

**ADDENDUM "A" TO
RESIDENTIAL REAL ESTATE PURCHASE AND SALE AGREEMENT**

THIS ADDENDUM A is to be made a part of and further supplements and revises that certain Earnest Money Agreement and/or Residential Purchase and Sale Agreement, hereinafter ("the Agreement") dated _____, 201__, between **JK Monarch, LLC**, as "Seller/JK Monarch" and _____, collectively known as "Buyer" and/or "Buyers" with regard to that certain real property commonly known as:

- 1. HOME STYLE SELECTION/ELEVATION:** Seller ("Seller") agrees to build Plan Style _____ ("Home") on the Property.

- 2. COMPLETION OF NEW HOME:** The closing date for the Home to be constructed for Buyer as described in the purchase and sale agreement is estimated only. At the time of interior paint completion, an addendum will be provided to Buyer with an Estimated Completion and Closing Date. Completion is defined as: when construction is substantially complete and a certificate of occupancy is issued. Such Completion Date Estimate shall be incorporated into and become a part of the Agreement. However, in order to maintain the quality standards of each new home constructed by Seller, **COMPLETION DATE ESTIMATES ARE ESTIMATES ONLY AND ARE NOT A GUARANTEE AS TO THE EXACT DATE WHEN YOUR NEW HOME WILL BE COMPLETED OR WHEN IT WILL CLOSE.** There may be conditions which extend the completion date of the Home, including but not limited to: back orders, late selections by Buyer, discovery of defective materials that will require replacement and delays due to weather or ground conditions. In such an event, Seller may elect **an automatic sixty (60) day extension** of the Agreement.

- 3. CLOSING:** Buyer shall be entitled to possession of the Home upon the Closing. "Closing" is defined as the date on which all closing documents are recorded and the sale proceeds are transferred to Seller. A new home orientation will be scheduled with the Buyer approximately (5) business days prior to the scheduled Closing. Buyer agrees to close on the Home within (5) business days of the new home orientation walk thru. If this transaction does not close within 5 business days of the scheduled Closing date at no fault to Seller, then Buyer shall pay \$100 per day until Closing. **SELLER IS NOT RESPONSIBLE FOR THE EXPIRATION OF BUYER'S LOAN COMMITMENT, PENALTIES, LOAN OR OTHER FEES OR LOSSES DUE TO ANY DELAY IN THE CLOSING. BUYER IS ADVISED TO INSURE THAT THEIR LENDER AND ANY OTHER INTERESTED PARTY IS PROVIDED WITH A COPY OF THE AGREEMENT AND ALL ADDENDUM.** Buyer agrees that if weather and/or ground conditions delay completion of landscaping, final grading and/or flatwork, such delay will not be a reason to delay Closing or require a holdback of sale proceeds. Seller agrees that as soon as weather and/or ground conditions permit landscaping, final grading and/or flatwork, such work will move forward to completion.

- 4. LOT AVAILABILITY:** If this offer is a presale on a lot **not** currently owned by the Seller, or a lot in which the Seller is **not** engaged in purchasing, then Seller's obligations under the Agreement and this Addendum are subject to Seller acquiring the lot within 30 days of the date of this

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

Addendum. If Seller is unable to acquire the lot within said 30 day period the earnest money and any other funds deposited with Seller or escrow will be refunded to Buyer and this agreement will be null and void. This agreement IS[] or IS NOT[] subject to lot acquisition.

