



## Limited Warranty Handbook

For

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**Home Owner**

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Address

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City, ST Zip

# Table of Contents

<b>Limited Warranty</b>	<b>1</b>
What is Covered by the Warranty	
Home Owner Maintenance	
What is Not Covered	
Manufacturer Warranties	
Remedies	
Damage Limitations	
Limitation of Warranties	
Warranty Transfer	
How to Obtain Service	
Partial Invalidity	
Waiver	
Disputes	
<b>Nonwarrantable Conditions</b>	<b>4</b>
Concrete	
Masonry & Mortar	
Wood	
Sheetrock & Drywall	
Floor Squeaks	
Floors	
Caulking	
Brick Discoloration	
Broken Glass	
Frozen Pipes	
Stained Wood	
Paint	
Cosmetic Items	
Plumbing	
Alterations to Grading	
Lawn & Shrubs	
Roof	
Heating & Air Conditioning	
Mold	
Well Water	
<b>Notice &amp; Opportunity to Cure</b>	<b>7</b>
Notice Regarding Residential Construction Defect Claims	
Written Notice	
Inspection	
Failure to Follow Procedures	
Suspension of Statute of Limitations	
<b>Dispute Resolution</b>	<b>8</b>
Mediation & Arbitration	
Time Limits	
Attorney Fees	
<b>Acknowledgment</b>	<b>9</b>

# Schar Construction Limited Warranty Handbook

## Home Owner

Name: \_\_\_\_\_

## Property

Property location (street address and/or legal description) \_\_\_\_\_  
\_\_\_\_\_ (Property)

## Limited Warranty

Congratulations on your purchase of a home or remodeling project (Home) built by Schar Construction, Inc. (Schar Construction). Schar Construction has a long list of satisfied customers that will attest to the fact that we provide exceptional service and stand behind our Schar Construction Limited Warranty (Limited Warranty).

This Limited Warranty is extended by Schar Construction to the Home Owner and covers the Home Schar Construction built on the Property.

### What is Covered by the Warranty?

Schar Construction warrants that your Home was built in substantial accordance with the standards and requirements set out in the National Association of Homebuilder's *Residential Construction Performance Guidelines*, 2nd ed. (NAHB Guidelines). During the first 30 days after you move in, Schar Construction will adjust or correct minor defects, omissions or malfunctions such as missing equipment or hardware, sticking doors, drawers and windows, dripping faucets and other minor malfunctions reported by Home Owner upon inspection of the Home.

Within one year from the date or date of closing or the date the occupancy permit is issued, whichever is later, (Warranty Date) Schar Construction will repair or replace, at Schar Construction's option, any latent defects that are not in substantial accordance with the NAHB Guidelines. A latent defect is defined as one which is not apparent or ascertainable at the time of occupancy. You agree to accept a reasonable match in any repair or replacement in the event the original item is no longer available.

### Home Owner Maintenance

A home is a complex collection of independent products. Schar Construction has provided a maintenance manual that discusses home maintenance generally (Home Owner's Manual). You must provide the routine maintenance set out in the Home Owner's Manual and perform the maintenance set out in the product manuals of the various manufacturers of the products used in your Home. Failure to perform the maintenance set out in the Home Owner's Manual and the manufacturer's product manuals will invalidate this Limited Warranty.

### What is Not Covered?

This Limited Warranty does not cover the following items:

**Accidents & Other Events.** Damage resulting from accidents, fires, floods, storms, electrical malfunctions or acts of God.

**Alterations, Misuse or Abuse.** Damage from alterations, misuse or abuse of any of the covered items by any person.

**Improper Use.** Damage resulting from the failure of any person to observe the manufacturer's operating instructions for the various products used in your Home.

**Failure to Maintain.** Damage resulting from the failure to perform the maintenance set out in the Home Owner's Manual or the manufacturer's product manuals for the various products used in your Home.

**Utility Malfunction.** Damage resulting from a malfunction of equipment or lines of the electric, telephone, gas, water, cable or other utilities.

**Nonwarrantable Conditions.** Those items described in the *Nonwarrantable Conditions* section below.

**Your Additions.** Items furnished or installed by you or anyone other than Schar Construction.

**Manufactured Products.** Products used in your Home manufactured by parties other than Schar Construction (Manufactured Products).

**Consumer Products.** All appliances, equipment and other items that are a consumer product for purpose of the Magnuson-Moss Warranty Act, 15 United States Code §2301 *et seq.*, installed in or included with your Home (Consumer Products).

