

**NEW HOME
LIMITED WARRANTY**

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NAME OF BUILDER: HEALY HOMES

(HEREINAFTER REFERRED TO AS BUILDER THROUGHOUT THIS WARRANTY)

NAME OF HOMEOWNER: _____

Address: _____

I. POLICY AND PROCEDURES

WARRANTY STATEMENT

BUILDER warrants certain items of the real property, as described herein, and provides a full warranty of only the *installation* of certain fixtures and equipment, hot water heaters and heating and air conditioning systems for a period of one (1) year from the date of occupancy, and other items as described herein, for a period of thirty (30) days from the date of occupancy. BUILDER's warranty program covers only the real property and does not extend to personal property or fixtures located within the dwelling unit, such as the water heater, air conditioning, or heating units. Such items are covered by the manufacturer's warranty which may be either a limited or general warranty. Each home purchaser has the opportunity to obtain a copy of the manufacturer's warranty covering the fixtures and other items of personal property located within the dwelling which will indicate the terms of the manufacturer's warranty and whether or not such warranty is a limited or general warranty. BUILDER's warranty extends to the original owner only. All claims under this Warranty must be reported in writing within the first year to be considered valid.

If any item under warranty has been altered, adjusted, or worked on in any other manner by anyone other than the BUILDER or manufacturer's representative, it will invalidate any further warranty by BUILDER, its subcontractors or the manufacturer.

BUILDER will not assume any responsibility for damages where it is evident that misuse or neglect on the part of the homeowner is the primary cause of said damages.

In the event that items must be repaired or replaced, they will be repaired or replaced with like kind materials. In the event original materials are unobtainable and cannot be reordered exactly, buyer agrees to a substitution of replacement materials at Builder's discretion. Warranty on items replaced is not extended past the one year from occupancy warranty. All items, whether repaired, replaced or the original items, are covered for only the first year of occupancy.

THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

WARRANTY SERVICE REQUESTS

I. Routine Requests

In order to give you the best service possible from our Warranty Department, we must require that all warranty items be submitted in writing to:

Healy Homes, LLC
11020 Kingston Pike
Knoxville TN 37934
Ashley@healybuilt.com

Any other channels will merely delay processing of your A final list which must be received in the requests.

We cannot honor verbal requests. Telephone calls of a routine nature will not be accepted because of the potential for misunderstandings and miscommunication.

All appointments shall be scheduled between 8am and 4pm Monday through Friday.

Under normal circumstances, we allow a four week period for the completion of routine requests from the time we receive your list of warranty items. Although requests receive prompt attention by our organization, there are times when subcontractors may be unavoidably delayed. Weather conditions, unavailability of proper materials or labor shortages may delay immediate action.

II. Emergency Service

You may rest assured that emergency repairs shall be taken care of immediately. The telephone numbers of our subcontractors are located on the last page of this warranty. You may also call our office at 865-679-0780.

III. Punch List Schedule

The first course of action on non- emergency items is to schedule directly with the provider, especially concerning plumbing and HVAC issues. We ask that you gather any non-emergency repairs and email them in a warranty request they should be submitted and will be address on the following schedule. We will organize our Warranty Contractor and subcontractors according to repairs, and will ask that someone be present on the scheduled date.

- 30 days after closing
- 6 months after closing
- 11th months a final list which must be received in the prior to the end of the warranty period.

II. WARRANTIES

WARRANTY BY MANUFACTURER AND/OR CONTRACTOR

(See Manufacturer's Warranty to determine if warranty is full or limited)

The following warranties are guaranteed by the manufacturers of said products. BUILDER and its subcontractors will fully warrant only the installation of said items for a period of one (1) year. All other warranties stated are for the original owner only. In order to validate your manufacturer's warranty, please complete the warranty registration cards and mail them to the manufacturer within thirty days of occupancy.

Please note that the warranty will cover parts and labor for a period of one (1) year. Any installation or labor charges after one year will be the responsibility of the homeowner.

