

ATTACHMENT NO. 1

Investor Prohibition Addendum to Purchase Agreement

THIS INVESTOR PROHIBITION ADDENDUM TO PURCHASE AGREEMENT ("Addendum") is attached to and forms a part of that certain Purchase Agreement dated _____, as amended ("Agreement"). Except as otherwise expressly provided in the Addendum, all capitalized words and phrases used herein shall have the same meanings as set forth in the Agreement.

RECITALS

A. Buyer has offered to purchase from Seller the Property upon the terms and conditions set forth in the Agreement. If Seller accepts the offer, Seller agrees to sell the Property to Buyer pursuant to the terms and conditions set forth in the Agreement.

B. Seller desires to sell the Property only to a buyer who will own and occupy the Property in accordance with the restrictions set forth below.

NOW, THEREFORE, in order to induce Seller to agree to sell the Property to Buyer, Buyer represents and agrees as follows:

1. Use of the Property. Buyer represents and warrants to Seller that (a) Buyer is purchasing the Property for use as Buyer's principal or secondary residence [**or for use as rental property in accordance with neighborhood specific rules and regulations relating to such rentals**]; (b) Buyer will occupy the Property as Buyer's principal or secondary residence after closing [**or will rent the Property in accordance with neighborhood specific rules and regulations relating to such rentals**]; (c) Buyer shall not assign or attempt to transfer Buyer's rights under the Agreement or enter into any agreement for the sale or other transfer of the Property which would result in Buyer's failure to occupy the Property as provided herein; and (d) Buyer shall hold title to the Property in fee simple for a period of twelve (12) months from the closing date of Buyer's purchase of the Property (the "Occupancy Period"). The provisions of this paragraph and the accuracy of the above representations and warranties constitute a covenant of Buyer and a condition precedent to Seller's performance under the Agreement. As used herein, the term "Primary Residence" shall mean the principal residence where Buyer resides the majority of the year and which is Buyer's homestead, and the term "Secondary Residence" shall mean a personal use residence, other than Buyer's Primary Residence, which is not held for investment or speculation purposes.

(a) Permitted Transfers. The following transfers ("Permitted Transfers") of title to the Property, or any estate or interest therein, including a lease thereof, shall not constitute a breach of the foregoing covenants, provided, however, this Agreement shall continue to burden the Property following such conveyance: (a) a good-faith transfer by gift, devise or inheritance to Buyer's spouse or issue, (b) a taking of title by a surviving joint tenant, (c) a court-ordered transfer of title to a spouse as part of a divorce or dissolution proceeding, (d) a transfer by Buyer to an inter vivos trust in which Buyer is a beneficiary, or (e) an acquisition of title, or of any interest therein, in conjunction with marriage.

(b) Hardship Exceptions. Notwithstanding Paragraph 1 above, Seller recognizes that a transfer of the Property may be desirable in certain circumstances and Seller may, in its sole

and absolute discretion decided on a case-by-case basis, consent to a transfer of the Property during the Occupancy Period. Furthermore, Seller shall not unreasonably withhold its consent to a transfer in the following instances (each a "Hardship Situation"):

- (i) A transfer necessitated by the death of Buyer;
- (ii) A transfer by Buyer to Buyer's spouse as co-owner;
- (iii) A transfer, conveyance, pledge, assignment or other hypothecation 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;
- (iv) A transfer in connection with a significant negative change in the financial circumstances of Buyer from Buyer's financial circumstances when Buyer acquired the Property, as evidenced by documentation reasonably acceptable to Seller;
- (v) A transfer necessitated by a medical condition of Buyer or another person living with Buyer for whom Buyer is the primary caretaker, as evidenced by documentation reasonably acceptable to Seller;
- (vi) A transfer in connection with a temporary (more than 6 months) or permanent employment related relocation of Buyer or Buyer's spouse, as evidenced by documentation reasonably acceptable to Seller;
- (vii) A transfer in connection with military activation or otherwise arising in connection with military service; or
- (viii) A transfer which, in Seller's sole independent judgment, constitutes a "hardship" situation consistent with the intent of this Deed Restriction.

2. No Other Contracts. Buyer represents and warrants to Seller that prior to Closing, Buyer has not and shall not directly or indirectly (through friends, relatives, entities owned or controlled by Buyer), enter into any other purchase contract or reservation agreement to purchase another home from Seller. Buyer further represents and warrants to Seller that prior to Closing, Buyer shall not list or advertise the Property for sale with any broker, in any multiple listing service, in any classified or other advertisement (including without limitation "buy owner"), or otherwise.

