

HOME WARRANTY PROGRAM

SECTION A. DEFINITIONS

For the purpose of this Agreement, the following terms have the meanings set forth:

1. Builder: Walters Construction Corporation, d/b/a Laguna Homes.
2. Effective Date: The date upon which title is transferred to the first Home Owner.
3. Electrical Systems: All wiring, electrical boxes, switches, outlets, and connections, up to the public utility connection.
4. Fixtures, Appliances and Items of Equipment: Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, stoves and ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets and valves, lights and fixtures, circuit breakers, thermostats, furnaces, oil tanks, humidifiers, oil purifiers, ventilating fans, air conditioning material, in-house sprinkler systems, and similar items, including attachments and appurtenances.
5. Heating, Ventilating and Air-Conditioning (HVAC) Systems: All ductwork, refrigerant lines, steam and water pipes, registers, convectors, dampers, and radiation elements.
6. Home: A single-family dwelling.
7. Home Owner: The Home Owner includes the first purchaser of the Home and any and all successors in title during the term of this Agreement, lessees having a leasehold interest of at least fifty (50) years in the Home, and a mortgagee in possession of the Home.
8. Load-Bearing Components of the Home are:
 - (i) roof framing members (rafters and trusses);
 - (ii) floor framing members (joists and trusses);
 - (iii) bearing walls;
 - (iv) columns;
 - (v) lintels (other than lintels supporting veneers);
 - (vi) girders;
 - (vii) load-bearing beams; and
 - (viii) foundation systems and footings.

Examples of Non-Load-Bearing Components, damage to which do not constitute a Major Structural Defect are:

- (i) non-load-bearing partitions and walls;
- (ii) dry wall;
- (iii) floor covering; sub-floor material; or wall covering material;
- (iv) brick, stucco, stone, or veneer;
- (v) any type of exterior siding;
- (vi) roof shingles, sheathing and tar paper;
- (vii) heating, ventilating, air-conditioning, plumbing, electrical, and mechanical systems;
- (viii) appliances, fixtures, or items of equipment;
- (ix) doors, windows, trim, cabinets, hardware, insulation, paint, and stains;
- (x) concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Home.

9. Major Structural Defects (MSD): A Major Structural Defect occurs when there is actual physical damage to one or more of the Load-Bearing Components that causes the failure of the load-bearing capacity of the Load-Bearing Component such that the Home becomes unsafe, unsanitary or otherwise uninhabitable.
10. Plumbing Systems: All pipes (supply and waste) and their fittings; gas supply lines and vent pipes located within the Home and their extensions to the public utility.
11. Property: The land owned by the Home Owner on which the Home is located.
12. Term: A period of one (1) year, commencing upon the Effective Date.
13. Warrantor: Your Builder.
14. We, Us: Terms referring to the Builder/Warrantor.
15. You, Your: Terms referring to the Home Owner.

SECTION B. THE LIMITED WARRANTY PROGRAM

We, as Your Builder, are the warrantor during the term of this Agreement.

1. PROTECTION PROVIDED

Your Home Warranty Program provides you with the following protection:

For a period of one (1) year following the Effective Date, We warrant:

(i) Your Home will be free from defects in materials and workmanship. We determine whether a defect exists by referring to the performance standards in Section C of this Agreement. Manufactured items of fixtures, appliances and equipment that are covered by a manufacturer's warranty are not covered by this warranty. We assign manufacturer's warranties to You at closing.

(ii) Certain specified portions of the heating, ventilating and air conditioning (HVAC) system, and the electrical and plumbing systems will be free from defects. Again, We determine whether a defect exists by referring to the performance standards set forth in Section C of this Agreement. Manufactured items of fixtures, appliances and items of equipment covered by a manufacturer's warranty that are part of these systems are not covered by this warranty.

(iii) Your Home is protected against loss resulting from Major Structural Defects (as defined in Section A of this Agreement).

2. OUR RESPONSIBILITY AND YOUR RIGHTS

If, during the Term of this Agreement, a defect occurs in Your Home evidenced by nonconformity with the performance standards, or if a covered defect in portions of Your Home's HVAC, electrical or plumbing systems occurs evidenced by nonconformity with the performance standards, We will repair, replace or pay You the reasonable cost of repairing or replacing the defective item.

