

**Beacon Hill Townes
202 Emerson Lane
Harrisonburg, VA 22802**

Dear New Homeowner:

We are delighted you have selected a Beacon Hill Townhome, and we look forward to having you in our neighborhood.

When you buy a new appliance or piece of equipment, such as a VCR, you usually have to read the instructions before you can understand how to use all of the features. With a new house, you will be receiving a stack of instruction booklets all at once.

It helps if you know something about the materials in your new home and how to take care of them before you go to settlement on your new home. It also helps if you know how to work with us if a warranted problem arises after you move in.

Please review the following pages now, while you have experts to help you understand your purchase, and sign the appropriate pages for our records.

Sincerely,

A handwritten signature in black ink that reads "Tim Southerly". The signature is written in a cursive style with a large, stylized "T" and "S".

Tim Southerly
Project Manager

Warranty Procedures—Working Together

If the defect is a water leak inside the house or other similar emergency that could result in further damage to the property or affect the safety of persons therein, please telephone the Beacon Hill manager's office: 540-442-1255. If the emergency occurs over a weekend or holiday, please call a professional in the appropriate trade. Then, notify the Beacon Hill warranty manager on the next business day.

If a non-emergency defect is discovered and is covered by the Beacon Hill Townes warranty, please write a thorough explanation of the defect and send it to

Attn: Warranty Manager
Beacon Hill Townes
202 Emerson Lane
Harrisonburg, VA 22802

The homeowner will be contacted by telephone. The homeowner agrees to schedule the repair promptly. Repair work will be performed during business hours, on business days, and the homeowner understands he/she might have to leave work, if necessary, to meet the repairman on the date and time fixed for repair.

Beacon Hill Townes may choose to repair, replace or pay reasonable sums in order to correct defects covered by warranty and will complete said work according to the performance requirements as described in *Residential Performance Construction Guidelines* published by the National Association of Home Builders.

I have received instructions for reporting defects in my Beacon Hill Townes home. I understand that I must report defects to Beacon Hill Townes, as stated in Virginia Code #55-70.1, and that Beacon Hill Townes has a reasonable period of time to cure the defect.

Purchaser

Purchaser

Date

Date

Beacon Hill Townes
Statement of Nonwarrantable Conditions and Maintenance
Obligations

Addendum to Contract

This statement of limited warranty is extended by Beacon Hill II of Harrisonburg, LLC, whose address is 202 Emerson Lane, Harrisonburg, VA 22802, to the original buyer(s) _____ of the residential property located at the following address: _____ and becomes a part of the purchase contract.

The residence noted above, at time of purchase, will have been inspected by the seller as well as by impartial building inspectors employed by the City of Harrisonburg. At time of purchase, this residence must be in compliance with or exceed the standards set forth by the United States construction industry and its regulators, and the City of Harrisonburg.

Despite all this attention from the seller, the construction industry and the inspectors employed by the City of Harrisonburg, a house is comprised of hundreds and thousands of different components, each with its own special characteristics and, like every product made by human hand, no house is nor can ever be perfect. Some unforeseeable defect could require adjustment after purchase. *From the date of closing, the seller will correct certain defects that arise during the time set by the laws of the State of Virginia.* Beacon Hill Townes will not, however, be liable for incidental, consequential, secondary, or punitive damages; damages for aggravation, mental anguish, emotional distress, or pain and suffering; or for attorney's fees or costs.

This statement of warranted and non-warranted conditions and maintenance obligations is set forth to inform the purchaser of a) items which the seller will and will not warrant, b) some of the maintenance tasks which are the obligation of the purchaser, and c) ways in which the seller and purchaser can work together if warranted items need to be corrected.

I have received, read and understand this statement of nonwarrantable items and home owner maintenance obligations. I understand that some conditions are not warranted by contract, and I agree not to hold Beacon Hill Townes liable thereon.

