

**RPI DEVELOPMENT
NEW CONSTRUCTION ADDENDUM AND WARRANTY**

On contract to buy and sell dated _____ by and between RPI Development, Inc and

Deposit

The below mentioned deposits shall be held by the seller (RPI Development, Inc.) as a non-refundable deposit.

- A. The Pre-sale construction deposit shall be 5% of the total price of the house \$_____.
- B. The deposit on under construction homes is 2% of the total price of the house \$_____.
- C. The deposit on "spec" homes shall be 1% of the total price of the house \$_____.

Seller, Contractor, Realtor

Buyers understand that RPI Development, Inc is considered the seller in this contract and has employed a licensed general contractor to construct this home. Peg Ingram is a licensed realtor in the State of Wyoming and a principal in this transaction.

Contingency

If Buyer has a contingency acceptable to seller it must be removed four (4) months from the date of contract or provide acceptable bridge financing.

Homeowner's Association

Buyer acknowledges existence of Cabin Creek Homeowner Association with a monthly fee of \$150.00.

Change Orders

Any change order added to the contract after the initial date of contract will require a 50% non-refundable deposit.

Colors and Options

Purchaser shall have ready color selections upon the request of the contractor.

Mediation and Arbitration

The parties agree that if a dispute arises between them relating to this Contract, they will not file litigation, but will informally resolve the dispute between themselves or submit the dispute to mediation or arbitration. When a dispute arises which the parties are unable to resolve between themselves, the parties shall proceed in good faith to jointly appoint an acceptable mediator and will share equally in the cost of such mediator. The mediation shall be privileged and confidential as provided by Wyoming law. In the event the mediation fails to resolve the matter within forty-five (45) calendar days from the dispute arises, the parties agree that the matter shall be submitted to binding arbitration. The arbitration shall be governed by the Wyoming Uniform Arbitration Act as now in effect or later amended, and, absent agreement of the parties to the contrary, each party shall select an arbitrator within fifteen (15) days of the failure of mediation and the two arbitrators shall name a third arbitrator. Unless otherwise decided by the arbitration panel, the parties shall share equally in the cost of such arbitrators.

Additional Work

Buyer agrees not to contract for additional work with the contractor's subcontractors and not to engage other contractors or subcontractors to perform work on the Property until the residence is completed and title has been transferred to the Buyer.

Direction of Working Forces

Buyer agrees that direction and supervision of the working forces, including, but not limited to all subcontractors, rests exclusively with the contractor, and Buyer agrees not to issue any instructions, or otherwise interfere with the work in progress.

Sellers Property Disclosure

This home is new construction and the seller does not provide a Property Condition Statement.

Indemnity

In addition, contractor and/or RPI Development, Inc will pay all contractors and subcontractors which it employs upon the real property and agrees to indemnify Buyer and hold Buyer harmless for any and all mechanic liens placed upon the property if said subcontractor actually worked upon the property at the request of the contractor.

Closing Extension

When delays in construction are: due to weather, availability of materials and subcontractors in Casper, Wyoming, seller may extend closing date without penalty. If closing dates are changed updates will be given at completion of rough-in stage and/or prior to interior painting stage.

Blowing Dirt

Buyers are aware they are purchasing a new home in an area being developed with other new homes and subdivisions. They acknowledge that winds in the Casper, Wyoming area can reach high velocities and that there will be blowing dirt that will get on landscaping and minor amounts through doors and windows. Buyer will not hold the builder or the developer liable for blowing dirt.

Warranty Service Inspection Procedures

A. Move-In Inspection

Buyer shall inspect the residence with the contractor prior to the closing and, at such time, shall specify, by notice in writing to contractor, all matters which Buyer claims do not conform to the requirements of this Agreement, and which matters may be repaired or remedied by contractor after the date of closing.

Contractor shall designate the date and hour of such inspection, acceptance by Buyer of the deed to the Property shall be deemed to be full performance by contractor herein under, including any oral statements. The Certificate of Occupancy shall be deemed conclusive evidence of completion.

B. 30-Day Inspection

Up to 30 days after occupancy, buyer can provide builder with additional warranty items. These items must be provided in writing to the builder, by the 30th day of occupancy and will be addressed if they are warranted items in a timely fashion. The items not covered in the 30-day inspection shall be scratches, dents, broken, missing or torn items that may have been caused by moving in and living in the Property during the 30-day period. If the Buyer identifies a problem that may be hazardous to the structure or occupants, they have an obligation to notify the contractor immediately.

