

JOINT AGREEMENT TO MAINTAIN VALUE OF PURCHASED PROPERTY AND SUBDIVISION

This ADDENDUM is hereby made a part of that certain Real Estate Purchase Agreement ("AGREEMENT") dated _____, by and between Builder Name and its designees, ("SELLER"), and _____ ("BUYER"), sometimes hereafter mutually referred to as "PARTIES".

The undersigned BUYER has offered to purchase from SELLER, that certain home and real property (the "PROPERTY"), more specifically described as _____ and located in the subdivision identified in the AGREEMENT executed concurrently or in conjunction with this ADDENDUM. This ADDENDUM supplements the AGREEMENT. All terms and conditions of said AGREEMENT shall remain in full force and effect except as specifically modified herein.

Consistent with the PARTIES' mutual desire and purpose to maintain values of the BUYER'S home, together with all of the homes in the subdivision, and to provide a stabilized community of owner-occupied homes, the PARTIES mutually desire that homes sold in the subject subdivision be sold only to buyers occupying them as their principal or secondary residence. Therefore, in order to induce SELLER to agree to sell the PROPERTY to BUYER, the PARTIES each for themselves represent and agree as follows:

- 1) **Use as Principal or Secondary Residence for One Year.** BUYER represents, warrants and covenants to SELLER that BUYER: (i) owns no more than one other home at the time of execution of this ADDENDUM; (ii) is purchasing the PROPERTY for use as BUYER's principal or secondary residence, and except as excused upon the occurrence of a hardship as described in Exhibit "A" to this ADDENDUM, or upon the prior written consent of SELLER; (iii) shall occupy the PROPERTY as BUYER's principal or secondary residence upon the close of escrow; and, (iv) will not assign or in any manner attempt to transfer BUYER's rights under the AGREEMENT nor enter into any agreement for the sale, lease or other transfer of the PROPERTY which would result in BUYER's failure or inability to occupy the PROPERTY as BUYER's principal or secondary residence and hold title thereto in fee simple, for a consecutive period of at least (1) year from the close of escrow of BUYER's purchase of the PROPERTY (the "OCCUPANCY PERIOD"). The provisions of this paragraph and the accuracy and performance of the above representations, warranties, and covenants of BUYER are a condition precedent to SELLER's performance under the AGREEMENT and BUYER acknowledges that without such representations, warranties and covenants, SELLER would not sell PROPERTY to BUYER.

- 2) **Transfer Prior to Close of Escrow.** Except as approved in advance by SELLER in writing, any assignment by BUYER or attempt to assign BUYER's rights under the AGREEMENT, or any sale, lease, or other transfer of the PROPERTY prior to the close of escrow for the sale of the PROPERTY, shall constitute both (i) a material breach of the AGREEMENT, entitling SELLER, at its sole election, to terminate the AGREEMENT and retain BUYER's deposit pursuant to the terms of the AGREEMENT, and (ii) the failure of a condition precedent to SELLER's obligation to sell PROPERTY to BUYER. Prior to the close of escrow pursuant to the AGREEMENT, this ADDENDUM shall not limit SELLER's remedies should BUYER be in default of the AGREEMENT or this ADDENDUM.

- 3) **Transfer Subsequent to Close of Escrow.** Except for hardship situations as described in Exhibit "A" to this ADDENDUM, any sale, lease or other transfer by BUYER by which BUYER either fails to occupy the PROPERTY as BUYER's principal or secondary residence for the OCCUPANCY PERIOD or transfers title to the PROPERTY prior to the expiration of the OCCUPANCY PERIOD, shall constitute a material breach of the AGREEMENT and this ADDENDUM. In the event of such breach, BUYER shall pay SELLER or its designee, liquidated damages in the stipulated amount of Twenty Five Thousand Dollars (\$25,000) at or before the close of the subsequent sale.

- 4) **Compliance with Addendum.** BUYER shall upon forty-eight (48) hours written notice provide SELLER with such information as shall reasonably be requested to verify compliance with the terms of this ADDENDUM, including in SELLER's discretion, but not limited to: (i) documents of title of all other real property owned by BUYER; (ii) evidence of employment in State of Utah; (iii) credit report; and (iv) authorization and release form authorizing SELLER to request and receive BUYER's credit report.

- 5) **No Unreasonable Restraint** BUYER acknowledges that the purpose of this ADDENDUM is to : (a) comply with the PARTIES' intention and desire to maintain the value of BUYER's home as well as all of the homes in the subdivision; (b) create a stabilized community of owner-occupied homes; and (c) prevent a shortage of available homes for permanent residents. BUYER agrees the provisions and restrictions set forth in this ADDENDUM do not constitute an unreasonable restraint upon alienation of the property.

- 6) **Survival; Severability.** All of the covenants herein shall survive the delivery and recordation of the deed conveying the PROPERTY from SELLER to BUYER. The provisions of this ADDENDUM shall be independent and severable, and determination of invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision of this ADDENDUM of the AGREEMENT.

