

**LIMITED FIT AND FINISH WARRANTY -- CIVIL CODE §900**

**THIS ONE-YEAR EXPRESS LIMITED WARRANTY COVERING THE FIT AND FINISH OF CERTAIN BUILDING COMPONENTS IS INTENDED TO COMPLY WITH CIVIL CODE SECTION 900.**

- A. **Covered Components:** This Warranty covers the Fit and Finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes and trim of Buyer's home.
- B. **Term:** The term of this Warranty shall be for one (1) year commencing with the date of the Close of Escrow ("Warranty Period").
- C. **Seller's Obligation to Repair or Replace Defective Covered Components:** Seller will repair or, at its option, will replace, at no charge to Buyer, any Covered Component found to be defective under the terms and definitions of this Warranty. Seller shall make said repairs or complete said replacements as soon as practicable, and without any unreasonable delay. All repairs and replacements will be made at no charge to Buyer.
- D. **Inspection List:** - At the time of an inspection jointly made by Buyer and a representative of Seller prior to Close of Escrow, the parties shall make a written list of all visible surface defects and other apparent defects.
- E. **Standards:** The standards to be complied with, and by which the performance of the Seller under this Warranty is to be judged, are those standards generally recognized and accepted in residential home-building in California for quality of materials and workmanship. All work shall be done in a good and workmanlike manner and shall conform to all applicable building codes and the specifications of the architect and engineer.
- F. **Scope of Warranty:** Items covered by this Warranty are defects and deficiencies in materials and workmanship of Covered Components that do not meet the generally accepted Standards for the Covered Components. Minor imperfections of finishes (natural or synthetic), which do not materially detract from the appearance of the finish as a whole, or whose existence remains a matter of subjective judgment only are not covered by this Warranty. The following are specific items that are covered by this Warranty, except expressly limited as stated:
1. **Visible Surface Defects:** Visible surface defects that are serious defects in finished surfaces, evident upon examination are covered by this Warranty if noted on the Inspection List. Examples are chipped, scratched, cracked or broken windows, mirrors or shower doors; chipped or scratched appliances, bathtubs or washbowls; scratched, gouged or scuffed flooring; stained or dirty carpeting; stained, scratched, gouged or dented walls, ceilings, doors or trim. Visible surface defects not noted on the Inspection List are deemed to have occurred after transfer of title and are not covered by this Warranty.
  2. **Lumber and Millwork:** Material defects and deficiencies in wood components are covered by this Warranty. Minor shrinkage and expansion of wood components is to be expected and does not constitute a defect in material or workmanship. Some shrinkage of wood in the joists, studding, framing and rafters in the dwelling may unavoidably occur, and consequently some moldings or trim may shift from their original position, joints in the woodwork may open, doors may warp, and cracks may appear in drywall. Wood will shrink under extreme dryness as it loses moisture and will swell under extreme humidity as it absorbs moisture. This characteristic of wood may cause joints in millwork to develop separations or gaps in the winter season.
  3. **Interior Doors:** Interior doors with more than one quarter (1/4) inch of warp are considered defective and will be repaired or replaced, provided written notice has been given to Seller during the Warranty Period.
  4. **Hardware/Door Operations:** Operation of hardware for doors is covered by this Warranty if defects are noted on the Inspection List. Due to normal use, door hardware may require readjustment over a period of time. This adjustment is not covered by the Warranty and is a maintenance matter. Proper operation of all hardware should be determined by the Buyer during inspection of the unit and any defects noted in the Inspection List.
  5. **Cabinetry:** Operation of cabinetry and hardware for drawers and cabinet doors is covered by this Warranty if defects are noted on the Inspection List. Cabinet drawers and hardware are subject to misalignment through use over a period of time. Readjustment of the cabinetry and cabinetry hardware is not covered by this Warranty and is a maintenance matter. If there are any hardware malfunctions, they should be noted at the time of the Inspection List.
  6. **Floors:** This Warranty covers extreme nail or seam popping, cracked or loose tile or imperfections in the subflooring that occur during the Warranty Period. This Warranty further covers scratches, gouges, heel marks and other visible surface defects, provided they are noted in the Inspection List. Because shade, feel, and color will vary within each production run of a manufacturer's carpet or tile, and may also vary as a result of use, cleaning and waxing, Seller cannot assure color match in case repair or replacement of these items is required.
  7. **Countertops:** Serious scratches are covered by this Warranty provided they are noted on the Inspection List. Vanities and countertops are guaranteed against defects and workmanship and material during the Warranty Period. They are not guaranteed against burns or damage from frozen foods, stains from use or other improper usage.
  8. **Paint -- Wood Siding:** The paint used inside and outside the dwelling is of a type and quality appropriate to its use, and its application is warranted to be consistent with accepted Standards. This Warranty covers blistering, peeling or flaking during the Warranty Period. It also covers serious smudges, stains or other soiling, provided they are noted on the Inspection List. Paint will gradually change color with time, as no paint is completely color stable when exposed to light, air and varying temperature and humidity. Seller does not warrant against such color change. Wood siding is expected to change color with time. Regular care of painted surfaces, and avoidance of damage from lawn sprinklers, etc., will prolong the life of painted surfaces.
- G. **Non-Warrantable Conditions:** The following are non-warrantable conditions, expressly excluded from this Warranty:
1. Any labor and/or material not furnished by Seller.
  2. Any warrantable condition adversely affected by any addition, alteration, remodeling, and/or repair performed by or under the supervision of Buyer.
  3. Variation in color or appearance of marble/granite. **Disclaimer:** Quarried marble and granite are natural materials produced from rock and are not man-made products. As such these materials have conditions that cannot be controlled, such as color and veining. The color or shade, and veining, of marble/granite can vary significantly in its natural state, and therefore it may be difficult to quarry a large enough batch to lay a floor that is completely uniform. For the same reason, it may be difficult to obtain marble/granite that exactly matches the color and characteristics of the sample shown to Buyer. Marble will absorb oil or other liquid which is allowed to penetrate, resulting in permanent staining. Due to the natural characteristics of marble, the cut tiles may not be exactly equal in size and thickness, and it will be impossible, to obtain a "glass-like" smooth surface which would resemble a slab. Although care is taken to provide the best finish possible, neither Seller nor its subcontractors can guarantee that there will be no variations within a marble installation, or from the marble sample shown prior to construction. Marble is a relatively soft stone subject to abrasion and scratching. Minor abrasions will be present in the product and do not constitute a defect. Major chips or scratches should be noted in the Buyer's Inspection List.
  4. Broken glass not noted on the Inspection List.