5. **SELLER'S FINANCING CONTINGENCY:** Buyer agrees that Seller's obligations under the Agreement and this Addendum are subject to Seller obtaining financing to undertake and complete construction of the Home. If Seller is unable to obtain such financing then the earnest money and any other funds deposited with Seller or escrow will be refunded to Buyer and this agreement will be null and void. Buyer's damages shall be limited to the foregoing and Buyer waives any and all other claims for damages that Buyer may have, including but not limited to any claims for incidental or consequential damages. Buyer and Seller agree that the foregoing shall constitute a valid liquidated damage clause.
6. **BUYER'S FINANCING:** Seller encourages Purchaser to utilize the premium lending services offered by *Travis Monen* with *HomeStreet Bank* at **253-268-4004**.
7. **ESCROW/CLOSING OFFICE:** Buyer and Seller agree that the designated closing/escrow agent for the Agreement shall be *Ticor Title & Escrow* which is located at **437 29th St NE, Ste B, Puyallup, WA 98371**; telephone number **253-840-2560** or such other closing/escrow agent as Seller may approve.
8. **EARNEST MONEY:** Buyer shall deposit Earnest Money in the amount of \$2,500 with the escrow agent. Upon receipt of credit approval letter and/or removal or waiver of all contingencies contained herein, said Earnest Money shall be released to the Seller. At that time, Earnest Money shall be deemed non-refundable. Buyer expressly waives all claims to refund of the Earnest Money after contingencies are removed or waived. Upon Seller's receipt of Buyer's credit approval letter, Buyer's financing contingency shall be deemed satisfied and waived. Buyer authorizes Escrow to release the Earnest Money to the Seller pursuant to the Agreement and this Addendum. Earnest Money deposits will be credited back to Buyer at Closing.
9. **PRE-CONSTRUCTION FEE:** Buyer shall pay a \$ 5,000 non-refundable Construction Fee directly to Seller, which will be applicable to the Purchase Price at closing if Buyer closes on the purchase of the Property. The Construction Fee is due at Mutual Acceptance.
10. **PRECONSTRUCTION MEETING:** A preconstruction meeting (the "Preconstruction Meeting") between Buyer and Seller's representative will be held if determined by Seller to be necessary, after (a) the date Buyer receives written loan approval and delivers same to Seller and, (b) if applicable, after the waiver by Buyer of any contingencies, including but not limited to the contingency for the sale of Buyer's present home. Preconstruction Meetings are scheduled Monday, Tuesday, or Thursdays from 9 am – 1 pm and lasts approximately two hours. Buyer should come prepared to the Preconstruction Meeting with a clear understanding of any desired upgrades or revisions. In order to complete the Preconstruction Meeting within a reasonable period, it is highly recommended that only Buyer and/or its agent attend this

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

meeting and that Buyer make arrangements for any necessary childcare during this period. In the event there are no significant upgrades or changes to the Home, then Buyer may elect to forego the Preconstruction Meeting. In this case, Buyers and its agent may submit, in the form of a written addendum, a list of upgrades/changes Buyer requests in which event Seller, at Seller's discretion, will review and provide Buyer and/or their agent with the costs to complete the same. Exterior elevations will be reviewed at the Preconstruction Meeting and/or through Buyer's agent. (Exterior elevation policy dictates that duplicate plan elevations are not allowed next door or directly across the street.) All elevation, color and material requests that are agreed upon shall be written on a floor plan and initialed by both Buyer and Seller's representative. (See also Exhibit B.)

11. BUYER UPGRADES AND SELECTIONS: Buyer is aware that the Home being purchased will be constructed with certain limited opportunities for color and finish selections by Buyer. Any model home in the plat or development is presented as a general illustration only. **THE DECORATIONS, FURNISHINGS, OPTIONS, AND COLOR SELECTIONS INCLUDED IN A MODEL HOME SHALL NOT CREATE AN AGREEMENT OR COMMITMENT BY SELLER AS TO THE HOME BEING PURCHASED BY BUYER.** None of the decorations, furnishings, options, or color selections in or to any model home is included in the Agreement unless Seller, as a part of the Agreement, agrees to deliver the same as part of the purchase price. If Seller has not already obtained a building permit prior to acceptance of the Agreement and this Addendum and Buyer has removed in writing all contingencies to Closing, Buyer shall have the option to select colors of carpet, vinyl floor coverings, countertop laminates and exterior color for the Home from Seller's designated suppliers and within Seller's standard designated specifications and cost allowances, as further described in this Addendum. (Exterior color policy dictates that duplicate color schemes are not allowed next door or directly across the street.) Any colors, selections, upgrades, or chosen items that are different from Seller's standard designated specifications and/or cost allowances must be approved by Seller and **paid for in full at the time of the Selections Meeting.** Should the appraised price be less than the agreed sales price due to changes/upgrades that the Buyer has selected, Buyer must pay the difference between the sales and appraised price in cash directly to Seller upon Closing. It is mutually understood and agreed that Seller will not delay construction of the Home to wait for Buyer's requested selections. If the Home is under construction, any changes to the colors and hard surfaces, carpet, paint, etc., are at the exclusive discretion of Seller and only as evidenced by a mutually signed addendum allowing such changes. All selections, upgrades, or chosen items will remain the property of Seller until transfer of title to the Property at Closing. If this transaction does not close for any reason other than default by Seller, all funds paid for any such items are **non-refundable** from Buyer to Seller and shall be retained by Seller in the event Buyer is unable to and/or elects, for any reason whatsoever, not to complete the transaction contemplated by the Agreement and this Addendum. In the event Seller has already obtained a building permit and has ordered colors of carpet, vinyl floor coverings, countertop laminates, color of appliances, and exterior color of Home prior to mutual acceptance of the Agreement and this Addendum, Buyer may request Seller in writing for a change in any of said items and, to the extent Seller agrees to a change, Buyer understands they may incur additional charges for increased costs