3. Breach Prior to Close of Escrow. In the event that Seller determines that any of Buyer's representations or warranties contained in this Addendum are or hereafter become inaccurate or untrue in any respect whatsoever, or in the event that Buyer otherwise breaches any of Buyer's covenants or agreements contained in this Addendum prior to the Closing Date, then Seller shall be entitled to exercise all remedies provided under the Agreement for Buyer's Default, including, but not limited to, terminating the Agreement and retaining the entire Deposit, as agreed liquidated damages.

4. Breach After the Closing Date. Except for a Permitted Transfer or a Hardship Situation, any sale or other transfer of fee simple title to the Property prior to the expiration of the Occupancy Period shall constitute a material breach of the Agreement. Any such material breach shall entitle Seller, at its sole election, to receive from Buyer as liquidated damages for such breach the amount of the Appreciation (defined below) of the Property after the Closing Date, which is the only remedy available to Seller upon such a post-closing breach. Buyer shall

pay the Appreciation to Seller concurrently with the sale or other transfer of fee title to the Property by Buyer, and Buyer's obligation to pay the Appreciation shall constitute a lien on the Property which shall run with the land and shall be binding on successors and assigns.

5. Certain Defined Terms. For purposes of this Addendum, the following terms have the following meanings:

(a) "Appreciation" shall mean the difference between (i) the "Fair Market Value" (determined as provided below) of the Property at the time of Buyer's sale thereof, and (ii) the "Purchase Price" (as defined in this Agreement) paid by Buyer to Seller for the Property, plus Buyer's actual costs paid for any capital improvements made by Buyer to the Property as evidenced by paid unrelated third-party invoices.

(b) "Fair Market Value" shall mean the fair market value of the Property at the time Buyer agrees to sell or otherwise transfer title to the Property during the Occupancy Period. If the sale or other transfer is a cash transaction with an unrelated third party in an arms length transaction, as determined by Seller in the exercise of Seller's sole and absolute discretion, then the Fair Market Value shall be the actual purchase price paid by such purchaser. If the sale or other transfer is not a cash transaction, or is not an arms length transaction as determined by Seller, in its sole and absolute discretion, then the Fair Market Value shall be determined by an M.A.I. licensed appraiser selected by Buyer from a list of no fewer than five (5) appraisers provided by Seller. The decision of such appraiser shall be final and binding on Buyer and Seller and the fees and costs of the appraiser shall be shared equally by Buyer and Seller.

6. No Duty to Enforce. Seller makes no representation or warranty to Buyer that Seller will impose these requirements on other buyers of homes in the community in which the Property is located (the "Community") and/or that, if Seller has imposed or in the future imposes these requirements on another buyer, that Seller will enforce the requirements set forth in this Addendum against other owners in the Community. Buyer specifically acknowledges and agrees that Seller is not guaranteeing Buyer or assuring Buyer in any way that the Community will now or in the future be occupied only or primarily by owner occupants and/or that there will not be buyers in the Community who are purchasing homes in the Community as an investment, with no intention of living in the home. Buyer is not a third party beneficiary to any such agreement with other homeowners. Buyer acknowledges that the Community may contain rental units, and/or that homes within the Community may be sold from time to time.

7. No Unreasonable Restraint. Buyer acknowledges that the purpose of this Addendum is (i) to comply with Seller's intention to sell homes only to persons who will actually occupy them as a principal residence **[or will rent the homes in accordance with neighborhood specific rules and regulations relating to such rentals]**, (ii) to obtain a stabilized community of owner-occupied homes, and (iii) to prevent a shortage of available homes for permanent residents. Buyer agrees that the provisions and restrictions set forth in this Addendum do not constitute an unreasonable restraint upon alienation of the Property.

8. Survival; Severability. All of the covenants contained 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 a 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 or the Agreement.

9. Deed Restriction. At the closing of Buyer's purchase of the Property, Buyer shall be required to enter into a deed restriction (the "Deed Restriction") in the form attached hereto as **Exhibit A**, which shall be recorded with the deed conveying the Property to Buyer. Buyer acknowledges that the purpose of the Deed Restriction is to put third parties on notice of the lien

rights and Buyer's obligations hereunder. In the event of any conflict between the terms and provisions of the Deed Restriction, and the terms and conditions of this Addendum or the Agreement, the terms and conditions of this Addendum or the Agreement, as applicable, shall prevail. The Deed Restriction contains certain mortgagee protections which shall be in addition to, and shall not be superseded by, the provisions of Paragraph 10 ("Subordination") of this Addendum.