**Seller's Initials** (\_\_\_\_\_)

**Buyer's Initials** (\_\_\_\_\_) (\_\_\_\_\_)

5. Variations or changes in coloration of flooring, unless noted on the Inspection List. **Disclaimer** -- Wood (Cabinet/Floor) Stain: Due to normal variations in the density and graining of wood, stain applied to different pieces of the same type of wood may result in a somewhat different appearance. While this accounts for much of the warmth and beauty of natural wood cabinetry and/or flooring, Seller wishes to make clear that an exact color and grain matching in the cabinetry and/or flooring is neither implied nor guaranteed.

**Disclaimer** -- White Stained Wood Floors: Since the grain and pores are filled up with pigment, the finish cannot get a good grip on the wood; adhesion is impaired, and under heavy use, the finish is subject to chipping off. As humidity changes, the flooring swells and shrinks. Cracks may open up between boards and flooring may buckle due to differential in moisture content of materials. These are not noticed on ordinary floors, but on white floors dirt accumulates in cracks, appearing as thin black lines. White stain is extremely difficult to apply evenly. Unevenness doesn't show until finish is applied, and then white floors are almost impossible to touch up without making it worse. Wood can contain microorganisms which work their way to the surface. When this takes place, a reaction occurs with a water based finish (black dots show on the surface of the floor). White stained floors are too light to hide this discoloration. Neither the Seller or manufacturer of finishes or wood will warrant against the occurrence of the above stated problems.

6. Defective seams in linoleum and carpet, surface defects in linoleum and carpet, unless noted on the Inspection List. **Disclaimer** -- Due to the tight weave and low pile of a low loop (Berber) carpet, the seams will necessarily show.

7. Transition of Flooring: Hard surface materials such as vinyl, hardwood, tile and marble vary in thickness. Though all possible measures are taken to minimize the transition between two adjacent dissimilar materials, a perfectly level transition is not always achievable. In case of a slight elevation change between two hard surface floor materials, a wood transition strip will be used. If tile or marble is selected for any area in which there are steps down to a carpeted area, the steps will be carpeted, and the carpet will extend approximately 12-16 inches over the top of the last step. Due to the hard, and yet brittle nature of tile and marble, it must be supported with a thick layer of mortar in order to prevent it from cracking or chipping. If placed on the edge of a step, there is a possibility that the tile or marble may crack.

8. Spots on carpeting, not recognized on pre-move-in inspection, or minor fading due to a variety of exposure to light and slight dye lot variance.

9. Discoloration, non-uniformity of, or appearance of brick or tile.

10. Cracked, chipped, scratched ceramic tile, including grout joints at floors, countertops, bath tub and shower enclosures, not noted on the Inspection List.

