

LIMITED WARRANTY

Buyer: _____

Unit Number: _____ of the **LAS MARINAS** Condominiums, South Padre island, Texas (the "Unit.")

This limited warranty (the "Limited Warranty") constitutes the sole and only warranty regarding the above-described Unit and other structures or areas that comprise the common elements (the "Common Elements") and are a part of the real property sold to Purchaser by **SPI LAS ANGELINAS, LTD.**, a Texas limited partnership ("Seller") pursuant to the provisions of that certain New Residential Condominium Contract and Addendum executed between Seller and Buyer.

1. Upon Closing, Seller shall assign to Buyer all manufacturer warranties covering the Warranted Appliances used in the Unit and transferred to Buyer by virtue of Buyer's purchase of the Unit.
2. Seller hereby warrants the materials and construction on the Unit and Common Elements but only to the extent of the warranty given to Seller by the General Contractor (the "General Contractor.") pursuant to the terms of that certain construction contract ("Construction Contract") to be entered into between General Contractor and Seller, the following warranty, which warranty has been assigned by Seller to LAS MARINAS OWNERS ASSOCIATION, INC., a Texas non-profit corporation (the "Owner's Association") for benefit of the Residence Owners and provides the following:

With respect to construction of the Condominium, General Contractor warrants that the materials and equipment furnished by General Contractor will be of good quality and new unless otherwise required and permitted in the Construction Contract, that the General Contractor's work will be free from defects not inherent in the quality required or permitted, and that the General Contractor's work will conform to the requirements of the Construction Contract. General Contractor's work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the General Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage.

Additionally, if, within one (1) year after the date on which the certificate of substantial completion is issued for the Condominium or after the date for commencement of warranties established under the Construction Contract or by terms of an applicable special warranty required by the Construction Contract, or such longer period of time as may be prescribed by law with respect to latent defects, any of the General Contractor's work is found to be not in accordance with the requirements of the Construction Contract, General Contractor shall correct such work promptly after receipt of written notice from Buyer to do so unless Buyer has previously given General Contractor a written acceptance of such condition. Buyer shall give such notice promptly after discovery of the condition.

3. Consumer Products (as such term is used and defined by the Federal Trade Commission) that are covered by the Magnuson-Moss Warranty Act when sold as part of a home are EXCLUDED from this Limited Warranty. Such Consumer Products are covered solely to the extent of any manufacturers' and/or suppliers' warranties. Buyer's sole remedy for the malfunction or defect in materials or workmanship of equipment or appliances installed in the Subject Property by Seller or its agents or subcontractors ("Installers,") are specifically limited to the warranty provided by the manufacturer of such equipment or appliance, unless such claimed defect is or was caused by installation by Installers, in which event, this Limited Warranty applies. For purposes of illustration and not by way of limitation, such appliances and equipment include the following: refrigerators, freezers, ice makers, microwave ovens, conventional ovens, range tops, dishwashers, garbage disposals, trash compactors, clothes washers and dryers, heating and air conditioning units, hot water heaters, garage door openers, intercom systems, security systems and audio and video equipment (the "Warranted Appliances.")

4. It is a condition precedent to Buyer's right to claim any remedy available as a result of any breach of this Limited Warranty, that Buyer observe the following procedures:

- a. The Unit shall be inspected by Buyer and Seller's authorized agent prior to move in. It will be the responsibility of Buyer to submit to Seller's agent at the time of such inspection:
 - i. a list of any defects that could constitute a breach of this Limited Warranty on Seller's punch list form;
 - ii. any objection Buyer may have to the completeness of the structure in its conformity with the General Contractor's work; or
 - iii. a list of other minor repairs which are Seller's responsibility by the normal standard of care existing for residential condominiums in Cameron County, Texas on the date of this Limited Warranty which are discovered by Buyer upon examination prior to move in.

The lists and/or objections shall be submitted to, and approved by, Seller, prior to move in by Purchaser.

