%	3%	3%	2%	2%
Kentucky	4.88%	3%	3%	5%	4%
Mississippi	80.46%	81%	85%	64%	76%
North Carolina	14.34%	11%	9%	7%	8%
South Carolina	9.23%	10%	10%	9%	9%
Tennessee	8.97%	9%	9%	10%	10%

A comparison of DHI's results for QRPs 1 and 2 with its results for QRPs 7 and 8 reflects increased compliance in closing Corrective Actions within the timeframe required by the Applicable Permits in six of the eight states in EPA Region 4: Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina. In the remaining two states, Kentucky and Tennessee, the non-compliance rate increased by roughly one percentage point or less: (i) in Kentucky, from 4.88% in QRPs 1 and 2 to 5% in QRPs 7 and 8; and (ii) in Tennessee, from 8.97% in QRPs 1 and 2 to 10% in QRPs 7 and 8. Despite these marginal increases in Kentucky and Tennessee, DHI's overall compliance in closing Corrective Actions during QRPs 5 through 8 increased slightly, to 94% of Corrective Actions closed within the timeframes required by the Applicable Permits.

Reviewing the results for each of DHI's Regions, five of DHI's Regions in EPA Region 4 saw a decrease in the percentage of overdue Action Items from QRPs 1 and 2 to QRPs 7 and 8.

1. DHI's Carolina Region reduced its non-compliance rate from 16% in QRPs 1 and 2 to 9% in QRPs 7 and 8.
2. DHI's Coastal Carolina Region's non-compliance rate decreased from 8% in QRPs 1 and 2 to 7% in QRPs 7 and 8.
3. DHI's East Region reduced its non-compliance rate from 11% in QRPs 1 and 2 to 7% in QRPs 7 and 8.
4. DHI's Florida Region reduced its non-compliance rate from 2.3% in QRPs 1 and 2 to 0% in QRPs 7 and 8.
5. DHI's Gulf Coast Region reduced its non-compliance rate from 18% in QRPs 1 and 2 to 11% in QRPs 7 and 8. The Gulf Coast Region's Corrective Action compliance rate in Mississippi is largely affected by the Applicable Permit requirement to complete Action Items by the following day.

DHI's remaining Region in EPA Region 4, the Ohio Valley Region, had a 7% non-compliance rate during QRPs 7 and 8. The Ohio Valley Region is not included in the comparison above because it was not a stand-alone Region during QRPs 1 and 2.

Program Improvements for Corrective Actions

DHI's Regions and Divisions continue to refine their processes to improve DHI's Corrective Action compliance rates.

Short timelines for completing Corrective Actions in certain jurisdictions remained one of the primary reasons for missed Corrective Actions during QRPs 5 through 8. DHI's Divisions with Sites in Mississippi continue to work toward increased compliance. For example, DHI's Memphis Division changed the Inspection schedule for its Mississippi Sites to require that the ESC Contractor be on Site on the same day as each routine Inspection. The Division also continues to seek ways to improve Corrective Action compliance by reducing the number of Action Items that extend beyond general maintenance and take longer to repair.

DHI's other Divisions with Sites in Mississippi are also evaluating ways to improve DHI's compliance rate, such as: (i) scheduling ESC Contractors to visit a Site on the day of or the day following an Inspection; (ii) scheduling routine Inspections only Monday through Thursday; (iii) hiring DHI field staff to correct smaller concerns across the Site; and (iv) providing DSCRs and SSCRs with tools and materials to fix stormwater signs, downed silt fence, and similar items.

DHI's Mobile/Mississippi Division illustrates these efforts. Despite the 24-hour Corrective Action timeframe applicable to Mississippi Sites, the Mobile/Mississippi Division's Corrective Action compliance improved significantly during QRPs 5 through 8, demonstrating that Corrective Action compliance is achievable in states where the Applicable Permit requires Corrective Actions within one day of identification of an Action Item. The Division's improvement is attributable, in part, to the DSCR's introduction of a set Inspection schedule developed in collaboration with the Division's SSCRs, Inspection Consultants, and ESC Contractors, who together selected the best day of the week for routine Inspections. On the scheduled Inspection date, the SSCR and ESC Contractor meet the Inspection Consultant at the Site and complete most Action Items during or immediately after the Inspection. The Inspection Consultant reviews any new Action Items with the SSCR, as well as any open Action Items from the prior week's Inspection, to confirm that the SSCR understands all Action Items to be completed in the field. This process has resulted in a 17% improvement in the Mobile/Mississippi Division's compliance rate from QRP 5 to QRP 8.

Similarly, upon learning about the processes implemented in the Mobile/Mississippi Division that were improving Corrective Action compliance, the Jackson Division DSCR developed similar processes for the Jackson Division, including:

- The DSCR and ESC Contractor working together to verify that Action Items from an Inspection report were repaired in the field.
- The ESC Contractor and DSCR sending emails with screenshots of Action Items that are "completed in field and ready to close" to the SSCR(s) so that the SSCR(s) can see which Action Items were verified as complete.
- The DSCR performing a Site walk 48 hours prior to the scheduled routine Inspection and emailing the ESC Contractor and SSCR(s) items that need to be repaired before the Inspection.

Although the Jackson Division only recently implemented these program improvements, the Division appears to have already achieved initial improvement in its Corrective Action compliance rate. In QRP 6, before implementing these process improvements, the Division reported 3% compliance with the one-day timeframe to complete Corrective Actions. In QRP 8, one quarter after implementing these improvements, the Division reported 20% compliance with the Applicable Permit requirement for Corrective Actions – an increase of 17 percentage points (approximately 567%) from QRP 6 to QRP 8.

As noted in the Second Compliance Summary Report, SSCRs not signing off on field-completed items in a timely manner was the other primary reason for missed Corrective Actions. After the Charlotte North and Raleigh Divisions within DHI's Carolina Region identified this trend, the DSCRs for those Divisions began monitoring Corrective Action trends throughout their respective Divisions. The DSCRs periodically report their findings to the Construction and Land Management teams within their Divisions, and those teams use this data to schedule trainings, set expectations, and better support their SSCRs in closing out Action Items on time. The Raleigh and Charlotte North Divisions' results reflect this improved compliance.

The Charlotte South Division has also implemented a similar Corrective Action monitoring program and achieved significant improvement from QRP 5 to QRP 8, with non-compliance across the Division's North Carolina Sites decreasing from 16% in QRP 5 to 2% in QRP 8.

Additionally, Divisions within DHI's Coastal Carolina Region, which have a seven-day Corrective Action timeframe across their Georgia, North Carolina, and South Carolina Sites, established an expectation that Corrective Actions be completed and closed out within five days so that as much work as possible is completed before the Applicable Permit deadline. As part of the Coastal Carolina Region's process, the DSCRs provide weekly and monthly reporting to the Division Presidents, Construction Managers, and Land Managers so that Division leadership is aware of Corrective Action trends in the Division and can support the DSCRs in resolving concerns promptly as they arise. This process has set a consistent expectation for Corrective Action and Inspection compliance within DHI's Coastal Carolina Region, with a goal of maintaining at least 95% compliance every month. Similarly, in DHI's Florida Region, the Southeast Florida and Ocala Divisions have implemented a Friday ERX check to notify SSCRs of any Action Items that are at least five days into the Corrective Action completion period, so that those Action Items are addressed and marked complete within the required timeframe.

The Sarasota Division provides an additional example of a program improvement for Corrective Actions. In that Division, the DSCR created a monthly SSCR "re-training" class for SSCRs who have Corrective Actions that remain outstanding beyond the seven-day timeframe required by the Applicable Permit. The DSCR provides a list of the Sites with overdue Action Items to the Division President and the Vice President of Construction, who collaborate with the DSCR to assign the required re-training to the applicable SSCRs. Thereafter, the Division President and Vice President of Construction help monitor the SSCRs' performance. Additionally, once Action Items have been open for three days, the DSCR works with the SSCRs to ensure they have the work scheduled or a plan for completion.

In addition to the program improvements noted above, the Charleston and Sarasota Divisions within DHI's Coastal Carolina and Florida Regions identified quality control concerns with an ESC Contractor that was assigned to several of the Divisions' Sites and placed the ESC Contractor on a performance improvement plan. After the DSCRs confirmed that the ESC Contractor's performance remained

deficient, the Divisions terminated the contract and replaced the ESC Contractor on their Sites. In both Divisions, the DSCRs observed immediate improvements in Corrective Action compliance.

Additionally, the Gulf Coast Region continues to place an emphasis on proactive management to reduce the number of Action Items reported over time. During QRPs 5 through 8, the Birmingham and Montgomery DSCRs continued to provide training and guidance to their Inspection Consultants to identify the sources of sediment tracking in the street, as well as other deficiencies. Their goal is to identify trends in these issues and adjust their upgradient BMPs accordingly to reduce the number of Action Items reflected in their Inspection reports.

Additionally, several Divisions throughout DHI's Carolina, Coastal Carolina, Florida, and Gulf Coast Regions have enhanced their storm-preparedness processes so that fewer BMPs are damaged as severe weather approaches. These enhanced processes include: (i) moving SWPPPs and sign posting inside, when possible, to prevent loss of Site documentation to rain or wind; (ii) securing portable toilets; (iii) hauling off or locking dumpsters; (iv) pulling curb inlet protection at low sections of roads to decrease flood risk; and (v) scheduling ESC Contractors to install additional perimeter controls and velocity dissipation BMPs on lots in anticipation of the storm. Some of DHI's Divisions in the East Region, including Nashville and Atlanta West, have implemented similar practices to improve conditions at their Sites, such as securing portable toilets, providing dumpsters with lids, and storing potential stormwater pollutants in protected and covered areas across all Sites. These items are required to be included in prospective contractors' bids so that they are completed as soon as construction begins at a Site.