## Manufacturer Warranties

The only warranties on the items listed below and other Manufactured Products and Consumer Products are those that the product manufacturer provides to the buyer. Schar Construction hereby assigns (to the extent that they are assignable) to you all warranties provided to Schar Construction by manufacturers. Schar Construction's only responsibility for these items is to assist you in settling any claim resulting from installation of these products. A partial list of items manufactured by other parties not covered by Schar Construction's Limited Warranty are set out below.

### Appliances

Clothes dryer  
Clothes washer  
Dishwasher  
Freezer  
Garbage disposal  
Ice maker  
Kitchen center (a type of food processor)  
Microwave  
Oven & oven hood  
Refrigerator  
Range, stove or cooktop  
Trash compactor

### Heating & Ventilation

Air conditioning  
Boiler  
Electronic air cleaner  
Exhaust fan  
Furnace  
Heat pump  
Humidifier

Space heaters  
Thermostats  
Ducts  
Registers  
Radiators

### Mechanical & Electrical

Burglar alarm  
Central vacuum system  
Chimes  
Electrical meter  
Fire alarm  
Fire extinguisher  
Garage door openers  
Gas meter  
Gas or electric barbecue grill  
Intercoms  
Smoke detectors  
Water meter  
Water pumps  
Circuit breaker  
Electrical switch & outlet

Electrical panel box  
Fuses  
Garage doors  
Light fixtures  
Wiring

**Plumbing**

Bidets  
Bathtubs  
Laundry trays  
Medicine cabinets  
Sinks  
Shower stalls  
Sprinkler heads  
Plumbing fittings (showerhead, faucet, trap, drain, etc. . .)  
Toilets  
Vanities

**Structural Components**

Doors  
Windows  
Manufactured foundation systems

Floor trusses  
Engineered beams & trusses  
Roof trusses  
Roofing products  
Siding Products  
Manufactured wall systems  
Manufactured roof systems

**Miscellaneous Items**

Cabinets  
Ceilings  
Chimneys & fireplaces  
Doors  
Fencing  
Floor coverings (carpeting, linoleum, tile, etc. . .)  
Gutters  
Pre-finished Floors  
Shelving  
Shingles  
Wall or wall coverings  
Windows

**Remedies**

Your remedies under this Limited Warranty are repair and replacement of defective materials and workmanship that are not in substantial accordance with the NAHB Guidelines, as set out in this Limited Warranty.

**Damage Limitations**

If you assert any claims against Schar Construction, you will have no right to recover or request compensation for, and Schar Construction shall not be liable for:

1. Incidental, consequential or secondary damages such as (without limitation) damage to furnishings, finishes, fixtures, coverings or possessions, alternate lodging, meals or any other similar expense.
2. Damages for aggravation, mental anguish, emotional distress or pain and suffering.
3. Damages for personal injury or medical, mental or counseling treatment.
4. Punitive damages.

**Limitation of Warranties**

Except for the limited warranties set out in this Limited Warranty, Schar Construction makes no warranties, expressed or implied, relating in any way to your Home and specifically DOES NOT WARRANT MANUFACTURED PRODUCTS, CONSUMER PRODUCTS, WORKMANLIKE PERFORMANCE, HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Also, your Home is located in a moist, humid climate that is ideal for mold growth. Schar Construction IS NOT RESPONSIBLE FOR ANY DAMAGE TO YOUR HOME OR ITS CONTENTS OR ANY PERSONAL INJURY RELATING IN ANY WAY TO MOLD, MOLD SPORES OR ANY OTHER KIND OF FUNGI OR ORGANIC GROWTHS. These limitations shall be enforceable to the extent permitted by law. Any implied warranty that exists despite this disclaimer is limited to a period of one (1) year. There are no other warranties except as described in this Limited Warranty.

## **Warranty Transfer**

This warranty is personal to you and does not run with the Property or the items contained in your Home. You may not assign, transfer or convey this warranty without the prior written consent of Schar Construction.

## **How to Obtain Service**

If a problem develops during the warranty period, you should notify Schar Construction in writing at 655 Ayres Road, Eugene, OR 97408 of the specific problems. The written statement of the problems should include your name, address, telephone number and a description of the nature of the problem. Your written statement must be received by Schar Construction within one (1) year from the warranty date. Schar Construction will begin performing the obligations under this warranty within a reasonable time of receipt of your request and will diligently pursue these obligations.

