

SELLER DISCLOSURES

SPRING RUN TOWNHOMES – EAGLE MOUNTAIN, UTAH

Please carefully review the following disclosures relating to your new townhome (the “**Property**” or “**townhome**”) in the Spring Run community of Eagle Mountain City, State of Utah (the “**Project**”). As used herein, all references to “**Seller**” shall mean and refer collectively to *Spring Run Townhomes, LLC* (the developer), *Triumph Construction* (the builder), and *Realty Utah, LLC* (the brokers/sales team), as well as their respective agents, managers, insurers, employees and representatives. This Seller Disclosures statement (this “**Disclosure**”) is part of the Real Estate Purchase Contract governing your purchase of the Property. By signing this Disclosure, you, as the undersigned Buyer(s), acknowledge and agree that you (i) have read and understand the information disclosed below; (ii) voluntarily assume and accept the risks, duties, conditions, and responsibilities described below; and (iii) irrevocably waive, release and discharge any and all claims against Seller arising out of or relating to the information and disclosures set forth below. This is a legally binding document. If you desire legal advice, consult your attorney before signing it.

1. DUE DILIGENCE

Buyer is responsible to perform all due diligence necessary to make an informed decision to purchase the Property, including, but not limited to, plat/lot review and location of the townhome unit, easements and rights of way on the Property, setback requirements, CC&Rs, HOA matters, title reports, neighborhood layout and design, and any other matter pertinent to Buyer's decision to purchase of the Property. Buyer must verify all information deemed important by Buyer relating to Buyer’s purchase of the Property.

2. DESIGN AND FINISHES

In an effort to aid you in the interior and exterior design of your new townhome, our model townhome(s) display such items as special wall treatments, paint colors, decorator furnishings, custom floor coverings, patio covers, custom walks and patios, and landscaping that are excluded from the production townhomes. Additionally, the models may include upgraded custom features that are not included as a standard feature. Also, colors of certain materials such as stained woods, masonry and tile, can vary from the model due to natural variation of color and texture as well as differences in dye lots. Please consult your sales representation for further information.

3. PRICE CHANGES AND BENEFITS OF OWNERSHIP

Seller makes no representations that your townhome's value will at any time in the future either remain at, or be higher than, its value at the time of purchase. You acknowledge that at no time has the Seller or its representatives/agents made any representations or warranties regarding tax benefits, townhome value, price appreciation or depreciation, or future pricing adjustments.

4. HOMEOWNERS ASSOCIATION; CC&RS

The townhomes and plans offered in this Project are subject to Conditions, Covenants and Restrictions (CC&R's) which are of public record, and an owners association which levies association dues that you will be responsible to pay. The CC&Rs contain, among other provisions, a requirement for payment of a reinvestment fee to the owners association each time the townhome is sold. The CC&Rs also contain mandatory, binding dispute resolution provisions. These CC&R’s and requirements are intended to preserve the attractiveness and desirability of your community, avoid litigation, and also contain restrictions regarding what you may and may not do with your townhome. You should read the CC&R's carefully and contact your own attorney if you have any questions. You are required to comply with the terms and provisions of the CC&Rs recorded against your townhome. The CC&Rs are legally binding. Furthermore, in the event of a

dispute or legal claim, you are required to comply with the terms and provisions of the dispute resolution provisions in the CC&Rs, including, without limitation, binding arbitration of all disputes after complying with the required notice and cure provisions set forth in the CC&Rs. In addition, certain restrictions may exist with respect to utility easements and or City or County Rights of Way on or adjacent to your townhome.

5. CHANGES IN CC&R'S

Although you may have received a copy of the CC&R's, certain changes may be made in the CC&Rs and related owners association documents. You understand that the CC&Rs and associated documents can and may be amended in accordance with their provisions. You agree that copies of the CC&Rs and related documents can be provided to you electronically or by reference to a website where they can be opened and viewed.

6. PLANS

Construction plans and sales materials may contain dimensions and measurements which are approximate figures or estimates, and may not be exact. The construction plans and townhome designs/layouts are owned by, and belong to, Seller, and cannot be used or revised without the prior written consent of Seller. The plans are not intended to be precise representations of exact dimensions with regard to our development or construction activities. The Seller reserves the right, without notice, to alter floor plans, square footages, materials, features, exterior elevations, foundation heights, garage location, available optional items and design of townhomes. Your townhome may also require installation of inside fire sprinklers or a fire suppression system due to the distance from the nearest fire hydrant. Additionally, the Seller may alter townhome plans to increase or decrease square footage; change materials or features; modify exterior elevations; or add, delete or modify optional items. The Seller reserves the right to sell all or any of the townhome sites within this Project to other builders, who may build an entirely different line of townhomes, related to both size and design.