III.A.4	Number of instances of off-site sedimentation due to failure to properly locate, install, or maintain Best Management Practices (BMPs)	174

The total number of instances of off-site sedimentation due to failure to properly locate, install, or maintain BMPs declined from (i) 687 total instances during QRPs 1 through 4 (420 instances in QRPs 1 and 2 and 267 instances in QRPs 3 and 4); to (ii) 174 total instances in QRPs 5 through 8. Additional information relating to the percentage of discharges related to failed, missing, or improperly maintained BMPs in each of DHI's six Regions in EPA Region 4, and the corresponding program improvements made by DHI, is described in Section I of this Third Compliance Summary Report.

Stormwater Pollution Prevention Plan (SWPPP, CBMPP, ESPCP, etc.)

III.B.1

Percentage failure to have, at the time of a Site Inspection, the SWPPP at the Site or its location posted, if required by the Applicable Permit.

Total Percentage of SWPPPs missing at time of a Site Inspection (by Location)

Location	# Missed	%	Location	# Missed	%
Alabama	0	0%	Mississippi	29	2%
Florida	2	0%	North Carolina	1	0%
Georgia	0	0%	South Carolina	0	0%
Kentucky	0	0%	Tennessee	6	0%
				EPA Region 4 Total	0%

SWPPP Location

During QRPs 3 and 4, a compliant SWPPP was located at the Site, or the SWPPP's location was posted as required by the Applicable Permit, at the time of 99.94% of DHI's Site Inspections in EPA Region 4 (i.e., 11 SWPPPs missing out of 17,821 Site Inspections), compared to the 99.96% compliance rate that DHI reported for QRPs 1 and 2 in the First Compliance Summary Report. During QRPs 5 through 8, a compliant SWPPP was located at the Site, or the SWPPP's location was posted as required by the Applicable Permit, at the time of 99.88% of DHI's Site Inspections in EPA Region 4 (i.e., 38 SWPPPs missing out of 33,025 Site Inspections).

Location	QRPs 1 & 2 # Missed	QRPs 3 & 4 # Missed	QRPs 5 & 6 # Missed	QRPs 7 & 8 # Missed	QRPs 5 to 8 # Missed
Alabama	4	0	0	0	0
Florida	57	6	0	2	2
Georgia	0	0	0	0	0
Kentucky	0	0	0	0	0
Mississippi	0	1	29	0	29
North Carolina	1	0	0	1	1
South Carolina	0	4	0	0	0
Tennessee	20	0	3	3	6

Program Improvements for SWPPP Location

In QRP 3, the Corporate Stormwater Team reviewed each Applicable Permit and corresponding administrative codes regarding SWPPP availability and posting requirements to determine if electronic SWPPPs were allowed for Sites. In states where the written language was unclear or did not speak directly to electronic records, the CSCRs or applicable RSCR reached out to the applicable regulatory authority. During QRP 7, the Alabama and South Carolina Applicable Permits were renewed. In both instances, the electronic reporting, filing, and document management and posting requirements were clarified and in both states electronic SWPPP management is permissible.

Beginning in QRP 4, the Gulf Coast Region began switching over to electronic SWPPPs, beginning with the Tallahassee Division, to facilitate more efficient recordkeeping and an improved SWPPP audit process. The remaining Divisions within the Region also implemented electronic SWPPPs. During QRP 7, the Corporate Stormwater Team entered a national agreement with a national electronic SWPPP vendor to assist other Divisions to implement electronic SWPPPs where allowed by the Applicable Permit. All Divisions within the Florida Region maintain electronic SWPPPs. Since the Corporate Stormwater Team's review of each Applicable Permit and administrative codes regarding SWPPP availability and posting requirements in QRP 3, several Divisions within the Coastal Carolina and Gulf Coast Regions have moved to full electronic record keeping and post the required information to access the documents on Site. Additionally, several Divisions within the Carolina Region have begun posting QR codes within the SWPPP books to store their Inspections and logs and several Divisions within the East Region have begun posting their digital SWPPP location next to their physical copy.

During QRPs 3 and 4, the Florida Region reduced the number of instances of not having a SWPPP available on-Site from 57 instances in QRPs 1 and 2 to six instances in QRPs 3 and 4. Each of these six instances occurred because the existing digital SWPPP QR Code signage was damaged in the field at the time of Inspection. In QRP 3, the Florida Region provided the third-party Inspection consultant access to DHI's SWPPP QR Code signage to enable the consultant to repost the signage in the field during the Inspection if the QR Code signage was missing or damaged. In QRP 4, the Florida Region implemented an additional change to their Inspection process to require the consultant to provide wooden stakes to reinstall the sign and base if the previous sign had been removed. Additionally, DSCRs throughout the Gulf Coast and Florida Regions now purchase the various stormwater signage, including the stormwater sign required by the Consent Decree, in bulk so that the DSCR, inspector, or SSCR can quickly replace any damaged or removed signs on Site.

The Jacksonville Division, which transferred to the East Region from Florida in QRP 7, had two instances where the SWPPP and stormwater board were damaged and not considered properly on Site. The Jacksonville DSCRs, like the other Florida Divisions, purchase the signage in bulk and provide extras to their Inspection consultants to assist in repairing or replacing damaged signs and SWPPP postings during Inspections. The new inspector for the Site did not understand this Division's policy and the DSCRs met with her to go through the process once these two instances were identified.

In the Carolina Region, there were no instances of SWPPPs missing in QRPs 5, 6, or 8. In QRP 7, the Raleigh Division DSCR had temporarily removed the SWPPP from a land development Site to perform an audit and make updates to the documentation. The Region team is monitoring the Division to prevent recurrence.

In the Gulf Coast Region, there were zero recorded instances of SWPPPs missing in QRP 7 and QRP 8. In QRP 5 and QRP 6, there were 29 instances of the SWPPP being recorded as missing from the Site; all instances were recorded in the Jackson Division. Of those 29 instances, three instances in QRP 6 were due to the SWPPP/signage vendor delivering the materials to new Sites late. The other 26 instances, recorded in QRP 5, were due to suspected vandalism and/or accidental removal, as multiple SWPPPs and stormwater signs

were removed from the Jackson Division's Sites at one time by an unknown person or persons. The DSCR provided additional SWPPP, signage, and Consent Decree training throughout the Division and has not seen any additional issues.

Within the East Region, Nashville saw three instances of SWPPPs not on Site in QRP 6, one instance in QRP 7, and two instances in QRP 8. In the Ohio Valley Region, the Northeast Tennessee Division had one reported instance when the SWPPP was not present in time for the initial Inspection of a new Site. The stormwater sign and SWPPP were posted before the next Inspection. The Corporate team reviewed these instances and now requires all DSCRs in Tennessee to post a QR code and URL link to their digital SWPPP to ensure SWPPPs are present on Site in compliance with the Applicable Permit.

Section	Corrective Action Summary and Review
III.C.1	Each subsequent EPA Region 4 Compliance Summary Report will provide a summary of actions taken to address issues outlined in the previous report and will discuss trends associated with success and failures of complying with Stormwater Requirements

Below is a summary of trends relating to DHI's compliance with Stormwater Requirements during QRPs 5 through 8 compared to DHI's results from QRPs 1 through 4, as reported in the First Compliance Summary Report and the Second Compliance Summary Report, as well as a discussion of program improvements made to address issues outlined in the First Compliance Summary Report and the Second Compliance Summary Report. Specific areas of focus addressed below include: (i) discharges; (ii) work without a permit; (iii) PCIRs; (iv) Inspections; and (v) Corrective Actions. Additional program improvements that DHI implemented to address these areas of focus are discussed throughout this Third Compliance Summary Report.

Discharges:

Comparing DHI's results from QRPs 1 and 2 with DHI's results from QRPs 3 and 4, QRPs 5 and 6, and QRPs 7 and 8, DHI has continued to demonstrate increased compliance in the number of discharges beyond the permitted LOD. Overall, DHI has reduced the total number of discharges from DHI Sites from QRP 1 to QRP 8 by 89%. During QRPs 1 and 2, DHI's Regions in EPA Region 4 reported a total of 679 unauthorized discharges, and 132 of those discharges reached receiving waters, including wetlands. Comparatively, (i) in QRPs 3 and 4, DHI's Regions in EPA Region 4 reported a total of 358 unauthorized discharges, with 66 of those discharges reaching receiving waters; (ii) in QRPs 5 and 6, DHI's Regions in EPA Region 4 reported a total of 165 unauthorized discharges, with 31 of those discharges reaching receiving waters; and (iii) in QRPs 7 and 8, DHI's Regions in EPA Region 4 reported a total of 71 unauthorized discharges, with 24 of those discharges reaching receiving waters.

Below is a Region-by-Region comparison of the number of discharges reported for (i) QRPs 1 and 2, (ii) QRPs 3 and 4, (iii) QRPs 5 and 6, and (iv) QRPs 7 and 8:

Region	QRPs 1 & 2 Discharges	QRPs 3 & 4 Discharges	QRPs 5 & 6 Discharges	QRPs 7 & 8 Discharges	Percent Reduction QRPs 1 to 4 vs QRPs 5 to 8
Carolina	176	124	42	23	78%
Coastal Carolina	94	61	57	12	55%
East	50	35	16	6	74%
Florida	322	103	44	12	87%
Gulf Coast	37	35	6	13	74%
Ohio Valley	--	--	0	5	N/A
Total:	679	358	165	71	77%

Reviewing these results, DHI's Carolina (78%), Coastal Carolina (55%), East (74%), Florida (87%), and Gulf Coast (74%) Regions each achieved a significant reduction in the number of discharges beyond the permitted LOD from QRPs 1 through 4 to QRPs 5 through 8. While the total number of discharges remained highest in DHI's Carolina Region, with 23 discharges in QRPs 7 and 8, the Region has continued to significantly decrease its total number of discharges overall.

