



LIMITED WARRANTY

I. DEFINITIONS

1. **WARRANTOR:** The Warrantor is the Seller identified in the RESIDENTIAL CONSTRUCTION AND PURCHASE CONTRACT ("Contract").
2. **HOME WARRANTED:** The Dwelling warranted is the residence constructed by the Seller as identified in the CONTRACT.
3. **TO WHOM WARRANTED:** This Limited Warranty is extended solely to the Purchaser named in the RESIDENTIAL CONSTRUCTION AND PURCHASE CONTRACT to which this Limited Warranty is appended, and solely during the time the Purchaser owns the Property. It does not extend to subsequent owners of the Property or to other persons.
4. **WARRANTY DATE:** This Limited Warranty is effective upon transfer of title to or possession by the Buyer or his agent; whichever is earlier.

II. LIMITED WARRANTY:

THE BUILDER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS PURCHASE AGREEMENT OR THE HOME, AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THIS LIMITED WARRANTY ANNEXED TO THIS PURCHASE AGREEMENT. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE DWELLING AND ITS COMPONENTS, BOTH EXPRESS OR IMPLIED WITH THE EXCEPTION OF HOME BUYER'S WARRANTY WHICH IS ANNEXED HERETO AND MADE A PART HEREOF. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE EXPRESS TERMS OF THE ANNEXED LIMITED WARRANTY ARE HEREBY INCORPORATED IN AND MADE A PART OF THIS PURCHASE AGREEMENT; THEY SHALL SURVIVE THE CLOSING OF TITLE; AND THERE ARE NO OTHER WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF.

BUILDER WARRANTS THAT, WITHIN LIMITATIONS DESCRIBED IN THE ATIAS GROUP LLC LIMITED WARRANTY, YOUR HOME WILL BE FREE FROM QUALIFYING DEFECTS AND DEFECTS IN WORKMANSHIP AND SYSTEMS.

III. SELLERS' LIMIT OF TOTAL AGGREGATE LIABILITY:

1. **Total aggregate liability:** The maximum total aggregate liability of the Seller under this Limited Warranty shall be equal to maximum of 10 percent of the full contract price of the Property (as defined in the Contract) paid by the buyers to the Seller. This limitation of liability shall supersede that of Home Buyers Warranty and shall constitute the total limit of liability of the warranties.
2. **Consequential and incidental damages:** This Limited Warranty excludes all consequential and incidental damages, except as otherwise required by Oregon State law.

IV. FINAL INSPECTION OF DWELLING.

Before the Buyer moves into the Dwelling or accepts the deed, the Seller will set up an appointment for final inspection of the Home with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature – such as cracks, chips, dents, stains or marks – that may have occurred during the final stages in finishing the Dwelling, or any unfinished work caused by circumstances beyond the Seller's Control.

All defects or flaws found on the final inspection of the Dwelling will be itemized on a FINAL INSPECTION BEFORE POSSESSION Sheet, which will be signed by the Buyer and the Seller before occupancy of the Dwelling or transfer of title.

The purpose of the Limited Warranty is to identify the Builder's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Dwelling.

V. BUILDER'S RESPONSIBILITY LIMITATIONS

1. Completion of items shown on the FINAL INSPECTION BEFORE POSSESSION Sheet, as provided in said Sheet; and

2. Performance of warranty obligations under the provision of this Limited Warranty, as set out below.

VI. WARRANTY COVERAGE AND PERIODS.

The Warranty Period for all coverage begins on the Warranty Date, which shall be conclusive for all purposes.

1. **First Year Basic Coverage:** for one year from the Warranty Date, the Dwelling will be free from latent defects that constitute:

- A. Defective workmanship performed by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;
- B. Defective materials provided by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller; and
- C. Defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Seller.
- D. Workmanship and materials will be considered to be defective under this Limited Warranty if they fail to meet or exceed the relevant standards and specifications of the Oregon State Building Code; or if the Building Code does not provide a relevant specific standard, if it fails to meet or exceed locally accepted building practices.
- E. In the case of goods sold incidentally with or included in the sale of the Dwelling, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, workmanship will be considered to be defective if the Builder, an agent of the Builder or an employee or subcontractor of the Builder, fails to install such goods in accordance with the relevant standards and specifications of the Oregon Estate Building code, or locally accepted building practices, as applicable. As hereinafter set out (Exclusions from All Coverage), merchantability, fitness and all other implied warranties with respect to such goods shall be governed by applicable laws and statutes.