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

due to any such change, including but not limited to additional charges for cost increases of selected items in comparison to previously selected items, for restocking charges or for replacement of previously selected items. Seller's upgrade price list only applies to changes requested prior to Seller obtaining a building permit. Special Buyer selected items or changes will not be allowed if they would delay construction scheduling or completion of the Home. (See also Exhibit B.) Any changes made after the parties sign the Seller's Upgrade Form will require Buyer pay Seller a \$250 administration fee in addition to the costs of the approved upgrades or changes.

12. COMMISSIONS: All commissions will be based on the original base price of the home and will not include any upgrade amounts that may be rolled into the loan amount.

13. NO ORAL REPRESENTATIONS: It is natural during the course of the transaction for Buyer to have questions regarding their new home. In order for Buyer to receive responsible and authoritative answers to their questions during the construction process and prior to the Closing date of the Agreement, **Buyer's questions shall be submitted through the Seller's Realtor.** Any response by Seller shall be in writing, and may be made by email response either to Buyer and/or their designated real estate agent. Buyer understands and agrees that any statements, interpretations or representations regarding the Agreement, this Addendum, or the Property made by sales agents, Seller's employees, Seller's agents, contractors or subcontractors are to be disregarded, are not binding on Seller and that the terms and full understanding of the Agreement shall be limited to the Agreement and this Addendum, except as otherwise agreed to in writing by Seller. Buyer acknowledges that neither Seller (nor any agent or any other person) has made any representation regarding views, or the future use of any developed or undeveloped properties in the vicinity of the Property. **Buyer's preferred e-mail address to be used for correspondence with Seller/JK Monarch:**

Buyer's E-mail: _____.

14. ACCESS DURING CONSTRUCTION: Buyer acknowledges that the Home and Property being purchased pursuant to the Agreement is and shall continue to belong to Seller until Closing. Buyer agrees that neither they, nor their agents or representatives, shall enter onto the Property during construction unless accompanied by Seller's authorized representative and then only at the sole risk of Buyer. Buyer further agrees that only Seller and Seller's employees, Seller's agents, contractors or subcontractors are authorized to enter and do work on the Property, and Buyer is expressly denied permission to enter or perform any work on the Home or Property prior to Closing.

15. NEW HOME ORIENTATION: Prior to Closing, Cascade Builder Services will schedule a new home orientation with Buyer to explain the operational procedures of the Home's appliances, heating and plumbing systems. Due to the number of new homes constructed by Seller and the importance of this limited time availability, the only parties that shall be permitted to attend the new home orientation shall be the Buyers and Seller's authorized representatives. No other family members, representatives or real estate agents are permitted to attend this orientation

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

session. In the event Buyer requests to inspect the Home or the Property prior to Closing, Buyer shall provide Seller's listing agent with the time and date requested for said inspection, which shall be forwarded to Seller's construction department for approval and confirmation. Such inspection will waive the new home orientation offered by Seller and, in such event, Buyer and Seller's authorized representative may conduct a limited new home orientation prior to Closing.

16. LOCATION OF HOME AND FENCING; LANDSCAPING: SELLER HAS SOLE DISCRETION TO DETERMINE THE EXACT LOCATION OF THE HOME AND DESIGN AND CONSTRUCTION OF ANY FENCING OR LANDSCAPING ON THE PROPERTY BEING PURCHASED. Many factors and considerations dictate that Seller has the exclusive responsibility and authority to make such decisions. Seller agrees to landscape the property in a manner consistent with the appearance of the neighborhood and the new Home. Buyer thus acknowledges that the design and construction of all fencing and landscaping is delegated to Seller's sole and absolute discretion.