To improve Site compliance, Divisions implemented several changes during QRPs 1 and 2 to reduce the number and severity of discharges from DHI's Sites. For instance, the Orlando Division created a procedure for hurricane and severe weather preparedness to ensure that their Sites are better prepared for adverse weather. The DSCRs shared this procedure with all Divisions in the Florida Region to help them implement a proactive management strategy for storms across the Region.

Overall, compared to QRPs 1 through 4, there has been a 77% reduction in discharges across DHI's six Regions in QRPs 5 through 8. The Gulf Coast Region reported more discharges in QRPs 7 and 8 than in QRPs 5 and 6, but had the fewest discharges overall of any of DHI's Regions other than the Ohio Valley Region. The Gulf Coast, Carolina, East, and Florida Regions averaged a 78% reduction in reported discharges in QRPs 5 through 8 compared to QRPs 1 through 4. The Coastal Carolina Region saw a 55% reduction in reported discharges in QRPs 5 through 8 compared to QRPs 1 through 4. Although the Coastal Carolina Region had the lowest percentage reduction, its reduction exceeded 50%, and the result was largely attributable to severe storms that the Region experienced during QRPs 5 and 8. As reflected in Section I of this Third Compliance Summary Report, a majority of the discharges throughout the Coastal Carolina Region were attributed to exceedance storm events.

Trends for discharges in QRPs 5 through 8 are also discussed in Section I of this Third Compliance Summary Report.

Work Without Permit:

In accordance with the requirements of the Applicable Permits and Consent Decree, DHI's stormwater team has developed a permitting process within each Division, with some requirements being set at the Region or Corporate level. These processes were analyzed and improved upon as necessary based on instances of work without permit identified during QRPs 3 and 4.

For example, the Corporate Stormwater Team made several changes to the QCIR review process to ensure permitting concerns are addressed quickly and, as much as possible, before construction activities begin at a Site. These changes include:

1. Developing a "stipulated penalty review worksheet" that the Corporate Stormwater Team works through to confirm the SWPPP is compliant, active areas of DHI's Sites are properly permitted, PCIRs were completed in a timely manner, and the QCIR and QSR correctly report the information for the Site.

2. Standardizing the process for reviewing, communicating, and reporting work without permit within a given QRP. For example, the Region President and Division President must immediately be notified when work without permit is found.

3. Creating a template for formalizing the results of a Corporate review that discovered work without permit.

4. Setting up calendar reminders and deadlines for an affected Division to develop a program improvement strategy to avoid work without permit moving forward.

In QRPs 1 and 2, DHI reported 1,209 days of work without permit across 28 Sites (for a 97.5% compliance rate at DHI's 1,114 active Sites). In QRPs 3 and 4, DHI reported 135 days of work without permit across five Sites (an approximately 99.6% compliance rate for the 1,129 active Sites). The program improvements described in the First Compliance Summary Report and the Second Compliance Summary Report, as well as the improvements discussed below and in Section II.2 of this Third Compliance Summary Report, have led to DHI's continued improvement in compliance during QRPs 5 through 8. During that period, DHI maintained an approximately 99.4% compliance rate with permitting requirements. While 13 Sites reported work without permit during QRPs 5 through 8, this occurred on fewer Sites and within fewer Divisions compared to QRPs 1 through 4.

As noted above in Section II.2 of this Third Compliance Summary Report, DHI's Coastal Carolina Region reported no work without permit during QRPs 5 through 8. Some of the improvements implemented within the Coastal Carolina Region that helped the Region accomplish this level of compliance included:

1. The Myrtle Beach Division requires the stormwater team to immediately be notified of a Plan revision to be able to review. If a Plan revision includes an increase in acreage, the land manager places a hold on starting work until the DSCR confirms in writing that the additional acreage is permitted and the PCIR is finalized. Once the DSCR provides this confirmation, the assigned land project manager is able to schedule work in the applicable portion of the Site.

2. The Corporate and Region stormwater teams provided additional training to the Southern Virginia DSCR to better align the Division's processes to meet the Consent Decree requirements. The teams traveled to the Division to perform a CCIR and to provide hands-on training regarding Consent Decree requirements, Division tracking and management, and North Carolina permitting requirements.

3. The Corporate and Region Stormwater Teams provided in-person training and support to the Wilmington Division to develop their permit and PCIR processes to meet the requirements of the Applicable Permit and Consent Decree. During this visit, the DSCRs created and shared a stormwater spreadsheet to track permitting, PCIR, assigned stormwater contacts, etc. This spreadsheet is maintained daily by the Division's stormwater team and is shared live within a Microsoft Teams channel with all SSCRs and Division management.

4. The Myrtle Beach DSCRs collaborated with the Wilmington stormwater team and adopted a similar spreadsheet into their Division's processes. The Region and Corporate Stormwater Teams later helped the Myrtle Beach DSCR adapt this spreadsheet to better serve their Division and establish a schedule for updating the information.

PCIR:

DHI's compliance with the PCIR requirement increased from 80% in QRPs 1 and 2 to 91% in QRPs 3 and 4, and continued to improve during QRPs 5 through 8, reaching approximately 97.5% by the end of QRP 8. This improvement is largely attributable to more accurate and consistent communication among DHI's Division stormwater, land, construction, and starts teams. These improved interdepartmental communication processes reduced the share of missed PCIRs attributed to communication failures to 19% during QRPs 5 through 8, compared to (i) 35% during QRPs 3 and 4; and (ii) 57% during QRPs 1 and 2.

In QRPs 5 through 8, the largest contributors to missed PCIRs across the Divisions were ancillary construction support activities (40%) and PCIR failures connected to work without permit (26%). To address these issues, the Corporate Stormwater Team is working with DHI's Region and Division teams to improve their pre-acquisition processes. For example, in QRP 8, the Corporate Stormwater Team determined that the Memphis Division DSCRs were not included on funding request emails that alert the Division to upcoming lot purchases. The DSCRs have since been added to these funding emails and now compare the Division's upcoming lot purchases noted in the funding requests to their stormwater permitting and PCIR data to ensure that the Division properly permits the lots and performs PCIRs once the lots are purchased.

Inspections:

In QRPs 1 and 2, DHI missed approximately 3% of required Inspections. These missed Inspections typically were the result of either: (i) the SSCR signatures not being provided within the required timeframes, or (ii) the SSCRs not being properly designated to a Site. In QRPs 3 and 4, DHI's compliance increased by approximately one percentage point (to 98%). This increase in compliance rate is likely attributable to (a) improved communication in some of DHI's Divisions to ensure signatures are completed on time, and (b) limiting SSCRs' access to Sites in DHI's Stormwater Software, ERX, until the DSCR has received the SSCR designation. While DHI has seen improvement in timely obtaining SSCR signatures, the two Business Day signature requirement for Inspection reports continued to be the primary reason for missed Inspections in QRPs 3 and 4.

During QRPs 5 through 8, DHI's compliance with the Inspection requirements of the Applicable Permits and Consent Decree remained consistent at 98%. The primary reasons approximately 2% of required Inspections were missed continued to be (i) SSCR signatures not being provided within the required timeframes, and (ii) Inspections not being scheduled properly within the timeframes required by the Applicable Permit.

In an effort to timely obtain SSCR signatures, during QRPs 5 through 8, DSCRs throughout DHI's Regions in EPA Region 4 continued to remind SSCRs to timely review and sign their assigned Inspections within the required timeframes using various methods, including calendar reminders, emails, texts, and/or phone calls. Additionally, many DSCRs have developed an escalation procedure when an SSCR misses more than one Inspection signature within a quarter. Pursuant to this escalation procedure, DSCRs include the SSCR's manager and/or Division President on their reminders to the SSCRs to ensure the SSCRs respond timely. These Divisions have seen a significant and consistent increase in compliance with this Consent Decree requirement. Additionally, during QRPs 5 through 8, the Corporate Stormwater Team continued to work with the RSCRs and DSCRs to implement similar escalation processes in other Divisions to improve compliance in DHI's Divisions that continue to struggle with this requirement.

Another example of a Division process improvement to reduce missed Inspections is the Sarasota Division in DHI's Florida Region. During QRP 6, the Sarasota Division implemented a spreadsheet, shared with the land and construction teams, that communicates the Inspection schedule to all SSCRs, DHI's area managers, Inspection consultants, and maintenance vendors. The spreadsheet is distributed monthly and as needed depending on changes throughout the month. This transparency allows the interested parties to coordinate and plan for their responsibilities at the beginning of each month. When the program reminders are insufficient and Inspections are missed, the designated SSCRs are required to participate in an Inspection and Consent Decree re-training course with the DSCR(s) to review the requirements and go through the process within ERX. Similar systems are being applied throughout DHI's Regions and Divisions in EPA Region 4 through the CCIR process and will continue to be incorporated in Divisions where missed Inspections continue to be a concern.

Corrective Actions:

As mentioned under Section III.A.2 of this Third Compliance Summary Report, DHI's Corrective Action compliance rate improved during QRPs 3 and 4 across five states and stayed relatively the same in the remaining three states. Overall, DHI achieved a 92% Corrective Action compliance rate during QRPs 3 and 4. This result is consistent with the 92.63% Corrective Action compliance rate DHI achieved during QRPs 1 and 2. During QRPs 5 through 8, DHI's compliance rate of completing Corrective Actions within the timeframes required by the Applicable Permit continued to improve across EPA Region 4, with DHI achieving a 94% overall Corrective Action compliance rate. The greatest improvements were seen in DHI's Divisions in Mississippi and North Carolina.

