

# PSM CONSTRUCTION LLC

## LIMITED WARRANTY, NON-WARRANTABLE CONDITIONS, AND PURCHASERS MAINTENANCE RESPONSIBILITIES

The following is an outline of some of the conditions that may arise after construction is completed that are warranted by Contractor. Certain areas discuss maintenance which is required by the owner. Other areas discuss items not covered by Contractor's warranty but maybe covered by manufacturer's warranty.

PSM Constructions LLC shall warrant for the period of one (1) year from the date of completion of construction (completion of construction shall be defined as the date Developer posted the Completion Notice).

This Warranty covers only owner-occupied dwellings and does not cover damage caused by being used as rental units.

The construction of a house is an extremely complex matter involving many different materials and techniques. We endeavor to build a good quality house. Accordingly, we will not be responsible for minor or normal defects as discussed below. At our option, we will correct or make cash adjustment for any defect which falls within this Warranty, if reported to us within one (1) year from the date of completion of construction.

This Warranty covers only the structure, and expressly excludes injuries or losses, such as bodily injury, property damages, or consequential damages occurring to any person or property because of any defect in the house. We will determine the materials and methods to be used in making any repair, and whether repair or replacement is most appropriate.

This Warranty is available only to the original home purchase from PSM Constructions LLC and is not transferable to any subsequent purchaser.

In the event any party seeks to enforce specifically the terms and provisions contained herein, each party shall bear its own attorney fees. There shall be no award of reasonable attorney fees to any prevailing party.

Any controversy, dispute, or questions arising out of this Agreement shall be submitted to arbitration before a single arbitrator in Oregon. Each party shall bear its own costs in any such proceeding. The decision of the arbitrator shall be final and binding upon the parties irrevocably submitted to the jurisdiction of such forum, waive any objections they may have to either the jurisdiction or venue of such forum.

Buyer 1 Initial: \_\_\_\_\_ Date: \_\_\_\_\_ Buyer 2 Initial: \_\_\_\_\_ Date: \_\_\_\_\_

## WARRANTIES BY EQUIPMENT MANUFACTURERS

This Warranty does not cover any appliance, piece of equipment, or other item which is a "consumer product" for purposes of the Magnuson-Moss Warranty Act (15 U.S.C. Sec 2301-2312), and as the builder, we expressly disclaim any implied warranties with respect thereto. The term "consumer product" as defined in the Magnuson-Moss Warranty Act (15 U.S.C. Sec 2301(1)) means any tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes (including any such property intended to be attached to or installed in any real property without regard to whether it is so attached or installed). However, some of these products have written warranties by the manufacturer, which are available for inspection at the sales office. We assign and pass on to you any manufacturers' warranties on consumer products. These warranties are the responsibility of the manufacturer, not the builder. You should be aware that some of these warranties run for one (1) year from the date of installation, which may be earlier than the date of occupancy, or the date of close of escrow.

Buyer 1 Initial: \_\_\_\_\_ Date: \_\_\_\_\_ Buyer 2 Initial: \_\_\_\_\_ Date: \_\_\_\_\_

## LIMITED WARRANTY AND NOT-WARRANTED CONDITIONS

The structural materials in your new home are the products of nature, and not manufactured by the builder. As a result of normal settlement, aging and weather changes, many building materials are subject to surface defects, such as cracking or discoloration. Since these developments are usual in a home and do not constitute basic defects or resulting in any lessening of value, they are not covered by our Warranty.

This Warranty covers only those defects which first occur during the Warranty Term: any defect you knew about prior to the effective date of Warranty such as "walk-through" or "punch- list" items are not covered.

