

In this warranty, the term OUTBOARD shall refer to a new outboard motor manufactured by the XCAPE MARINE, LTD., ("MANUFACTURER") under the trade name of Watson Outboards. The term CUSTOMER shall refer to the owner or lessee of record of the OUTBOARD registered with WATSON and to any subsequent owner, and the term DELIVERY shall refer to the date of delivery of the OUTBOARD from the DEALER to the CUSTOMER.

Section A - Warranty

Subject to Section E, WATSON offers the following warranty coverage to the CUSTOMER:

1. The period of warranty shall be TWO years commencing on DELIVERY on any 4-stroke OUTBOARD purchased for pleasure use;

2. The period of warranty shall be TWO years commencing on DELIVERY on any 2-stroke OUTBOARD purchased for pleasure use;

3. The period of warranty shall be two years commencing on DELIVERY on any OUTBOARD purchased for fishing camps or government use;

4. The period of warranty shall be one year commencing on DELIVERY on any OUTBOARD purchased for commercial use;

Note: Commercial applications include, but are not necessarily limited to taxi-boat service, rental outlets.

5. Any part defective by reason of the MANUFACTURER'S faulty workmanship or material will be replaced or repaired free of charge;

6. Any repairs or adjustments made necessary by reason of the MANUFACTURER'S faulty workmanship or material will be performed free of charge.

The MANUFACTURER reserves the right to change the design of any model without obligation to modify any model previously manufactured.

Section B - Second year of Warranty (If Applicable)

The second year of warranty does not extend to the following items:

a) Peripheral equipment included with the motor, such as gauges, fuel tanks and hoses, remote control boxes, propellers and wiring external

b) c)

from the motor unit;

Top and bottom cowling;

Rubber components, such as hoses, tubes, rubber seals, fittings and clamps.

WATSON OUTBOARD WARRANTY POLICY

Section C - Subsequent Owner

The warranty set forth in Section A may be transferred to any subsequent owner provided that the period of warranty has not expired and that the CUSTOMER has complied with all terms and conditions of this warranty. The subsequent owner has the responsibility for ensuring that a change of registration is sent to XCAPE MARINE LTD at the time of such transfer of ownership.

This transfer must be done by contacting the DEALER who will forward the following information to XCAPE MARINE LTD

a) the complete serial number and warranty card;

b) the name of the previous owner;

c) the original delivery date of the OUTBOARD;

d) the complete name and address of the subsequent owner;

a) the indication that the subsequent owner has

received and read the owner's manual and this warranty policy.

Section D - Obtaining Repairs Under Warranty

To obtain repairs under warranty, the CUSTOMER must:

1.Ensure that the OUTBOARD is properly operated, maintained and stored as specified in the Owner's Manual;

2. Give notice to a DEALER of any and all apparent defects immediately upon discovery and make the OUTBOARD available at that time for inspection and repair at the DEALER'S place of business;

3. Provide proof of warranty coverage to such DEALER (CUSTOMER'S copy of the New Vehicle Information Statement: N.V.I.S.);

Authorize the DEALER to tear down the OUTBOARD for diagnostic evaluation should it be required. All warranty repairs must be done by a DEALER and final approval of any repairs rests with WATSON. All parts replaced become the property of WATSON.

Section E - Exclusions

1. This warranty does not apply unless:

a) The OUTBOARD has been properly set to the MANUFACTURER'S operating specifications by a DEALER prior to DELIVERY to the CUSTOMER;

b) The CUSTOMER has followed the break-in and

storage instructions contained in the Owner's Manual, and all other instructions shown in the Owner's Manual;

c) The CUSTOMER can provide record of maintenance having been performed as recommended in the Owner's Manual;

d) Requests for repairs under warranty have been made as prescribed in Section D.

This warranty does not cover the repair of damage resulting from abuse or neglect of the OUTBOARD. Examples of abuse and neglect include, but are not limited to:

a) Racing, competition use, modification of original parts, abnormal strain;

b) Use of lubricants, oils and fuel/oil mixtures other than those recommended in the Owner's

Manual, improperly installed accessories or use of parts or accessories that are not equivalent in design and quality to genuine manufacturers parts;

c) Operation of the OUTBOARD at an RPM other than specified, improper propeller selection, improper mounting of the OUTBOARD;

d) Damage as a result of accidents, collisions, contact with foreign materials, impact, submersion or use of the OUTBOARD after discovery of a defect;

e) Appearance-related damages of body parts. Examples of such damages include but are not limited to: scratches, dents, fading, flaking, peeling.

This warranty does not extend to:

a) Growth of marine organisms on motor surfaces;

b) OUTBOARDS which have been modified in any way from the standard specifications as shown in the Owner's Manual;

c) Normal wear and tear, corrosion and routine maintenance, such as the recommended service inspections;

d) OUTBOARDS from which the MANUFACTURER'S identification numbers have been removed, or whose identification numbers have been altered or mutilated;

e) Pre-delivery inspection, assembly and rigging;

f) Wear and tear and/or maintenance parts such as oil and lubricants, spark plugs, shear pins, propellers, belts, hubs, fuel and oil filters, brushes for the starter motor and power tilt motor, water pump impellers and sacrificial anodes;

g) Inconvenience, loss of time, loss of income or loss of use of the OUTBOARD or any consequential damage of any kind;

h) Charges for removal of the OUTBOARD from a boat and transporting the OUTBOARD to and from a DEALER'S premises;

i) Haul-out, launch or storage costs;

j) Removal and/or replacement of boat partitions or material because of boat design for necessary access to the OUTBOARD;

k) Damages from theft, fire, vandalism, explosion, water or acts of God.

Section F

This warranty is in addition to, and not a modification of, any warranty required by law. Subject to any applicable sales or consumer legislation, the above warranty is in lieu of any warranty or representation, express or implied, including any warranty of performance, merchantability or fitness for a particular purpose on the part of WATSON, and any other obligation or liability on behalf of WATSON, and the above warranty constitutes your sole remedy and the full liability of WATSON. In no event shall WATSON be liable for special, incidental or consequential damages howsoever caused, whether by negligence or otherwise resulting directly or indirectly from the use of the OUTBOARD, or the OUTBOARD'S having replacement parts or the unavailability of replacement parts. WATSON does not assume or authorise any person to create or assume for WATSON any obligation or liability in connection with the OUTBOARD or any part thereof distributed by XCAPE MARINE.

Section G – Emissions Warranty

WATSON warrants to the CUSTOMER of the OUTBOARD covered by this warranty for the components listed below that the OUTBOARD is designed, built and equipped so as to conform at the time of DELIVERY with all emissions standards applicable at the time of manufacture and that it is free from defects in materials and workmanship which would cause it not to meet these standards within the periods listed below. Failures other than those resulting from defects in material and workmanship which arise solely as a result of owner abuse and/or lack of proper maintenance are not covered by this warranty.

Emission related components
Specific emission control components
year or 200 hours, whichever occurs first