Below is a brief discussion of DHI's Corrective Action compliance rate during QRPs 5 through 8 for each of DHI's Regions in EPA Region 4, except the Ohio Valley Region, which did not become a stand-alone DHI Region until October 1, 2025 during QRP 5:

1. Carolina Region: In DHI's Carolina Region, the Eastern North Carolina Division maintained 100% compliance for Corrective Actions across QRPs 5 and 6 and saw a marginal decrease to 99% compliance in QRPs 7 and 8. Overall, the Carolina Region's compliance rate improved from 85% in QRPs 1 through 4 to 91% in QRPs 5 through 8. Compliance rates continued to be lower in DHI's Charlotte and Raleigh Divisions which have many land development Sites, because the Corrective Actions for land development Sites are often more difficult to repair within the timeframes required by the Applicable Permits. In all Divisions across the Carolina Region, the DSCRs continue to send reminders and communicate daily with field personnel, ESC Contractors, and grading contractors to maximize compliance on every Site. Continued training by the DSCRs with the Divisions' land development managers has also contributed to increased compliance in completing Corrective Actions. The Greensboro DSCRs ensure they maintain regular communication with the SSCRs, Sales teams, and ESC Contractors throughout the Division to ensure communities stay "clean and green". Additionally, the Greensboro team requires ESC Contractors to be on Site within one or two days of an Inspection report so that (i) they can appropriately plan to return to a Site before the seven-day deadline for any repairs that could not be completed, and (ii) the DSCRs can assist SSCRs with adding comments for any Action Items that will not be completed due to weather delays.

2. Coastal Carolina Region: The Coastal Carolina Region's overall non-compliance rate for Corrective Actions during QRPs 5 through 8 was 7.9%. This was approximately the same as the 7.6% non-compliance rate reported for QRPs 3 and 4, which was a 5% reduction from the rate reported for QRPs 1 and 2. Approximately 72% of the non-compliance within the Coastal Carolina Region occurred in South Carolina, where four of the six Divisions have active Sites. Non-compliance in South Carolina increased by 26%, largely as a result of (i) more severe storms in the Columbia and Myrtle Beach markets, as described under Section I of this Third Compliance Summary Report, and (ii) challenges completing Corrective Actions in a timely manner due to poor ESC Contractor performance, primarily in the Charleston market, as described in Section III.A.2 of this Third Compliance Summary Report. DSCRs throughout the Coastal Carolina Region have emphasized building accountability in the field by managing the trades working on DHI's Sites. Additionally, the DSCRs attend the Construction and Land Teams' meetings and regularly meet with and train SSCRs on Site so that all team members contribute to the success of the Region's stormwater program.

3. East Region: In the East Region, the compliance rate for completing Corrective Actions within the timeframe required by the Applicable Permit remained at 93%, which is consistent with the compliance rate that the East Region reported at the end of QRP 4. As described under Section III.A.2 of this Third Compliance Summary Report, the Memphis Division includes Sites in Mississippi and the Memphis Division is continuing to work toward better compliance under an Applicable Permit with a 24-hour timeframe for Corrective Action completion including: (i) continuing to work with SSCRs and ESC Contractors to complete more repairs on the day of an Inspection; (ii) improving its ESC Contractor scheduling resulting in the contractors more frequently completing repairs on Sites within one day; and (iii) working with the SSCRs to have the Corrective Actions verified in the field and closed out immediately after the work is completed. The challenges noted at the Memphis Division's Mississippi Sites accounted for approximately 39% of the non-compliance within DHI's East Region. Another 52% of the non-compliance was identified at DHI Sites situated in Tennessee. During QRPs 5 through 8, the Nashville Division provided several trainings to SSCRs, trades, and Inspection consultants to improve Corrective Action identification and resolution and how to work within DHI's Stormwater Software, ERX. Many of the Nashville Division's missed Corrective Actions result from Action Items that have been completed in the field, but the SSCRs were not timely closing the Action Items in ERX. As a result, the Nashville Division DSCRs have begun closely monitoring Corrective Action data to ensure completed Action Items are closed expediently. The DSCRs are also providing training to the SSCRs as needed.

4. Florida Region: As was the case in QRPs 3 and 4, during QRPs 5 through 8, DHI's Florida Region continued to maintain a 100% compliance rate for completing Corrective Actions within the timeframe required by the Applicable Permit. The Florida Region maintains its 100% compliance rate through a combination of: (i) its regimented program structures for Inspection and ESC Contractor schedules, (ii) required SSCR and DSCR Site visits, (iii) daily monitoring of ERX by DSCRs and SSCRs, (iv) communication with SSCRs and maintenance vendors such as reminders and altered scheduling for long weekends and holidays, (v) BMP field verification checks to confirm which Action Items have been completed; and (vi) required SSCR re-training when necessary. An example of the Florida Region's policing of its requirements is illustrated in DHI's Lakeland Division. During QRPs 5, 6, and 7, the Lakeland Division completed all Corrective Actions within the timeframe required by the Applicable Permit; however, during QRP 8, the Lakeland Division reported two Action Items that were closed beyond the timeframe allowed under the Applicable Permit. Upon discovering the two late Action Items, the Division implemented a write-up policy for SSCRs who fail to close out Action Items within the timeframe required by the Applicable Permit if the work was verified as complete on Site.

5. Gulf Coast Region: In the Gulf Coast Region, DHI's Corrective Action compliance rate increased from 80% in QRPs 1 through 4 to 85% in QRPs 5 through 8, while the total number of noted Action Items decreased by 20%. The decrease in total Action Items throughout the Gulf Coast Region was largely tied to the Region's efforts to reduce the number of Action Items needing to be reported over time through proactive Site management, as noted within the Second Compliance Summary Report. For example, the Montgomery Division began utilizing Microsoft Forms so that SSCRs could report damaged BMPs and similar matters caused by vendors to identify vendors who need additional training and monitor the applicable BMP repairs. Additionally, the Baldwin Division updated their lot construction entrance specifications to increase the amount of curbside protection, reduce maintenance requirements, and minimize sediment tracking in the roadways. Across the Region, the increase in Corrective Action compliance is attributed to the DSCRs continually training SSCRs and monitoring the incomplete

Corrective Actions for Sites. Additionally, the DSCRs and SSCRs worked together to provide vendor training on Sites to limit the amount of damage occurring to BMPs.

Section IV. Training Program

IV.1	Written evaluation of the DHI Stormwater Training Program and a description of any significant changes to the training program as a result of annual review of the training program

DHI's Stormwater Training Program

As of the last day of QRP 8, a total of 3,857 DHI employees had successfully completed the DHI Stormwater Training Program. More specifically:

1. A total of 3,418 DHI employees completed the Basic Training Module (up from 2,991 total DHI employees at the end of QRP 4).
2. A total of 2,542 DHI employees completed the Advanced Training Module (up from 2,156 total DHI employees at the end of QRP 4).
3. A total of 1,941 DHI employees completed the Stormwater Compliance Representative Training Module (up from 1,766 total DHI employees at the end of QRP 4).
4. A total of 2,018 DHI employees completed the 2025 Annual Refresher Training Module (up from 1,603 total DHI employees at the end of QRP 4).
5. A total of 1,586 DHI employees completed the 2026 Annual Refresher Training Module.

The Corporate Stormwater Team monitors the status of DHI employee training in EPA Region 4 on an ongoing basis. The Corporate Stormwater Team reviews DHI employees by title and primary job responsibilities. Additionally, the learning management system ("**LMS**") used for the DHI Stormwater Training Program is programmed to find job titles related to stormwater, construction, land development, etc. and to automatically enroll new hires into the required training(s).

During QRPs 5 through 8, DHI implemented several improvements to the DHI Stormwater Training enrollment process. In QRP 7, all of DHI's Regions in EPA Region 4 conducted Division-wide audits to identify the individuals responsible for releasing construction starts to the field and to confirm that these employees had completed all required trainings. These audits were undertaken after a CCIR in Birmingham highlighted the need to confirm compliance with the DHI Stormwater Training Program in light of changes in job responsibilities, Division staffing, and production schedules. After further discussions with the RSCRs for all of DHI's Regions in EPA Region 4, the Corporate Stormwater Team requested that each Region conduct such an audit. As a result of these audits, DHI expanded the job titles linked to automatic enrollment in the DHI 2024 Stormwater Basic and Advanced Trainings.

At the same time, the Corporate Stormwater Team audited the automatic enrollment rules within the LMS against Human Resources' list of job titles throughout the company to confirm that the LMS was capturing all employees required to complete the DHI Stormwater Training Program. This review continues to indicate that the appropriate DHI employees are being enrolled in and completing the applicable training modules, depending on their role with DHI.

Using the list of employees who were required to take the 2024 Stormwater Compliance Representative Training and the 2025 Stormwater Annual Refresher Training, on April 1, 2026, the Corporate Stormwater Team worked with DHI's Learning Management Team to enroll all 1,335 required DHI employees serving as Stormwater Compliance Representatives in the 2026 Stormwater Annual Refresher Training. Additionally, RSCRs and DSCRs were required to confirm that all required SSCRs were assigned the training and to identify any additional employees who should be enrolled. The employees were given 30 days to complete the 2026 Annual Refresher Training so that all required DHI employees would complete the training before the first anniversary of the earliest completion date of the 2025 Stormwater Annual Refresher Training (May 5, 2025).

The Corporate Stormwater Team provided the RSCRs with updated lists of outstanding employees from April 20, 2026 to May 4, 2026. As of May 4, 2026, only four employees – not including employees on an approved leave of absence – had incomplete training assignments. Once their training expired, the Corporate Stormwater Team disabled these employees, as well as employees on an approved leave of absence, from accessing Sites within DHI's Stormwater Software (ERX) so that these employees could not sign Inspections or close out Corrective Actions. Additionally, the Corporate Stormwater Team instructed the Region teams to remove these individuals from their Sites until the Corporate Stormwater Team received confirmation that they had completed the required training.