Repair work will be done during Schar Construction's normal working hours and will be scheduled around Schar Construction's other work obligations except where delay will cause additional damage. You must provide Schar Construction or its representative access to your Home for repairs. When the repair work is performed, you must have a responsible adult present with the authority to approve the repair and sign an acceptance of the work upon completion of the repair.

## **Partial Invalidity**

If any provision of this Limited Warranty is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect. This Limited Warranty shall be binding upon the current and all subsequent owners of the Home.

## **Waiver**

No agent, employee or representative of Schar Construction, nor any other person is authorized to waive or modify any term or provision of this Limited Warranty except in a writing signed by the President of Schar Construction.

## **Disputes**

If there is a dispute over a warranty item, a warranty repair or a claimed defect, the dispute will be resolved as set out in the *Notice & Opportunity to Cure* and *Dispute Resolution* sections below.

## **Nonwarrantable Conditions**

This statement of conditions that are not subject to Schar Construction's warranties explains some of the changes and need for maintenance that may occur in a new house over the first year or so of occupancy. A house requires more maintenance and care than most products because it is made of many different components, each with its own special characteristics.

Like other products made by humans, a house is not perfect. It will show some minor flaws and unforeseeable defects and may require some adjustments and touching up.

The following list outlines some of the conditions that are not warranted by Schar Construction. You should be sure to understand this list.

## **Concrete**

Concrete foundations, steps, walks, drives and patios can develop cracks that do not affect the structural integrity of the building. These cracks are caused by characteristics of the concrete itself. No reasonable method of eliminating these cracks exists. This condition does not affect the strength of the concrete.

## **Masonry & Mortar**

Masonry and mortar can develop cracks from shrinkage of either the mortar or the brick. This condition is normal and should not be considered a defect.

## **Wood**

Wood will sometimes check or crack or the fibers will spread apart because of the drying process. This condition is most often caused by the heat inside the house or by exposure to the sun on the outside of the house. This condition is considered normal and you are responsible for any resulting maintenance or repairs.

## **Sheetrock & Drywall**

Sheetrock or drywall will sometimes develop nail pops or settlement cracks, which are a normal part of the drying process. You can easily handle these items with spackling during normal redecorating. If you wish, however, Schar Construction will send a worker at the end of one (1) year to make appropriate repairs. Schar Construction's repairs will not include repainting.

## **Floor Squeaks**

After extensive research and writing on the subject, technical experts have concluded that much has been tried but that little can be done about floor squeaks. Generally floor squeaks will appear and disappear over time with changes in the weather and other phenomena.

## **Floors**

Floors are not warranted for damage caused by neglect or the incidents of use. Wood, tile and carpet all require maintenance. Felt pads are recommended on the legs or bottom of all furniture items to prevent scratching or chipping of wood or tile. Stains should be cleaned from carpets, wood or tile immediately to prevent discoloration. Carpet has a tendency to loosen in damp weather and will stretch tight again in dryer weather.

## **Caulking**

Exterior caulking and interior caulking around sinks, in bathtubs, in shower stalls and on ceramic tile surfaces will crack or bleed somewhat in the months after installation. These conditions are normal and should not be considered a problem. Any maintenance or repairs to caulking are your responsibility.

## **Brick Discoloration**

Bricks may discolor because of the elements, rain run-off, weathering or bleaching. Efflorescence - the formation of salts on the surface of brick walls - may occur because of the passage of moisture through the wall. Efflorescence is a common occurrence and you can clean these areas as the phenomenon occurs.

## **Broken Glass**

Any broken glass or mirrors you do not note on the final inspection form are your responsibility.

## **Frozen Pipes**

You must take precautions to prevent freezing of pipes and outdoor faucets during cold weather, such as removing outside hoses from outdoor faucets, leaving faucets with a slight drip and turning off the water system if the house is to be left for extended periods during cold weather.

## **Stained Wood**

All items that are stained will normally have color variations because of the different wood textures. Because of changes in weather, doors that have panels sometimes dry out and leave a small space of bare wood, which you can easily touch up. These normal conditions are not defects.