10. Subordination. Buyer and Seller hereby acknowledge and agree that a violation of this Addendum by Buyer shall not take priority over, defeat or render invalid the lien of any first or second priority mortgage or deed of trust made in good faith and for value by Buyer, and that the lien rights, covenants and provisions of this Addendum shall be inferior and subordinate to the lien of any such first or second priority mortgage or deed of trust whether recorded concurrently with or subsequent to the deed conveying the Property to Buyer.

11. Lender Contact. In addition to the Seller's rights to contact Buyer's lender set forth in the Purchase Agreement, Buyer agrees that Seller may contact Buyer's lender, and/or the lender providing financing on any other homes owned by Buyer, either before or after Closing, in order to verify with such lender Buyer's occupancy status with respect to the Property.

12. Entire Agreement. The Agreement, together with this Addendum and any other addenda or amendments to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized officer of Seller.

Buyer:
Date: _____

Buyer:
Date: _____

Accepted by Seller:

CENTEX HOMES, a Nevada general
partnership

By: Centex Real Estate Corporation, a
Nevada corporation, it's managing general
partner

By: _____
Date: _____

ATTACHMENT NO. 2

**Investor Prohibition
Deed Restriction to be recorded as an Exhibit to the Deed**

EXHIBIT "B" TO DEED

**DEED RESTRICTION
OCCUPANCY PERIOD AND USE OF THE PROPERTY**

As a material consideration inducing the grantor under the attached deed ("Seller") to sell to the grantee under such deed ("Buyer") that certain real property described in this Deed (the "Property"), Buyer has represented to Seller that Buyer intends to and will occupy the Property as Buyer's principal or secondary residence **[or will rent the Property in accordance with neighborhood specific rules and regulations relating to such rentals]** for a period of at least twelve (12) months after Buyer's acquisition of the Property (the "Occupancy Period"). Seller and Buyer have entered into a separate unrecorded agreement (the "Agreement") pursuant to which Buyer has agreed to occupy the Property as provided herein, and Buyer has agreed not to sell the Property for the duration of the Occupancy Period. This Deed Restriction is to put third parties on notice of such commitments by Buyer, and Seller's rights upon a breach of such commitments by Buyer, as provided in the Agreement and nothing contained in this Deed Restriction shall, or shall be deemed to, modify or amend the Agreement in any respect. In the event of any conflict between the provisions of the Agreement and the provisions of this Deed Restriction, the provisions of the Agreement shall prevail. Notwithstanding the foregoing, this Deed Restriction includes certain mortgagee protections which shall be in addition to, and shall not be superseded by, the mortgagee protections in the Agreement.

Buyer acknowledges that Seller, as a developer and builder of single family and multi-family residences, has an interest in ensuring that such residences, and the communities in which they are built, including the Property and the community which the Property is a part (such community being referred to herein as the "Community" or the "Benefited Property") are purchased and occupied only by persons who will actually occupy them as a principal or secondary residence **[or will rent them in accordance with neighborhood specific rules and regulations relating to such rentals]**, to obtain a stabilized community of owner-occupied homes, and to mitigate a shortage of available homes for permanent residents.

1. Occupancy Covenants. Buyer, on behalf of itself and its successors and assigns, hereby covenants to and for the benefit of Seller that, during the Occupancy Period: (a) Buyer will occupy the Property as Buyer's principal or secondary residence after closing **[or will rent the Property in accordance with neighborhood specific rules and regulations relating to such rentals]**; and (b) Buyer shall not enter into any agreement for the sale or other transfer of the Property which would result in Buyer's failure to hold title thereto in fee simple for the duration of the Occupancy Period.

2. Permitted Transfers; Hardship Exceptions.

(a) Permitted Transfers. The following transfers ("Permitted Transfers") of title to the Property, or any estate or interest therein shall not constitute a breach of the foregoing covenants, provided, however, this Deed Restriction and the Agreement shall continue to burden the Property following such conveyance: (a) a good-faith transfer by gift, devise or

inheritance to Buyer's spouse or issue, (b) a taking of title by a surviving joint tenant, (c) a court-ordered transfer of title to a spouse as part of a divorce or dissolution proceeding, (d) a transfer by Buyer to an inter vivos trust in which Buyer is a beneficiary, or (e) an acquisition of title, or of any interest therein, in conjunction with marriage.

