



ADDENDUM TO CONTRACT TO BUY AND SELL REAL ESTATE

THIS ADDENDUM TO CONTRACT TO BUY AND SELL REAL ESTATE (this “Addendum”), made this ___ day of _____, 2020, is attached to and hereby made a part of that certain CONTRACT TO BUY AND SELL REAL ESTATE of even date herewith (the “Contract”) by and between River Run Colorado QOZB LLC, a Delaware limited liability company as “Seller”, and _____, as “Buyer,” which Contract governs the purchase and sale of the Property described in the Contract. Capitalized terms set forth in this Addendum shall have the same meaning as set forth in the Contract unless otherwise defined herein.

Buyer and Seller hereby agree to the following additional provisions to the Contract. To the extent that the terms and provisions of this Addendum conflict with, modify or supplement portions of the Contract, the terms and provisions contained in this Addendum shall govern and control the rights and obligations of the parties.

1. **NO FINANCING CONTINGENCY.** Buyer understands and agrees that **this Contract and Addendum is not contingent upon Buyer obtaining financing for Closing** and that Buyer will be obligated to pay all cash at Closing under this Contract and Addendum. Buyer shall be solely responsible for making Buyer’s own financial arrangements to enable Buyer to pay Seller for the Property and Buyer acknowledges that the satisfaction of any condition imposed by a lender is solely at Buyer’s risk. While acknowledging the foregoing, Buyer agrees to **check here _____ if Buyer intends to finance the purchase of the Property.**

2. **RIVER RUN COLORADO.** Buyer acknowledges and agrees that the entire project of which the Property is a part, generally known as River Run Colorado (“River Run Colorado”), is a ground lease project subject to the Master Ground Lease with the owner of the land comprising River Run Colorado, a copy of which has been provided to Buyer as part of the Due Diligence Documents under the Contract (the “Master Ground Lease”). The Parcel Ground Lease attached hereto as Exhibit A, which creates the leasehold estate comprising the Property, is thus subject and subordinate to the Master Ground Lease. Buyer is not receiving fee title to the Property and acknowledges and agrees to the terms of both the Master Ground Lease and the Parcel Ground Lease. Buyer further understands and acknowledges (a) that access to the Property is being provided pursuant to a non-exclusive license granted under and as set forth in the Master Lease, (b) without limiting the prior sentence of this Section 2, that Buyer has read and accepts all of the matters set forth in Article 4 and Article 5 of the Parcel Ground Lease, including the allocation of maintenance responsibilities, and (c) that Buyer’s use of the Property is expressly subject to the Rules and Regulations governing River Run Colorado, a copy of which has been provided to Buyer as part of the Due Diligence Documents under the Contract.

3. **PHASING AND FUTURE DEVELOPMENT.** Buyer acknowledges and accepts that River Run Colorado is being constructed in phases that, if built, will be constructed on certain additional areas of the property that is subject to the Master Ground Lease. Future phase(s) of River Run Colorado, if built, may include different design, configurations, heights, operations, use rights and other matters for such future phase(s) than those applicable to the Property or set forth in any site plan or marketing materials. Seller may also reconfigure, relocate and/or otherwise redevelop portions of River Run Colorado as part of its future phase(s) or otherwise. Further, Buyer acknowledges and understands that future construction, if built, may directly affect the views of many of the residences within River Run Colorado, including possibly the Property. Buyer is advised to independently investigate, as part of its inspections and investigations under Section 10 of the Contract, the potential impacts of future construction.

4. **EXPRESS WARRANTY.** Seller expressly warrants that all materials incorporated in and made a part of the residence located on the Property (the "Residence") shall be new as of the date of installation and shall remain free from defects in workmanship or quality for a period of one (1) year from the date of Closing. Seller represents that Seller will cause to be remedied, by repair or replacement, any defects in the Residence that appear within one (1) year after the date of Closing and that result from faulty material or workmanship, provided that Buyer gives Seller written notice of any such defect within twenty (20) days after Buyer's discovery of the defect, or, if the defect is of a nature that will cause damage if not corrected immediately, promptly upon Buyer's discovery of the defect. Any such notice shall be addressed to Seller at the address following Seller's signature below, or such other address for notice furnished to Buyer in accordance with the Contract. Buyer's sole remedy against Seller in connection with this express warranty shall be to require Seller to correct the defect in material or workmanship. Seller shall not be responsible for any defects to the extent that the originating defect is determined to result from Buyer's actions or negligence.