At the time of this Third Compliance Summary Report, all 1,335 enrolled employees had completed the 2026 Annual Refresher Training. As described above, employees whose prior training expired before they completed the 2026 Annual Refresher Training were restricted from signing Inspections or closing out Corrective Actions in ERX until they completed the training. A similar process was followed with respect to DHI employees on leave of absence whose training expired. Those employees were removed from their Sites until they had

returned from their respective leave of absence and Corporate received confirmation that the employee had completed the required training.

The 2026 Annual Refresher

The DHI Stormwater Training requirements were extended to DHI's Southern Virginia Division in QRP 5 and DHI's Cincinnati Division at the beginning of QRP 8, as those Divisions acquired Sites located in EPA Region 4. In addition, the Southern Virginia Division requires all SSCRs to complete the "SSCR: From Desk to Field" course described in the Second Compliance Summary Report.

Since the submittal of the Second Compliance Summary Report, the Corporate Stormwater Team updated DHI's Stormwater Training modules and prepared the 2026 Annual Refresher Training Module, as required by the Consent Decree. The updated Stormwater Training modules were made available through the LMS in early April 2026. The 2026 Stormwater Annual Refresher Training incorporated information from the 2024 training modules and the 2025 Annual Refresher Training, as well as recent regulatory updates, including information relating to the proposed, narrower definition of WOTUS, updates to the Applicable Permits in Alabama and South Carolina, and proposed changes to Florida's Applicable Permit. The Corporate Stormwater Team also incorporated these regulatory updates into the applicable Stormwater Compliance Representative ("**SCR**") trainings so that new hires receive the most current information.

Additionally, the SWPPP modules within the 2026 Annual Refresher Training and the SCR Training were revised to emphasize the importance of (i) an SSCR reviewing and certifying the Site-specific SWPPP, and (ii) the DSCRs and DHI's consultants using the SWPPP Update and Amendment Log. Finally, a new "Lessons Learned" module was created for the 2026 Annual Refresher Training and the SCR Training, which emphasized the following:

1. The importance of incorporating NPDES permitting and PCIR processes into DHI's Divisions' acquisition and starts processes.
2. Management strategies to improve field conditions and reduce late Action Items.
3. Strategies that Divisions have implemented to reduce the number and severity of discharges occurring beyond the permitted LOD or into receiving waters.
4. The importance of using QCIRs to identify recurring issues, trends in compliance, and strategies for Divisions to address them, including through BMP updates, training programs, and Site status tracking processes.

As referenced in the Second Compliance Summary Report, the Corporate Stormwater Team continued to offer the optional training module entitled "SSCR: From Desk to Field," which was first introduced in QRP 3. This course is provided through the LMS and is intended to assist with Division and Region training of SSCRs. The course includes information relating to various SSCR responsibilities, including administrative responsibilities, land disturbance compliance requirements, and field and paperwork requirements. While a number of DHI's DSCRs use this course to provide supplemental training to SSCRs on an as-needed basis, other Divisions have made the course required training for all SSCRs and other roles that may affect the Division's stormwater operations.

Finally, the Corporate Stormwater Team continues to track regulatory changes and court rulings throughout the calendar year using email subscriptions, local and national news outlets, conferences, webinars, and online research. The Corporate Stormwater Team also continues to task the RSCRs with reviewing the content applicable to their Regions before changes are made to the LMS modules. RSCRs and DSCRs are also encouraged to forward information regarding any regulatory changes to the Corporate Stormwater Team as they become aware of it.

Improvements to DHI's Stormwater Training Program

Following the release of the 2026 Stormwater Annual Refresher Training in QRP 7, the Corporate Stormwater Team reorganized the lessons learned within the 2027 Annual Refresher Training so that testimonials follow the review of the applicable topic rather than appearing in a separate learning module. The Corporate Stormwater Team believes this change will add context to the testimonials and improve comprehension and the impact of the training.

As of the end of QRP 8, the Corporate Stormwater Team has compiled 11 program improvements that will be included in the 2027 Annual Refresher Training as lessons learned through several media, including videos, photos, and document resources available for download directly from the LMS as the employee progresses through the training module.

Section V. Additional Information

V.1 — **Number of instances when a visible amount of sediment has been discharged beyond the permitted limits of disturbance or into receiving waters, including wetlands.**

Location	# Instances	Location	# Instances
Alabama	10	Mississippi	5
Florida	62	North Carolina	92
Georgia	12	South Carolina	39
Kentucky	1	Tennessee	15
		EPA Region 4 Total	236

The total number of instances of discharges beyond the permitted LOD or into receiving waters declined from (i) 1,038 total instances during QRPs 1 through 4 (680 instances in QRPs 1 and 2 and 358 instances in QRPs 3 and 4); to (ii) 236 total instances in QRPs 5 through 8. Below is a location-by-location comparison of the total number of instances of discharges reported for (i) QRPs 1 and 2, (ii) QRPs 3 and 4, (iii) QRPs 5 and 6, and (iv) QRPs 7 and 8:

Location	QRPs 1 & 2 Discharges	QRPs 3 & 4 Discharges	QRPs 5 & 6 Discharges	QRPs 7 & 8 Discharges	Percent Reduction QRPs 1 to 4 vs QRPs 5 to 8
Alabama	22	25	4	6	77%
Florida	326	111	46	16	86%
Georgia	29	22	7	5	76%
Kentucky	0	0	0	1	N/A
Mississippi	18	8	1	4	81%
North Carolina	207	137	59	33	74%
South Carolina	60	48	37	2	65%
Tennessee	18	7	11	4	40%
Total:	680	358	165	71	78%

Additional information regarding the number of discharges beyond the permitted LOD or into receiving waters in each of DHI's six Regions in EPA Region 4, and the corresponding program improvements made by DHI, is described in Section I of this Third Compliance Summary Report.

V.2 — Summary of Consent Decree measures for this Compliance Report: (a statement setting forth the deadlines and other terms that D.R. Horton is or was required to meet by this Consent Decree since the date of the last EPA Region 4 Compliance Summary Report, whether and to what extent D.R. Horton has met these requirements, and the reason for any noncompliance).

A total of 2,285 Sites (100% of Sites in QRPs 5 through 8) across the six DHI Regions within EPA Region 4 were reviewed for their compliance with the Consent Decree's requirements. Additional notes and the reasons for non-compliance for the categories below can be found in their respective Sections of this Third Compliance Summary Report above.

Obtain Permit Coverage Prior to Commencing Construction:

During QRPs 5 through 8, DHI's Corporate Stormwater Team continued working with DHI's Region and Division teams to implement enhanced permitting processes within DHI's Divisions in EPA Region 4. Additional information regarding the program improvements DHI has implemented to its permitting processes is described in Section II.2 and Section III.C.1 of this Third Compliance Summary Report.

In QRPs 3 and 4, 1,124 of DHI's 1,129 Sites had all necessary permitting coverage when commencing work on the Site – a 99.6% compliance rate. While DHI had five Sites in which work without permit coverage was reported, this represents less than 1% of DHI's Sites in EPA Region 4. In each of these five instances, DHI had obtained a permit for the community but permit coverage did not extend to a particular portion of the community where construction activities took place, generally due to a breakdown in internal communications.

In QRPs 5 through 8, DHI had 13 Sites in which work without permit coverage was reported. This represents less than 1% of DHI's Sites in EPA Region 4. Similar to the five instances in QRPs 3 and 4, in each of the 13 instances in QRPs 5 through 8, DHI had obtained a permit for the community, but permit coverage did not extend to a particular portion of the community where construction activities took place due to a breakdown in internal communication or permitted area tracking.

Once non-compliance is discovered and work without permit is documented within a Division, the Division, Region, and Corporate Stormwater Teams work together to determine how the non-compliance occurred and what program improvements can be made to the Division's process to prevent future occurrences. Additionally, after the stormwater team has determined the cause of the work without permit, the DSCR is required to meet with the Division President, often with the RSCR(s) in attendance, to explain why the non-compliance occurred and the process improvements being implemented to avoid recurrence. The RSCRs are also responsible for relaying this information to the Region President. Once all information for a QRP is finalized, the Corporate Stormwater Team communicates explanations of the non-compliance items identified during the QRP, including work without permit, to the Corporate Executive team, the Region Executive teams, Corporate and Region Counsel, and Corporate and Region Chief Financial Officers.

Divisions with strong permitting programs are highlighted through the DSCR Spotlight newsletter circulated monthly by the Corporate Stormwater Team as an additional training tool for Divisions in need of additional ideas for programmatic changes. For example:

1. A DSCR in DHI's Raleigh Division successfully worked with seven different government agencies to produce compliant plans under State and MS4 regulations. The DSCR, with the help of an RSCR in DHI's Carolina Region, has developed a system in which she is able to meet the specific requirements within each jurisdiction and provide properly permitted Sites to the Division.

2. The Charlotte DSCRs carefully review and monitor all Sites with Clean Water Act Section 401 and/or 404 requirements throughout the life of the project. To remain informed on compliance matters, these DSCRs regularly attend trainings on water quality regulations. The DSCRs extend these training opportunities to the Division's Land and Entitlements teams to better equip the Division to comply with the additional requirements associated with permitted impacts.

3. In the Gulf Coast Region, the Montgomery Division Stormwater Team's PCIR process depends on careful coordination and communication with the Division's Starts and Construction Teams. After meeting with the Starts Superintendent, the monthly starts are loaded into a tracking sheet and the stormwater team uses this information to verify permit coverage, identify completed work, and review any lot-level changes to confirm that each start is fully permitted before construction activity occurs.