The warranty against Major Structural Defects is limited to actions that are necessary to restore load-bearing capability to the Load-Bearing Components of the Home and to repair those elements of the Home damaged by the Major Structural Defect which make the Home unsafe, unsanitary or otherwise uninhabitable.

In each instance, Our warranty coverage under this program is subject to the following:

- a. The decision of whether to repair or replace a defective item, or to pay you the reasonable cost of repair or replacement, is solely Ours.
- b. OUR TOTAL LIABILITY FOR ALL CLAIMS MADE DURING THE TERM OF THIS LIMITED WARRANTY AGREEMENT SHALL NOT EXCEED THE ORIGINAL SALE PRICE OF THE HOME.
- c. No actions taken to cure defects will extend the periods of coverage specified in this Agreement.
- d. Before We repair or replace a defective item, We will ask You to acknowledge in writing Your agreement to the proposed repair or replacement and deliver to Us an agreement to release Us with respect to the defect and any conditions arising from the defect. The repair of a covered Home will be to a condition approximating the condition just prior to the manifestation of the defect, **not** to a "like new" condition.
- e. If We pay You the reasonable cost of repairs or replacement of a defective item instead of replacing or repairing the item, then prior to such payment, We will ask You to sign and deliver to Us a full and unconditional release, in recordable form, of all legal obligations with respect to the defect, any condition arising from the defect and any repair or replacement of the defective item. We will not have any obligation to make payment jointly to You and Your mortgagee unless the mortgagee has notified Us in writing of its security interest in the Home prior to the payment of the claim. However, We may ask that Your mortgagee join in the release. A mortgagee and any subsequent Home Owner shall be completely bound by any agreement accepted by You.
- f. If We repair or replace a defective item, or pay You the reasonable cost of the repair or replacement of any defective item covered by this Agreement, We will be subrogated to all of your rights of recovery therefor against any person or entity. You agree to execute and deliver any papers and to take any actions necessary to secure such rights, including, but not limited to, 'assignment of the proceeds of any other insurance or warranties to Us. You shall do nothing to prejudice such rights of subrogation.

3. HOW TO MAKE A WARRANTY CLAIM

a. NOTICE TO BUILDER OF WARRANTED ITEM

If you have a problem that you believe is covered by this Agreement, you should contact Your Builder's local office, which is listed on the Purchase Agreement. Even if You report a problem orally, You must also give written notice. When submitting written notice to Your Builder, clearly describe the problem. Use the form entitled "Warranty Request Form" in the back of this booklet.

b. INITIAL INSPECTION PERIOD

We will investigate, inspect and report to You within 30 days of receipt of a request for warranty service. If We agree that the item is covered by the warranty, We will advise You whether We will repair, replace or pay the reasonable cost of repairing or replacing the defective item. We will have 60 days to complete repairs or replacement or to pay You. The time may be extended to allow for seasonal inability to complete work.

c. RIGHT OF ACCESS

You must provide reasonable weekday access during normal business hours in order for Us to perform Our obligations. If You fail to provide such access to Us, it may relieve Us of Our obligations under this Agreement.

4. GENERAL TERMS AND CONDITIONS AFFECTING THIS AGREEMENT

The following terms and conditions of general applicability will govern the interpretation and operation of this Agreement:

- a. Your Builder will assign to You all manufacturers' warranties on products included in the sales price of Your Home.
- b. All notices required under this Agreement must be in writing and sent by certified mail, postage prepaid, to:
 1. If to the Home Owner -- the address of the Home
 2. If to Your Builder -- to the local office of the Builder.
- c. Should any provision of this Agreement be determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
- d. This Agreement is binding on the Builder and the Home Owner and their respective heirs, executors, administrators, successors and assigns. Subsequent purchasers of the Home after the original Home Owner should notify the Builder in writing of transfer of title. Failure to notify the Builder will not affect the warranty, however. The protection provided under the Limited Warranty Program automatically transfers to subsequent purchasers for the ten-year term of this Agreement.
- e. This Agreement shall be interpreted and enforced in accordance with the laws of the state of Florida.
- f. This Agreement cannot be modified, altered or amended in any way except by a written instrument signed by all of the parties hereto.
- g. If performance by the Builder of its obligations under this Agreement is delayed by an event not resulting from its own conduct, Builder's performance will be excused until the delaying effects of the event are remedied. Such events include acts of God or the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by the Home Owner or any other person, not a party to this Agreement.

