

BUILDER WARRANTY
Beverly Homes, LLC

This Limited Warranty Agreement is extended by Beverly Homes, LLC, of Myrtle Beach, SC, the Builder, to: _____, the Purchaser, who is the original Buyer of the property at: _____.

1. COVERAGE

The Builder warrants that all construction related to the house substantially conform to the specifications and the change orders for the job. Within one (1) year from the date of closing, or occupancy by the Purchaser, whichever is first, the Builder will repair or replace, at the Builders option, any latent defects in material or workmanship by the standards of construction relevant to Horry County Building Codes. A latent defect is defined as one which was not apparent or ascertainable at the time of occupancy. The Purchaser agrees to accept a reasonable match in any repair or replacement in the event the original item is no longer available. The Purchaser understands that the sole remedy under this Limited Warranty Agreement is repair as set forth hereto. Any claim for breach of this warranty must be brought within one (1) year from the date of closing or occupancy by the Purchaser, whichever is first.

2. EXCLUSIONS FROM COVERAGE

The Limited Warranty does not cover the following items:

- a) Damage resulting from fires, floods, storms, electrical malfunctions, accidents, nor acts of God.
- b) Damage from alterations, misuse or abuse of the covered items by any person.
- c) Damage resulting from the Purchasers' failure to observe any operating instructions furnished by the Builder at the time of installation.
- d) Damage resulting from the malfunction of equipment or lines of the telephone, gas, power or water companies.
- e) Any item listed as Non-warrantable Conditions on the list that is incorporated into this Warrantee; the Purchaser acknowledges receipt of the list of Non-warrantable Conditions. Any item furnished or installed by the Builder, including appliances or equipment, that are covered by the manufacturer's warranties. The Builder hereby assigns (to the extent that they are assignable) and conveys to the Purchaser all warranties provided by the manufacturer on manufactured items such as appliances and equipment that have been installed or included in the purchase of the Property. (The Purchaser accepts this assignment and acknowledges that the Builder's only responsibility relating to such items is to lend assistance to the Purchaser in settling any claim resulting from the installation of these products. Following are examples of such: appliances and equipment though not every home includes all of these items and some homes may include appliances and equipment not on this list: refrigerator, range, washing machine, dishwasher, garbage disposal, ventilating fan, HVAC equipment, water heater, microwave and light fixtures.)
- f) Conditions resulting from the condensation on, or expansion or contractions of materials.

INITIAL PAGE IF YOU HAVE READ THIS PAGE

(_____) BUYER

(_____) BUYER

- g) Defects that are the results of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood, fading, caulking and checking of paint due to sunlight; cracks due to drying and curing of concrete, stucco, plaster, bricks and masonry; drying, shrinking and cracking of caulking and weather stripping.

3. LIMITATION OF WARRANTY

This warranty is personal to the original Purchaser and does not run with the property or the items contained in the house. The original Purchaser may not assign, transfer or convey this warranty.

4. OBTAINING SERVICE

It shall be the policy of the Builder to warrant the Purchaser's home according the following guidelines:

- a) All requests for warranty shall be in writing. The only exception will be in the case of an emergency such as plumbing leaks, etc.
- b) If the service needed is mechanically related (i.e. plumbing, HVAC, electrical appliances) the homeowner should call the subcontractor direct.
- c) The Builder will begin performing the obligations under this warranty within a reasonable time of the Builder's receipt of any such. request and will diligently pursue these obligations. Repair work will be done during the Builders normal working hours except where delay will cause additional damage. The Purchaser agrees to provide the Builder or the Builder's representative access to the home.

5. BUILDER ACKNOWLEDGEMENT:

Purchaser acknowledges and agrees that the Builder, Beverly Homes, LLC, shall be responsible for all Construction, Warrantee and Building related items.

6. NO OTHER WARRANTIES

I acknowledge having read, understood, and received a copy of this Limited Warranty.

PURCHASER

DATE

PURCHASER

DATE

****INITIAL PAGE IF YOU HAVE READ THIS PAGE****

(_____) BUYER

(_____) BUYER

BEVERLY HOMES, LLC
NON-WARRANTABLE CONDITIONS

This statement of conditions that are not subject to Builder's Warranties explains some of the changes and needs for maintenance that occur in a new home over the first year or so of occupancy. A house requires more maintenance and care than most products because it is made of many different components, each with its own special characteristics. The purchaser understands, like other products made by humans, a house is not perfect, it will show minor flaws and unforeseeable defects, and it may require some adjustments and touching up.