(b) Hardship Exceptions. Notwithstanding the restrictions on transfers referenced above, Seller recognizes that a transfer of the Property may be desirable in certain circumstances and Seller may, in its sole and absolute discretion decided on a case-by-case basis, consent to a transfer of the Property during the Occupancy Period. Furthermore, Seller shall not unreasonably withhold its consent to a transfer in the following instances:

- (i) A transfer necessitated by the death of Buyer or Buyer's spouse;
- (ii) A transfer by Buyer to Buyer's spouse as co-owner;
- (iii) A transfer, conveyance, pledge, assignment or other hypothecation 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;
- (iv) A transfer in connection with a significant negative change in the financial circumstances of Buyer from Buyer's financial circumstances when Buyer acquired the Property, as evidenced by documentation reasonably acceptable to Seller;
- (v) A transfer necessitated by a medical condition of Buyer or another person living with Buyer for whom Buyer is the primary caretaker, as evidenced by documentation reasonably acceptable to Seller;
- (vi) A transfer in connection with a temporary (more than 6 months) or permanent employment related relocation of Buyer or Buyer's spouse, as evidenced by documentation reasonably acceptable to Seller;
- (vii) A transfer in connection with military activation or otherwise arising in connection with military service; or
- (viii) A transfer which, in Seller's sole independent judgment, constitutes a "hardship" situation consistent with the intent of this Deed Restriction.

3. Automatic Termination of Deed Restriction. The covenants set forth above, and the restrictions on transfer of the Property set forth herein, shall automatically terminate and be of no further force and effect on the date which is twelve (12) months after the date of recordation of this Deed.

4. Remedies for Breach. If Buyer or Buyer's successors and assigns, breaches, violates or fails to perform or satisfy any of the covenants set forth in the Agreement, Seller, and Seller's successors and assigns, may enforce the remedies set forth in the Agreement including, without limitation, the right and option to recover all "Appreciation" in value of the Property upon a sale of the Property in violation of the Agreement, determined as provided in the Agreement, and Buyer's obligation to pay the Appreciation shall constitute a lien on the Property which shall run with the land and shall be binding on successors and assigns.

5. No Duty to Enforce. Seller makes no representation or warranty to Buyer that Seller will impose these requirements on other buyers of homes in the Community and/or that, if Seller has imposed or in the future imposes these requirements on another buyer, that Seller will enforce the requirements set forth in this Deed Restriction against other owners in the Community. Buyer specifically acknowledges and agrees that Seller is not guaranteeing Buyer or assuring Buyer in any way that the Community will now or in the future be occupied only or primarily by owner occupants and/or that there will not be buyers in the Community who are purchasing homes in the Community for rentals or as an investment, with no intention of living in the home.

6. Survival of Covenant on Transfer. Except as provided in Paragraph 9, below, Buyer's obligations, and Seller's rights hereunder and under the Agreement shall survive any transfer of the Property by Buyer.

7. No Unreasonable Restraint. Buyer acknowledges that the purpose of this Deed Restriction is (i) to comply with Seller's intention to sell homes only to persons who will actually occupy them as a principal residence **[or will rent the homes in accordance with neighborhood specific rules and regulations relating to such rentals]**, (ii) to obtain a stabilized community of owner-occupied homes, and (iii) to prevent a shortage of available homes for permanent residents. Buyer agrees that the provisions and restrictions set forth in this Deed Restriction do not constitute an unreasonable restraint upon alienation of the Property.

8. Survival; Severability. All of the covenants contained herein shall survive the delivery and recordation of the deed conveying the Property from Seller to Buyer. The provisions of this Deed Restriction shall be independent and severable, and a 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 Deed Restriction or the Agreement.

9. Mortgagee Protection Provisions.

a) Permitted Financing. Notwithstanding anything to the contrary in this Deed Restriction or in the Agreement, Buyer may encumber the Property as security for a loan made by an institutional lender, the proceeds of which are used only to purchase the Property, improve the Property or both.

b) Subordination. Seller hereby acknowledges and agrees that a violation of this Deed Restriction by Buyer shall not defeat or render invalid the lien of any first mortgage or deed of trust in favor of an institutional lender or investor and made in good faith and for value by Buyer, and that the covenants and provisions of this Deed Restriction shall be inferior and subordinate to the lien of any such first or second mortgage or deed of trust made by an institutional lender or investor, whether recorded concurrently with or subsequent to the deed conveying the Property to Buyer.