SECTION C. PERFORMANCE STANDARDS

1. PURPOSE OF THE STANDARDS

This section describes the standards by which We will determine whether Your Home has a problem that is covered by this Agreement and whether Your Builder has an obligation to correct the problem. With the exception of matters which are found not to comply with the requirements of applicable building codes in effect at the time of construction, if specific standards and obligations are not set forth in this Section C, then such matters are specifically excluded for coverage.

2. HOME OWNER'S RESPONSIBILITY

This warranty coverage is conditioned upon Your proper maintenance of the Home and Your maintenance of the surrounding property to prevent damage.

3. PERFORMANCE STANDARDS RELATING TO SPECIFIC PROBLEMS

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
1. Cracks in Concrete Foundation Wall	Shrinkage or settlement cracks are common and should be expected within certain tolerances.	We will repair any cracks greater than 1/8 inch in width; We will not correct color variations.
2. Cracks in concrete floor slab	Shrinkage (hairline) cracks are common and should be expected within certain tolerances.	We will repair any cracks greater than 1/4 inch in width or vertical displacement in conditioned space. We will not correct color variations.
3. Vertical or horizontal movement of concrete floor slabs at joints	Concrete floor slabs are engineered to move at expansion joints and control joints.	None.
4. Uneven concrete floors in rooms designed for living	Slopes purposefully created for drainage are not covered.	We will correct any unevenness that exceeds 1/4 inch in a 32-inch measurement.
5. Cracks in concrete floors in rooms designed for living	Cracks should not cause finished floor coverings to rupture.	We will correct the problem so that the repair is not noticeable, except for color matching of flooring materials.
6. Powdering, scaling or pitting of interior concrete (aggregate showing or loose)	Interior concrete surfaces should not disintegrate. Minor scaling is not controllable. Exterior surfaces are not warranted	We will repair if the deterioration occurs under normal use and conditions. Normal conditions do not include the presence or use of salt or other chemicals.
7. Vertical or horizontal separation of stoops away from the house or driveways or sidewalks from adjoining slab or apron due to settling or heaving (exclusive of expansion joints)	Minor separation is normal.	We will repair separation of adjoining assemblies that exceed 1 inch.
8. Cracks in exterior concrete (porches, steps, stoops, driveways, patios and sidewalks)		We will correct any crack that exceeds 1/4 inch in width or 1/4 inch in vertical displacement.

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
9. Ground settles around foundation, utility trenches, or other filled areas	Ground settlement should not disrupt water drainage away from the house. You can expect some settlement around the foundation at utility trenches and other filled areas.	If We have provided final grading, upon Your request, We will fill settled areas affecting proper drainage in excess of 6 inches, one time only during the warranty period.
10. Improper grades and swales that cause standing water and affect the drainage in an area that may affect the foundation	After normal rainfall, water should not stand in yard for more than 24 hours nor 48 hours in swales. No decision regarding coverage will be made while frost or saturation exist on the ground.	We will establish the proper grades and swales to eliminate excess standing water.
11. Walls that bulge, bow or are out-of-plumb	All interior and exterior framed walls have minor differences.	We will correct walls that bulge or bow in excess of 1/4 inch within a 32-inch measurement (floor to ceiling or wall to wall) and walls that are out of plumb in excess of 3/4 inch within a vertical measurement of eight feet.
12. Floor squeaks	We cannot assure a squeak-proof floor. Floor squeaks are often temporary and caused by lumber shrinkage or temperature changes.	We will correct if squeak results from a construction defect.
13. Roof Leaking	The roof should not leak. The area around flashing should not leak.	We will repair all roof and flashing leaks not caused neglect by the Home Owner. We are not responsible for color variations.
14. Leakage of elements through attic louvers and vents, including ridge and soffit vents	This is not a defect; vents and louvers must be provided for proper ventilation of attics.	Even if vents are properly installed, wind driven snow and rain may enter. We will install vents in accordance with manufacturer's installation requirements and applicable building codes.
15. Exterior Trim	Siding, trim and masonry must be capable of excluding the elements	We will correct any separation at joints, exterior trim, or between trim and surfaces of siding or masonry that exceeds 1/4 inch.
16. Wall leaks	Walls may leak due to shrinkage of caulking.	We will recaulk once all junctions and separations of affected wall surfaces to prevent further water leakage.