7. DRAINAGE & SITE GRADING

Your site and area around your townhome will be graded in accordance with the requirements of the city or county for the purpose of directing the flow and drainage of surface water. Improper alteration of grading as well as other actions affecting water flow and direction (such as incorrect sprinkler direction, excessive watering, and drainage flow from adjacent lots) may result in significant damage, including but not limited to, damage to the foundation of your townhome or adjacent slopes. If the existing drainage course is altered by you or your agents in any way as a result of (a) the alteration of swales or drainage courses, (b) a change in grading, (c) sprinkler set-up or use, or (d) any landscaping or other improvements that are installed in such a way so as to alter the drainage flow, the Seller shall not be responsible for any damage to persons or property resulting therefrom. Buyer further agrees to notify Seller immediately of any change in grading, regardless of the cause, that adversely impacts the the drainage around the Buyer's property. You are responsible to prevent water flow/drainage from improperly draining onto adjacent properties. Seller is not required nor will Seller be responsible for or responsible to correct conditions caused by you or your agents.

8. STORM WATER PROTECTION AND PREVENTION PLAN

You will adhere to, and not do anything to violate or impair, the provisions of the current Utah Storm Water Pollution Prevention Plan (the "SWPPP Plan") for the Property or the community in which the Property is located. You understand that the SWPPP Plan is important to prevent the discharge of pollutants into the storm water system of this project, and to avoid any noncompliance with or violations of the Utah Storm Water General Permit for Construction Activities (the "SW Permit"). At a minimum, you will not place or allow any pollutants, contaminants or sediments to be placed on your driveway, sidewalk, or street, or to flow into the storm drain system from your Property. You will be responsible, at your own cost and expense, to remedy or repair any conditions or violations of the SWPPP Plan or SW Permit that are caused by you or the occupants of your new townhome.

9. ADJACENT LAND USES

The Seller makes no representations and provides no warranties about future land uses on adjacent or nearby properties. Because general plans and zoning are subject to change, we encourage you to check with the planning department of the appropriate City or County regarding proposed land uses in nearby or adjacent areas. You should not rely on statements from anyone except authorized representatives of the City or County regarding the existence of, or potential for, undesirable uses, structures, zoning, or permitted activities in nearby or adjacent areas. Your townhome may be located near or within hearing distance of roadways, railroads, highways, commercial uses, or other uses or activities that generate undesirable sounds, traffic, or nuisances. Seller makes no representations or warranties of any kind regarding the existence or absence of any such uses, activities or sounds.

10. SCHOOLS; NEIGHBORS

Buyer should verify with the local school district the designated schools to service your neighborhood. Also, the Seller does not investigate or conduct criminal background checks on its buyers or the neighbors in your community. The Seller makes no representations or warranties of any kind regarding the profiles of neighboring owners/residents, or their criminal backgrounds.

11. VIEWS

The Seller has made no representations or warranties, whether expressed or implied as to: (a) the nature or extent of the view from your townhome or any obstruction thereof; or (b) the permanency of the view from any portion of your townhome or residence. You agree that Seller has the right to determine the location of trees and landscaping features, as well as other townhomes on nearby lots, any or all of which may impair or restrict the views from your residence. You agree that you have seen and approved the lot on which your new townhome has been or will be constructed.

12. ADDITIONS PRIOR TO DEED TRANSFER

For various reasons, including insurance issues, warranty issues and scheduling issues, no work may be performed by the townhome owner or anyone contracted by the townhome owner until after Close of Escrow. This includes, but is not limited to wiring, plumbing, concrete, blinds, window coverings, landscaping & fencing. Installation of any such items or additions by the buyer prior to close of escrow could result in the townhome failing a City or County inspection, and such unauthorized additions or work will be removed. Any and all costs incurred by Seller to remove such items and perform repair work will be added to the amounts paid by buyer at closing to purchase the townhome.

13. UTILITIES LOCATION

All utility companies and agencies have the right to install necessary equipment within public utility easements (“PUE”) at anytime without prior notice. Public utility easements may be shown on the recorded plats of the subdivision, and typically lie within the lot you are purchasing, but are not necessarily shown on the recorded plat. You acknowledge that you understand and accept the impact of such PUE on your lot. Seller makes no representation and has no control over what type of utility facilities that may be installed in such PUE or when they may be installed, before or after the closing of your purchase. Facilities include both above ground and below ground facilities, including but not limited to, storm water mains and manholes, water mains and valves, electrical lines and boxes of all sizes, telephone lines and boxes of all sizes, and TV cable lines and boxes of all sizes. Some or all of such facilities may be located on your lot within the PUE. If you have any concerns regarding such facilities, please contact the respective utility agency.