As described in the Limited Warranty provided to the Purchaser of which this statement of Non-Warrantable Conditions is made a part, the Builder will correct certain defects that arise during defined time periods after construction is completed. Other items that are not covered by Builder's Warranties may be covered by manufacturer's warranties. Some conditions, including (but not limited to) those listed in statement of Non-Warrantable Conditions, are not covered under Builder's Warranties. The Purchaser should read these carefully and understand the Purchaser has not contracted for the Builder to correct certain types of maintenance (a) that are the responsibility of the Purchaser and (b) that could lead to problems if they are neglected.

The following list outlines some of the conditions that are not warranted by the Builder. The Purchaser should be sure to understand this list. If the Purchaser has any questions, they should ask the Builder and feel free to consult an attorney before signing this acknowledgement.

1. CONCRETE

Concrete foundations, steps, walks, driveways, and patios will develop 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.

2. MASONRY AND MORTAR

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

3. WOOD

Wood will sometime check or crack or the fibers will spread apart because of the drying out process. This condition is most often caused by the heat inside the house or exposure to the sun on the outside of the house. This condition is considered normal, and the homeowner is responsible for any maintenance or repairs resulting from it.

4. SHEETROCK AND DRYWALL

Sheetrock and drywall will sometimes develop nail pops or settlement cracks. These nail pops and settlement cracks are a normal part of the drying out process. These items can easily be handled by the homeowner with spackling during normal redecorating. However, if the homeowner wishes, the Builder will send a worker at the end of one (1) year following closing, to make the necessary repairs. The Builder's repairs will not include: repainting of repairs, garage ceilings and unheated spaces.

5. FLOOR SQUEAKS

After extensive research and writing on the subject, technical experts have concluded that much has been tried, but that little can be done about floor squeaks. Generally, floor squeaks will appear and disappear over time with changes in the weather and other phenomena.

INITIAL PAGE IF YOU HAVE READ THIS PAGE

(_____) BUYER

(_____) BUYER

6. FLOORS

Floors are not warranted for damage caused by neglect or the incidents of use. Wood, tile, and carpet all require maintenance. Floor casters are recommended to prevent scratching or chipping of wood or tile, and stains should be cleaned from carpets, wood, or tile immediately to prevent discoloration.

Carpet has a tendency to loosen in damp weather and will stretch tight again in drier weather. Reflective cracks in floor tile may occur if the concrete sub-floor underneath develops a crack as described in Item 1, Concrete. Since there is no reasonable method for removing cracks from concrete, so it is with resulting reflective cracks in the tile floor.

7. CAULKING

Exterior caulking and interior caulking in bathtubs, shower stalls, and ceramic tile surfaces will crack or bleed somewhat in the months after installation. These conditions are normal and should not be considered a problem. Any maintenance or repairs resulting from them are the homeowner's responsibility. All caulking should be checked and replaced on an annual basis.

8. BRICK DISCOLORATIONS

Most bricks may discolor because of the elements, rain run-off, weathering, or bleaching.

Efflorescence the formation of salts on the surface of brick wall may occur because of the passage of moisture through the wall. Efflorescence is a common occurrence, and the homeowner can clean these areas as the phenomenon occurs.

9. BROKEN GLASS

Any broken glass or mirror that are not noted by the Purchaser on the final inspection are the responsibility of the Purchaser.

10. FROZEN PIPES

The Purchaser must take precautions to prevent the freezing of pipes and sill cocks during the cold weather, such as removing outside hoses from sill cocks, leaving faucets with a slight drip, and turning off the water system if the house is to be left for extended periods during cold weather.

11. STAINED WOOD

All items that are stained will normally have a variation of colors because of the different textures of the woods. Because of weather changes, doors that have panels will sometimes dry out and leave a small space of bare wood, which the homeowner can easily touch up. These normal conditions should not be considered defects.

12. PAINT

Good quality paint has been used internally and externally on this home. Nevertheless, exterior paint can sometimes crack or check. The source of this defect is most often something other than paint. To avoid problems with the paint, Purchaser should avoid allowing lawn sprinklers to hit painted areas, washing down painted areas, and so on. Purchaser should also not scrub latex painted, inside walls and be careful of newly painted walls as they move furniture. The best paint will be stained or chipped if it is not cared for properly. Any defects in painting that are not noted at the final inspection are the Purchaser's responsibility. Exterior paint should be checked annually and repainted.