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
17. Paint or stain peels	Exterior paints and stains should not peel or deteriorate during the term of warranty coverage. However, some fading is normal and is caused by weathering. Varnish and lacquer are not covered by this warranty.	We will correct if paint or stain peels. We cannot assure exact color and texture match.
18. Mildew and fungus	Mildew and fungus are caused by climactic conditions or nearby bodies of water, and are not covered by this warranty.	
19. Cracks in stucco wall finish	Cracks in stucco wall finishes are common and should be expected within certain tolerances.	We will repair once cracks in excess of 1/8 inch in width. We cannot assure exact color and texture match.
20. Doors warp	Some warping, cupping, bowing or twisting, especially of exterior doors, is normal and is caused by surface temperature and humidity changes.	We will repair or replace defective doors whose warp, bow, cup or twist exceeds 1/4 inch. We cannot assure an exact color match.
21. Door panel shrinks	Expansion and contraction is normal and may cause unfinished surfaces to appear. This is not warranted.	None.
22. Door panel splits	Light should not be visible through split.	We will correct a split panel if light is visible through the split. We cannot assure an exact color match.
23. Glass breakage	This is not covered by your warranty. You should inspect your property and bring any glass breakage to Our attention prior to occupancy.	None.
24. Garage door malfunctions	Following proper installation, maintenance is Your responsibility.	The warranty is voided if homeowner installs a garage door opener. We will correct if the malfunction is not due to improper maintenance.
25. Windows do not operate	Reasonable pressure should open and close windows.	We will correct if windows do not properly operate.

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
26. Drafts around windows and doors		We will correct defective weather-stripping and improperly fitted windows and doors. Adjustments to thresholds and caulking are considered routine maintenance and are Your responsibility.
27. Condensation on windows	Condensation on windows is caused by temperature differences between the interior and the exterior of the home, as well as the personal living habits of the occupants. These conditions are beyond Our control and are not covered by this warranty.	None.
28. Water infiltration around doors and windows	No water should pass beyond the interior face of the unit or flow into the wall area or the room in wind speeds under 54 miles per hour. All caulking materials expand and contract due to temperature variations and dissimilar materials.	We will correct the situation. Adjustment to weather-stripping is Your responsibility.
29. Screen panels	The screen panels should fit properly.	We will correct improperly fitted screen panels. Rips and gouges are Home Owner's responsibility.
30. Trim	Some separations at joints in moldings and between moldings and adjacent surfaces are normal and should be expected within certain tolerances.	We will correct separation of moldings and adjacent surfaces in excess of 1/4 inch; We will correct miter joint separations in excess of 1/8 inch.
31. Wall or ceiling cracks	Hairline cracks and seam or tape cracks are normal and should be expected within certain tolerances.	We will repair cracks exceeding 1/8 inch in width once during the warranty period. It will be the homeowner's responsibility to repaint the affected area.
32. Nail pops	Nail pops are to be expected, and are not covered by this warranty. Nail pops that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable.	We will correct nail pops one time only. It will be the homeowner's responsibility to repaint the affected area.

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
33. Cracking of ceramic tile; grout joints		We will replace cracked tiles. We will repair cracking of grout joints once. We cannot assure exact color match.
34. Wallpaper or covering begins to peel		We will correct Builder-installed wallpaper that peels. We cannot assure exact color match.
35. Separation between finished floor boards		We will correct separations in excess of 1/8 inch.
36. Counter and vanity tops	Cracks, chips and scratches not reported to Us prior to occupancy will not be covered by this warranty. Counter and vanity top material should not delaminate.	We will repair or replace delaminated counter and vanity tops.
37. Cabinet doors or drawers		Some warping, cupping, bowing or twisting is normal and caused by surface temperature and humidity changes. We will correct warpage in excess of 1/4 inch measured diagonally from corner to corner on the face of the cabinet.
38. Cabinet separates from wall	Some separation is common and could be experienced within certain tolerances.	We will correct separation in excess of 1/4 inch.
39. Pipes burst	* You are responsible for maintaining suitable temperatures in the Home to prevent pipes from freezing.	We will correct burst pipes if the problem is caused by defective workmanship, materials or design.
40. Leaks or malfunctions in plumbing fixtures, appliances and trim fittings		We will correct leaks or malfunction in pipes, faucet valves, appliances and trim fittings caused by defects in materials or workmanship.
41. Cracks or chips in porcelain or fiberglass	You should inspect these items before taking occupancy and report them to Us prior to occupancy.	We will be responsible for these items only if reported prior to occupancy.
42. Outlets, switches or fixtures fail		We will correct defective outlets, switches and fixtures.