I. Heating and Air-Conditioning

Gas Heating. BUILDER, and its subcontractors fully warrant the installation only of any gas heating system. The manufacturer warrants the furnace to the first homeowner to be free from defects in material and workmanship for a period of one (1) year.

After the gas meter has been set, our heating subcontractor will adjust your furnace and set the thermostat correctly.

For better performance, and a cleaner home, you should change your filters every 30 days during winter and summer. After your first heating season, you can make arrangements with our heating contractor, or some other reliable contractor, for service.

For best results, keep your thermostat set at the desired temperature and do not constantly move it up and down.

Do not store any combustible materials near your furnace.

Air conditioning. BUILDER, and its subcontractors will fully warrant only the installation of your system for a period of one (1) year.

The manufacturer warrants the compressor for a period of five (5) years. During the first year there will be no charge for the compressor or for the labor to change it. After the first year to the fifth year, labor and "refrigerant" will not be included in the warranty. Coils and all other parts and equipment are under warranty for a period of one (1) year.

II. Hot Water Heaters

Gas/Electric Hot Water Heater. BUILDER and its subcontractors will fully warrant only the installation of your water heater for a period of one (1) year. Your thermostat is initially set at a proper level for adequate hot water. Please do not constantly readjust this thermostat.

The manufacturer's warranty is for five (5) years. Water heater element and other electric parts are under warranty for one (1) year. The tank is under warranty for five (5) years on a prorated cost basis.

If for any reason the water heater is cut off and the water drained from the tank, please make certain that the water is turned back on and the tank is full before you make any attempt to turn the heater back on. Failure to do so will damage your unit.

Do not store gas cans or any other combustible materials near your water heater.

III. Plumbing

The water and drainage pipes in the plumbing system in your home are under warranty by BUILDER and its subcontractors for a period of one (1) year. This warranty covers major faults such as water lines separating, faulty equipment, and faulty or improper installation. It does not cover broken pipes due to freezing temperatures or damage due to frozen pipes.

Plumbing leaks should be reported to our warranty department immediately. We will not be responsible for water damage due to plumbing leaks.

The following plumbing items are under warranty for a thirty (30) day period only: faucet drips, sewer line stoppage, flushing mechanisms on toilets, the garbage disposal, and leaks under the kitchen and bathroom sinks. After 30 days, these items will be the responsibility of the homeowner. If the plumbing and/or garbage disposal is "stopped up" during the warranty period and person servicing the plumbing finds foreign materials in the line, the owner will be billed for the call.

Caulk/Grout Exterior and interior caulk/grout in bathtubs, shower stalls, and ceramic tile surfaces may crack or bleed in the months after installation. This is normal and should not be considered a problem. The warranty covers these items ONE (1) time, and it is recommended to be performed at the 11-month warranty visit, if needed.

IV. Electrical System

BUILDER, and its subcontractors will warrant the wiring in your electrical system for a period of one (1) year.

All circuits in your home are protected by automatic circuit breakers. No fuses are required. Upon any electrical failures, check your circuit breaker first. Simply reset the switch by returning it to its normal position. Disconnect and check lamp cords or small appliances on the circuit with which you are having trouble.

Electrical warranty will cover any defects in receptacles, breakers, or switches for the first thirty (30) days of occupancy only. Any defect in the overall electrical wiring system will be warranted for a period of one (1) year from the date of occupancy. If the electrical contractor performs a service call on the electrical system, and the item is determined to be Homeowner-caused (not an electrical defect), the Homeowner may be billed for the visit.

V. Major Kitchen Equipment

BUILDER, and its subcontractors, fully warrant the installation only of major kitchen appliances. All other warranty is covered by the manufacturer.

Any part of one of the major appliances furnished as part of the dwelling that proves to be defective in material or workmanship within a one (1) year period from the date of occupancy will be repaired or replaced by the manufacturer with a new or functionally operating part, free of charge. Service labor required to replace such defective parts or make mechanical adjustments so that it performs to design specifications will be free of charge for a period of one (1) year following the date of original purchase.