2. **One Year Major Coverage Systems Coverage:** For one year from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Dwelling which have been installed by the Seller an agent of the Seller, or an employee or subcontractor of the Seller, are

warranted to be free from latent defects that constitute defective installation by the Seller, an agent of the Seller, or an employee or subcontractor of the Seller.

Installation will be considered to be defective if the workmanship in such installation fails to meet or exceed the relevant standards and specifications of the Oregon Building Code; or if the Building Code does not provide a relevant specific standard, if it fails to meet or exceed locally accepted building practices.

The Plumbing System means: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping and their extensions to the tie-in of a public utility connection; or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

3. **1 Year Major Structural Defect Coverage:** For 1 year from the Warranty Date, the Home will be free from material defects that are Major Structural Defects, as defined below, and that constitute:

- 3.1 Defective workmanship performed by the Seller, an agent of the Seller, employee or subcontractor of the Seller;
- 3.2 Defective materials provided by the Seller, an agent of the Seller, employee or subcontractor of the Seller; or
- 3.3 Defective design, provided by an architect, landscape architect, engineer, surveyor or other design professionals engaged solely by the Seller.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the Oregon State Building Code; or if the Building Code does not provide a relevant specific standard, if they fail to meet or exceed locally accepted building practices.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Dwelling caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Dwelling becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

VII. WARRANTY COVERED ITEMS.

If a defect occurs in an item covered by this Limited Warranty, the Seller will repair, replace or pay the Buyer the reasonable cost of repairing or replacing the defective item (s). After the Seller's inspection or testing confirms the defect, the repair, replacement or payment of the reasonable cost for any Major Structural Defect is limited to:

(1) the repair of damage to the load-bearing portions of the Dwelling which is necessary to restore their load-bearing function, or the reasonable cost thereof; and

(2) the repair of those components of the Dwelling (exclusive of personal property) damaged by the major structural defect which made the Dwelling unsafe, unsanitary or otherwise unlivable, or the reasonable cost thereof. The choice among repair, replacement or payment is solely that of the Seller.

Release of all legal obligations: When the Seller finishes repairing or replacing the defect or pays the reasonable cost of doing so, the Seller shall be fully released and discharged from any liability for said defect, and upon the request of the Seller, a full release of all legal obligations with respect to the defect shall be signed by the Buyer and delivered to the Seller.

VIII. EXCLUSIONS FROM ALL COVERAGE

The following are excluded from the Basic Coverage, Major Systems Coverage, and Major Structural Defect Coverage:

1. **Magnuson-Moss Warranty Act.** Except as otherwise provided under FIRST YEAR BASIC Coverage, above, this Limited Warranty does not cover manufacturing defects or loss or damage resulting from or to items excluded within the definition of "consumer products" under the Magnuson- Moss Warranty Act, Pb.L. 93-637, 15 U.S.C. 2301, which was signed into law in January 1975. The Act applies to written warranties on tangible personal property which is intended to be attached to or installed in a home, such as stoves, refrigerators, freezers, room air conditioners,

dishwashers, clothes washers and dryers, furnaces, water heaters and appliances. Merchantability, fitness and all other implied warranties with respect to such goods shall be governed by the Magnuson-Moss Warranty Act, and other applicable statutes.

2. **Defects in Outbuildings and Structures.** The Limited Warranty does not cover defects in landscaping (including sodding, seeding, shrubs, trees and plantings), offsite improvements, or outbuildings and structures not constructed by the Seller, an agent of the Seller, or an employee of the subcontractor of the Seller.

Outbuildings and structures means the following structures in which title passes exclusively to the Purchaser, inclusive: detached garage, carport, utility sheds, driveway, walkways, patios, boundary walls, retaining walls, bulkheads, fences and grading solely as it relates to drainage.

3. **Obvious Defects.** This Limited Warranty does not cover any item of defective workmanship or materials which were obvious during Final Inspection and were not included on the FINAL INSPECTION BEFORE POSSESSION form, including, without limitation, any **cracks, chips, dents, siding, stains or marks on kitchen cabinets, plumbing fixtures, mirrors, glass, appliances, micas, vinyl's, ceramics, painted/stained surfaces, doors, woodwork and carpeting.**

4. **Alteration or Modification.** This Limited Warranty does not cover any item of defective workmanship or materials for any material, system, or work which has been altered, modified, or supplemented in any material way, or which was performed or installed by any person other than the Seller, an agent of the Seller, employee or subcontractor of the Seller.

