

ADDENDUM ____

1 Year Correction Period

This Addendum modifies the Real Estate Purchase Contract with Offer Reference Date
of _____ 20____ between _____ as Buyer and
Cottonwood Hollow, LLC as Seller for Property _____

1. Buyer acknowledges and agrees that in reference to the physical condition of the Property: (a) Buyer is purchasing the Property subject to the one-year correction period without additional expressed or implied warranties of any kind; (b) Buyer has entered this REPC with the intent to proceed with the purchase of the Property relying wholly on Buyer's own judgment and that of any third party contractors or inspectors separately engaged by Buyer to review, evaluate and inspect the Property.
2. Any dispute relating to the REPC arising prior to or after Closing may, in Seller's sole discretion, be submitted to mediation, arbitration, or to the Fifth District Court in and for Iron County, Utah. Nothing in this Addendum prohibits any party from seeking emergency legal or equitable relief, pending any action. The Provisions of this Section 2 shall survive Closing
3. In the event of litigation or binding arbitration to enforce the REPC, the prevailing party shall be entitled to costs and reasonable attorney fees. However, attorney fees shall not be awarded for participation in mediation as stated in this Addendum. This contract shall be governed by and construed in accordance with the laws of the State of Utah. The provisions of this Section 3 shall survive Closing
4. There shall be a one-year correction period for the exclusive use and benefit of the above identified Buyer, beginning upon the Closing date. During this correction period, if the Buyer notifies the Seller, in writing, of any Defective Work the Seller shall cause the same to be corrected, but only if and after this Agreement has been paid in full. For purposes of this Agreement, a Construction Defect or Defective Work is any portion of the Work which is both specifically required by the Contract Documents and which is materially and detrimentally inconsistent with the safe and reasonable use of the Work. Seller's obligations under this Agreement are limited to repair and replacement of Defective Work or, at Seller's election, the payment to Buyer of the reasonable cost of repair or replacement. Buyer covenants and agrees that Seller has a right to repair Defective Work and that Buyer shall not be entitled to retain another to perform the Work or to commence any legal proceedings or other action against Seller whether based in contract, tort, warranty, strict liability, indemnity, contribution, negligence, fraud or other source of law, without first providing to Seller a reasonable amount of time and opportunity to repair the Defective Work. Furthermore, Buyer covenants and agrees that before another party is hired by Buyer to repair or replace Defective Work, Seller shall be given a reasonable opportunity to repair, replace, or, at the Seller's election, pay to the Buyer the reasonable cost of repair or replacement for the Defective Work. In the event Buyer hires a third party to perform the work, Buyer acknowledges and agrees that Seller will be released from liability and from further obligation to Buyer relating to that particular defect. All Work that falls within the National Association of Home Builders Residential Construction Performance Guidelines shall not be considered Defective Work.
5. Notice & Limitations. The Buyer shall immediately notify the Seller of any Defective Work or suspected defect. If the Buyer fails to immediately notify the Seller or give the Seller an opportunity to make timely correction, the Buyer assumes all liability for such items and waives any rights the Buyer may have to require correction by the Seller and to make a claim. The parties agree that no legal action of any kind, whether in contract, tort, negligence, misrepresentation, fraud, warranty, or otherwise, and whether relating to the Project, performance of the Work, any latent or unknown or patent or known construction defect, or this Agreement shall be commenced after the one-year correction period.
6. Limitation of Warranties. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THE SELLER PROVIDES NO OTHER WARRANTIES EXPRESS OR IMPLIED. All representations, rights and warranties, whether implied or expressed, including any warranty of fitness for a particular purpose and any warranty of merchantability, not expressly provided for herein, are hereby waived and disclaimed. This Agreement expressly excludes (1) remedy for damage or defect caused by abuse, (2) modifications not executed by the Seller, (3) the Buyer's negligence, improper or insufficient maintenance, improper operation, normal wear and tear, or normal usage, (4) damage resulting from a malfunction of equipment or lines of the telephone, gas, power, or water companies, (5) any items furnished or installed by the Buyer, (6) other causes beyond Seller's control, including, but not limited to, fire, flood, erosion, or other casualty or acts of God, (7) any items identified or claimed by anyone other than the Buyer(s) signing this Agreement; (8) any appliance, piece of equipment, or other item that is a manufactured product or consumer product installed or included in the Project.