Purchaser

Purchaser

Nonwarrantable Conditions

Your Beacon Hill Townhome is constructed according to international building codes and inspected by impartial building inspectors employed by the City of Harrisonburg to ensure that these standards are met. Materials, however, are not perfect and sometimes develop characteristics which are not pleasing, arising simply from the nature of the material. Please review the following conditions which sometimes occur to various features of a home. None of these conditions can be warranted by Beacon Hill Townes.

For more information about industry standards for residential construction, please consult *The Residential Construction Performance Guidelines for Consumers*, published by the National Association of Home Builders. A copy is available in the Beacon Hill management office.

1. Concrete

Concrete foundations, steps, walks, drives and patios can develop minor cracks that do not affect the structural integrity of the building. These cracks are caused by characteristics of the concrete itself. No reasonable method of eliminating these cracks exists. This condition does not affect the strength of the building. For guidelines for determining whether cracks of any type should be repaired, the seller and purchaser agree to abide by the information in *Residential Construction Performance Guidelines* published by the National Association of Home Builders.

2. Masonry and Mortar

Masonry and mortar can develop minor cracks from shrinkage of either the mortar or the brick. This condition is normal and should not be considered a defect.

3. Floor Squeaks

Floor squeaks may appear and disappear over time. They are caused by changes in the weather and humidity. Technical experts generally conclude that little can be done about floor squeaks, and the condition is not considered to be a defect.

4. Sheetrock and Drywall

Sheetrock and drywall will sometimes develop nail pops or settlement cracks, which are a normal part of the drying-out process. A nail pop occurs when wood shrinks and pushes a nail out of the wood. *If the homeowner requests, the seller will send a worker at the end of one (1) year after closing to repair nail pops.*

5. Bricks

Bricks may discolor because of rain run-off, weathering by wind, or bleaching by the sun.

Efflorescence—the formation of salts of the surface of brick walls—is a common occurrence. It results from the brick’s normal absorption of moisture. Efflorescence can be removed by cleaning, and this task is the homeowner’s responsibility.

6. Broken Glass

At the time of final walk-through, the purchaser will inspect windows and mirrors and affirm that they are intact. Glass will not be warranted for damage after purchase.

7. Caulk

Exterior and interior caulking, including around bathtubs, shower stalls, countertops, and ceramic tile surfaces, may crack or bleed somewhat in the months after installation. These conditions are normal and should not be considered a problem. The purchaser will inspect caulking during the final walk-through. Any deficiencies that are noted during the walk-through will be corrected before occupancy. After occupancy, no caulking will be warranted.

8. Paint

Good-quality paint will be used internally and externally on the home. Nevertheless, exterior paint can sometime crack or check. The reason is often something in the environment. Avoid a) directing water spray onto painted areas, b) scrubbing interior latex-painted walls because scrubbing may remove the paint, and c) striking or rubbing furniture against painted walls. Even the best paint can chip or stain if it is not cared for properly. Please note that all paint will fade and deteriorate over time, depending upon the extent to which it is exposed to sunlight.

The purchaser will inspect the paint during the final walk-through. Any painting deficiencies that are noted during the walk-through will be corrected before occupancy. After occupancy, no painted surfaces will be warranted.

9. Cosmetic Items

Ordinary wear and tear, the effects of weather and environment, and acts of the homeowner and third parties may mar, stain, or damage the surfaces of the home. Chips, scratches, or marks in tile, woodwork, vinyl rails, walls, porcelain, brick, mirrors, plumbing fixtures, marble and solid surface countertops, lighting fixtures, kitchen and other appliances, vinyl floors, cabinets, and other features that are not noted during the final walk-through are nonwarrantable conditions.

10. Consumer Items

Depending on the options purchased, some homes will come equipped with consumer items such as mini-blinds and clear shower curtains. Consumer items will be inspected during the final walk-through and defects noted at the time. After occupancy, consumer items will not be warranted for any reason, including (but not limited to) either material defects or detachment from the structure.