17. HOMEOWNER'S ASSOCIATION AND DUES: It is understood that all owners of lots within the Plat/development will become members of _____. The homeowner's association is a non-profit corporation organized and existing under the laws of the State of Washington. The Association assesses annual dues in the current amount of \$_____ per year and will be pro-rated at Closing. Buyer acknowledges that assessments by the Association may change and that Seller makes no representations regarding the amount of any assessments or other matters regarding the Association. In addition, Buyer will pay a one-time fee at Closing of \$_____ which shall be payable, in its entirety to the Seller to partially reimburse the Seller for entry monuments, fencing or other improvements for the Plat/development which will be owned and maintained by the Association or its members.

18. SUBSTITUTION/CHANGES: Seller reserves the right to substitute items of comparable quality or to make changes or modifications, as needed, to meet County, City, FHA, VA or Lender guidelines or codes ("Codes"), without prior notice to Buyer. During construction it may be necessary to make changes to the plans and specifications. The modifications may include changes to the floor plans, interior and exterior design, and materials, as Seller deems necessary and/or required by Codes. Seller reserves the right to change materials and/or specifications provided the changes are of equal or better quality than the original, in Seller's sole and absolute discretion. Electrical, mechanical and plumbing placement may vary at the sole and absolute discretion of Seller.

19. PLAN VARIATIONS: No two homes are built exactly alike. It is not uncommon to have minor differences in the dimensions or style of concrete, landscaping, framing, cabinets, etc. All homes are built with materials of comparable quality, but the above-mentioned items can and do vary from home to home. These variations are not considered defects and will not be changed.

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

20. PLANS ARE PROPERTY OF SELLER: All plans, drawings, specifications and design materials shall remain the sole property of Seller and will not be made available to Buyer.

21. COMMON AREAS; PLAT: Buyer hereby acknowledges and agrees that the Seller’s obligations with respect to any common areas or other plat/development improvements are limited to performing such work, and completing such improvements, as are required to obtain a certificate of occupancy for the Home from the applicable City or County authority. Buyer agrees that Seller has made no other representations or warranties with respect to common areas or other plat/development improvements, and Buyer releases Seller from any and all obligations with respect to such common areas or other plat/development improvements.

22. INSULATION: As to homes permitted with applicable governmental authorities on or after July 1, 2002 and in accordance with Washington State Energy code requirements at the time of building permit and pursuant to Federal Trade Commission. Regulations require the following information shall be filled in by Seller: (if insulation is not yet selected, FTC regulations require Seller to furnish to Buyer the information below in writing as soon as available.)

Wall Insulation:	Type: Batt	Thickness: 5 ½"	R-Value: R-21
Ceiling Insulation:	Type: Batt (vault Only)	Thickness: 10"	R-Value: R-49
Ceiling Insulation:	Type: Blown	Thickness: 12"	R-Value: R-49
Floor Insulation:	Type: Batt	Thickness: 10"	R-Value: R-30

Other Insulation Data: Insulation installation specifications meet Washington State requirements. Insulation requirements are subject to change to comply with current energy code. Per 2002 WSEC under 12% glazing. All glazing is U=35 or less.

23. UTILITIES: It is the responsibility of the Buyer to within 48 hours of Closing, switch the utilities into their name as of Closing. Seller will pay for usage fees up to Closing. Seller will not be responsible for any connection or other charges regarding the utilities including any surcharges and/or assessments payable after Closing.

24. WAIVER OF REAL PROPERTY TRANSFER DISCLOSURE STATEMENT: Buyer has received a blank Form 17 for informational purposes and understands that due to the fact this Home is a pre-sale or under construction there is not a completed Form 17. Buyer acknowledges that the Environmental section of Form 17 has no “yes” answers. Buyer has been advised of their right to receive a completed Form 17. Buyer expressly waives its right to receive a Real Property Transfer Disclosure Statement as provided in RCW 64.06 et. seq.