PCIR:

As indicated in the First Compliance Summary Report, PCIRs became a Consent Decree requirement for all Sites that commenced construction on or after October 1, 2024. To prepare for this requirement, the Corporate Stormwater Team began recommending that PCIRs be conducted on all DHI Sites as a best practice in October 2020 and later made PCIR a required DHI practice across all DHI Sites in May 2023. The Corporate Stormwater Team also distributed PCIR guidance in August 2022 and has periodically updated this guidance to help clarify requirements under the Consent Decree.

RSCRs have distributed the Corporate guidance to the DSCRs and Division management teams and have worked to ensure that appropriate processes are implemented within each Division to effectively communicate PCIR status before land or lots are released to the SSCRs in the field. PCIR requirements remain a consistent training point in the DHI Stormwater Annual Refresher Training and in Corporate and Region meetings with DSCRs. As noted in Section III.C.1 above, of the 1,696 DHI Sites that required PCIRs, 1,653 PCIRs were properly completed during QRPs 5 through 8 – a compliance rate of approximately 97.5%, which is up from (i) the 80.16% compliance rate reported in the First Compliance Summary Report and (ii) the 91% compliance rate reported in the Second Compliance Summary Report. While PCIRs were performed on 100% of DHI's Sites in EPA Region 4 during QRPs 5 through 8, consistent with the approach described in the First Compliance Summary Report, a PCIR was counted as "missed" if it did not comply in every respect with the Consent Decree requirements. For example, if a specific lot was not listed as covered under a PCIR for a Site, the Corporate Stormwater Team generally considered the PCIR to be "missed" for that lot (even if all other lots within the Site had a PCIR performed). When a PCIR is counted as "missed" due to a failure to comply with all of the Consent Decree requirements, the Corporate and Region Stormwater Teams provide feedback and training to the Division teams to help ensure that the Division properly conducts PCIRs in the future.

Of the missed PCIRs reported in QRPs 5 through 8, 12 were reported as missed in QRP 5, 5 were reported as missed in QRP 6, 14 were reported as missed in QRP 7, and 12 were reported as missed in QRP 8. Additional information regarding the program improvements DHI has implemented is described in Section III.C.1 of this Third Compliance Summary Report. Because of the processes that Divisions have implemented to improve their PCIR processes, DHI believes it will report fewer missed PCIRs going forward.

Daily Logs:

Daily logs/observations are required in two states within EPA Region 4: Alabama and Georgia. During QRPs 5 through 8, DHI had four Regions and 13 Divisions that operated within those states. Eight Divisions had trained the SSCRs to complete daily logs for their assigned Sites, two Divisions had the daily logs performed by the DSCRs, and three Divisions assigned this task to Stormwater Consultants. 33,384 daily logs were required for DHI's Sites in QRPs 5 through 8, and 33,123 of those daily logs were completed, for a compliance rate of 99.2%. This compliance rate (i) remained consistent with the 99.3% compliance rate reported in the Second Compliance Summary Report for QRPs 3 and 4, and (ii) reflects an improvement from the 97.8% compliance rate for QRPs 1 and 2 reported in the First Compliance Summary Report.

Inspections:

DHI used third-party Inspection Consultants to complete most of the required NPDES Inspections throughout QRPs 5 through 8. Out of the 33,025 required Inspections, 32,529 were completed in accordance with the requirements of the Applicable Permit and Consent Decree, for a compliance rate of 98.5%. This compliance rate is consistent with that in QRPs 3 and 4 as reported in the Second Compliance Summary Report and slightly improved from the 97.2% compliance rate during QRPs 1 and 2 reported in the First Compliance Summary Report. The Consent Decree two-day signature requirement resulted in the highest number of missed Inspections for QRPs 3 through 8. To mitigate this issue, many DSCRs monitor ERX daily and send an email to the applicable SSCR when they discover that a report has remained unsigned for one day. If the report remains unsigned on the second day, the DSCR will typically call the SSCR to prompt the SSCR to sign the report. Additionally, ERX sends out a daily reminder email to all CSCRs, RSCRs, DSCRs, SSCRs, and assigned managers to show outstanding items and upcoming reports.

Additional information regarding the program improvements incorporated to increase DHI's compliance with Inspection requirements is provided in Section II.5 of this Third Compliance Summary Report.

Corrective Actions:

During QRPs 3 and 4, out of the 100,181 required Action Items noted on Inspection reports, 92% were corrected and closed within the timeframe required by the Applicable Permit. During QRPs 5 through 8, out of the 161,518 required Action Items noted on Inspection reports, 94% were corrected and closed within the timeframe required by the Applicable Permit. Additional information regarding the program improvements incorporated to increase DHI's compliance with Corrective Action timeframes is provided in Section III.A.2 of this Third Compliance Summary Report.

QCIR:

QCIRs are chosen for each quarter within ERX. DHI's version of ERX has been customized to incorporate the Consent Decree requirements for QCIR selection. The Consent Decree required DHI to complete QCIRs for 100% of Sites within EPA Region 4 between QRPs 3 and 4. In QRP 3, 555 Sites were chosen for QCIR, but eight had terminated permits or were in the process of filing a Notice of Termination. Out of the 547 remaining Sites, 100% of QCIR were completed on time. In QRP 4, 605 Sites were selected for QCIR, but 23 of these Sites either: (i) had the permit authorization terminated prior to completion of the QCIR; (ii) were pulled for Sites outside of EPA Region 4; or (iii) already had a QCIR performed in QRP 3. 100% of QCIR were completed on time for the remaining 582 Sites requiring QCIR in QRP 4. A total of 1,129 QCIR were performed and DHI maintained 100% compliance.

During QRPs 5 through 8, QCIRs continued to be chosen for each quarter within ERX. The Consent Decree required DHI to complete QCIRs for 50% of Sites within EPA Region 4 for each of QRPs 5, 6, 7, and 8. In QRP 5, 583 Sites were chosen for QCIR, but three had terminated permits or were in the process of filing an NOT. Out of the 580 remaining Sites, all 580 QCIRs were completed on time (100%). In QRP 6, 547 Sites were selected for QCIR, but six of these Sites either: (i) were outside of EPA Region 4; or (ii) were not yet required to have a QCIR performed because they were part of a corporate acquisition of substantially all of the assets of another homebuilding construction company, and DHI's obligations to comply with the Compliance Obligations of the Consent Decree for such acquired Sites did not commence until QRP 7. 100% of QCIRs were completed on time for the remaining 541 Sites requiring QCIR in QRP 6. In QRP 7, 573 Sites were selected for QCIR, but one of these Sites had the permit authorization terminated prior to completion of the QCIR. Out of the remaining 572 Sites, three QCIRs were missed – one in the Huntsville Division, one in the Myrtle Beach Division, and one in the Panama City Division. The three missed QCIRs were completed in QRP 8, two with a six-month look-back period and one with a nine-month look-back period. QCIRs were completed on time for the remaining 569 Sites requiring QCIR in QRP 7. In QRP 8, 603 Sites were selected for QCIR, but 11 of these Sites either had terminated permit coverage or were in the process of terminating permit coverage prior to completion of the QCIR. 100% of QCIRs were completed on time for the remaining 592 Sites requiring QCIR in QRP 8. Overall, a total of 2,285 QCIRs were performed during QRPs 5 through 8, and DHI maintained 100% compliance, completing 2,282 (approximately 99.9%) on time, with the remaining three completed with extended look-back periods during QRP 8.

Designate at least one SSCR to a Site at the time of a QCIR:

During QRPs 5 through 8, DHI did not have any instances of having a QCIR performed on a Site without a designated SSCR. The process deficiency in the Birmingham Division noted within the Second Compliance Summary Report has been corrected by requiring SSCRs to walk new Sites with the DSCR before construction can begin so that they can review the SWPPP and complete the SSCR designation before the Site becomes active. Since QRP 3, no additional issues with SSCR designation at the time of a QCIR have occurred.

CCIR:

By the end of QRP 4, DHI's Corporate Stormwater Team completed all 30 CCIRs required to be completed within the first year of the Consent Decree. Of those 30 completed CCIRs, eight were completed by a CSCR, which exceeded the Consent Decree requirement to have at least 20% of the 30 required CCIRs in a year performed by a DHI-designated CSCR. Of the 30 completed CCIRs, seven were performed in the Carolina Region, three were performed in the Coastal Carolina Region, seven were performed in the East Region, five were performed in the Florida Region, and eight were performed in the Gulf Coast Region. All completed CCIRs were selected in accordance with the criteria set forth in the Consent Decree. Based on the findings of the CCIRs, the Corporate and Region Stormwater Teams provided feedback and training to DHI's Divisions and Stormwater Consultants to proactively improve DHI's Stormwater Compliance Program.

By the end of QRP 8, DHI's Corporate Stormwater Team completed all 30 CCIRs required to be completed within the second year of the Consent Decree. Of those 30 completed CCIRs, eight were completed by a CSCR, which exceeded the Consent Decree requirement to have at least 20% of the 30 required CCIRs in a year performed by a DHI-designated CSCR. Of the 30 completed CCIRs, four were performed in the Carolina Region, four were performed in the Coastal Carolina Region, six were performed in the East Region, five were performed in the Florida Region, seven were performed in the Gulf Coast Region, and four were performed in the Ohio Valley Region. All completed CCIRs were selected in accordance with the criteria set forth in the Consent Decree. Based on the findings of the CCIRs, the Corporate and Region Stormwater Teams provided feedback and training to DHI's Divisions and Stormwater Consultants to continue to proactively improve DHI's Stormwater Compliance Program.

