

LIMITED WARRANTY

THIS AGREEMENT, Made as of January ____, In the Year of 2007.

Between the Owner: **Alyne C. Louis Anzalone**
20 Sunflower Circle
Bellingham, WA. 98229

And the Contractor: **Aiki Homes, Inc.**
AIKIH1964K7
P.O. Box 29977
Bellingham, WA 98228
(360) 715-0700

For the Project: **Spec 17**
Division 17 Lot 70
Sudden Valley

WHEREAS, Contractor has built a Project located in the County of Whatcom, State of Washington, at the above mentioned property address and

WHEREAS, Contractor does hereby agree to give a limited warranty on the Project located at the above property for a period of one year following closing or occupancy by the Buyer, whichever comes first, upon the following condition;

NOW THEREFORE, in consideration of the payment of the purchase price of the Project, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the premises and agreements hereinafter set forth, the parties hereby agree as follows:

1. Not later than thirty (30) days after closing or occupancy, which ever come first, the Buyer shall deliver a written list of any minor omissions or malfunctions not previously made known in writing to the Contractor. To the extent that such items are a normal Contractor responsibility or not otherwise excluded hereunder, corrections or adjustments will be made by the Contractor.
2. Contractor warrants, accept as limited herein, the above Project to be free from latent defects for a period of one (1) year following closing or occupancy, whichever event shall first occur. A latent defect in construction is herein defined as a defect not apparent at time of occupancy or closing, but which becomes apparent within one (1) year from date of closing or occupancy, whichever event shall first occur, and such defect has been directly caused by Contractor's failure to construct in accordance with the standard of construction prevailing in the geographical area of the Project. It is stressed, however, that normal characteristic behavior of building materials, wear and tear, general maintenance, and like items, will not constitute a latent defect.

PROCEDURE: Should it appear that a possible latent defect (non-emergency nature) has developed, Buyer shall outline pertinent details in writing, and deliver same to Contractor. Following receipt of such notice, Contractor will make an inspection. If a latent defect exists, the

Contractor will (at Contractor's sole option) either (1) repair, (2) replace, or (3) pay to Buyer the reasonable cost of such repair or replacement due to such latent defects(s); however, Contractor shall not be obligated to spend more than the purchase price of the Project less the value of the land upon which the Project is situated.

Notwithstanding anything to the contrary stated herein. This warranty does not cover any appliance, piece of equipment, or item which is a consumer product for purposes of the Magnuson-Moss Warranty Act (15 USC, 2301 through 2312.)

This warranty is given in lieu of any and all other warranties, either expressed or implied, including any implied warranty or merchantability, fitness for a particular purpose, habitability and workmanship, except, if applicable, such warranty as specifically stated in any required VA/FHA warranty delivered simultaneously herewith.

- 3.** The Contractor shall not be liable under this Agreement unless written notice of the latent defect shall have been given by Buyer to Contractor within one (1) year warranty period. Steps taken by the Contractor to correct any defect or defects shall not act to extend the warranty period described hereunder.
- 4.** The Buyer shall have 90 days after expiration of the one (1) year warranty period to bring any legal action hereunder.
- 5.** Contractor hereby assigns to Buyer all of Contractor's rights, if any, under manufactures warranties on appliance and items of equipment included in the Project. Contractor assumes no responsibility for such manufacturers warranties and Buyer should follow the procedures in these warranties if defects appear in such appliances and items of equipment.
- 6.** Contractor does not assume responsibility for any of the following, all of which are expressly excluded from coverage under this Limited Warranty:
 - A.** Defects in appliances or equipment which are covered by a manufacturer's warranty.
 - B.** Incidental, consequential, or secondary damages caused by a breach of this warranty.
 - C.** Defects which are the result of characteristics common to the materials used, such as (but not limited to) warping and deflection of wood; mildew and fading, chalking 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.
 - D.** Conditions resulting from condensation on, or expansion or contraction of materials.
 - E.** Defective design or materials supplied by Buyer or installed under his direction, or Defects caused by anything not built into, or installed in the Project pursuant to contract between Contractor and Buyer.
 - F.** Damages due to ordinary wear and tear, abusive use or lack of proper maintenance of the Project.
 - G.** Loss or injury due to the elements.
 - H.** Landscaping or any portion thereof is hereby expressly excluded from this warranty including sod, seeding, shrubs, trees and plantings.
 - I.** Insect damage of any nature whatsoever.
 - J.** Non-uniformity in appearance of used or simulated used brick.

- K.** Chips, scratches or mars in tile, woodwork, walls, porcelain, brick, plumbing fixtures, plastic laminate and glass not expressly identified to Contractor prior to closing.
- L.** Dripping faucets and toilet adjustments after the initial thirty (30) day warranty period described herein.
- M.** Utility service lines installed by developer, municipality or service company and settling, back filling or slumping thereof.
- N.** Deterioration or defects in asphalt paving.
- O.** Movement, shifting, expansion or plasticity of the soils beneath the Project and changes in the underground water table and subsurface soil structures beyond Contractor's control.
- P.** There is no warranty obligation in regard to repair work personally performed by Buyer or Contractors employed by Buyer in regard to "purported defects."
- Q.** Other than the warranty provided herein, builder/contractor makes no express or implied, oral or written warranty, nor shall builder/contractor be liable for death, injuries to persons or property, or for incidental contingent, special or consequential damages.

All warranty work shall be scheduled during normal weekday working hours except in emergencies.

This warranty is extended only to the Buyer named herein. It is not transferable to subsequent Buyers of the Project.

Compliance with RCW 64.50.050: Chapter 64.50 RCW contains important requirements you must follow before you may file a lawsuit for defective construction against the seller or builder of your home. Forty-five days before you file your lawsuit, you must deliver to the seller or builder a written notice of any construction conditions you allege are defective and provide your seller or builder the opportunity to make an offer to repair or pay for the defects. You are not obligated to accept any offer made by the builder or seller. There are strict deadlines and procedures under state law and failure to follow them may affect your ability to file a lawsuit.

Should any term of this Agreement be deemed by a Court of competent jurisdiction to be unenforceable, such determination shall not affect the enforceability of the remaining provisions.

Use of one gender shall include all other genders; use of the singular shall include the plural; and use of the plural shall include the singular; all as may be appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written,

Aiki Homes, Inc.

Date

Alyne & Louis Anzalone

Date