

NEW HOME LIMITED WARRANTY

Your warranty is extended to you, the Purchaser of the home on _____, through Watts Homes ("Watts") and is effective through the (12) month period directly following the issuance of your certificate of occupancy.

Watts warrants that during the first year of occupancy, the home will be free from defects in materials and workmanship.

This means that Watts will warrant that:

1. The home will be free from Major Structural Defects. A Major Structural Defect is actual physical damage to the following designated load-bearing elements of the home caused by failure of such load-bearing elements, which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary, or otherwise unlivable.
 - a. Foundations Systems and Footings.
 - b. Beams.
 - c. Girders.
 - d. Lintels.
 - e. Columns.
 - f. Walls and Partitions.
 - g. Floor Systems.
 - h. Roof Framing Systems.

Repair of a Major Structural Defect is limited to the repair of the damaged load-bearing element of the home in order to restore their load bearing ability.

2. The plumbing, heating, cooling, electrical, and ventilation systems of the home, exclusive of fixtures, appliances or items of equipment will be free from defects at closing. Defects in fixtures, appliances and items of equipment, whether or not part of the plumbing, heating, cooling, electrical, or ventilation systems, are not covered in this warranty, they are covered by the manufacturer warranty.

If a defect occurs in an item, which is covered in this warranty, Watts will repair, replace, or pay you the reasonable cost of repairing or replacing the defective item. Watts's total liability under this warranty is limited to the purchase price of the home. Watts will determine which remedy will apply, i.e., repair, replacement, or payment. Consequential Damages are excluded. *Consequential Damages are losses that do not flow directly and immediately from the injurious act, but result indirectly from the act.* Steps taken by Watts to correct defects shall not act to extend the time limit of this warranty.

EXCLUSIONS: The following are not covered under this warranty:

1. Defects in swimming pools and other recreational facilities, driveways, walkways, patios, boundary walls, retaining walls, bulkheads, fences, existing trees, off-site improvements, or other improvements not part of the home itself.

2. Ordinary drywall cracks and “nail pops”.
3. Any damage to the extent that it is caused or made worse by:
 - a. Negligence, improper maintenance or improper operation by anyone other than Watts or its employees or agents.
 - b. Failure by you or anyone other than Watts to comply with the warranty requirements of manufacturers of appliances, equipment, or fixtures.
 - c. Your failure to give notice to Watts of defects within a reasonable time, as determined by Watts.
 - d. Changes in the grading of the ground by anyone other than Watts
 - e. Changes, alterations, or additions made to the home after the initial occupancy by you or anyone other than Watts.
 - f. Dampness, condensation or moisture due to your failure to maintain adequate ventilation.
4. Any loss or damage, which you have not taken timely action to minimize.
5. Any defect in, or caused by, materials or work supplied by anyone other than Watts.
6. Normal wear and tear or normal deterioration.
7. Loss or damage not otherwise excluded under this warranty, which does not constitute a defect in the construction of the home, by Watts.
8. Loss or damage resulting from accidents, riots and civil commotion, fire, explosion, smoke, water, moisture, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven water, ice-damming, and changes in the level of the underground water table which are not reasonably foreseeable.
9. Any damage caused by soil movement for which compensation is provided by legislation or which is covered under other insurance.
10. Insect damage.
11. Any loss or damage which arises while the home is being used primarily for non-Residential purposes.
12. Any condition, which does not result in actual physical damage to the home.
13. Bodily injury or damage to personal property for any reason.
14. Consequential damages for any reason.

WATTS HOMES

By: _____

Buyer/Owner/Purchaser

Date: _____

Buyer/Owner/Purchaser

Date: _____