14. UTILITIES, AIR CONDITIONING CONDENSER LOCATION, CABLE T.V.

The location of the gas and electric meters, telephone and cable access panels, as well as your air conditioner condenser, may change from the locations shown in the models or the plans for your townhome. If cable T.V. outlets are provided in your new townhome, the Seller makes no representation as to when or if cable T.V. service will be available or regarding the quality of T.V. reception or cable service.

15. ELECTRICAL POWER LINES

Electric transmission and distribution lines may be located on or near this lot and within the immediate vicinity of the Development. The voltage and current associated with these power lines and transformers produce electric and magnetic fields. Seller makes no representation or warranties regarding the present or future existence of any actual or potential health risks associated with electromagnetic fields. Buyer acknowledges that Seller has no control over, and makes no representations or warranties concerning the power company's activities in exercise of the easements it holds or the locations in which the electric lines and related improvements are placed.

16. CONSTRUCTION TRAFFIC

You may experience some construction related traffic and activity for future phases of development after the close of escrow. This may result in construction detours, and possible inconvenience noise and airborne dust/dirt, which should be temporary in nature. The Seller also reserves the right to alter the construction phasing of the project without notice.

17. HOME PLOTTING; ELEVATION

The exact plotting and building footprint of your townhome will be determined solely by the Seller, and will be in conformance with the requirements established by the City or County. The elevation of your townhome and your foundation will be determined by the Seller. Seller also reserves the right to determine the placement of the garage based on lot configuration and set-back requirements.

18. MOLDS

According to the United States Environmental Protection Agency, **mold can be found almost everywhere**. Molds are microscopic organisms that are part of the fungi family, and are an essential part of the world's ecological system. Many molds live in soil and are key to the natural breakdown and recycling of organic material, such as leaves, wood and plant debris.

Mold spores are airborne and travel in and out of buildings as air is exchanged and with the movement of people and their belongings. When excessive moisture or water accumulation occurs indoors, mold growth will likely occur, especially if the moisture problem lingers, is not discovered, or is not timely addressed. There is no practical method to eliminate all molds and mold spores in an indoor environment. The best method to control mold growth is to control moisture, and prevent and timely repair water leaks. The best course of action for any townhome-owner is to keep the indoor environment as "clean and dry" as reasonably possible. Common sense practices should be followed, such as not allowing known leaks to continue without repair, periodically inspecting your townhome and plumbing systems, not overusing humidifiers, using exhaust fans, etc. For additional information, Buyer should contact the EPA, the local Health Dept., or other governmental authorities.

A practical approach to limiting mold growth is early detection and prompt resolution of excessive moisture. If you can see mold or detect an earthy or musty odor, you can assume you have a moisture problem. Any moisture problem must be solved in order to arrest and eliminate mold growth. Part of the control of the indoor environment is controlling air moisture. Watch for water condensation on interior surfaces such as walls, windows and areas near air conditioning registers. Other moisture sources, which sometimes can go unnoticed,

are water leaks from pipes in walls, and rainwater leakage through windows and roofs. Controlling air moisture is the most important action in controlling mold growth. Therefore, keep drip pans from refrigerators and air conditioners clean and dry; use exhaust fans or open windows when cooking, washing, drying clothes, and bathing. It is your responsibility to keep your townhome clean and free of excessive moisture. You agree to timely address and repair any and all water leaks, and to timely eliminate mold growth. You agree to take all appropriate steps to prevent conditions that may cause mold or mildew to develop in the Property.

No Warranty. Because such substances are pervasive, the Property is not warranted to be free of mold or other naturally occurring biological pollutants. This residence contains wood, and the lumber used in construction may or does contain some natural level of molds, fungi, and/or spores. Seller has not inspected for the presence of mold or other naturally occurring biological pollutants on building materials. Mold and other biological pollutants may be present in the Property at Close of Escrow or may later develop within the Property. Seller makes no representation, warranty or guaranty that molds or other naturally occurring biological pollutants will not be present or will not develop, or that changes in environmental conditions will not occur and affect the same. Seller has no expertise in identifying or remediating mold or any other biological pollutant.

19. RADON GAS

The Seller shall have no liability or responsibility whatsoever regarding Radon Gas that may exist now or in the future at the Property or within the new townhome. Buyer acknowledges and agrees that to the extent Radon levels are considered to be excessive or undesirable, Buyer shall be fully responsible for any and all actions, measures, costs and expenses that may be taken or incurred to detect, remediate, prevent, mitigate, or minimize the same. Buyer shall have no rights or claims against the Seller to provide any such actions or measures, or to reimburse Buyer for any such costs or expenses. By purchasing the Property, Buyer shall be deemed to fully understand and assume any and all risks associated with Radon Gas at the Property, and to hold the Seller harmless from and against the same. This provision shall apply with equal force and effect with respect to any and all other gases or airborne pollutants that may exist now or in the future at the Property or within Buyer's townhome.