### **Paint**

Good-quality paint has been used internally and externally on your Home. Nevertheless, exterior paint can sometimes crack or check. The source of this defect is most often something other than the paint. To avoid problems with the paint, you should avoid allowing lawn sprinklers to hit painted areas, washing down painted areas and so on. You should also not scrub latex-painted inside walls and should be careful of newly painted walls as you move furniture. The best paint will stain or chip if it is not cared for properly. Any defects in paint that are not noted at final inspection are your responsibility.

### **Cosmetic Items**

You have not contracted with Schar Construction to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features in your Home. Chips, scratches or mars in tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, marble, countertops, lighting fixtures, kitchen and other appliances, doors, paneling, siding, screens, windows, floor coverings, cabinets and the like that are not recognized and noted at the final inspection are nonwarrantable conditions. The upkeep of any cosmetic aspect of your Home is your responsibility.

### **Plumbing**

Dripping faucets, toilet adjustments and toilet seats are covered by Schar Construction's warranty for a 30-day period only. After that, they are your responsibility. If the plumbing is stopped up during the warranty period and the person servicing the plumbing finds foreign materials in the line, you will be billed for the call.

### **Alterations to Grading**

If we landscaped your lot, it has been graded to ensure proper drainage away from your Home. If we agreed you will perform your own landscaping or should you want to change the drainage pattern because of landscaping, installation of patio or service walks or other reasons, you should be sure to retain a proper drainage slope. Schar Construction assumes no responsibility for the grading or subsequent flooding or stagnant pool formation we did not perform the landscaping or if the established pattern is altered.

### **Lawn & Shrubs**

Schar Construction accepts no responsibility for the growth of grass or shrubs. You must water plants and grass sufficiently and plant ground cover where necessary to prevent erosion. Schar Construction will not regrade a yard, nor remove or replace any shrubs or trees, except for those that are noted as diseased at final inspection.

### **Roof**

During the first year the warranty on your roof is for workmanship and materials. After that the manufacturer's warranty on the roof is for materials only and is prorated over the period of the lifetime use of the roof. Warranty claims for any defects in materials will be handled with the manufacturer with Schar Construction's assistance. Schar Construction will not be responsible for any damages caused by walking on the roof or by installing a television antenna or other item on the roof.

### **Heating & Air Conditioning**



Your heating and air conditioning system (if applicable) is covered by a manufacturer's warranty. You are responsible for making sure the filters are kept clean and changed every thirty (30) days. Failure to do so may void the warranty. Have the equipment serviced or checked at least yearly.

### **Mold**

Our climate is ideal for mold growth. Schar Construction can not and will not be responsible for any damages caused by mold or fungi growth that may be associated with defects in construction.

### **Well Water**

If you have a well, Schar Construction accepts no responsibility for your well or water system. If you have any questions or concerns about the well or water system, water flow, adequacy for your needs, water quality or water purity, you should contact an appropriate expert or conduct appropriate tests.

## **Notice & Opportunity to Cure**

Oregon law provides a procedure for resolving construction defect claims for which you believe Schar Construction or one of its suppliers or Trade Contractors may be responsible. Those procedures and a required notice are set out below.

### **Notice Regarding Residential Construction Defect Claims**

OREGON LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY COMMENCE AN ARBITRATION OR A COURT ACTION AGAINST ANY CONTRACTOR, SUBCONTRACTOR OR SUPPLIER FOR CONSTRUCTION DEFECTS. BEFORE YOU COMMENCE ARBITRATION OR A COURT ACTION YOU MUST DELIVER A WRITTEN NOTICE OF ANY CONDITIONS YOU ALLEGE ARE DEFECTIVE TO THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER YOU BELIEVE IS RESPONSIBLE FOR THE ALLEGED DEFECT AND PROVIDE THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR, SUBCONTRACTOR OR SUPPLIER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW. FAILURE TO MEET THOSE DEADLINES OR FOLLOW THOSE PROCEDURES WILL AFFECT YOUR ABILITY TO COMMENCE ARBITRATION OR A COURT ACTION.

### **Written Notice**

You must send Schar Construction or one of its suppliers or Trade Contractors with a written notice of any construction defect you claim and shall specify the nature of the defect. Any additions or modifications to your description of the claimed defect shall require additional written notices as provided in this paragraph. The recipient of your notice may send a secondary notice to other known contracts, subcontractors or suppliers.