Again, please make certain that you fill out and mail the warranty cards for all your appliances in order to validate your manufacturer's warranty.

WARRANTY ON STRUCTURAL ITEMS

BUILDER warrants that your house is constructed substantially according to the plans, specifications, and any approved change orders.

We consider the following items to be of structural nature under this warranty: footings, foundations, concrete slab, frame and roofing.

I. Footings

Footings are under warranty by BUILDER against abnormal settlement for a period of one (1) year. In the event that a settlement of the footing is reported within your warranty period, BUILDER will determine the method and extent of the correction.

II. Foundation

Foundation is under warranty by BUILDER against abnormal settlement for a period of one (1) year. This shall not be construed to mean that a foundation will not crack, but it does mean that BUILDER will repair any crack exceeding 1/2" in width within the first year of occupancy.

III. Termite Treatment

Your home has been treated for termites during construction. BUILDER warrants your home against termites for a period of one (1) year. After your first year of occupancy, you should contact a pest control company to check your home annually for termites.

IV. Concrete Slab Floor

The concrete slab floor is under warranty by BUILDER for a period of one year against abnormal settlement, but not against ordinary expansion cracks which are quite normal and common. Please note also that it is normal for concrete slab floors to be slightly irregular or uneven. In the event that settlement occurs which causes damage to the sheetrock, BUILDER will repair that sheetrock damage under this warranty.

V. Frame

BUILDER warrants that all framing is in place as specified on plans, specifications, and authorized change orders.

VI. Roof

BUILDER warrants the roof against leaks from shrinkage or settlement for a period of one (1) year from the date of occupancy. Any damage to the roof from natural elements may be covered by your insurance company and is not the responsibility of BUILDER.

Occasionally the plywood sheathing on the roof will show a slight irregularity of smoothness. This is quite normal and will not be replaced.

VII. Settlement, Shrinkage, & Condensation

The conditions stated below are considered normal for a new structure, and unless any of the items are of an extreme nature, repair will be at the Builder's Discretion, one-time, at the final year-end warranty service request.

Lumber, a porous material, easily absorbs moisture. During construction it is exposed to various weather conditions and naturally absorbs moisture from the atmosphere. In fact, lumber can become saturated, even though it does not come directly in contact with rain. When there is a decrease in the moisture content of a piece of lumber, shrinkage occurs. A new house may therefore actually decrease in size slightly as a result of shrinkage.

The amount of shrinkage is directly proportional to the weight of the lumber and the heat involved. The greater the weight and the faster the drying process, the greater the shrinkage. Reverse conditions will have opposite consequences. This causes uneven shrinkage.

Some of the direct results of shrinkage may be:

1. Interior wood boards may slightly crack and caulking shrink. All this is normal and will be the homeowners responsibility.

2. Various wood trim and hardwood floors separate. For example:
 - (a) 1/4 round molding separates from the baseboard in a downward direction.
 - (b) A space appears where the stairway meets the wall and trim.
3. Appearance of cracks above archways.
4. Exterior and interior doors do not function properly.
5. Miter joints where the trim meets, corners open slightly.
6. "Nail pops" appear in the drywall.
7. Base units or the kitchen cabinets appear to move from their original position, and the counter tops separate from the wall.
8. Grout cracks around the tile and bathtub.

The above conditions are normal. Not all of them will occur in every home. Do not attempt to remedy any of these problems during the first heating period.

Every effort has been made to minimize shrinkage in your home. At this time, there is no preventive measure known to completely eliminate shrinkage. After shrinkage has taken place, lumber will not absorb as much moisture from the atmosphere as it did during construction, because:

1. There is less exposure.
2. The home furnishings will absorb the moisture first.

Settlement occurs when the earth beneath the footing compacts from the weight of the new building upon it. It is normal for a new home to settle, and it is beyond anyone's control. Settlement often causes slight cracks in foundation walls and concrete slabs despite proper compaction.