Except as provided below, this warranty does not extend or relate to any items of tangible personal property in the Residence (whether or not such property is attached to or installed in the Residence). Seller will assign to the Buyer at Closing any unexpired warranties Seller has received from the manufacturers of such tangible personal property, to the extent such warranties are assignable. Seller shall not be responsible for the performance of any such manufacturer's warranties.

WITH REGARD TO ANY APPLIANCES OR OTHER ITEMS OF TANGIBLE PERSONAL PROPERTY, WHETHER OR NOT WARRANTED BY MANUFACTURERS, SELLER DISCLAIMS ALL WARRANTIES INCLUDING, BUT NOT LIMITED TO, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IF AND TO THE EXTENT PERMITTED BY LAW.

EXCEPT AS STATED IN THE FIRST PARAGRAPH OF THIS SECTION 4, SELLER MAKES NO EXPRESS WARRANTY OF ANY NATURE. BUYER ACKNOWLEDGES AND AGREES THAT AFTER CLOSING BUYER SHALL BE RESPONSIBLE FOR ALL MAINTENANCE, REPAIR AND UPKEEP OF THE RESIDENCE EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 4, AND THAT SELLER SHALL NOT BE RESPONSIBLE FOR ANY MATTERS ARISING OUT OF BUYER'S FAILURE TO ADEQUATELY MAINTAIN THE RESIDENCE OR PROPERTY, OR FOR NORMAL WEAR AND TEAR OR OBSOLESCENCE OF THE RESIDENCE OR ANY COMPONENT THEREOF. BUYER FURTHER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT BUYER'S RIGHTS AND REMEDIES RELATED TO ACTIONS FOR DEFECTS IN CONSTRUCTION OF THE RESIDENCE ARE SUBJECT TO AND, IN CERTAIN CIRCUMSTANCES LIMITED BY, PROVISIONS OF COLORADO LAW, INCLUDING, WITHOUT LIMITATION, THE COLORADO CONSTRUCTION DEFECT ACTION REFORM ACT, C.R.S. 13-20-801, et. seq.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER MAKES NO REPRESENTATION OR EXPRESS WARRANTY CONCERNING ANY GEOLOGICAL OR ENVIRONMENTAL MATTERS AND SPECIFICALLY EXCLUDES GEOLOGICAL AND ENVIRONMENTAL MATTERS FROM ANY EXPRESS WARRANTIES GIVEN UNDER THIS ADDENDUM.

The provisions of this Section 4 shall survive Closing

5. **BROKERS.** Each party represents to the other that no real estate broker other than ___NONE___ (the "Broker") has any claim for compensation or expenses as a result of this transaction and each party shall indemnify the other against any claims for commissions or other compensation by any other broker or finder with whom the indemnifying party has dealt.

6. **ENFORCEMENT; MANDATORY ALTERNATIVE DISPUTE RESOLUTION.**

a. Agreement to Encourage Resolution of Disputes Without Litigation. Buyer and Seller and any person not otherwise subject to the Contract or this Addendum who agrees to submit to this Section (collectively, "Bound Parties"), agree that it is in the best interests of all concerned to encourage the amicable resolution of disputes involving this Addendum and the Residence without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described below, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 6.c. below in a good faith effort to resolve such Claim.

b. Definition of Claim. As used in this Section, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to (i) the interpretation, application or enforcement of this Contract and Addendum, (ii) the construction of the Residence or other improvements on the Property, or (c) matters related to River Run Colorado.

c. Dispute Resolution Procedures.

i. Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent stating plainly and concisely: (i) the nature of the Claim, including the persons involved and the Respondent's role in the Claim, (ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises), (iii) the Claimant's proposed resolution or remedy, and (iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

ii. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation.

iii. Mediation. If the parties have not resolved the Claim through negotiation within thirty (30) days of the date of the notice described in Section 6.c.i. (or within such other period as the parties may agree upon), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an independent agency providing dispute resolution services in Garfield County, Colorado.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter have the right, exclusive to all other rights and remedies, to submit the Claim to binding arbitration with the Judicial Arbitrator Group of Denver, Colorado, or a similar alternative dispute resolution provider agreed to by the parties, in accordance with the rules and regulations of the American Arbitration Association or, if the Claim involves construction matters, in accordance with the rules and regulations of the American Arbitration Association. The arbitrator selected or appointed must be an attorney with substantial experience in real estate and construction-related matters. In the event that the Parties are unable to mutually agree to an arbitrator within thirty (30) days after a request for arbitration, then such arbitrator may be appointed by any judge of a competent state court having jurisdiction in Garfield County, Colorado upon application of any party. Any such arbitrator shall have the power to grant any relief as permitted under this Agreement, including, without limitation, equitable relief as just and appropriate. Any award in such arbitration shall be binding and may be entered as a judgment by any court having jurisdiction thereof. A party may request any accelerated or emergency procedures available under the foregoing procedures. The fees and costs of the neutral arbitrator shall be shared equally by the parties. The arbitrator's award shall include recovery by the prevailing party of all of its reasonable costs of arbitration, including its reasonable attorneys' fees.