11. Mirror defects, except as noted on the Inspection List, except latent silvering failure not noted on the Inspection List.

12. Minor cracks and/or nail pops due to normal shrinkage of lumber and/or normal settlement. These minor cracks or nail pops should be maintained by the homeowner.

13. Effects induced by expansion and contraction of soil.

14. Premature deterioration in painted or stained surfaces due to causes other than the paint or stain or its application (e.g. allowing lawn sprinklers to hit painted or stained area, or not keeping painted surfaces clean).

G. **Excluded Items:** This Warranty shall not apply to damage to the Covered Components caused by defects in other elements governed by other provisions of Chapter 2 of Title 7 of Part 2 of Division 2 of the California Civil Code (Civil Code Sections 896 and 897).

H. **Inspection:** By accepting this Warranty, Buyer acknowledges and agrees that prior to Close of Escrow Buyer will inspect the dwelling, either personally or through an agent, and will be thoroughly familiar with its condition. Buyer further acknowledges that prior to Close of Escrow Buyer will complete, with a representative of Seller, an Inspection List of all defects apparent at the time of that inspection. Buyer agrees to cooperate with Seller in selecting a mutually agreeable date for the inspection.

If Buyer or Buyer's agent fails to participate in the scheduled inspection, Seller may designate a qualified third-party, which may be a representative of the management company retained to manage the Association but not an agent or employee of Seller, to complete the inspection on Buyer's behalf, and Seller shall conduct the inspection together with the designated qualified third-party and the completed Inspection List shall be deemed to be accurate and complete.

In the event Buyer claims that a visible defect noted by Buyer after the close of escrow, and within the warranty period, should be covered, and said defect is not noted on the Inspection List, Buyer shall have the burden of overcoming a presumption in favor of the accuracy and completeness of the Inspection List or of establishing that the defect manifested itself after the inspection, in any dispute resolution proceeding. Fees, if any, paid to the third-party inspector, shall be paid by the Seller.

J. **Claims/Notice:** All claims for corrections of Covered Components must be made within the Warranty Period by written notice addressed and delivered to Seller at the address set forth in the Purchase Agreement. In order for a claim regarding a Covered Component to be effective under this Warranty, the Buyer must give Seller written notice of any defect in the Covered Component on or before the expiration of thirty (30) days from the date of discovery of the defect, specifying the nature of the defect. The thirty (30) day period for providing Seller with notice of the defect shall commence upon the date the defect was first manifested as being reasonably obvious or evident to the Buyer. Failure of Buyer to notify the Seller of a defect within the thirty (30) day claim period shall be deemed to be a failure to give timely notice to the Seller after discovery of a violation and shall constitute an "Affirmative Defense" as defined in Civil Code Section 945.5.

K. **Access:** Buyer must allow Seller reasonable access to the dwelling to inspect it and to remedy the defect. The failure or the refusal of Buyer to allow Seller reasonable access to inspect or complete warranty work will entitle Seller to declare the Warranty void and of no further force or effect with respect to that defect.

L. **Affirmative Defenses:** The affirmative defenses set forth in Civil Code Section 945.5 are incorporated by reference herein, and said defenses shall be available to Seller with respect to any claim of a breach of warranty made under this Fit and Finish Warranty. Under no circumstances will Seller have any liability for any alleged defect where a claim was not delivered to Seller in writing during the Warranty Period.

M. **Assignability/transferability/successors in Interest:** This Warranty is transferable upon resale to the dwelling and will continue in effect for the balance of the Warranty Period.

N. **Dispute Resolution:** Any claim or dispute between Buyer and Seller arising from this warranty shall be determined under the provisions of the section of this Purchase Agreement entitled "Alternative Dispute Resolution Procedures."

**BY INITIALING BELOW BUYER ACKNOWLEDGES THAT THIS COPY OF THE LIMITED FIT AND FINISH WARRANTY WAS PROVIDED WITH AND MADE A PART OF THE JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS.**

Seller's Initials (\_\_\_\_\_)

Buyer's Initials (\_\_\_\_\_) (\_\_\_\_\_)

Date: \_\_\_\_\_

Escrow Officer: Constance A. Kaiser

Unit/Lot # \_\_\_\_\_

Escrow #: \_\_\_\_\_

**SELLER:**  
**Pacific Paradise Condominiums, LLC**  
**A California Limited Liability Company**

**BUYER:**

\_\_\_\_\_

\_\_\_\_\_  
**Managing Member**

\_\_\_\_\_

Seller's Initials (\_\_\_\_\_) (\_\_\_\_\_)

Buyer's Initials (\_\_\_\_\_) (\_\_\_\_\_) (\_\_\_\_\_)