Condensation takes place when warm, moist air comes in contact with a cold surface. Condensation may appear on water pipes, commodes, foundation walls, concrete floors, and windows. It generally appears in the rooms below the grade level during the hot summer months. The foundation walls are the lowest part of the home, and this area is therefore, the coolest section of the house. When the windows in this area are open, and extreme heat comes into contact with these cooler objects, moisture from the air will be deposited on the surfaces. A fan or dehumidifier can help remedy this situation.

Excessive moisture usually appears first on the inside of window panes. Your new home has been tightly constructed and well insulated. This moisture can be expelled only by adequate ventilation.

WARRANTY ON NON-STRUCTURAL ITEMS

The following items are not considered to be of structural nature and therefore are not covered by BUILDER's general warranty. The warranty on these items shall be as is stated in the following information.

I. Interior and Exterior Doors

All doors may bind at times. Don't be hasty in adjusting, planing, or cutting your doors; the problem may correct itself. Exterior doors are subject to severe conditions because of the exposure to both internal heat and external elements. A certain amount of expansion and/or contraction must be expected. Any door adjustments relative to expanding, etc. will be made at the end of your first year of occupancy as reported on your final year end warranty service request.

Exterior doors will, under normal conditions have slight hairline cracks due to weather and cannot be guaranteed against such.

Door locks and miscellaneous hardware are under warranty for a period of thirty (30) days only.

II. Trim

Due to the fact that it is normal for base shoe mold to separate slightly from the floor, there is no warranty covering this. However, cracks exceeding 1/4" in door trim at the joints will be filled and touched up, if requested, at your year-end service request.

III. Sheetrock (Drywall)

Often, natural shrinkage and normal settling are misunderstood for poor workmanship. Drywall defects exceeding 1/8 inch, such as nail-pops and cracks, will be repaired ONE TIME DURING YOUR ONE YEAR WARRANTY without charge, at your final year-end warranty visit. Modifications or damage to drywall caused by Homeowner are not covered under the Builder's Warranty. In case a wall is damaged by a plumbing leak caused by BUILDER within the first 12 months of occupancy, BUILDER will repair the wall and will re-paint ONLY the repaired area. We will try, but cannot guarantee matching a paint color.

Plumbing leaks should be reported to our office immediately. We will not be responsible for water damage due to plumbing leaks.

IV. Interior and Exterior Paint

Exterior paint on any exterior feature of the house is NOT covered under the Builder Warranty; rather is a Homeowner Maintenance responsibility. Left over paint used in the construction of the house will be left in the garage for future use.

The interior paint on the house is not guaranteed against normal wear and tear other than peeling around the windows.

V. Vinyl Floor Covering

Vinyl flooring is warranted by BUILDER for one (1) year against bubbles, seams coming loose, or cracking. Neither the manufacturer nor BUILDER will guarantee vinyl flooring not to shrink.

In the event that any repairs are necessary on vinyl flooring, the damaged area only will be repaired with new material. However, we cannot guarantee the dye lot number to be the same as that originally installed. Scratches or damage to vinyl must be reported prior to occupancy, otherwise we cannot assume responsibility.

VI. Roof Guttering

Your roof guttering is under warranty for one (1) year, including joints separating, and guttering and downspout becoming unattached. Your warranty does not include cleaning out of leaves and debris, nor the adherence of paint.

VII. Counter Tops

Counter tops are warranted by BUILDER against improper installation for a period of one (1) year. Any cracks, chips, gouges, burns or scratches must be reported prior to occupancy, otherwise we will assume no responsibility for these items.

VIII. Insulation

BUILDER warrants that the insulation is installed according to the plans and specifications, and meets with the local building code requirements.

IX. Carpet

Your carpeting is under limited warranty by BUILDER and its subcontractor for a period of one (1) year against separation of seams and faulty installation.