d. Tolling. Buyer and Seller agree that, so long as the notice of a Claim is given as provided in Section 6.c.i. above prior to the expiration of any statute of limitations affecting said Claim imposed by this Addendum or applicable law, then if said statute of limitations shall have expired during the time that the parties have submitted the Claim to the procedures of this Section 6, same shall be tolled until thirty (30) days after the date that the mediator issues a notice of termination of the mediation proceedings as provided in Section 6.c.iii. above

e. No Extension; Survival. This Section 6 shall not alter any date for performance in this Contract and Addendum, unless otherwise agreed. This Section 6 shall survive Closing or any termination of this Contract and Addendum.

7. **INSULATION OF RESIDENCE.** Seller and Buyer hereby acknowledge pursuant to Section 460.16 of the Federal Trade Commission Regulations regarding labeling and advertising of home insulation, that the types, thicknesses and R-Values of insulation presently anticipated to be installed in the Residence at the time of Closing shall be as set forth below:

<u>Location</u>	<u>Type of Insulation</u>	<u>Thickness</u>	<u>R-Value</u>
Exterior Walls	spray foam	3.24"	R-22.5
Concrete Walls	rigid	1.5"	R-8
Roof	spray foam	6.5"	R-42

The "R-Value" indicates the resistance of insulation to heat flow. The higher the R-Value, the greater the insulating power. Seller has not made its own independent determination of the R-Value data provided to Seller by the insulation manufacturer.

8. **SOURCE OF WATER ACKNOWLEDGMENT.** By executing this Addendum, Buyer acknowledges the following:

The source of potable water for River Run Colorado is the Town of Silt, Colorado, who can be contacted at:

231 N. 7th Street
P.O. Box 70
Silt, Colorado 81652
Telephone: 970-876-2353 (ext.101)
Website: townofsilt.org

NOTE TO BUYER: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND WATER. BUYER MAY WISH TO CONTACT THE WATER PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.

9. **REPRESENTATIONS, ACKNOWLEDGEMENTS AND COVENANTS OF BUYER.**

f. Acknowledgment. Buyer acknowledges that it has reviewed and understands all documents referenced in the Contract and this Addendum. Further, Buyer acknowledges that Seller has advised Buyer to obtain legal counsel to review all aspects of the transaction contemplated by the Contract and this Addendum, and to represent Buyer in connection with the examination of title and the Closing.

g. No Representations. NO BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN WRITING IN THE CONTRACT AND THIS AMENDMENT AND THE DOCUMENTS REFERENCED WITHIN THE CONTRACT AND THIS AMENDMENT, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS SHALL NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY SELLER.

h. No Investment Representations. Buyer acknowledges that neither Seller nor any of its Brokers, agents, affiliates, contractors or employees has made any warranties or representations upon which Buyer has relied concerning: (i) the investment, appreciation or income-producing value of the Property; (ii) the possibility or probability of profit or loss resulting from ownership of the Property; (iii) the tax benefits or consequences that may result from the purchase of the Property; or (iv) the rental or other income potential of the Property.

i. River Run Colorado Development. Seller has the right at any time, and from time to time without notice, notwithstanding any proposed development, site plan or other plan or approval for River Run Colorado, to elect for whatever reasons Seller deems appropriate in its sole and absolute discretion (a) to change the development plan or the style, design, size, price, materials, specifications, uses, number of units, or any other feature

or attribute of the homes comprising future phase(s) of River Run Colorado or of other properties in the vicinity of River Run Colorado, (b) to change the timing of its construction of or elect not to develop any portion of River Run Colorado contemplated by any development plan, site plan or other plan or approval and to remove property from River Run Colorado and from the Master Ground Lease, (c) to develop those areas currently planned for River Run Colorado outside of River Run Colorado and its operations, and/or (d) to use any method of marketing to sell, lease or otherwise dispose of any or all of its remaining or future inventory of homes or properties within River Run Colorado or in the vicinity of River Run Colorado, including the use of incentives, concessions, price reductions, lot sale programs, bulk sales, or other promotions and techniques without any obligation to offer any comparable benefits to Buyer. Seller cannot be responsible for fluctuations in the market for the price of residences or for other market conditions affecting the Property or River Run Colorado, and Seller has the absolute right to respond to market demands. Buyer acknowledges and represents to Seller that it has not relied on any statements of any sales agent, broker or other person, or on any brochures or displays in the sales office about the use, character or future development of River Run Colorado or any property within River Run Colorado or its vicinity.