7. Equipment Warranties. All major appliances and equipment may come with a manufacturer's warranty. While Seller does not provide a warranty for these items, and the Buyer agrees to indemnify and hold the Seller harmless there from, the Seller shall reasonably assist the Buyer during the correction period in order to obtain assistance under such manufacturer's warranties.

8. Mold and Fungus. The Buyer and the Seller agree that mold and fungus present themselves as a result of both uncommon moisture and debris, and that the presence of moisture creates an emergency. Each party shall take all reasonable precautions to prevent moisture and maintain a clean site. Prior to obtaining an Occupancy Permit, the Seller shall take reasonable measures to maintain a clean site, to avoid moisture and to actively dry out any sign of moisture. After Substantial Completion or an Occupancy Permit is obtained the Buyer shall take all reasonable measures to maintain the site and to keep it dry and clean. In the event the Buyer becomes aware of or suspects the existence of moisture, if the site smells musky, or if there is any sign or suspicion of mold or fungus, the Buyer shall vigilantly seek to immediately, meaning within eight (8) hours, notify the Seller, orally and in writing, and shall take all reasonable measures necessary to immediately dry out the site. If the Buyer does not notify the Seller immediately and take all reasonable measures necessary to immediately dry out the site, the Buyer waives any and all claims against the Seller, including all breach of warranty, intentional or negligent tort or contract claims. Only if it is established both that the presence of moisture, mold or fungus constitutes and is a result of a construction defect, as defined above, and that such moisture, mold or fungus was present at the time of Substantial Completion, shall the Seller be required to address such conditions as may be required by the Defects and Remedies Article above.

9. Concrete. Buyer acknowledges and agrees that concrete is a naturally variable material subject to certain inherent characteristics, including, without limitation, trowel marks, shrinkage, cracking, surface flaking or spalling, and minor settlement or movement. Such conditions are common and expected in concrete installations and do not constitute a defect in materials or workmanship. These occurrences may arise without warning as a result of temperature fluctuations, moisture conditions, soil movement, and the normal aging process of concrete. While control joints are often provided in an effort to guide cracking, there is no guarantee that cracking will occur along such joints. Buyer further acknowledges that the performance and longevity of concrete surfaces can be adversely affected by actions or conditions beyond Seller's control after Closing, including, but not limited to, the operation of vehicles over concrete surfaces covered with snow or ice, lack of snow removal, the application of de-icing salts or other chemicals, and the accumulation or improper drainage of moisture near concrete improvements. Accordingly, Seller shall have no liability or responsibility for any such cracking, spalling, or other conditions that occur following Closing, whether arising from inherent material characteristics, environmental conditions, Buyer's use or maintenance practices, or any other cause.

10. Landscaping, Irrigation, and Water-Related Conditions. Buyer further acknowledges and agrees that all matters relating to landscaping, irrigation, and the management of surface or subsurface water conditions are beyond Seller's control following Closing. Buyer shall be solely responsible, from and after Closing, for the monitoring, maintenance, adjustment, winterization, and repair of all landscaping, irrigation systems, drainage facilities, and any other improvements or conditions affecting water flow or moisture exposure on the Property. Without limiting the foregoing, any water intrusion, leakage, overspray, runoff, pooling, or other exposure of water or moisture that may affect the building, structures, landscaping, concrete, or other improvements on the Property, whether arising from irrigation systems, rainfall, snowmelt, Buyer's maintenance or use practices, or any other cause, shall be the sole responsibility and risk of Buyer. Seller expressly disclaims, and shall have no liability or obligation for, any such conditions, their causes, or their consequences from and after Closing.

In the event that this Addendum conflicts with any terms and or conditions of the Real Estate Purchase Contract this Addendum shall supersede and govern.

Buyer Date

Seller Date

Buyer Date

Buyers Initials_____

Sellers Initials_____