5. **Consequential Damages.** Except as otherwise required by the law, this Limited Warranty does not cover any injury to persons or damages to personal or real property, in whole or in part, which may be a consequence of, incident to or result from any defect in materials or performance of the work. That is, the Seller is responsible only for correcting the defect, and is not liable for any personal injury or property damage resulting from any such defect.

6. **Other Exclusions from Coverage.**

6.1 Loss or damage caused by workmanship performed by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;

6.2 Loss or damage caused by defective materials supplied by any person other than the Seller, an agent of the Seller, or an employee or subcontractor of the Seller;

6.3 Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Seller;

6.4 After the FIRST YEAR BASIC coverage, loss or damage caused by non-load bearing concrete floors of basements and concrete floors of attached garages and porches;

6.5 Loss or damage of real property which is not part of the Dwelling covered by this Limited Warranty and which is not included in the purchase price of the Dwelling;

6.6 Damage to swimming pools and other recreational facilities; driveways; boundary walls; retaining walls; and bulkheads (except where boundary walls, retaining walls, and bulkheads are necessary for the structural stability of the Home); fences; landscaping; (including sodding, seeding, shrubs, trees, and plantings); sprinkler systems; patios, decks, stoops, steps, and porches, outbuildings, detached carports, or any other appurtenant structure or attachment to the dwelling; or other additions or improvements not a part of your home;

6.7 Loss or damage to the extent that is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever:

- A. negligence, improper maintenance, defective material or work supplied by or improper operation by anyone other than the Seller, its employees, agents or subcontractors including failure to comply with the warranty requirements or manufacturers of appliances, equipment or fixtures.
- B. failure by the Buyer or anyone other than the Seller, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers or supplier of appliances, fixtures or items of equipment; or
- C. failure of the Purchaser to give notice to the Seller of any defects or damage within a reasonable time; or
- D. changes in the grading of the ground that does not comply with accepted grading practices, or failure to maintain the original grade by anyone other than the Seller, its employees, agents or subcontractors; or

E. changes, alterations or additions made to the Dwelling by anyone after the Warranty Date; or

F. dampness or condensation due to the failure of the Buyer or occupant to maintain adequate ventilation;

6.8 Conditions, loss or damage caused by or resulting from accidents, riot and civil commotion, war, vandalism, fire explosion, blasting, smoke, dampness, condensation, water escape, falling objects, aircraft, vehicles, Acts of God, snow, ice storm, lightning, hurricane, tornado, windstorm, hail, flood, mudslide, fallen trees, avalanche, earthquake, volcanic eruption, wind-driven water, rainwater, groundwater springs, ground gas emissions, changes not reasonably foreseeable in the underground water table, and generally, caused by or resulting from acts of commission or omission beyond the Seller's control;

6.9 Loss or damage caused by the seepage of water

6.10 Loss or damage caused by the failure of Buyer to take timely action to minimize any such loss or damage;

6.11 Loss or damage caused by insects;

6.12 Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic, and electromagnetic field or emission, including any claim of health risk or uninhabitability based on any of the foregoing;

6.13 Any loss or damage caused by buried debris, underground springs, sinkholes, mineshafts, or other anomalies which were not reasonably foreseeable in a building site provided by You;

6.14 Loss or damage resulting from failure of the Seller to complete construction of the Dwelling or to complete the construction timely;

6.15 Loss or damage caused by or which arises while the Dwelling is being used primarily

for nonresidential purposes;

6.16 Loss or damage resulting from abnormal loading on floors by the Buyer which exceeds design loads as mandated by the Building Code;

6.17 Any condition which does not result in actual physical damage to the Dwelling;

6.18 Any damage You knew about prior to Effective Date of Warranty;

6.19 Normal wear and tear and normal deterioration;

6.20 Any loss or damage to the extent the loss or damage is covered by any other insurance, whether primary, excess, pro-rata or contingent;

6.21 Diminished market value of your Home;

6.22 Loss or damage caused by abuse of your home, or any part thereof, beyond the reasonable capacity of such part for such use;

6.23 Costs of shelter, transportation, food, moving, storage, or other incidental expenses associated with or related to any defect, or the repair or replacement of any defect in workmanship, materials or design;

6.24 Any and all consequential loss or damage, including without limitation, any damage to property not covered by this Warranty, any damage to personal property, any damage to property which You do not own, and bodily damage or personal injury of any kind including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses, or lost profits;