j. Adjacent Uses; Multi-Unit Project. River Run Colorado is located adjacent to commercial and quasi-commercial uses, including without limitation, a Golden Gate Gas Station and a KOA campground. The Property may also be located adjacent to or nearby a common dog park. Such operations may create certain nuisances and risks to River Run Colorado and its owners and their guests, including but not limited to, offensive noises, lighting and odors. Neither Seller nor any of its employees, agents, brokers or sales agents have made any representations regarding adjacent or nearby uses or their operations. Other than as expressly described in the Parcel Ground Lease or the Rules and Regulations, no interest in or right to use any KOA or other amenity located within or near River Run Colorado, and no right to receive any service from the KOA or other nearby operations, shall be conveyed to Buyer pursuant to this Contract and Addendum. Buyer further acknowledges that living in close proximity with other homes within a multi-unit project may generate an unpredictable amount of visible, audible and odorous impacts and disturbances and may entail attendant limitations on solitude and privacy.

k. Incomplete Development. Buyer further acknowledges and recognizes that there is expected to be substantial construction-related activities within or near the Property (including the planned construction of adjacent and nearby homes and future phases of River Run Colorado), all of which may cause considerable noise, dust, traffic congestion or delays and re-routing and other inconveniences to Buyer and other owners within River Run Colorado. Buyer agrees that Buyer will not have the right to rescind this Contract and Addendum or to claim any breach of this Contract and Addendum on account of the existence or occurrence of such construction activities and such impacts and disturbances. Buyer agrees that if Buyer, Buyer's family, guests, employees, contractors, agents, or invitees enter onto any area of construction, they do so at their own risk, and neither Seller, nor Seller's contractors, agents or employees shall be liable for any damage, loss or injury to such persons.

l. Square Footages. The approximate square footage of the Residence is 670 gross square feet as measured from building plans for the Residence (measured from the outside edge of all exterior walls). This measurement may not be exact and no measurement of the as-built improvements has been conducted. If exact square footage is a concern, Buyer is advised to independently measure and verify the square footage of the Residence and Buyer hereby waives and disclaims any right to rescind this Contract and Addendum and any and all other claims against Seller resulting from alleged discrepancies in square footage calculations.

m. Floodplain Matters. Buyer acknowledges that, according to FEMA Community Panel Number 0802331091C effective 08/02/06, the Property appears to be outside of the 500 year floodplain; however, due the proximity of the Colorado River, it is acknowledged that floodplain areas exist nearby and a high water table exists.

n. Concrete Flatwork. Buyer acknowledges and accepts that any concrete flatwork located on the Property is subject to settling and cracking over time. When natural materials like concrete are used, natural variability, not uniformity, is to be expected as the surface of the concrete matures.

o. Responsibility for Utilities. Buyer acknowledges and agrees that any separately metered utilities to the Property must be changed from Seller's name to Buyer's name promptly after Closing but in no event later than three days after the date of Closing and that thereafter Buyer shall be obligated to pay the costs of such utilities.

p. Seller Solely Responsible for Obligations. Seller is affiliated with but independent from other companies involved with River Run Colorado and its adjacent properties, including, without limitation, the Master Landlord under the Master Ground Lease. Seller is a separate entity that is solely responsible for all of its obligations and liabilities under this Contact and Addendum and/or otherwise related to or arising from River Run Colorado, and it is not the agent of the Master Landlord or any other entity. Any obligation or liability of Seller shall be satisfied solely from the assets of Seller.

q. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Colorado. Buyer acknowledges that Seller has not performed any testing or evaluation of, and makes no representations or warranties, express or implied, concerning the past, current or future presence or absence of radon gas in the Residence.

r. Mold. Mold is a naturally occurring living organism that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it. Mold has been found in buildings in Colorado at levels that may pose health risks to occupants. Additional information regarding mold and mold testing may be obtained from the applicable county public health department. Buyer acknowledges that Seller has not performed any testing or evaluation of, and makes no representations or warranties, express or implied, concerning the past, current or future presence or absence of mold in the Residence. The correction or mitigation of any mold shall be the sole responsibility of Buyer.