Toward the end of QRP 7, the Corporate Stormwater Team created a CCIR Follow-up Tracker to better manage the program improvements and deadlines set during the 21-day Evaluation Meetings for CCIRs. Previously, these tasks were managed through calendar invitations; however, since adding the CCIR Follow-up Tracker spreadsheet, the Corporate Stormwater Team has more easily documented the Divisions' updates for these additional tasks and enforced the deadlines set during the meetings. Since the CCIR Follow-up Tracker was created, 78 additional follow-up tasks and program improvements have been set with Divisions by the CSCRs. Of these 78 tasks, 31 were still in progress by the end of QRP 8.

Discussion of CCIR Findings

Of the 30 CCIRs performed during QRPs 5 through 8, Action Items for Administrative Requirements and SWPPP updates were noted most often and Action Items for SMFs, Outfalls, and Discharges were noted least often.

CCIR Section	Action Item Count	Average Days to Close
Administrative Requirements (Q1-11)	160	7
SMFs, OFs, & Discharges (Q12-15)	16	17
Erosion and Sediment Control BMPs (Q16-27)	104	8
Previous 3-Month Performance (Q28-40)	21	11

Within the CCIRs, only two discharges were discovered at the time of the Inspection, and one of these discharges was documented under Question 15 as having reached a receiving water, including wetlands. These CCIRs were both performed in the Gulf Coast Region, but one was performed during the summer (QRP 8) and one was performed during the winter (QRP 6). Additionally, two Action Items were created under Question 40, noting improper reporting of and response to discharges within the three-month review period. In both instances, discharges were discovered during regulatory inspections and had not been found or documented within Inspection reports performed within the same timeframe.

Additionally, one CCIR reported work without permit and a missed PCIR that were not documented within a QCIR during QRPs 5 through 8. This work without permit was the result of a recent Business Acquisition in which two lots were omitted from the permit application and were built without having a permit authorized or a PCIR performed. Program improvements were implemented within the Greenville Division following this CCIR as described under Section II.2.

Of the 21 Action Items recorded under Questions 33 and 34, which document potential concerns with (i) proper documentation of Action Items in the Corrective Action Log and (ii) insufficient BMPs for their intended use, respectively, four of these Action Items were noted under Question 34 across three Sites. These Action Items noted improper installation of BMPs, insufficient BMPs to stop discharges,

and improperly selected BMPs for their intended use. All 17 Action Items noted under Question 33 focused on training of Inspection Consultants and SSCRs.

Within the Carolina Region, the CCIRs generally reflected BMP maintenance items, with field compliance and BMP selection generally appropriate across Sites. The program improvements noted through the CCIRs in this Region focused on strategies for specific and detailed training sessions for Inspection Consultants and SSCRs, consultant and SSCR oversight and quality control, milestone-based inspections, and DSCR data reviews and audits.

Within the Coastal Carolina Region, the CCIRs generally reflected that DSCRs and SSCRs had a collaborative approach to BMP and Site management with BMP Action Items mostly noting silt fence maintenance. Administrative recordkeeping and consistent SWPPP management strategies were the primary focal point for programmatic improvements. The CSCR emphasized improving Divisions' processes for SWPPP audits, permit and PCIR tracking, and more organized and structured SWPPP request and update processes.

Within the East Region, the CCIRs generally reflected strong field compliance, with some evaluations noting excellent, effective, and high-performing BMPs throughout a Site. The CCIRs targeted improvements in Corrective Action compliance so that SSCRs closed out Action Items for completed work in a timely manner, the frequency and quality of comments on Action Items, SWPPP management and creation, and housekeeping procedures.

Within the Florida Region, the CCIRs generally reflected strong administrative processes, compliant and accurate SWPPP documentation, and mostly good BMP selection and performance. Action Items for BMPs mostly included perimeter control and inlet protection maintenance and housekeeping requirements. Program improvements noted during the evaluations focused on better inter-departmental communication during the transition from horizontal to vertical development, improved contractor SWPPP certification procedures, recurring vendor training to enforce DHI's stormwater practices, and Action Item training for Inspection Consultants.

Within the Gulf Coast Region, the CCIRs showed significant contrasts in field compliance between the selected Divisions and a general need for improvement in SWPPP documentation and updates to ensure DHI's documentation accurately reflected the Sites. Programmatic improvements generally included vendor accountability, requiring DSCRs to review Site plans and SWPPPs before construction, addressing discharges and more significant field compliance concerns effectively and efficiently, reporting compliance concerns and DSCRs' needs to Division management for support, ensuring accurate and truthful Site Inspections and Daily Logs, and increased DSCR and consultant training and oversight at the Region level.

Within the Ohio Valley Region, the CCIRs generally showed BMP compliance, properly functioning stormwater management facilities, and DSCRs' quick response to repeat concerns, including in the CCIRs performed within three relatively new Divisions. Repeat concerns were limited overall, and program improvements focused on building out the DSCR Site information, PCIR, and permit tracking data that more established Divisions had already put into place. Additional program improvements focused on building out DSCRs' Site review procedures and SWPPP update and audit processes and helping DSCRs discern the most important areas for Inspection Consultant and SSCR training.

QSRs:

A total of 85 QSRs were distributed by DHI's DSCRs in QRPs 3 and 4 to the parties required by the Consent Decree (i.e., one QSR per QRP for each of the 43 DHI Divisions in EPA Region 4). 100% of the required QSRs were distributed on time.

The following QSRs were distributed by DHI's DSCRs in QRPs 5 through 8 to the parties required by the Consent Decree: (i) a total of 43 QSRs were distributed by DHI's DSCRs to the required recipients after the end of QRP 5; (ii) a total of 42 QSRs were distributed by DHI's DSCRs to the required recipients after the end of QRP 6; (iii) a total of 44 QSRs were distributed by DHI's DSCRs to the required recipients after the end of QRP 7 (two QSRs were distributed in DHI's Myrtle Beach Division at the end of QRP 7 based on the distribution of Sites between 2 DSCRs in the Division); and (iv) a total of 43 QSRs were distributed by DHI's DSCRs to the required recipients after the end of QRP 8. 100% of the required QSRs were distributed on time.

As described in the First Compliance Summary Report, the Corporate Stormwater Team implemented a QSR process to ensure that all QSRs are reviewed and completed as required by the Consent Decree. At the beginning of each QRP, the Corporate Stormwater Team provides QSR spreadsheets for the Divisions in each Region within EPA Region 4. The QSR spreadsheets include formulas for calculating percentages and totals, so that individual DSCRs do not need to complete the math. The Corporate Stormwater Team also incorporates the Site names from the List of Sites and the permits into the QSR spreadsheets for all Sites selected for QCIR in that QRP. These QSRs are uploaded to a SharePoint folder shared with the applicable RSCRs and DSCRs for each of DHI's Regions. To ensure RSCRs and CSCRs have enough time to review the information, the DSCRs are required to fill out the QSR for a Site as they complete the QCIR for that Site.

The QSR spreadsheets also contain an "RSCR review" column, which the Corporate Stormwater Team added to require the RSCR who reviewed the information in the QSR to add their initials next to each Site after they complete their review of that Site in the QSR. This process helps DHI ensure compliance with the Consent Decree requirement for RSCRs to review each QSR and compile the information into an EPA Region 4 Compliance Summary Report.

Once all QSRs have been reviewed and approved for signature, the Corporate Stormwater Team converts the Excel files to PDFs and distributes them to the applicable DSCRs for signature. After the DSCRs have signed the QSRs, the Corporate Stormwater Team sends each RSCR and DSCR group instructions for distributing the QSRs to the parties required by the Consent Decree. Afterwards, each QSR distribution email is saved in the Corporate Stormwater Team's Consent Decree records.

Contractor Orientation Program:

As described in the First Compliance Summary Report, DHI began distributing the materials relating to the Contractor Stormwater Orientation Program ("**COP**") to the required vendors in EPA Region 4 in August 2021 and through the end of QRP 2 had provided the COP to 100% of all active vendors through several rounds of DocuSign, certified mail and/or email with delivery receipt. Since July 2021, the COP has been included in the DHI Vendor Set-Up Package to be provided to all newly contracted vendors. As stated in the First Compliance Summary Report, DHI's Vendor Set-up team requires these new vendors to sign and return the COP before the vendor may begin work with DHI.

Since QRP 2, two DHI Divisions that previously operated entirely outside of EPA Region 4, Southern Virginia and Cincinnati, have started acquiring Sites located within North Carolina and Kentucky, respectively. Once the Corporate Stormwater Team became aware that these Divisions intended to begin operating on Sites within EPA Region 4, the Corporate team worked with DHI's Regional Vendor Setup Team to create a list of the vendors that will be working on those Divisions' Sites in EPA Region 4 to ensure those vendors receive the COP (i) as a part of their Vendor Set-Up Package, or (ii) directly via an email from the Corporate Stormwater Team. To date, all the applicable vendors were provided with the COP as required by the Consent Decree. As of the end of QRP 8 (i.e., August 2026), DHI had approximately 8,750 active vendors working on DHI Sites in EPA Region 4, all of whom have received the COP.

Additionally, as described in the First Compliance Summary Report, between August 2020 and January 2021, DHI added a provision to DHI's contractor agreement form in all eight states in EPA Region 4 that requires all DHI contractors to comply with DHI's Stormwater Requirements while working on DHI's Sites.

The COP process described in the First Compliance Summary Report remained in place throughout QRPs 5 through 8.