<u>ISSUE</u>	<u>COMMENTS</u>	<u>BUILDER'S AND HOME OWNER'S OBLIGATIONS</u> (Performance Standard)
43. Consistently blown fuses or circuit breakers kicking off	Ground-fault Circuit-interrupters (GFCI's) are designed to kick off as necessary for safety reasons. This is not considered a defect. We do not recommend plugging a refrigerator or freezer into GFCI outlets.	We will correct defects caused by improper workmanship and materials. We are not responsible if caused by the Home Owner overloading the system.
44. Ductwork separates	Ductwork shall remain intact and secure.	We will re-attach and re-secure.
45. Water supply system fails	On-site connections to water main or private water supply are Our responsibility.	We will correct if failure is the result of faulty workmanship or materials.
46. Sewage system fails to operate properly	We will not be responsible for sewers, fixtures and drains, which are clogged through Home Owner negligence.	We will correct if failure is caused by inadequate design or faulty installation as determined by local code requirements in effect at the time of construction.
47. Wiring fails to carry specified load.		We will correct wiring not conforming to code specifications if caused by a defect in workmanship or materials.
48. Major Structural Defects as defined in Section A.9		We will correct a defective Major Structural Defect by taking such actions as are necessary to restore the load-bearing capability of the Load-Bearing Component(s) and will correct any items of the Home damaged by the Major Structural Defect.

SECTION D. EXCLUSIONS

The following are not covered under this Agreement:

1. Any claim reported after an unreasonable delay or not reported as required by this Agreement.
2. Any loss or defect that arises while the Home is used primarily for nonresidential purposes.
3. Loss or damage caused by soil movement, including subsidence, expansion or lateral movement of the soil which is covered by any other insurance or for which compensation is granted by legislation.
4. Normal wear and tear or normal deterioration.
5. Any deficiencies in or damage in or caused by material or work supplied by anyone other than Your Builder or its employees, agents, or subcontractors.

6. Damages or losses not caused by a defect in construction of the Home by Your Builder or its employees, agents, or subcontractors, but resulting instead from acts or omissions of the Home Owner, his agents, employees, licensees, invitees; accidents; riots; civil commotion; nuclear hazards; acts of God or nature; fire; explosion; blasting; smoke; water escape; windstorms; hail; lightning; falling trees; aircraft; vehicles; flood; mud slides; sinkholes; faults; crevices; earthquake including land shock waves or tremors before, during or after a volcanic eruption; insects, birds, vermin, rodents, or wild or domestic animals.
7. Loss or damage resulting from home owner's failure to perform routine maintenance.
8. Loss or damage resulting from or made worse by the Home Owner's failure to minimize or prevent such loss or damage in a timely manner, such as, for example, failure to notify the Builder within a reasonable amount of time.
9. Loss or damage to real property, such as land, which is not part of the Home and which may or may not have been included in the original sales price.
10. Loss or damage resulting from, or made worse by, changes in the grading of the property surrounding the Home by anyone except the Builder or its employees, agents or subcontractors, or changes in the grading or drainage resulting from erosion or subsidence.
11. Loss or damage resulting from, or made worse by, modifications or additions to the Home, or property under or around the Home, made after the Effective Date (other than changes made in order to meet the obligations of this Agreement).
12. Loss or damage resulting from, or made worse by, dampness, condensation or heat build-up caused by the failure of the Home Owner to maintain proper ventilation.
13. Any defect, damage, or loss caused or made worse by failure by anyone other than the Builder or its agents, employees, or subcontractors to comply with the manufacturers' warranty requirements concerning appliances, fixtures or items of equipment.
14. Loss or damage resulting from, or made worse by, neglect, abnormal use, negligent or improper maintenance or operation of the Home and its systems by anyone other than the Builder or its employees, agents, or subcontractors.
15. Loss or damage resulting from, contributed to or aggravated by a condition not resulting in actual physical damage to the Home. This includes uninhabitability or health risk due to the presence or consequences of such things as insects, radon, formaldehyde, mold, other potentially carcinogenic substances, or other pollutants; contaminants; or hazardous or toxic materials.
16. Loss or damage caused directly or indirectly by flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains originating off the property, changes in the water table which were not reasonably foreseeable, or water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure) wetlands, springs or aquifers.
17. Any loss or damage resulting from loading on floors which exceeds design load, such as a waterbed or any other furnishings excessive in weight for which the Home was not designed.
18. Any defect that does not result in actual physical damage or loss to the Home, such as items that are purely cosmetic.

