

Solstice Custom Homes (Builder) Limited Warranty Agreement

Owners: _____

Address of premises/home:

1. **Term:** The term of this warranty shall be one (1) year commencing on the date Owner either a) purchases the premises; or b) occupies the property, whichever occurs first. This warranty is not transferable to any other party other than the Owner.
2. **Coverage:** Builder warrants to the Owner that materials used to construct the residential structure constructed by Builder will be new, that the Builder's work will conform to standards of acceptable craftsmanship, and that Builder's work will be free from substantial defects and suitable for its intended use for a period of one year after completion. Builder's liability under this warranty shall be conditioned upon receipt of a written notice of defect and an opportunity to inspect the defect to verify its cause. Builder's warranty shall be limited solely to the repair or replacement, as Builder shall decide, of that portion of the structure found not to have been constructed as warranted.
3. **Manufactures Warranties:** Upon the date of Owner's ownership of the premises, Builder shall assign and transfer to Owner all manufacturer warranties received (or the right to receive such warranties) for equipment, appliances, systems, components, or materials incorporated into Builder's Work. Builder does not warrant such items. Consequently, Builder shall not be liable for any failure or deficiency in the equipment, appliances, systems, or components or materials incorporated into the work that were covered at any time by a manufacturer's warranty assigned to Owner.
4. **Owner Maintenance Obligations:** Owner shall have ongoing maintenance and inspection responsibilities of the home. Builder has provided Owner a Home Owners Manual, incorporated herein by this reference, which describes Buyer's maintenance and inspection responsibilities for the premises. Buyer acknowledges that routine inspection and maintenance of the premises is required to prevent degradation. It is agreed that Owner shall be solely responsible for any conditions arising out of or relating to the failure to perform maintenance as described in the Home Owner's Manual.
5. **Exclusions to Coverage:** The Builder's warranty excludes remedy for damage or defect caused by lack of maintenance as outlined in the Home Owner's Manual, abuse, modifications not executed by Builder, improper or insufficient maintenance, improper operation, loss or injury due to natural elements (i.e. earthquake, fire, wind, rain, snow, etc...), defects in appliances and equipment that are covered by manufactures' warranties (see paragraph 3) normal wear and tear, and normal usage. Any warranty work performed by Builder or on Builder's behalf shall not extend the original period of this Warranty, any applicable statute of limitation or the statue of ultimate repose.

6. **Notice Regarding Residential Construction Defect Claims:** Oregon law contains important requirements Owner must follow before commencing arbitration or a court action against Builder for construction defects. Before Owner may commence arbitration or a court action, written notice of any conditions you allege are defective must be delivered to the Builder, subcontractor or supplier believed to be responsible for the alleged defect. The Builder, subcontractor or supplier must be given the opportunity to make an offer to repair or pay for the defect. Owner is not obligated to accept any offer made by the Builder, subcontractor, or supplier. There are strict deadlines and procedures under Oregon law. Failure to meet those deadlines or follow those procedures may affect ability of either party to commence arbitration or a court action.

7. **Owner's Limitation of Liability:** Owner agrees that Builder's liability for any claims arising out of or relating to this Warranty or the structure constructed by Builder including claims based upon breach of contract or negligence by Builder, any subcontractor or supplier, shall be limited to this Warranty and the real estate agreement to purchase and sell the premises. Owner also agrees that under any circumstance Builder's liability shall be limited to the lesser of the reasonable cost or repair or replacement of any portion of the structure found to be defective under ordinary use; the difference between the actual value of the structure as completed by Builder and what the structure's value would have been had it been constructed without any defects; or the purchase price of the premises.

8. **Builder's Limitation of Liability:** Builder agrees that Owner's liability for any claims arising out of or relating to this Warranty shall be limited to payment of the purchase price and interest at the prevailing legal rate for judgments.

THE FOREGOING WARRANTIES ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF FITNESS, HABIUTABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE ALL OF WHICH ARE HEREBY DISCLAIMED. ANY IMPLIED WARRANTY THAT EXISTS DESPITE THIS DISCLAIMER IS LIMITED TO A PERIOD OF ONE (1) YEAR FROM THE DATE OF ISSUANCE OF THE FINAL OCCUPANCY PERMIT.

Owner:

Solstice Custom Homes

Date: _____

Alan R DeHarpport

Date: _____

Date: _____