IX. PROCEDURES FOR WARRANTY PERFORMANCE; OWNER'S COOPERATION

1. **Request for Warranty Service.** Warranty Service requests shall be notified to Builder at Buyer's earliest opportunity so they can be properly documented and processed. Any Request for Warranty Service must be in writing and shall describe the alleged deficiency or defect, in reasonable detail, and otherwise meet Builder's requirements regarding requests for service, a Warranty service may be requested in the following ways:

A. Mailed and post marked in the U.S. Mail system properly addressed to the Builder's

address specified on the last page of this Limited Warranty, or ;

- B. E-mailed to the E-mail address provided on the last page of this Limited Warranty, or;
- C. Using the Builder's Warranty Service Request Online Form through the Builder's website URL specified on the last page of this Limited Warranty, or;

D. Any other address, E-mail address or through any other website URL of which the recipient has previously notified the other party in writing.

2. Initial Warranty Inspection. After the Buyer has made a Warranty Service request in writing to the Builder, the Builder should notify the Buyer that an initial warranty inspection will be performed to determine and identify the issue.

After the initial warranty inspection is performed, the Builder should notify the Buyer in writing either a repair, replacement or payment of the reasonable cost will take place or if the issue or defect is not covered under this Limited Warranty.

In case the Builder is required under this Limited Warranty to repair or replace a Defect, the appropriate repair, replacement or payment of a reasonable cost will be completed within sixty (60) days after Seller's receipt of the Request for Warranty Performance, or if the matter is disputed, then within sixty (60) days after resolution of the Dispute. However, such sixty (60) day period will be extended to the extent that Builder's delay is due to inclement weather, unavailability of materials or labor, or other causes beyond Builder's reasonable control. In the event that a repair or replacement would reasonably take more than sixty (60) days in the exercise of Builder's reasonable diligence, the sixty (60) day period will be extended by a reasonable number of additional days. Builder is not required to incur overtime or weekend expenses.

3. Buyer's Cooperation and Access. Buyer shall cooperate with Builder in connection with Builder's initial warranty inspection and in connection with repairs or replacements made by Builder, including reasonable help in investigating, monitoring or correcting the issue and give Builder reasonable access to the Home so that Builder may perform the services required under this Limited Warranty.

Reasonable access includes without limitation, access to the Home during the time between the hours of 8:00 a.m. and 5:00 p.m during weekdays. Failure of Buyer to cooperate and to provide reasonable access to Builder will result in the extension of the repair/replacement time period provided in the previous section and may relieve Builder of certain of Builder's obligations under this Limited Warranty.

4. Voluntary Payments. Buyer agrees not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a deficiency or Major structural defect without Builder's prior written approval. Builder is not obligated to reimburse Buyer for costs incurred where Buyer did not obtain Builder's prior written approval.

5. Emergency Service Request. Emergency Service requests are exempted from being solely in writing

and Buyer may notify the Builder as soon as possible by contacting the phone number on the last page of this Limited Warranty.

Under no circumstances will the builder be held responsible for payment of work performed by other subcontractors for emergency services provided without Builder's previous approval.

X. GENERAL PROVISIONS.

1. **No Modification.** This Limited Warranty may not be changed or amended in any way.
2. **Breach of this Limited Warranty.** Failure of Builder to correct or to pay the reasonable cost to correct a Defect required under the provisions of this Limited Warranty shall be deemed to be a violation of this Limited Warranty; the mere occurrence of a Defect shall not be deemed to be a violation of this Limited Warranty.
2. **Parties Bound.** This Limited Warranty shall be binding upon the Buyer, and the Builder, and the Buyer's heirs, executor or administrators, and the Seller, and the Seller's heirs, successors, and assigns. This Limited Warranty shall not transfer to each of buyer's successors and shall terminate upon buyer's sale of premises, however, Home Buyer's Warranty shall survive and continue under the terms and conditions of Home Buyer's Warranty.
3. Should any provision of the Limited Warranty be determined unenforceable by a court of competent jurisdiction, such determination shall not affect the remaining provisions.
4. This Limited Warranty is to be governed under the laws of Oregon State.
5. Use of one gender in this Limited Warranty includes both genders and use of the singular includes the plural, as may be appropriate.

CONTACT INFORMATION

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For Online Warranty Service Requests please visit: www.atiasgroup.com/warranty