List of Sites:

As required by Paragraph 16 and Appendix A of the Consent Decree, DHI has submitted the following DHI List of Consent Decree Sites (the "**List of Sites**") in searchable electronic spreadsheets and in hard copy to the recipients required by the Consent Decree: (i) an initial List of Sites dated as of the Consent Decree's Date of Entry (August 6, 2024) was submitted to the required recipients on September 20, 2024; (ii) an updated List of Sites dated as of December 1, 2024 was submitted to the required recipients after the end of QRP 1 on December 18, 2024; (iii) an updated List of Sites dated as of March 1, 2025 was submitted to the required recipients after the end of QRP 2 on March 20, 2025; (iv) an updated List of Sites dated as of June 1, 2025 was submitted to the required recipients after the end of QRP 3 on June 12, 2025; (v) an updated List of Sites dated as of September 1, 2025 was submitted to the required recipients after the end of QRP 4 on September 10, 2025; (vi) an updated List of Sites dated as of December 1, 2025 was submitted to the required recipients after the end of QRP 5 on December 15, 2025; (vii) an updated List of Sites dated as of March 1, 2026 was submitted to the required recipients after the end of QRP 6 on March 17, 2026; (viii) an updated List of Sites dated as of June 1, 2026 was submitted to the required recipients after the end of QRP 7 on June 12, 2026; and (ix) an updated List of Sites dated as of September 1, 2026 was submitted to the required recipients after the end of QRP 8 on September 14, 2026.

Stormwater Training Program:

As mentioned under Section IV.1, during QRP 7, the Corporate Stormwater Team audited the rules for auto-enrollment within the LMS and Human Resources' list of job titles throughout the company to confirm that the LMS was enrolling all employees that are required to complete stormwater training. This audit followed the Corporate Stormwater Team's discovery of 15 Inspections in QRPs 5 and 6 that were signed by SSCRs without all required trainings completed during QCIR review. In all 15 instances, the SSCRs who signed the Inspection reports had not yet completed one of the required stormwater training modules. Following the audit, the SSCRs promptly completed the required training modules and no Inspections were missed as a result of an SSCR having incomplete training during QRPs 7 and 8. The Corporate Stormwater Team has continued to monitor the status of DHI employee training in EPA Region 4 on an ongoing basis to confirm all required Stormwater Training is timely completed.

Please see Section IV.1 of this Third Compliance Summary Report for additional information regarding DHI's Stormwater Training Program.

Supplemental Environmental Project:

As required by Paragraph 96 and Appendix L of the Consent Decree, since the Consent Decree's Date of Entry, DHI's Corporate and Gulf Coast Region Stormwater Teams have worked with DHI's Birmingham Division to implement the Supplemental Environmental Project ("**SEP**"). In accordance with the SEP Schedule set forth in Appendix L (the "**SEP Schedule**"):

1. First SEP Planning Report: On March 10, 2025, DHI submitted the required First SEP Planning Report to the recipients required by the Consent Decree. The First SEP Planning Report provided an Executive Summary of the SEP, which described the

intended goal of improving water quality in the receiving watershed by improving stormwater detention capabilities, enhancing water filtration techniques, and using wet meadow/native planting areas, bioswales, and permeable pavers. The First SEP Planning Report also described DHI's progress toward completing the SEP and the actions DHI had taken to overcome challenges encountered during the first six months following the Consent Decree's Date of Entry. Finally, the First SEP Planning Report identified the steps that DHI anticipated taking to complete the final project design and to implement construction of the SEP.

2. Final SEP Planning Report: On September 5, 2025, DHI submitted the required Final SEP Planning Report to the recipients required by the Consent Decree. The Final SEP Planning Report described DHI's progress towards completing the design of the SEP during the second six months following the Consent Decree's Date of Entry. Additionally, the Final SEP Planning Report included the steps that DHI anticipated taking to complete the final project design and the subsequent implementation of the construction of the SEP.

3. First SEP Progress Report: On January 9, 2026, DHI submitted the required first SEP Progress Report (the "**First SEP Progress Report**") to the recipients required by the Consent Decree. The First SEP Progress Report described the following information (the "**Required SEP Progress Information**"): (i) the work DHI undertook on the SEP; (ii) the progress made towards completing the SEP from September 1, 2025 through November 30, 2025; (iii) the costs expended to date to implement the SEP; (iv) the problems encountered and the solutions reached; and (v) the steps anticipated to be taken during the next quarter.

4. Second SEP Progress Report: On April 14, 2026, DHI submitted the required second SEP Progress Report (the "**Second SEP Progress Report**") to the recipients required by the Consent Decree. The Second SEP Progress Report included the Required SEP Progress Information for the period from December 1, 2025 through February 28, 2026.

5. Third SEP Progress Report: On July 9, 2026, DHI submitted the required third SEP Progress Report (the "**Third SEP Progress Report**") to the recipients required by the Consent Decree. The Third SEP Progress Report included the Required SEP Progress Information for the period from March 1, 2026 through May 31, 2026.

6. Fourth SEP Progress Report: On September 9, 2026, DHI submitted the required fourth SEP Progress Report (the "**Fourth SEP Progress Report**") to the recipients required by the Consent Decree. The Fourth SEP Progress Report included the Required SEP Progress Information for the period from June 1, 2026 through August 31, 2026.

DHI is currently (i) awaiting approval of the SEP design from the United States, and (ii) working toward commencement of construction of the SEP improvements. The Corporate Stormwater Team is coordinating regularly scheduled meetings with the internal and external parties working on the SEP to monitor the Birmingham Division's progress and to ensure the timely completion of the SEP. DHI anticipates commencing construction of the SEP upon receipt of the United States' approval of DHI's SEP design.

Stormwater Management Strategy:

As required by Paragraph 14 of the Consent Decree, prior to the Date of Entry, DHI developed and provided to EPA a Stormwater Management Strategy ("**SMS**"). Additionally, as required by Paragraph 14 of the Consent Decree, following QRP 6, DHI completed a review of the SMS and revised the SMS as needed to conform to DHI's current stormwater compliance practices. On May 20, 2026, DHI submitted the revised SMS together with a summary of revisions to the recipients required by the Consent Decree.

Applicable Permit Renewals:

As noted within the Second Compliance Summary Report, the Corporate Stormwater Team set calendar reminders six months prior to the expiration date of every Applicable Permit. These reminders provide the Corporate Stormwater Team time to (i) review the Applicable Permit draft, (ii) work with the applicable DSCRs and RSCRs on potential comments, (iii) prepare guidance and memoranda for the Region and Division teams that will be affected by the revisions to the Applicable Permit to assist those teams in complying with the revisions, and (iv) draft slides on the revisions to the Applicable Permit to be included in the Annual Refresher Training.

As a result of this process, DHI provided comments on the proposed Florida Applicable Permit in QRP 6 and on the proposed Tennessee Applicable Permit in QRP 7. Additionally, after reviewing the draft Tennessee Applicable Permit, the Corporate Stormwater Team updated the DHI Inspection template to mirror the Inspection report changes in the Applicable Permit draft. DHI will submit these changes to the State as soon as the revised Applicable Permit becomes effective.

In QRP 7, this process also gave the Corporate Stormwater Team time to finalize, at ADEM's request, a standard permittee designation and duly authorized representative letter to simplify the permit renewal process under the Alabama Applicable Permit. The Corporate Stormwater Team also submitted comments on EPA's Construction General Permit.

Investigation into Potential Non-Compliance:

During QRP 8, DHI notified the Consent Decree Parties of potential non-compliance with the construction stormwater discharge observation, inspection, monitoring, and reporting requirements at two DHI development Sites in Mobile County, Alabama. DHI promptly initiated an independent investigation to assess the relevant facts and identify appropriate Corrective Actions. DHI has completed

Corrective Actions at both Sites, and both Sites are now in compliance with the Applicable Permit. DHI has also implemented additional measures designed to prevent recurrence. As of the date of this Third Compliance Summary Report, the independent investigation remains ongoing. DHI will update the Consent Decree Parties as the investigation progresses.

Compliance Summary Reports:

As required by Paragraph 25 of the Consent Decree, DHI has submitted the following EPA Region 4 Compliance Summary Reports to the recipients required by the Consent Decree:

1. On April 25, 2025, DHI submitted the First Compliance Summary Report to the EPA and the State Plaintiffs and distributed the First Compliance Summary Report to all the parties required by Section VII of the First Compliance Summary Report. Additionally, on May 8, 2025, DHI posted a copy of the First Compliance Summary Report on DHI's publicly available website (www.drhorton.com) ("**DHI's Website**"). The First Compliance Summary Report remains posted on DHI's Website as of the date of this Third Compliance Summary Report.

2. On October 24, 2025, DHI submitted the Second Compliance Summary Report to the EPA and the State Plaintiffs and distributed the Second Compliance Summary Report to all the parties required by Section VII of the Second Compliance Summary Report. Additionally, on October 27, 2025, DHI posted a copy of the Second Compliance Summary Report on DHI's Website. The Second Compliance Summary Report remains posted on DHI's Website as of the date of this Third Compliance Summary Report.

Upon submitting this Third Compliance Summary Report to the EPA and the State Plaintiffs, the Corporate Stormwater Team will contemporaneously (i) distribute this Third Compliance Summary Report to all the parties required by Section VII below; and (ii) post a copy of this Third Compliance Summary Report on DHI's Website.

Section VI. Signature and Certifications

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I have no personal knowledge that the information submitted is other than true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

By:	Maggie Yarnold	(name of Corporate Stormwater Compliance Representative)
Signature *	Maggie Yarnold	
Date	10/27/2026	

* if signed electronically, a real-time date stamp shall be utilized

Section VII. Distribution

Once completed, this form must be sent to the following:

1. D.R. Horton President, CEO, or COO (as applicable)	☒
2. All Division Presidents within EPA Region 4	☒
3. All Division Stormwater Compliance Representatives within EPA Region 4	☒
4. All Region Stormwater Compliance Representatives within EPA Region 4	☒
5. The United States, as provided for in the Consent Decree	☒
6. State Plaintiffs Alabama and South Carolina, as provided for in the Consent Decree	☒