- 7) **Deed Restriction.** At Closing, Buyer shall enter into a Deed Restriction in the form and substance as this ADDENDUM, attached as Exhibit B, to be recorded as part of the deed conveying the Property to the Buyer. The purpose of the Deed Restriction shall not constitute a lien but, is to provide for certain of the restrictions in the ADDENDUM to survive Closing for the period of One Year and to provide constructive notice of Buyer's obligations herunder.

- 8) **Subordination.** The PARTIES hereby acknowledge and agree that a violation of this ADDENDUM by either party shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith find for value, and the covenants and provisions of this ADDENDUM shall be inferior and subordinate to the lien of any such first Mortgage or deed of trust recorded concurrently with the deed conveying the PROPERTY to BUYER.

- 9) **Interest and Attorney's Fees.** In addition to the damages and relief either Party may be entitled to hereunder or otherwise at law and equity arising from the breach by the other of this ADDENDUM, the AGREEMENT, or any of the terms or conditions thereof, the prevailing party in any action brought to enforce or interpret any of the terms of this ADDENDUM and the AGREEMENT as it relates to this ADDENDUM, whether such action culminates in suit, arbitration, mediation or negotiation, shall be entitled to interest on the judgment amount of twelve percent (12%) per annum, compounded annually from the date of breach through payment in full, together with all costs and attorney's fees reasonably incurred.

- 10) **Disclosure.** Notwithstanding anything herein to the contrary, SELLER makes no representation that any other homes in the subdivision will be (or are) occupied by owners or renters and SELLER shall have no obligation to sell any other homes in the subdivision to people who intend to occupy the home as their primary or secondary residence. SELLER makes no representation or warranty to BUYER that SELLER will enter into, or enforce, this ADDENDUM with any other BUYER of a home in the subdivision. SELLER makes no representation or warranty regarding the number or percentage of homes in the subdivision that will be sold to people who intend to occupy the home as their primary or secondary residence. SELLER expressly reserves the right, in its sole and absolute discretion, to sell any, or even all, of the homes in the subdivision to investors (i.e., non-owner occupied) or people who intend to occupy the homes as owner-occupied or otherwise. SELLER advises BUYER that other homes in the subdivision may be owner occupied, renter occupied, or not occupied at all. With the exception of SELLER's designee specifically identified in writing to SELLER, there is no third-party beneficiary to this ADDENDUM.

- 11) **Survival.** The PARTIES agree that the terms of this ADDENDUM shall survive the closing of escrow on the PROPERTY, and shall insure to the benefit of SELLER and its designees upon closing and completion of the subject subdivision.

BUYER acknowledges, BUYER (a) has read the provisions of this ADDENDUM, (b) understands the provisions of this ADDENDUM and agrees they are reasonable, and (c) acknowledges no representation, warranty, or other promise not contained in this ADDENDUM has been made to BUYER by any employee, sales agent or representative of SELLER upon which BUYER is relying in connection with BUYER's purchase of the PROPERTY and execution of this ADDENDUM. BUYER is advised to consult with legal council of BUYER's choice before signing this ADDENDUM.

Agreed and acknowledged:

_____	DATE	_____	DATE
BUYER (1)		SALES AGENT	
_____	DATE		
BUYER (2)			
Accepted by SELLER:			

_____	By: _____
PROPERTY #/SUBDIVISION	SELLER DATE

_____	DATE
BUYER (1)	

EXHIBIT "A" TO ADDENDUM

The following events shall be deemed to constitute "hardship" situations under which BUYER may transfer, sell, assign, convey or lease (collectively, a "TRANSFER") its rights, title and interest in the PROPERTY prior to occupying and holding title to the PROPERTY for the OCCUPANCY PERIOD.

1. A TRANSFER resulting from the death of BUYER;
2. A TRANSFER by BUYER where the spouse of BUYER becomes the only co-owner of the PROPERTY with BUYER;
3. A TRANSFER resulting from a decree of dissolution of marriage or legal separation or from a property settlement agreement incident to such decree;
4. A TRANSFER by BUYER into a revocable inter vivos trust in which BUYER is a beneficiary;
5. A TRANSFER, conveyance, pledge, assignment or other hypothecation of the PROPERTY to secure the performance of an obligation, which TRANSFER, conveyance, pledge, assignment or hypothecation will be released or reconveyed upon the completion of such performance;
6. A TRANSFER because permanent (more than 6 months) employment related relocation of BUYER or BUYER's spouse (where BUYER is not self-employed) necessary to accommodate a mandatory job transfer required by BUYER's employer to at least 60 miles from the Property location;
7. A TRANSFER necessitated by a medical financial emergency, proof of which emergency has been delivered to SELLER, and has been approved by SELLER in its reasonable discretion;
8. A TRANSFER which, in the reasonable judgment of SELLER, constitutes a "hardship" situation consistent with the intentions of this ADDENDUM and Exhibit.