### **Inspection**

Any contractor, subcontractor or supplier receiving a notice of defect or a secondary notice may send you a written request to inspect your Home. After you receive the written request for inspection, you will provide Schar Construction or the suppliers or Trade Contractors with reasonable and timely access to your Home for inspection of the asserted defect. The inspection shall be performed not more than 20 days from the date of the inspection request. Schar Construction or one of its suppliers or Trade Contractors will respond to you in writing not more than 14 days from the date of inspection. This written response will include either an offer to remedy or repair the claimed defect, an offer to settle the claim by payment of money or a denial of liability or responsibility for the claimed defect. The failure of Schar Construction or one of its suppliers or Trade

Contractors to inspect and respond or the denial of liability or responsibility shall permit you to mediate and arbitrate the defect you claimed in your written notice.

### **Failure to Follow Procedures**

You may take no action to initiate arbitration or file a court suit relating to any construction defect claim unless and until the procedures set out above have been followed and the time periods set out above have expired without resolution. Failure to follow these procedures and these time periods shall be grounds for summary dismissal, without prejudice, of any arbitration proceeding or lawsuit you may file relating to any construction defect claim.

### **Suspension of Statute of Limitations**

Any applicable statute of limitations shall be suspended for the period of time necessary to comply with the procedures and time periods set out above. The remainder of the applicable statute of limitations, if any, shall resume upon completion of repairs in question. These repairs will not start a new statute of limitations or warranty period. Only the remainder of the original statute of limitations or warranty period will be in effect upon completion of repairs. Efforts by Schar Construction to remedy or repair any claimed construction defect will not extend (except as provided in this paragraph) any applicable statute of limitations, shall not cause a new statute of limitations period to commence from the date of any repair and shall not cause a new statute of limitations to commence or be created as the result of any remedy or repair effort. Any efforts by the contractor to remedy or repair any claimed construction defect shall not extend any existing warranty period and shall not operate to create a new period of warranty.

## **Dispute Resolution**

In the event of a dispute relating to this Limited Warranty or a claimed construction defect, the dispute will be resolved in the manner set out below.

### **Mediation & Arbitration**

In the event of a dispute relating in any way to this Limited Warranty or a claimed construction defect, you and Schar Construction shall first attempt to resolve the claim by direct, personal negotiation between the parties within 30 days of the notice of claim or any mutually agreed extension of time. If the claim is not resolved by negotiation, you and Schar Construction will try in good faith to settle the claim by mediation administered by the American Arbitration Association. If the claim is not resolved through mediation, the claim shall be settled by arbitration before a single arbitrator in accordance with the then current *Home Construction Arbitration Rules and Mediation Procedures* of the American Arbitration Association. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The arbitrator will have no authority to rescind or reform the Limited Warranty. Notice of the hearing for arbitration shall be filed in writing with the American Arbitration Association, Seattle, Washington office. The arbitration hearing shall be conducted in Eugene, Oregon. The award rendered by the arbitrator, without opinion, shall be final and judgment may be entered upon in it in accordance with the applicable law of any court having jurisdiction. All claims which are related to or dependent upon each other shall be heard by the same arbitrator, even though the parties are not the same, unless a specific contract provision prohibits consolidation.

### **Time Limits**

The arbitration proceeding must be instituted within one (1) year of the Warranty Date. Failure to institute arbitration proceedings within this period shall constitute an absolute bar to the institution of any proceeding and a waiver of all claims.

**Attorney Fees**

In case an arbitration or other proceeding is commenced to enforce any provision of this Limited Warranty, the prevailing party, shall be entitled to recover in the proceeding, or any appeal, a reasonable attorney’s fee to be set by the arbitrator or court, including a reasonable sum for post judgment collection, in addition to the costs and disbursements allowed by law.

**Acknowledgement**

This Schar Construction Limited Warranty describes Schar Construction’s Limited Warranty, Nonwarrantable Conditions, Notice & Opportunity to Cure under Oregon Law and Dispute Resolution. If you have any questions, you should ask Schar Construction and feel free to consult an attorney before signing this Limited Warranty Handbook.

We acknowledge that we have read and understand the Limited Warranty. We understand that the Limited Warranty excludes consequential damages, implied warranties and certain risks and remedies. We also understand that Schar Construction has made no guarantees, warranties, understandings nor representations (nor have any been made by any representative of Schar Construction) that are not set forth in this document and that we agree to be bound by the terms of the Limited Warranty and other provisions set out in this Limited Warranty Handbook.

We acknowledge that we have read, understood and received a copy of this Limited Warranty Handbook.

Date: \_\_\_\_\_

Date: \_\_\_\_\_