20. FEMA FLOOD PLAIN

Your townhome site may have at one time been located in a flood plain according to FEMA flood maps. Prior to your townhome Closing, Seller or a prior owner of the subject land will have installed sufficient fill material to raise your property out of the FEMA Flood Plain. Seller makes no representations or warranties of any kind regarding the depth of groundwater in or around your townhome. You are encouraged to contact the City or County in which the property is located to learn more about the subdivision approvals that were granted for this property, and what conditions or requirements were imposed in relation to the subdivision.

21. PLAT RECORDATION

If your townhome site is located in a project that does not yet have a recorded subdivision plat, then any and all deposits that you have paid in relation to your Real Estate Purchase Contract (the "Contract") are fully refundable to you if you choose to cancel the Contract for any reason prior to the date on which the subdivision plat is recorded with the county recorder's office. Following the recordation of the subdivision plat, all deposits and obligations shall be governed by, and enforced in accordance with, the express terms and provisions of the Contract.

22. COMMON AMENITIES AND RECREATIONAL FACILITIES

Seller has no obligations to you or any other buyer or townhome owner to construct any particular common amenities or recreational facilities for this Project, including, without limitation, a clubhouse, pool, playgrounds, trails or other such features. Although Seller may show marketing materials and plans to construct such items in this Project, Seller's obligation to construct such items shall be determined solely by

and between Seller and the City. Neither you nor any other buyer or townhome owner shall have any claim or right of action against Seller if any such items are not constructed or installed. Seller retains full discretion, subject only to the requirements imposed by the City, to determine whether and when to construct such common facilities for the Project, and, if constructed, the size and extent of such facilities.

23. HOMEOWNERS ASSOCIATION

This property is part of the Spring Run Townhomes Homeowner's Association. This HOA will collect the dues (\$150/month) and/or assessments for maintenance of common areas and other common expenses. For questions regarding the HOA, including past, present, or future dues or assessments, or regarding the financial statements, bylaws, HOA meetings and minutes, please contact:

Mihi Management
10718 Beckstead Ln, Suite 201-1
South Jordan, UT 84095
801-835-2403

HOA FEES:

- 1) Reinvestment Fee: \$1,000 (payable at Closing to Mihi Management)
- 2) New Owner Set Up Fee: \$350 (payable at Closing to Mihi Management)
- 3) 1st Month HOA dues: \$150 as well as any prorated amount if a closing is mid-month (payable at Closing to Mihi Management)

- * HOA fees (including any transfer fees) are subject to change at any time without notice.
- * HOA fees will increase when the clubhouse and pool are constructed.

BY SIGNING THIS DISCLOSURE FORM, BUYER AUTHORIZES THE RELEASE OF BUYER INFORMATION, TO THE HOA.

24. BUILDER WARRANTY

Buyer acknowledges receipt of and accepts the warranty program outlined in the 2-10 warranty booklet.

BUYER CERTIFIES THAT BUYER HAS READ AND FULLY UNDERSTANDS THE INFORMATION AND DISCLOSURES PROVIDED ABOVE. BUYER ACKNOWLEDGES THAT THE INFORMATION DISCLOSED ABOVE IS IMPORTANT AND IS NOT A COMPLETE LIST OF ALL FACTS WHICH SHOULD BE CONSIDERED BY BUYER. THIS ADDENDUM IS HEREBY INCORPORATED INTO AND MADE A PART OF BUYER'S PURCHASE CONTRACT FOR THE TOWNHOME. THIS DISCLOSURE CONTAINS INFORMATION WHICH MAY HAVE A LEGAL IMPACT ON THE PURCHASE OF YOUR PROPERTY. YOU ARE ADVISED TO REVIEW THESE DISCLOSURES WITH AN ATTORNEY.

BUYER ACKNOWLEDGES: (A) RECEIPT OF THIS DISCLOSURE STATEMENT FOR THIS PLAT AND LOT; (B) HAVING READ THE DISCLOSURE STATEMENT AND HAD AN ADEQUATE OPPORTUNITY TO DISCUSS THESE DISCLOSURES WITH A SELLER SALES COUNSELOR; (C) HAVING HAD AN ADEQUATE OPPORTUNITY TO OBTAIN LEGAL ADVICE BEFORE SIGNING THIS DISCLOSURE STATEMENT; AND (D) THAT NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY SELLER (OR THEIR AGENTS OR REPRESENTATIVES) THAT ARE INCONSISTENT WITH THESE DISCLOSURES.

[SIGNATURES ON NEXT PAGE]

BUYER: _____

DATE: _____

BUYER: _____

DATE: _____