11. Plumbing

Adjustment for dripping faucets; leaking sink, bath and toilet fixtures; and leaking pipes are covered by the one-year warranty offered by Mast and Brunk, the plumbing contractor for Beacon Hill Townes. Stoppages from hair clogs, toilet tissue or foreign materials in pipes and drains are the responsibility of the home owner. *If Mast and Brunk is called upon to service the plumbing during the warranty period, and the service person determines that the problem is the result of foreign materials in the line, the home owner will be billed for a service call.*

12. Alterations to Grading

The homeowner's lot has been graded to ensure proper drainage away from the home's foundation according to the specifications of the inspectors of the City of Harrisonburg. **This drainage pattern may not be altered in any way.**

13. Roof

During the first year of occupancy, the roof is warranted for workmanship and materials *excluding damage by wind and storms*. The warranty does not cover damage done by the homeowner or third parties caused by walking on the roof for any reason, including but not limited to installation of a satellite dish. After the one-year warranty, the roof is covered by a manufacturer's warranty for material only, and it is prorated over the period designated in the manufacturer's warranty. Warranty claims for any defects in roofing materials must be made to the manufacturer in accordance with the manufacturer's warranty procedures. Contact Beacon Hill Townes for help in identifying the manufacturer and making a claim.

14. Foundation and Drainage

All of Harrisonburg and Rockingham County balances on huge layers of rock. Combine this with extended periods of dry weather followed by excessive and persistent downpours of the past several years, and, on occasion, a home might be exposed to shifting water flow patterns. All Beacon Hill Townhomes have been inspected by inspectors of the City of Harrisonburg and found to conform to specifications for a solid and dry site. Not content merely to meet building codes, however, Beacon Hill Townes has constructed its townhomes to meet and exceed building codes to cope with the changing water tables and their configurations. Measures include: 1) additional gravel in the drains around footers; 2) spray-on waterproofing of the foundation; 3) additional 1" fiberglass barrier to protect waterproofing; and 4) creating a stronger bond between floor, wall, and footing by extending the slab beyond the footers. No home, including a Beacon Hill townhome, is warrantable in the event of changing water flow patterns occurring after a building inspectors' approval.

Maintenance Obligations

Beacon Hill Townes will be glad to advise the homeowner of resources and techniques for maintaining a new home. Please call the management office for assistance: 540.442.1255.

1. Wood

Wood will sometimes discolor or crack or the fibres will spread apart because of the drying-out process. This condition is most often caused by the heat inside the house or by exposure to the sun both inside and outside of the house. This condition is considered normal, and the homeowner should clean and treat wood to prevent deterioration.

2. Floors

At the final walk-through, purchaser will inspect floors and affirm that they are free of defects. Floors are not warranted for damage caused by neglect or the incidents of use. Wood, tile, vinyl and carpet all require maintenance. *Wood flooring shows heel dents and marks from heavy objects.* Floor casters are recommended to prevent tearing, scratching, denting or chipping, and spills should be cleaned promptly to prevent discoloration. Carpet has a tendency to loosen in damp weather and will stretch tight again in dry weather. During the final walk-through, the homeowner will inspect the wood flooring and note defects to be corrected. After occupancy, flooring will not be warranted.

3. Frozen Pipes

The homeowner must take precautions to prevent freezing of pipes and sillcocks during extremely cold weather. These precautions include removing outside hoses from sillcocks, keeping the house adequately heated, leaving faucets slightly open to drip, or turning off the water supply if the house is to be unoccupied for an extended period during cold weather.

4. Lawn and Shrubs

After occupancy, the care of shrubs and grass becomes the responsibility of the homeowner. Plants must be watered, fertilized and trimmed sufficiently to maintain an attractive appearance and to prevent erosion. Plants that die must be replaced at the homeowner's expense, after the landscaper's warranty period.

5. Heating and Air-Conditioning

The furnace, heat pump, and other HV A/C equipment are covered by a manufacturer's warranty and not by Beacon Hill Townes. The equipment will be installed by Mast and Brunk, Beacon Hill Townes' HV A/C contractor. The homeowner is responsible for changing air filters regularly. Periodic professional checking and tuning of the equipment will also help prevent problems. Any problem with the equipment's performance should be brought to the attention of Mast and Brunk.