- b. Within thirty (30) days following move in, Buyer shall present to Seller:
 - i. a written list of any defects sufficient to constitute a breach of this Limited Warranty;
 - ii. any objection Buyer may have to the completeness of the structure in its conformity with the General Contractor's work; or
 - iii. a list of other minor repairs which are Seller's responsibility by the normal standard of care existing in Cameron County, Texas on the Closing Date (as defined in the Contract,) which were not and could not have reasonably been discovered by Buyer upon examination prior to move in, but which were discovered by Buyer within 30 days after move in.

Seller shall review and approve the lists and/or objections provided under this Section 4(b) within ten (10) days following receipt of same from Buyer.

c. All latent defects in construction which were not apparent before move in or within thirty (30) days after move in but which become apparent within the time of this Limited Warranty shall be presented to Seller in writing promptly upon discovery by Buyer, but no later than one year following move in by Buyer.

d. Buyer acknowledges that the provisions of paragraph 4 of this Limited Warranty are conditions precedent to Buyer's right to claim any remedy for breach of this Limited Warranty and such provisions do not extend, increase or in any manner modify the limited warranty expressly set forth in this Limited Warranty.

5. SELLER DISCLAIMS ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED (OTHER THAN THE WARRANTY OF TITLE SET FORTH IN THE DEED FOR THE UNIT DELIVERED TO PURCHASER ON THIS DATE), INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR A PARTICULAR USE, REGARDING THE IMPROVEMENTS, FIXTURES, EQUIPMENT, MATERIALS, OR OTHER PROPERTY LOCATED ON OR BEING A PART OF THE REAL PROPERTY SOLD TO BUYER PURSUANT TO THE NEW RESIDENTIAL CONDOMINIUM CONTRACT AND ADDENDUM. NO SAMPLE OR MODEL HAS BEEN MADE PART OF THE BASIS OF THE BARGAIN OR HAS CREATED OR AMOUNTED TO AN EXPRESS WARRANTY THAT THE WHOLE OF THE GOODS WOULD CONFORM TO ANY SUCH SAMPLE OR MODEL.

6. Non-warrantable conditions include, but are not limited to, the following items:

a. As to hard surfaces such as concrete, wood, granite, glass, tile, marble (plastic or natural), resilient flooring, porcelain, brick, mirrors, plumbing fixtures, plastic laminate, or similar products in counters, floors, bathrooms, walls, etc.; floor squeaks, chips, scratches, loss of finish, or mars; discoloration; non-uniformity of appearance such as variation in color of finish; cracks; mirror defects except latent silvering failure; loss of grouting or mortar; separation; shrinkage or warpage of doors and cabinet doors and other trim items which does not affect their function; opening of joints due to normal expansion and contraction; slight visible defects, such as nail pops, seam lines, minor cracks and separation due to normal shrinkage in sheetrock or drywall, paneling and mounding; whether or not such conditions are due to normal shrinkage or expansion or contraction of concrete or the soil on which the improvements are located;

b. Spots on carpeting, other soft materials or hard surfaces not recognized on pre-move-in inspection;

c. Minor fading due to exposure to light and/or slight dye lot variance; and

d. Any labor and/or materials furnished by Purchaser, prior to and subsequent to the completion of construction of the Residence, which are not included in the Purchase Price.

Any addition, alteration, remodeling and/or repair performed by, or under the supervision of, Purchaser which has an adverse effect on any warrantable condition shall invalidate the Limited Warranty as to such warrantable condition.

7. The parties hereto acknowledge and agree that any dispute or claim pursuant to this Limited Warranty is a "Dispute" as defined in the Governing Documents of the condominium of which the Unit forms a part and therefore is subject to the dispute resolution procedures contained therein.

Executed to be effective as of _____.

SELLER:

BUYER:

SPI LAS ANGELINAS, LTD.
By Its General Partner
SPI Las Angelinas Management, LLC.

y: _____
Name: Martha Paez
Title: Manager