1. Concrete foundations, walks, aprons and drives can develop hairline cracks not affecting the structural integrity of the building. There is no known method of eliminating this condition which is caused by expansion and contraction. Hairline cracks in concrete do not affect the strength of the building and are not a condition covered by any warranty.
2. Masonry and mortar, and concrete stamping, can develop cracks due to shrinkage or expansion. This is normal and should not be considered a defect. It is not covered by any warranty.
3. Wood will sometimes crack or "spread apart" due to changes in temperature, exposure to the sun or other conditions. This is normal and considered a maintenance item for the Owner.
4. Drywall will sometimes develop nail pops or settlement cracks. Contractor will send a repairman at the end of one year to make necessary repairs.
5. Floor squeaks. General floor squeaks will appear and disappear over time with changes in weather. Accordingly, floor squeaks are not covered by the contractor's warranty.
6. Floor. Your floors are not warranted for damage caused by neglect or ordinary wear and tear.
7. Exterior and Interior Caulking. Caulking in bathtubs, sinks, shower stalls, ceramic tile surfaces, windows, doors and seams will crack, bleed and peel somewhat in the months after installation. These conditions are normal and should not be considered a problem. Any maintenance or repairs resulting from them are Purchaser's responsibility.
8. Concrete stamping and brick discoloration. Concrete stamping and bricks may discolor due to the elements and cannot be warranted.
9. Windows and mirrors. Any broken glass or mirrors that occur after completion will not be covered by Contractor's warranty.
10. Paint. Quality paint has been used on the interior and exterior of the Property. Nevertheless, exterior paint, especially on railings, can sometimes crack, chip or fade. This is not a defect of the paint, but most often caused by other sources. The Purchaser should avoid allowing lawn sprinklers to hit painted areas, avoid washing walls and be aware of newly painted walls as furniture is being moved. The best paint will be stained and chipped if it is not cared for properly and maintained. Any defects in painting that are not noticed at the New Home Orientation walk through are not-warrantable items.

Buyer 1 Initial: \_\_\_\_\_ Date: \_\_\_\_\_ Buyer 2 Initial: \_\_\_\_\_ Date: \_\_\_\_\_

11. Cosmetic repairs. Warranty does not cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of the building. For example, chips, scratches of mars in tile, woodwork, walls porcelain, brick, mirrors, plumbing fixtures, counter tops, lighting fixtures, appliances, doors paneling, siding, screens, windows, vinyl floors all of which are not recognized and noted in your final inspection are non-warrantable.
12. Plumbing Dripping faucets, toilet adjustments and toilet seats are covered by Contractor's warranty. Beyond that maintenance is Owner's responsibility. If the plumbing is "stopped up" during the warranty period and the person servicing the plumbing finds foreign materials in the line then the owner will be billed for the Service call. During the winter season, please be advised to winterize your home as frozen pipes are not covered under your warranty.
13. Alterations to grading. Contractor assumes no responsibility for grading or subsequent flooding or stagnant pool formation if Owner alters the grade around the building.
14. Roof damage. The warranty on your roof is for material only and is prorated over the lifetime-use of the roof. Warranty claims for defects in materials will be handled with the manufacturer with our assistance.
15. Heating and or air conditioning. Heating and air conditioning units are covered by manufacturer's warranties. It is the Purchaser's responsibility to be sure that filters are kept clean. Purchaser should check filters on a 30-day basis and have the equipment checked or serviced at least once per year. Failure to do so may void the manufacturer's warranty. Heating and air conditioning in two story or vaulted residences may be less consistent than otherwise and here may be a variation of temperature between levels and rooms. The indoor air temperature of any sunroom will vary widely. These conditions are not a warrantable item. Seller recommends that a mechanical ventilation system be installed, for an additional charge, to help reduce that interior temperature of a sunroom. It is Purchaser's sole responsibility to monitor and maintain acceptable interior temperature of the sunroom and home.
16. Indoor air quality, attic & crawl space, moisture, mold and water related damage. Current Building Codes require energy efficient construction to hold in heat or air conditioning and increase energy efficiency. However, those building code requirements also make it difficult for homes to release moisture, including water, leaks, humidity, vapor or otherwise ("moisture") that becomes trapped. Regardless of the cause of moisture problems and related damage, Seller does not warrant against moisture filtration into the home caused by any external moisture or intrusion or internal moisture. The existence of such moisture is not warranted by PSM Constructions LLC nor is any resultant Wet rot, dry rot mold or fungus a warrantable item. To maintain a safe level of moisture within the home, the homeowner may need to remove, reduce or ventilate moisture sources. Placing the setting of a home's thermostat to allow the fan to run will help ventilate the home. It is also important for the homeowner to maintain the exterior of their home to help prevent exterior water intrusion. Purchaser acknowledges that it is the homeowner's responsibility to monitor and reduce moisture levels in the home if they become a problem.