C. Final notification of any warranted items must be provided to seller in writing by one year anniversary of closing.

Limited Warranty for Contractor Work and Material

- A. Contractor EXPRESSLY WARRANTS for a period of ONE YEAR from closing that all work performed by contractor shall be completed in a workmanlike manner according to the standards of care and competency of the construction industry in Casper, WY. Contractor also EXPRESSLY WARRANTS that all material supplied to contractor are guaranteed to be as specified in this proposal of a period of ONE YEAR from supplying of same, EXCEPT IN THOSE INSTANCES WHERE A MANUFACTURER OF AN ITEM SUPPLIED PROVIDES ITS OWN EXPRESS WARRANTIES. In such cases, all manufacturers for items installed shall be delivered directly to Buyer and contractor shall not be responsible in any way for warranting same, nor shall any claim for warranty of merchantability of fitness for a particular purpose be maintained against contractor by Buyer regarding the same.

Rather, Buyer agrees that s/he shall look directly and exclusively to the manufacturer in any claims regarding the quality of performance of items, which have been warranted by the manufacturer. Purchaser agrees to accept the EXPRESS WARRANTIES provided for above IN LIEU OF ANY AND ALL IMPLIED WARRANTIES REGARDING THE WORK AND MATERIALS supplied by contractor including, but not limited to, warranties or fitness of particular purposed, merchantability, habitability or workmanlike construction.

- B.** If any work or material supplied by Seller are found not be in conformance with the warranties provided herein, BUYER SHALL GIVE WRITTEN NOTICE OF SAME WITHIN 3 (THREE) DAYS OF DISCOVERY, OR SAID NONCONFORMITIES SHALL BE DEEMED TO BE WAIVED by Buyer. Upon receipt of proper written notice, contractor shall provide such labor and material as are necessary to correct the non-conformities.
- C.** Under the terms of this limited warranty, CONTRACTOR SHALL BE RESPONSIBLE ONLY FOR THE COST OF LABOR AND MATERIAL necessary to correct the non-conformity and SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY CONSEQUENTIAL or INCIDENTAL DAMAGES of whatever nature.
- D.** Buyer recognizes and understands the limited nature of contractor's responsibility and warranties and expressly agrees to the terms outlined herein regarding same, waiving any other rights, remedies and potential damages s/he may have regarding the work and material to be supplied under this contract.
- E.** The contractor shall not warrant any work performed by Buyer or their agents.
- F.** RPI Development, Inc has had a Geotechnical Investigation completed on the lot the improvements have been located on to determine the types of soils that are present. Based on the report, a structural engineer was employed to design the foundation to be used. The contractor has followed the Building Codes that are approved by the City of Casper to construct the improvements. The parties are aware that a new home will go through a "drying out period" in which minor cracking and movement will occur. The contractor shall advise the Buyer how these events shall be handled. Almost without exception, Geotechnical Studies in the Casper area indicate the presence of expansive soils. The contractor shall mitigate the cracking of concrete, bus some cracking shall occur and these items will not be covered by the Limited Warranty. Only excessive cracking due to improper installation shall be covered by the one year warranty. If cracking occurs, buyer must caulk in the cracks with a concrete caulking to keep water out. Buyers also need to be aware that the use of salt or other similar materials to melt ice will damage the concrete surface.
- G.** Buyer is fully aware that due to various conditions in Wyoming, including weather and moisture, molds may form during the construction process, and may have a negative adverse effect on the buyer or their guests. Buyer understands that contractor will use all reasonable construction methods in an attempt to prevent any such mold growth. Notwithstanding these construction practices, buyer hereby agrees to waive and release contractor from any and all claims concerning molds, or the presence of mold, in and around the finished Property.
- H.** The level, if any of radon gas that may be present in the Property after its construction is not predictable. A passive radon system has been installed. Buyer is advised to test for radon at their own discretion.
- I.** Contractor shall provide final grading, per the requirements of CEPI Engineering. Purchaser acknowledges that proper drainage must be maintained, after the residence is constructed, and that landscaping can adversely affect drainage, contractor shall have no liability for drainage/landscaping problems of any kind. (See attached Landscaping Guidelines)

NOTICE: Any notice or tender required or permitted by this contract shall be in writing and shall be delivered in person, sent by Certified Mail, or sent by overnight courier. If such notice is hand delivered, personally served, or delivered by overnight courier, it shall be effective immediately upon such delivery or service. If sent by mail it shall be sent by Certified Mail, return receipt requested, and shall be effective three (3) days after deposit of the same into a US Mail Depository with sufficient postage attached for delivery to the parties at their following addresses.

BUYER

_____ Date

_____ Date

_____ Date

Change of address shall be treated as any other notice.

The Buyer has received copies of the Specifications and Plans, Subdivision Covenants and Restrictions, and RPI Development, Inc Home Warranty and approves of the same. These documents are attached hereto and made a part of this contract.

Executed this _____ day of, _____, 2_____

Buyer _____ Date

Buyer _____ Date

Current Address: _____

Phone:

Work: _____

Home: _____

Cell: _____

RPI Development, Inc.

_____ Date

Address: _____