13. COSMETIC ITEMS

The Purchaser has not contracted with the Builder to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features in the home. Chips, scratches, or mars in tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, marble, and Formica tops, lighting fixtures, kitchen and other appliances, doors, paneling, fiberglass tubs and

****INITIAL PAGE IF YOU HAVE READ THIS PAGE****

(_____) BUYER

(_____) BUYER

showers, screens, windows, carpet, vinyl, floors, cabinets, and the like that are not recognized and Noted by the Purchaser at the final inspection are non-warrantable conditions, and the upkeep of any cosmetic aspect of the house is the Purchaser's responsibility. Also, de-silvering and black edging of mirrors are not warranted.

14. PLUMBING

Dripping faucets, toilet adjustments, and toilet seats are covered by the Builder's warranty for a one (1) year period only. After that, they are the Purchaser's responsibility. If the plumbing is stopped up during the warranty period and the person servicing the plumbing finds foreign materials in the line, the Purchaser will be billed for the call.

15. DRAINAGE AND ALTERATIONS TO GRADING

All yards will be graded to drain away from the house. Any disruptions or alteration by the homeowner will void this warranty. There can and often will be standing water in drainage ditches and swales. The homeowner is responsible for maintaining their portion of any drainage structure (ditches or swales) by keeping them unobstructed and by maintaining the grass to avoid erosion.

16. LAWN AND SHRUBS

The Builder accepts no responsibility for the growth of grass or shrubs. Once the Builder grades, seeds, and/or sods the yard, the Purchaser must water the plants and grass the proper amount, and plant ground cover where necessary to prevent erosion. The Builder will not re-grade a yard, nor remove or replace any shrubs or trees, except for those that are noted as diseased at the final inspection.

17. ROOF

During the first year the warranty on the Purchaser's roof is for the workmanship and materials. After that the warranty on the roof is for material only and is prorated over the lifetime use of the roof and will be good for the duration of the warranty guarantee. Warranty claims for any defect of materials will be handled with the manufacturer. The Builder will not be responsible for damages caused by walking on the roof.

18. HEATING AND AIR CONDITIONING

The Purchaser's source of heating and air conditioning is covered by a manufacturer's warranty. The Purchaser is responsible for making sure the filters are kept clean and changed on a 30-day basis. Failure to do so may void the warranty. Having the equipment serviced or checked at least yearly is a good idea.

19. ROAD AND CURBING

Roads and curbing are not warranted to the Purchaser as the road right-of-way and drainage easements are dedicated and ownership transferred to County. Nothing should be placed in drainage easement other than grass.

PURCHASER

DATE

PURCHASER

DATE

INITIAL PAGE IF YOU HAVE READ THIS PAGE

(_____) BUYER

(_____) BUYER

BEVERLY HOMES LLC WARRANTY INFORMATION

Pre-Closing Walk-Through

When the Field Superintendent informs your Beverly Homes sales agent that your home is complete, our Transaction Coordinator will contact you to schedule a meeting with you to inspect every detail of the home. Our Field Superintendent will ensure your full understanding of all components in your home, how to maintain your home, and a list of the subcontractors. We will do a walk-through of your home and prepare a punch list in order to address all necessary items. This meeting will take place in a timely manner before the closing.

(_____) BUYER INITIAL DATE: _____

(_____) BUYER INITIAL DATE: _____

In the event that the buyer cannot be present for the homeowner orientation, they may appoint a representative to complete the homeowner orientation in their absence. The buyer fully understands and acknowledges that there will be (1) homeowner orientation prior to closing. Any repairs or punch list items noted on the checklist during the homeowner orientation will represent the completed punch list and there will be no additional items added thereafter.

(_____) BUYER INITIAL DATE: _____

(_____) BUYER INITIAL DATE: _____

11 Month Post-Closing Punch List

Beverly Homes LLC provides a one (1) year conditional home owner's warranty on the entire home. After one year, all of the manufacturer's warranties are then in place for your protection. We therefore give you another opportunity to submit a "warranty request" before the builder's warranty expires. Please submit your 11 month punch list in writing and email it to the Warranty Coordinator at service@beverlyhomessc.com.

(_____) BUYER INITIAL DATE: _____

(_____) BUYER INITIAL DATE: _____

***All warranty issues must be submitted in writing to service@beverlyhomessc.com**

**** In the event of an EMERGENCY, such as plumbing leak during the first-year of your warranty coverage period, please email the warranty coordinator and/or refer to your sub-contractor list for contact phone numbers.**