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IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT MOISTURE, MOLD, FUNGUS, WET ROT AND DRY ROT AND ANY DAMAGES OR INJURIES CAUSED THEREBY "INCLUDING BUT NOT LIMITED TO PERSONAL INJURIES, REAL OR PERSONAL PROPERTY INJURIES OR DAMAGES, ECONOMIC LOSSES, ATTORNEY FEES , OR ANY INCIDENTAL CONSEQUENTIAL OR COLLATERAL DAMAGES" ARE NOT WARRANTED BY SELLER AND SELLER DISCLAIMS ALL LIABILITY UNDER ANY LEGAL THEORY (INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, BREACH OF EXPRESS OR IMPLIED WARRANTY, NEGLIGENCE, PRODUCTS LIABILITY, STRICT LIABILITY, MISREPRESENTATION, OR OTHERWISE) FOR ALL SUCH COSTS, DAMAGES, EXPENSES OR LOSSES, THIS DISCLAIMER APPLIES WHETHER THE SOURCE OF MOISTURE OR MOISTURE RELATED DAMAGE COMES FROM DEFECTIVE OR DEFICIENT WINDOWS, ROOFS, CONCRETE, CAULKING, SIDING, FLASHING, GRADING, OR FROM ANY OTHER CAUSE WITHOUT LIMITATION. PURCHASER AGREES NOT TO ASSERT CLAIMS OR SUITS AGAINST SELLER FOR ANY SUCH CONDITION OR DAMAGES.

17. Your home was built to all city, county codes and inspected for final occupancy by the same. PSM Constructions LLC makes no warranty for the above listed agencies.
18. PSM Constructions LLC makes no warranty on items furnished or installed by the homeowner during construction or after.
19. For scheduling of warranty items please advise PSM Constructions LLC as to your needs. In some cases you will be advised to contact the company directly in order to meet your schedule.
20. Insect and pest control. Contractor assumes no responsibility for infestation that may occur.
21. Lack of maintenance. We will not be responsible for the repair of items which are damaged by unreasonable or unauthorized use, or for damage caused by lack of normal and proper homeowner maintenance

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# SERVICE ADJUSTMENTS

**Our procedures regarding service adjustments are as follows:**

After completion of construction but prior to occupancy of the home, a "homeowner's pre-occupancy inspection" is to be scheduled. This inspection must take place (a) prior to occupancy, and (b) with both you and the developer's representative present, at which time you will take a complete walk-through of the home to determine if there are any defective items that require repair. Any defective items in the home that are not expressly excluded in the Warranty are to be listed by you and the Developer's representative. The list of defective items that are covered by this warranty will be forwarded to our Customer Service Department for repair. During the pre-occupancy inspection you may be provided with a list of the names, addresses, and telephone numbers of the primary individual subcontractors that have been involved with the construction of your home. Plumbing, Heating and Cooling, Electrical, Sheetrock, Interior hard surface contractors, Roofing, Concrete and Finish Contractor.

If you have a warranty problem after the "homeowner's pre-occupancy inspection", it is your responsibility to contact (either in writing or by telephone) the appropriate subcontractor to make arrangements for the warranty service on the defective item. Should the subcontractor fail to provide warranty service as required by law, the original home purchaser and/or PSM Construction LLC reserves the right to take legal action against said subcontractor and to file a claim against subcontractor's building bond filed with the CCB.

Should you encounter any problems obtaining warranty service from the subcontractor, you must notify our Customer Service Department in writing at our address stated below, (For emergency service you may telephone the number below.)

**PSM Constructions LLC**  
8721 SE 41ST AVE  
PORTLAND OR 97222  
503-706-1196

Buyer 1 signature: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer 2 signature: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer 1 Initial: \_\_\_\_\_ Date: \_\_\_\_\_ Buyer 2 Initial: \_\_\_\_\_ Date: \_\_\_\_\_