

**SINGLE FAMILY RESIDENCE
WARRANTY CERTIFICATE**

1. BUILDER WARRANTY

- (a) The builder warrants that this Home was built to the construction standards of the Whatcom County Building Code in effect at the date the building permit was issued for this home,
- (b) The Builder agrees to repair or replace Defects or Structural Defects in the Home where written notice has been given to the Builder in accordance with paragraphs 4(a) below for a period of (1) year after the closing date of purchase.
- (c) The Builder shall assign to the Homeowner any limited warranty provided to it by a manufacturer or supplier. The scope of the Builder's obligation to the Homeowner under a manufacturer's or supplier's material warranty shall be limited to the terms and conditions contained herein.
- (d) The following are NOT Defects or Structural Defects:
 - (i) Any workmanship, design or material, provided or contracted directly by the Homeowner with a supplier, manufacturer or tradesperson;
 - (ii) Damage arising from improper or inadequate maintenance by the Homeowner including damage caused by, or resulting from, failure to maintain proper grading of the ground, water leakage or drainage, inadequate water/moisture seals, or the failure of the Homeowner to repair and maintain the Home or mitigate any damage hereto;
 - (iii) Damage caused by alterations or work done by the Homeowner or the agents or sub-contractors of the Homeowner;
 - (iv) Defects that were apparent and were accepted by the Homeowner at the Date of Possession;
 - (v) Normal cracks in plaster, drywall, paint, masonry, stucco, parging, ceramic tiles, grout and other cementitious materials and concrete;
 - (vi) Normal shrinking and warping of materials caused by drying after construction;
 - (vii) Normal soil movement or subsidence along utility lines or backfill consolidation of compaction around the Home;
 - (viii) Damage other than Structural Defects caused by soil movement or subsidence;
 - (ix) Damage arising from wear and tear, age or weathering;
 - (x) Damage arising from dampness, condensation or fungal or bacterial contamination;
 - (xi) Accidental loss or damage caused by a third party or from acts of nature such as, but not limited to: fire, explosion, smoke, water escape, changed which are not reasonably foreseeable in the level of the underground water table, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood and earthquake;

- (xii) A defect in any workmanship or material specifically agreed between the Homeowner and the Builder is excluded from this limited warranty;
- (xiii) Any damage to the extent that it is caused or made worse by the Homeowner or a third party, including:
 - Negligent or improper maintenance or improper operation of any Equipment by anyone other than the Builder or its employees, agents or sub-contractors;
 - Failure of anyone other than the Builder or its employees, agents, or sub-contractors to comply with the warranty requirement of manufacturers of the Equipment or fixtures;
 - Alterations to the Home or the Equipment by anyone other than the Builder or its employees, agents or sub-contractors; or
 - Changes or failing to maintain the grading of the lot for the Home;
- (xiv) Matters directly or indirectly arising from or related to environmentally harmful substances or hazards, deleterious substances or toxic conditions or materials on, in or about the Home regardless of the party responsible.
- (xv) Any loss or damage which arises while the Home is being used primarily or substantially for non-residential purposes;
- (xvi) Damage arising to the Home or the Equipment from the failure of the Homeowner to take timely action to prevent or minimize loss or damage, including failure to give prompt notice to the Builder of a discovered loss or potential loss;
- (xvii) Any damage caused by insects, rodents or other animals except where such damage result from a Building Code Defect;
- (xviii) Bodily injury, emotional anguish, inconvenience, damage to personal property, economic loss or damage to real property which is not part of the Home; and
- (xix) Diminution in the value of the Home or the Equipment.

2. HOMEOWNER OBLIGATIONS

- (a) The Homeowner shall:
 - (i) Immediately and within one (1) year from the Date of Possession, provide written notice to the Builder giving full details of any Defect;
 - (ii) Not undertake any unilateral action or remedy without the prior written consent of the Builder. The cost of such action and any consequent liabilities arising there from, will be for the sole account of the Homeowner. Further, unilateral actions or remedies undertaken by the Homeowner without the Builders consent will be excluded from the warranty and result in this warranty being voided entirely;
 - (iii) Allow timely, free and full access to the Home Monday through Friday, excluding statutory holidays, from 8:00 am to 5:00 pm to the Builder and their employees, agents, and sub-contractors for the purpose of monitoring

complaints or claims, inspecting for required maintenance, investigating warranty or claim issues, monitoring warranty or claim issues, conducting further inspections as required, or to repair or replace Defects or Structural Defects;

3. LIMITS AND EXCLUSIONS

- (a) When a Structural Defect is not causing damage to the Home, the Builder may delay repairs until damage does occur.
- (b) A Structural Defect caused by improper maintenance of, or an alteration to, the Home or Equipment by the owner is not included in this warranty.
- (c) This warranty Certificate shall be strictly limited to the repair or replacement of Defects or Structural Defects. The Builder shall have no liability other than to repair or replace Defects of Structural Defects and for which there is not monetary alternative. The Builder shall not be liable in any way, directly or indirectly, for any damage, loss or expense, emotional anguish, inconvenience, diminution in the value of property, economic loss, physical injury or damage to a person, or persons or to any personal property, or other property not covered by this Warranty Certificate. Any repairs or investigations undertaken, or the costs incurred, by the Homeowner shall be at the sole expense of the Homeowner and not subject to reimbursement.

4. TERMINATION OF WARRANTY

- (a) This Warranty Certificate shall terminate automatically if:
 - (i) The Homeowner does not maintain the Home in a reasonable and prudent manner;
 - (ii) The Home is not used for residential purposes by the Homeowner, unless the Homeowner obtains the written consent from the Builder, which consent shall be in the sole discretion of the Builder;
 - (iii) The Homeowner fails to comply with the Homeowner Obligations in paragraph 4 above;
 - (iv) The Homeowner undertakes any unilateral action or remedy without the prior written consent of the Builder, the cost of such action and any liabilities arising there from, will be for the sole account of the Homeowner and unilateral actions or remedies undertaken by the Homeowner will be excluded from this Warranty Certificate and will result in the Builder's Warranty Certificate being cancelled entirely.

5. TRANSFER OF WARRANTY

If the legal title to the Home is transferred before the termination of this Warranty Certificate, then:

- (a) All of the applicable unused benefits under this Warranty Certificate shall be automatically transferred to any subsequent Homeowner. But whether disclosed or not, prior actions or obligations of the Homeowner shall be binding upon any subsequent Homeowner and, in particular, any previous acts, omission, default or agreements of any kind made by the Homeowner with the Builder shall be binding upon any subsequent Homeowner;
- (b) Each Homeowner shall promptly deliver this Warranty Certificate to any subsequent Homeowner and shall advise any subsequent Homeowner of any matter that may affect or limit the coverage contained in this Warranty Certificate;
- (c) All of the Homeowner Obligations contained in this Warranty Certificate shall be binding on any subsequent Homeowner.

Builder: _____

Keystone Development Inc.

Date: _____