19. Consequential damages, including but not limited to, (a) costs of shelter, transportation, food, moving and storage, or (b) other incidental expenses related to relocation during repairs.
20. Violations of applicable building codes or ordinances that do not result in a defect otherwise covered under this warranty.
21. Loss or damage to off-site improvements.
22. Failure of the Builder to complete construction of the Home or any part of the Home before the Effective Date or damages arising from such failure.
23. To the extent that any matter is not specifically set forth or referenced in Section C hereof, said matter is specifically excluded from coverage.

PURCHASER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT, WITH THE EXCEPTION OF THE ONE YEAR LIMITED WARRANTY PROVIDED HEREIN, THERE ARE NO WARRANTIES (EXPRESS OR IMPLIED) PROVIDED TO PURCHASER IN CONNECTION WITH THE HOME. IN ADDITION AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PURCHASER FURTHER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT NEITHER SELLER NOR ANY OF SELLER'S MEMBERS, MANAGERS, PARTNERS, AFFILIATES, AGENTS, EMPLOYEES, SUCCESSORS AND/OR ASSIGNS SHALL HAVE ANY LIABILITY OR RESPONSIBILITY WHATSOEVER (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STATUTE OR OTHERWISE AND REGARDLESS OF THE NATURE OF THE INJURY ALLEGED INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY OR DEATH) TO PURCHASER OR TO ANY OTHER PERSON FOR ANY LOSS, LIABILITY, CLAIM, EXPENSE, DAMAGE TO PROPERTY, AND/OR INJURY OR DEATH TO PERSON(S) ("LOSS") FROM ANY CAUSE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ANY LOSS RESULTING FROM ANY ACTION, INACTION, OMISSION AND/OR NEGLIGENCE BY SELLER OR SELLER'S MEMBERS, MANAGERS, PARTNERS, AFFILIATES, AGENTS, EMPLOYEES, SUCCESSORS AND/OR ASSIGNS), UNLESS SUCH LOSS IS DIRECTLY CAUSED BY ONLY SELLER'S FRAUD, GROSS NEGLIGENCE OR WILLFUL VIOLATION OF LAW. THE FOREGOING APPLIES TO ALL SUCH LOSSES, EVEN IF THE LOSS RESULTS FROM AN ASSERTED CLAIM BASED ON A THEORY NOT RECOGNIZED AT THE TIME OF EXECUTION OF THIS CONTRACT.

PURCHASER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND SELLER HEREBY EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED), WITH THE EXCEPTION OF THE ONE YEAR LIMITED WARRANTY PROVIDED HEREIN, AS TO THE HOME AND THE OTHER PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT, WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER GIVES NO EXPRESS OR IMPLIED WARRANTY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OF FITNESS) ON THOSE ITEMS DEFINED AS "CONSUMER PRODUCTS" BY THE MAGNUSON-MOSS WARRANTY ACT.

TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED IN THIS PARAGRAPH 8 CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED IN WHOLE OR IN PART, ALL SECONDARY,

INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS FOR PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY, OR EMOTIONAL DISTRESS), AND PURCHASER RELINQUISHES AND WAIVES ANY AND ALL RIGHTS PURCHASER MAY HAVE TO ANY SUCH DAMAGES (CLAIMS FOR SUCH SECONDARY. INCIDENTAL AND CONSEQUENTIAL DAMAGES BEING CLEARLY UNAVAILABLE, AND KNOWINGLY AND VOLUNTARILY WAIVED BY PURCHASER IN THE CASE OF WARRANTIES WHICH ARE RELINQUISHED, WAIVED AND DISCLAIMED HEREUNDER). PURCHASER ALSO AGREES NOT TO ASSIGN AND HEREBY WAIVES ALL RIGHTS OF SUBROGATION OF PURCHASER'S INSURERS AND/OR ALL OTHER THIRD PARTIES.