s. Notice Regarding Soils Condition. Buyer acknowledges that Buyer has been advised by Seller, and understands, that the soils within the State of Colorado consist of both expansive soils and low-density soils that will adversely affect the integrity of the Property if not properly maintained, and may cause damage to structural and/or foundation elements, concrete flatwork and paving due to settling, expansion and contraction. Buyer acknowledges and agrees that Seller has made no representations or warranties to Buyer in connection with the soils underlying the Property or River Run Colorado, including, without limitation, subsoils, expansiveness of the soils, potential for swelling of soils or the presence or absence of radon in the soils and Seller has expressly disclaimed any such representations or warranties.

t. Materiality; Survival. Buyer acknowledges and agrees that the acknowledgments, disclaimers and other matters contained in this Section 9 are material to Seller entering into the Contract and this Addendum and, as such, Buyer specifically acknowledges Buyer's awareness of each disclosure and agrees to advise any subsequent purchaser of the Property of same. Buyer agrees to hold Seller harmless from and to indemnify Seller against any and all claims arising by or through Buyer based on any matter contained in this Section 9, and neither Buyer nor anyone acting on behalf of Buyer shall make any conflicting representations with respect to such matters. The acknowledgments, disclaimers and other matters contained in this Section 9 shall survive Closing.

10. MISCELLANEOUS.

a. Binding Effect. The Contract and this Addendum shall be binding upon and inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and permitted assigns.

b. Prohibition Against Recording. Neither this Contract and Addendum nor any memorandum or notice of it shall be recorded. If Buyer violates this restriction, the event of recording shall be considered a default by Buyer, and Seller shall have all remedies available to it as a result of such default, including, without limitation, terminating this Contract and Addendum and retaining the Earnest Money and any interest earned on it, and bringing an action for damages and/or equitable relief. The recording of this Contract and Addendum or any memorandum or notice of it shall not be considered for any purpose as constituting a cloud or defect upon the marketability of Seller's title to the Property or any other property comprising River Run Colorado or adjacent to or in the vicinity to River Run Colorado.

c. Survival of Representations, Warranties and Covenants. All representations, warranties and covenants set forth in the Contract and this Addendum shall survive the Closing.

d. Section Headings. The section headings are inserted only for convenient reference and do not define, limit or prescribe the scope of the Contract and this Addendum

e. Entire Agreement; Effect. This Contract and Addendum, together with any exhibits or documents referred to in or supplied pursuant to the terms hereof (all of which are incorporated in this Contract and Addendum by this reference), contains the entire agreement between the parties and supersedes any and all prior oral representations, covenants, understandings or other agreements between the parties or their agents. Except as provided herein, all terms and conditions of this Contract and Addendum shall remain in full force and effect.

f. Construction of Agreement. It is Buyer and Seller's mutual desire and intention that all provisions of this Contract and Addendum be given full effect and be enforceable strictly in accordance with their terms. If, however, any part of this Contract and Addendum is not enforceable in accordance with its terms or would render other parts of this Contract and Addendum in its entirety unenforceable, the unenforceable part or parts are to be judicially modified, if at all possible, to come as close as possible to the expressed intent of such part or parts and still be enforceable without jeopardy to other parts of this Contract and Addendum, or this Contract and Addendum in its entirety, and then are to be enforced as so modified. If the unenforceable part or parts cannot be so modified, such part or parts shall be unenforceable and considered null and void in order that the mutual paramount goal that this Contract and Addendum are to be enforced to the maximum extent possible strictly in accordance with its terms can be achieved. Without limiting the generality of the foregoing, under no circumstances shall either Buyer or Seller have the right to cancel this Contract and Addendum or rescind the sale solely by reason of the inclusion of certain language in this Contract and Addendum, unless the specific purpose of that language is to grant a right of cancellation.

g. Governing Law. This Contract and Addendum shall be construed in accordance with Colorado law and limited thereby, notwithstanding any contrary provision herein.

h. Counterparts; Signatures. This Contract and Addendum may be executed in counterparts which, when taken together, shall constitute the entire agreement between the parties. This Contract and Addendum may be transmitted for execution in the matter set forth in Section 27 of the Contract.

[signature pages follow]

The parties hereby EXECUTE this Addendum to Contract to Buy and Sell Real Estate (Residential) on the dates shown below.

SELLER:

RIVER RUN COLORADO QOZB LLC, a Delaware limited liability company

By: _____
Ray Nielsen, Manager

Date: _____

Address: PO Box 5050, Eagle CO 81631
Email: rnielsenaia@gmail.com

BUYER:

Printed Name: _____

Printed Name: _____

Date: _____

Address: _____

Email: _____