Buyer	Seller
Initial: _____	Initial: _____

Buyer’s Initials _____ Buyer’s Initial _____ Seller’s Initials _____

- 25. POSSESSION:** Keys will be delivered and Buyer shall be entitled to possession of their new Home upon Closing.
- 26. AGENCY:** Both Seller and Buyer acknowledge that Buyer’s real estate agent represents Buyer exclusively and not Seller, and that Seller’s listing agent, _____ (“Seller’s Realtor”) represents Seller exclusively and not Buyer. If selling agent and listing agent are different licenses affiliated with the same real estate broker, then both Seller and Buyer consent to said broker acting as a dual agent. Both Seller and Buyer acknowledge receipt of a copy of the pamphlet entitled “The Law of Real Estate Agency.” Seller may have directed its listing agent to list the subject property in the Northwest Multiple Listing Service and Seller agrees to pay a commission as set forth in the terms of any such listing agreement. Commissions shall not be payable by Seller on any sums representing upgrades, selections, options, changes, Buyer incentives or bonuses that may be added to the sales price of the Property.
- 27. INTERPRETATION:** This Addendum shall supersede and prevail in any conflict between the Agreement and this Addendum. Only handwritten or typed changes to the Agreement or this addendum shall have effect, provided that both Buyer and Seller initial them.
- 28. INTEGRATED AGREEMENT; BUYER’S CAPACITY:** There are no express or implied agreements, promises or representation except as set forth herein or in another written document executed by Seller and Buyer. Buyer enters into this Addendum and the Agreement on behalf of themselves personally, and on behalf of the Homeowner’s Association in Buyer’s capacity as a future Member of the HOA, and their heirs, successors, and assigns.
- 29. INSPECTION ADDENDUM:** The terms and conditions of any Inspection Addendum (NWMLS 35 or otherwise) are amended as follows: If Buyer has not requested and notified Seller in writing of the date for the inspection prior to Buyer’s new home orientation, any requirements of an Inspection Addendum shall be deemed waived and satisfied. Buyer’s delay in ordering and conducting an inspection shall not be an excuse to delay Buyer’s new home orientation and/or Closing. The Seller requires that no pre-sale homes or homes under construction be contingent upon having a home inspection. Buyer has the right to have a home inspection done upon completion of the Home; however the purchase and sale agreement will not be contingent upon it. In that instance, Buyer waives the right to an inspection contingency.
- 30. ARBITRATION:** Any controversy or claim arising out of or relating to this Addendum, the Agreement, any matter related to the Property or the Home, or any claimed defect relating to the Property or the Home, including without limitation, any claim brought under the Washington State Consumer Protection Act, (but excepting any request by Seller to quiet title to the Property) shall be determined by binding arbitration in accordance with RCW 7.04A The Uniform Arbitration Act. The decision and award rendered by the arbitrator(s) shall be final and binding upon the parties, and judgment upon the award may be entered in any court having

Buyer’s Initials _____ Buyer’s Initial _____ Seller’s Initials _____

jurisdiction. The prevailing party in any such arbitration shall be entitled to reasonable attorney's fees and expenses.

31. BUYER'S EXCLUSIVE REMEDY: IN THE EVENT OF ANY DISPUTE OF ANY KIND REGARDING THE AGREEMENT, BUYER'S SOLE AND EXCLUSIVE LEGAL AND EQUITABLE REMEDY FOR ANY BREACH OF THE AGREEMENT BY SELLER SHALL BE THE RESCISSION OF THE AGREEMENT AND THE RELEASE BY SELLER OF ANY CLAIM OR INTEREST IN THE EARNEST MONEY DEPOSIT PAID BY BUYER.

Buyer	Seller
Initial: _____	Initial: _____

32. NOTICE: Buyer acknowledges that mold and mildew are normally occurring conditions in any climate. Seller makes no representation or warranty that the Home is or shall remain free from mold, mildew or similar conditions ("Mold"). Seller specifically disclaims all express and implied warranties with respect to Mold, and with respect to any related damage to the Home or problems with the air quality in or about the Home. Buyer is solely responsible for maintaining the exterior of the Home and the interior of the Home ventilation systems, in such manner so as to prevent the growth of Mold, and Seller has no responsibility to take any action whatsoever in this regard.

Buyer	Seller
Initial: _____	Initial: _____

33. HOMEOWNER LIMITED WARRANTY: See attached Addendum to Purchase Contract, 2-10 Home Buyer's Warranty.

CHAPTER 64.50 RCW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR BUILDER OF YOUR HOME. FORTY-FIVE DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE SELLER OR BUILDER A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR SELLER OR BUILDER THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE BUILDER OR SELLER. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT. ALL DISPUTES RELATED TO THE AGREEMENT AND THIS ADDENDUM SHALL BE RESOLVED PURSUANT TO SECTION 28 OF THIS ADDENDUM.

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

In no event shall Seller's liability exceed the fair and reasonable cost of repair or replacement of the warranted defect. Seller shall not be liable for any cost or expense incurred by Buyer in remedying any warranted defects unless Seller has been notified in writing and has been afforded the opportunity to cure the claimed defect.

Buyer	Seller
Initial: _____	Initial: _____

34. KING COUNTY SEWER CAPACITY: A sewage treatment capacity charge applies to properties in King County which are connected to the sanitary sewer system. It is a monthly connection charge, not an upfront development fee, and is the responsibility of the current property owner. The legal basis for this capacity charge is listed under the Revised Code of Washington (RCW) 35.58.570 and King County Code 28.84.050. Under these laws, a lien may be filed against a property that has delinquent or unpaid charges.

For questions about this capacity charge, contact:

King County Capacity Charge Program
 201 South Jackson, M.S. KSC-NR-0502
 Seattle, Washington 98104
 Phone: 206-296-1450
 Internet: <http://www.kingcounty.gov/capacitycharge>
 Email: capchargeescrow@kingcounty.gov

I/We have had the opportunity to read this Addendum and hereby agree to its terms and conditions.
 All other terms and conditions of said Agreement remain the same and unchanged.

DATED _____, 201__.

BUYER:

 Name: _____

 Name: _____

SELLER:

JK Monarch, LLC

By _____
 Name: _____
 Title: _____

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

EXHIBIT A

Legal Description of Property:

Lot _____, of _____,
according to the plat thereof recorded _____ under recording
No. _____, records of _____ County, Washington.

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

EXHIBIT B

New Homebuyer Process:

Welcome to the new homebuyer selection process. We are dedicated to aiding you in making your home a reality for you and your family. It's important for you to understand everything about the selection process. Please read and review the guidelines carefully. We want your experience with us to be a great one.

Selections Meeting:

A JK Monarch, LLC representative will contact you within 72 hours of mutual acceptance and schedule a Selections Meeting that will be held within 14 working days. Selections Meetings are held Monday, Tuesday, or Thursdays from 9 am – 1 pm and will last up to 4 hours. You should come prepared to this meeting with a clear understanding of any desired upgrades, revisions, or additions. It is your responsibility to make arrangements to be available for this meeting which will be held at our showroom.

Depending on the phase of construction of the Home when purchased, the amount of time available to make changes will vary and the type of changes available may vary. Generally for homes not already under construction, it takes two appointments to complete the selections. In order to complete these appointments within a reasonable period, it is highly recommended that you make necessary arrangements for childcare and that only the homebuyers attend the meeting.

You will have the opportunity to choose from JK Monarch, LLC's standard selection of carpet, vinyl, colors, cabinetry, etc. At this time, you will also be able to select upgrade options. If you select any upgrade options, payment will be due in full at the time the Upgrade Form is signed. Upgrades payments are non-refundable. Please be prepared to pay via cashier or personal check at the end of Selections Meeting. Checks should be made payable to: JK Monarch, LLC.

Should the appraised value be less than the agreed sales price due to changes and/or upgrades made by the homebuyer, the difference between the sales and appraised price will need to be paid by the Buyer directly to JK Monarch, LLC upon Closing.

Please Note: If the Home is under construction, any changes to the colors, hard surfaces, carpet, paint, etc., are at the exclusive discretion of JK Monarch, LLC and only as evidenced by a mutually signed addendum allowing such changes.

In the event there are no significant upgrades or changes to the Home, then your agent may submit, in the form of a written addendum, a list of upgrades/changes you request in which JK Monarch, LLC will review and provide you and/or your agent with the costs breakdown.

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____

Changes made after the Selections Meeting:

If you decide to make any changes after the Selections Meetings have been completed, there will be an additional \$250 administrative fee applied.

Buyer Orientation and Home Closing:

A JK Monarch Customer Service Representative will be in touch with the Buyer before the end of construction to set an appointment for a ‘homeowner walk thru’ to be held immediately upon the completion of construction. The representative will walk the Buyer through the Home, answer any questions, note any concerns, and orient the Buyer to the Home. The representative will also explain the process of the 1 year builder warranty.

Buyer should stay in contact with his/her lender, especially toward the end of the construction process. This will be very important to verify the status of the loan so the Home will be able to close on time. Closing is not official until the sale documents are recorded with the Auditor’s Office and is transferred into Buyer’s name, which usually occurs 24 -48 hours from signing the documents. Once the deed is recorded, and proceeds are transferred to the seller, the Buyer will then meet a JK Monarch, LLC representative to receive keys.

***JK Monarch would like to congratulate you on your new home purchase
and we look forward to working with you!***

Buyers Initials Date

Buyers Initials Date

Buyer’s Initials _____ Buyer’s Initial _____ Seller’s Initials _____

Addendum to Purchase Contract

Address of Subject Home: _____

1. **Superseding Agreement.** The provisions of this Addendum are a material consideration for the Seller to enter into the Purchase Contract to which this Addendum is attached and such provisions supersede and preempt any and all different or inconsistent provisions in the Purchase Contract.
2. **The 2-10 HBW Warranty.** At or about close of escrow, Seller will purchase for Buyer(s) a 2-10 HBW Warranty administered by Home Buyers Warranty Corporation ("HBW"). The 2-10 HBW Warranty is a limited warranty that provides one-year workmanship, two years systems and ten-year qualifying structural defect coverage for certain construction defects in the subject home. As consideration for the 2-10 HBW Warranty, Buyer(s) agrees to the provisions of this Addendum, which supersede any different or inconsistent provisions in the Purchase Contract. Buyer(s) represents that they has been furnished with a copy of the 2-10 HBW Warranty and has had an opportunity to read and understand it, including the binding arbitration agreement contained in it, before signing this Addendum.
3. **Arbitration Agreement.** Any and all claims or disputes between Seller, and Buyer(s), HBW and/or the Warranty Insurer arising from or relating to the 2-10 HBW Warranty, Purchase Contract, the Home, the real property on which it is located, and any common elements in which the Homeowner has an interest, including without limitation, any claim of negligent or intentional misrepresentation, shall be settled by binding arbitration. The arbitration shall be conducted by Construction Dispute Resolution Services LLC, or DeMars & Associates, Ltd, or some other mutually agreeable service. The decision of the arbitrators shall be final and binding and may be entered as a judgment in any state or federal court of competent jurisdiction. Any person in contractual privity with the Builder whom the Buyer contends is responsible for any construction defect in the Home shall be entitled to enforce this arbitration agreement. The Builder and Buyer agree that this agreement and arbitration provision involve and concern interstate commerce and all governed by the provisions of the Federal Arbitration Act (9 U.S.C. §§ 1-16), to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule.
4. **Further Agreement.** Effective one year from the date of closing on the purchase of the Home, Buyer(s) waive the right to seek damages or other remedies from the Seller, its subcontractors, agents, suppliers or design professionals for any defect to the Home, the real property upon which it is situated, and any common elements Buyer(s) have any interest in, under any common law or statutory theory of liability, including but not limited to negligence and strict liability. Buyer's(s)' exclusive remedy for any such defect shall be the coverage provided in the 2-10 HBW Warranty. The agreement contained in this paragraph shall be enforceable to the maximum extent permitted by the law of the state in which the Home is located and shall be applicable to any claim made after the effective date of this Addendum. This paragraph shall not be applicable where prohibited by law or to any written warranty provided by a manufacturer or vendor who has supplied any appliance or component.

By signing this Addendum, Buyer(s) agrees to all terms of the arbitration agreement and waive your right to a jury trial or class action litigation.

Date: _____
Buyer

Date: _____
Builder

Date: _____
Buyer

Title: _____

10-1-2012

Buyer's Initials _____ Buyer's Initial _____ Seller's Initials _____