c) Termination on Foreclosure. This Deed Restriction and the Agreement are subject and subordinate to any first or second priority deed of trust or mortgage on the Property made by or held by an institutional lender or investor. Any party and its successors and assigns, receiving title to the Property pursuant to a judicial or non-judicial foreclosure, or by any conveyance in lieu of such foreclosure, under a power of sale contained in such a first priority mortgage or deed of trust recorded against the Property in the Office of the Recorder of the

County in which the Property is located shall take title free and clear of the provisions of this Deed Restriction and the Agreement.

d) HUD or VA Insured or Guaranteed Mortgages. If Buyer has acquired the Property by a mortgage insured by the Secretary of the United States Department of Housing and Urban Development, or guaranteed by the United States Department of Veteran's Affairs, then this Deed Restriction and the Agreement, shall automatically terminate if title to the Property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the insured or guaranteed mortgage is assigned to the Secretary or the VA.

e) Insurance Proceeds and Condemnation Award. In the event the Property is damaged or destroyed, or in the event of condemnation, Seller shall have no claim or right to any proceeds thereof and such proceeds shall be held and distributed in accordance with the terms of any lien on the Property, in their order of priority.

10. Covenant Running with the Land. The Property shall be held and conveyed subject to the terms set forth in this Deed Restriction. The covenants contained herein are intended and shall be construed as covenants and conditions running with and binding the Property and equitable servitudes upon the Property and every part thereof; and subject to the next paragraph in this Paragraph 10, are for the benefit of the Benefited Property. Furthermore, all and each of the terms hereunder shall be binding upon and burden all persons having or acquiring any right, title or interest in the Property (during their ownership of such interest), or any part thereof, and their successors and assigns; and subject to the next paragraph in this Paragraph 10, shall inure to the benefit of the Benefited Property and all persons having or acquiring any right, title or interest in the Benefited Property, or any part thereof, which shall be deemed the dominant tenement for purposes of this Instrument. This Instrument is intended to bind and benefit said persons only and is not intended to be, nor shall it be construed as being, for the benefit of adjoining property owners or any other third party.

In the event that fee title to any portion of the Benefited Property is or has been conveyed by Seller to a third party (a "Transferred Parcel"), the terms of this Instrument shall cease to benefit said Transferred Parcel unless Seller expressly assigns to the transferee of the Transferred Parcel the benefits of all or a portion of the covenants contained herein, either concurrently with conveyance of the Transferred Parcel or at any time thereafter, in either case by recorded assignment document executed by Seller and specifically referencing this Instrument (general references to appurtenances or rights related to the acquired land will not suffice). Seller and, upon recordation of any such assignment executed by Seller in favor of a specific successor to the benefits hereof (a "Benefits Successor"), the Benefits Successor, and their successors alone shall have the right to enforce the terms of this Deed Restriction and the Agreement and to recover for violations by Seller hereunder. Any merger of Seller or Seller's parent company with or into another entity or any acquisition of all or a portion of the stock or equity of Seller or Seller's parent company by a third party will not be deemed a conveyance of the Benefited Property triggering the applicability of this paragraph.

In witness whereof, Buyer has entered into this Deed Restriction as of the day and year this Deed is recorded.

Buyer:

Date

Buyer:

Date

ATTACHMENT NO. 3

**Investor Prohibition
Intent to Purchase Form**

Buyer represents and warrants to, and covenants with, Seller that (a) Buyer is purchasing the Property for use as Buyer's principal or secondary residence **[or for use as rental property in accordance with neighborhood specific rules and regulations relating to such rentals]**; (b) Buyer will occupy the Property as Buyer's principal or secondary residence upon the close of escrow **[or will rent the Property in accordance with neighborhood specific rules and regulations relating to such rentals]**; (c) Buyer shall not assign or attempt to transfer Buyer's rights under the Agreement or enter into any agreement for the sale or other transfer of the Property which would result in Buyer's failure to occupy the Property as provided herein; and (d) Buyer shall hold title to the Property in fee simple for a period of twelve (12) months from the closing date of Buyer's purchase of the Property.

Buyer(s) sign here if the above statement is true: _____

OR Buyer intends to purchase the property as an investment and does not intend to occupy the residence as Buyer's principal or secondary residence **[or for use as rental property in accordance with neighborhood specific rules and regulations relating to such rentals]** following Buyer's acquisition thereof.

Buyer(s) sign here if the above statement is true: _____

At contract execution, Buyer shall be required to sign a more detailed covenant and agreement with respect to Buyer's intention to occupy the residence as Buyer's principal or secondary residence **[or for use as rental property in accordance with neighborhood specific rules and regulations relating to such rentals]**.

Buyer

Buyer

Centex Homes
By: _____