X. Cosmetic Items

The upkeep of cosmetic aspects of your home is your responsibility. BUILDER'S WARRANTY DOES NOT 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, granite, quartz or laminate tops, lighting fixtures, appliances, doors, paneling, siding, screens, windows, carpet, vinyl floors, cabinets, etc., which are not recognized and noted by you at final inspection are not covered this warranty.

XI. Hardwood Flooring

Hardwood flooring is warranted against defect by flooring subcontractor, please see your list of suppliers and contact supplier with any defect concerns. Any cracks, chips, gouges, burns or scratches must be reported prior to occupancy, otherwise we will assume no responsibility for these items.

WARRANTY OF EXTERIOR

I. Concrete Areas

Concrete patios in your home are under a warranty by the builder for a period of one (1) year from the date of occupancy. Walkways are covered by the same warranty.

Normal shrinkage of concrete will sometimes cause cracks in paved concrete areas. Joints have been placed in appropriate intervals to help control cracking. Every precaution has been taken to prevent cracking and chipping of concrete, but on occasion it will occur through no construction fault of the BUILDER. Any cracking that exceeds 1/2" will be filled if it is reported within one (1) year of occupancy. Anything that is less than 1/2" is to be a Builder Discretion item.

BUILDER'S warranty also includes that no area of concrete will have standing water in excess of one inch (1"). In such a case, the low area will be sectioned out and re-poured to correct the problem. We cannot guarantee that the concrete repair will be the same color as the original concrete.

The warranty will cover deterioration of concrete surface due to improper installation or mixture ONLY, but NOT due to the use of salts or other materials which damage the surface.

II. Yards - Drainage

BUILDER will warrant that in general yard will drain within 48 hours of a rainfall event. No large standing areas of water will remain in your yard after 48 hours of rainfall event. Buyer acknowledges that under continuous rainfall conditions yards might retain water. Yard includes only that area sodded, seeded or landscaped in accordance with specifications. Your lot has been graded to insure proper drainage away from your home. Should you wish to change the drainage pattern due to landscaping, fencing, installation of patio or service walks, or other reasons, be sure a proper drainage slope is retained. We assume no responsibility for the grading if established pattern is altered. We do not assume responsibility for springs, or continuous dampness of soil.

III. Lawn and Shrubs

We assume no responsibility for the growth or life of any plant life including grass, trees or shrubs. Once we grade, seed, fertilize, and spread ground cover, it is the homeowner's responsibility to maintain. We will not re-grade a yard, nor remove or replace any shrubs or trees, except for those which are noted and discussed at final inspection.

ACKNOWLEDGMENT OF RECEIPT

I, _____,
"Homeowner", hereby acknowledge receipt from Healy Homes, LLC, "Builder", the exclusive and
total Builder's Warranty upon the home located at:

Lot _____ Unit _____, _____ Subdivision

Address _____.

**Builder and Buyer agree to first attempt Mediation to resolve any dispute of Sale and Warranty
of this Transaction.**

Buyer hereby agrees that any and all disputes arising out of this agreement, the Home Warranty or the
construction or condition of the Premises, or alleged breach of the Limited Warranty; or alleged violations of
statutes or regulations relating to consumer protection, the quality of the building or workmanship or any other
dispute involving the construction of the building, shall be resolved by first attempting mediation (or an
equivalent organization selected by Seller). In addition, Buyer agrees that Buyer may not initiate any mediation
proceeding for any claim arising out of the Agreement or the Home Warranty or relating to the construction or
condition of the Premises unless and until Buyer has first given Seller specific written notice and given Seller a
reasonable opportunity after such notice to cure any default, including the repair of the Premises, in accordance
with the Home Warranty. The provisions of this paragraph shall survive settlement.

Buyer's Initials: _____

Seller's Initials: _____

I hereby acknowledge that the warranty herein received is the total and exclusive warranty,
excluding any and all implied warranties, relating to the home being purchased herein.

Dated the _____ day of _____, 20_____.

Homeowner's Signature: _____

Homeowner's Signature: _____

Builders Signature: _____

Notary: _____ Date: _____ Seal: