

MONARCH HOMES, LLC

CONTRACT FOR SALE AND PURCHASE OF NEW HOME CONSTRUCTION

CONFIRMATION OF AGENCY STATUS

Every real estate licensee is required to disclose his or her agency status in a real estate transaction to any BUYER or SELLER who is not represented by an agent and with whom the licensee is working directly in the transaction. The purpose of this Confirmation of Agency Status is to acknowledge that this disclosure occurred. Copies of this confirmation must be provided to any signatory thereof, Notice is hereby given that the agency status of this licensee(or licensee's company) is as follows in this transaction:

The company, _____, in the real estate transaction involving the property located at:

_____ is serving as Facilitator (not an agent for either party)
_____ has appointed _____ to serve as Designated Agent for SELLER
_____ has appointed _____ to serve as Designated Agent for BUYER

This form was delivered in writing, as prescribed by law, to any unrepresented BUYER **prior to the preparation of any offer to purchase**, OR (if the licensee is listing a property without an agency agreement) **prior to execution of that listing agreement**. This document also serves as confirmation that the licensee's Agency or Facilitator status was communicated orally before any real estate services were provided. **This notice by itself, however, does not constitute an agency agreement or establish an agency relationship.**

Date: _____ Licensee's Signature: _____

Acknowledgment:

I acknowledge that above Confirmation of Agency Status:

Date: _____ Signature of BUYER: _____

Date: _____ Signature of SELLER: _____

FAXED SIGNATURES WILL SUFFICE FOR ACKNOWLEDGMENT(S) OF THE ABOVE CONFIRMATION.

1. **PARTIES:** This Contract is made and entered into this ____ day of _____, 200__, by and between **MONARCH HOMES, LLC**, herein referred to as the Seller or Builder, and _____, herein referred to as the Buyer.

2. **EARNEST MONEY DEPOSIT:** The Buyer herein deposits with MONARCH HOMES, LLC, the sum of _____ (\$_____) DOLLARS, as earnest money to secure Buyer's performance of this Contract and to be applied as partial payment of the purchase price. The earnest money is nonrefundable unless otherwise stated in this Contract.

3. **PURCHASE-SALE:** Subject to the terms of this Contract, Seller agrees to sell and Buyer agrees to purchase the following described real property, located in Rutherford County, City of

_____, State of Tennessee, known as Lot # _____, located in _____
Subdivision, Section _____.

4. **PURCHASE PRICE:** The purchase price of the above lot, together with the house to be constructed therein (together called the "Property") is _____
(\$ _____) DOLLARS, payable as follows:

_____.

5. **LOAN INFORMATION:** This contract is contingent upon Buyers' ability to qualify for a loan within 10 days of the binding agreement date. This contingency shall be deemed satisfied unless Seller receives a loan denial letter in writing from Buyer or Buyer's agent within ten (10) days of the binding agreement date. Should this occur, this contract shall be null and void and Seller shall return any earnest money to Buyer or Buyer's agent. Should no loan denial letter be received by Seller within ten (10) days of binding agreement date, this contract shall remain valid and in full effect with any earnest money already paid refundable only at closing as otherwise noted in this contract. Buyer agrees to act in good faith and use diligence in attempting to obtain loan approval and understands and agrees that failure to do so shall constitute default and entitle Seller to retain all monies previously paid as liquidated damages. This agreement is made conditional upon Buyer's ability to obtain a loan at specified terms and conditions as stated below:

_____.

Mortgage Company: _____ Loan Officer: _____
Phone No.: _____ Fax No.: _____
 Conventional FHA VA Other

The mortgage company as set forth above and the terms and conditions of Buyer's financing may not be changed, altered or amended without the express written consent of the Buyer and Seller.

6. **CREDIT INFORMATION:** We, the Buyers, authorize the Seller or Listing Agent to inquire as to our mortgage loan status at any time until our loan is closed. This includes, but is not limited to: employment verification, credit status and credit report information, income, debts, income tax returns, ratios, etc. We further authorize the mortgage company to release this information to the Seller or Listing Agent, until such time as our loan has closed or been denied.

7. **CONVEYANCE AND TITLE:** Seller hereby agrees to sell and convey Property by a good and valid warranty deed to said Buyer, or to such person he may in writing direct and Buyer hereby agrees to purchase Property from Seller, subject to and upon the terms and conditions set forth in this Contract. Title to be conveyed subject to all restrictions, easements of record, zoning ordinances and all other laws of governmental authority, and covenants of restrictions.

8. **TITLE INSURANCE:** An owner's title policy shall be issued to Buyer as of the date of closing at Buyer's expense. This policy is to be issued in the usual form subject to all restrictions, easements of record, zoning ordinances, other laws of governmental authority, covenants of restrictions, the usual printed exceptions, and those agreed to in this Contract. Middle Tennessee Title, Inc. ("MTT") shall issue and collect the cost of the owner's and mortgagee's title insurance policies. Buyer shall have the benefit of simultaneous issue of mortgagee title policy.

9. **FINAL INSPECTIONS AND WARRANTY:** Buyer agrees not to issue any instructions or otherwise interfere with builders, subcontractors, or suppliers. Buyers shall completely inspect the property prior to the closing with the Seller or Seller's agent. Final inspection by the Buyer shall consist of both a functional and cosmetic inspection. Functional items shall be deemed complete so long as an item performs as intended. Since cosmetic inspections are subjective, it is important to establish standards for cosmetic items. A cosmetic repair is one that does not affect the function of said item. A cosmetic repair requested by Buyer and to be performed by Seller must be visible to the naked eye by both Buyer and Seller when viewed from a distance of eight (8) feet or greater under normal lighting conditions. No cosmetic repairs visible from less than eight (8) feet shall be performed by Seller. Buyer agrees that closing of this Contract will constitute acceptance of all standards and specifications as seen, including deviations or changes from the original and that all items are considered complete, excepting warranties and items as specifically noted in a walk-through report. Buyer and Seller shall agree, in writing, those items that will be repaired or completed by the Seller within a reasonable time. Seller shall make a reasonable effort to correct all reasonable defects; however, it may not be possible to do so prior to closing. Completion of this home shall be deemed to have occurred when a Certificate of Occupancy or Temporary Certificate of Occupancy is issued by the governing authority of jurisdiction for the house. The parties agree that the issuance of the Certificate of Occupancy or Temporary Certificate of Occupancy shall be determinative and binding upon the parties that all applicable building codes have been met. Periodic inspections have been performed by a certified city or county official during the process of construction. Inspections by governing authorities shall be deemed complete if a Certificate of Occupancy is issued. Should the buyer choose to select an independent Home Inspector (at Buyer's expense) for further inspection, then such individual must be either a licensed contractor or a professional qualified with an acceptable professional license, issued by the State of Tennessee. Then and only then will items found in non-compliance with accepted applicable codes, as of the date of construction, be repaired or brought to standards. Seller shall have no obligation to make any cosmetic repairs as a result of a professional inspection.

Seller agrees to furnish in writing at closing, a **Home Buyers Warranty and a One Year Builder Warranty**. Buyer agrees that said warranty is in lieu of all other warranties, statutory or otherwise, expressed or implied. Seller's obligation shall not exceed its obligations set forth in said warranty, but in no case shall Seller be required to make any repairs in excess of the contract purchase price set forth in this agreement. Buyer agrees to abide by the Arbitration clause noted hereinbelow should a conflict arise that cannot be resolved by normal communications and normal business practices. The Seller assigns to the Buyer, to the extent they are assignable, all rights under manufacturer's warranties on appliances, equipment, fixtures, and consumer

products. Trees and shrubbery are affected by many uncontrollable factors and are therefore not warranted. See Special Provisions for further warranty information.

10. **RESTRICTIVE COVENANTS:** Buyer is in possession of the Restrictive Covenants for _____ and agrees to comply with said restrictions.

Initials (Buyers)

11. **CLOSING:** This transaction shall be closed, and this Contract shall expire, on or before the ____ day of _____, _____, except as extended by Section 9 of this Contract or unless agreed to by the parties in writing.

CLOSING: Because of Builder/SELLER’S strong desire to meet construction time estimates, and for the convenience of both parties, SELLER and BUYER specifically agree that the **closing for both sides will be conducted by MIDDLE TENNESSEE TITLE, INC.** 8 Lincoln Square, 1535 W. Northfield Blvd., Murfreesboro TN 37129. phone 893-1222 – no exceptions – unless specifically agreed to by BUYER and SELLER in writing. If the mortgage lender does not abide by the terms and conditions as set forth herein, then the Seller may at it’s option declare this contract null and void and of no further force and effect and the provisions of Section 17 will apply.

_____ Buyer Initials	_____ Selling Agent Initials
_____ Seller Initials	_____ Listing Agent Initials

CLOSING CONDITIONS: The Buyer must attend a final walk-through of property with Seller or his agent and sign a Buyer’s Acceptance Affidavit before closing. Walk-through times are Monday through Friday from 8:00 a.m. through 3:00 p.m., preferably 7 days before closing is schedule to occur.

Closing and/or occupancy of the property constitutes acceptance of dimensions, materials, colors, and/or products used in construction of the house and that nothing else is lacking concerning size, shape, materials, products colors, plans and specifications, site conditions present or future, brochures, advertisements or performance with exception of items noted at closing. I/WE further agree to abide by the terms of the warranty as well as the mandatory arbitration clause if closing occurs. We further understand that the Seller’s one year warranty is not transferable, and only applies to the original purchaser of this transaction. The Home Buyers Warranty is transferable with the property.

Responsibility to Cooperate: Buyer and Seller agree to timely take such actions and produce, execute and/or deliver such information and documentation as is reasonably necessary to carry out the responsibilities and obligations of this Agreement. Except as to matters which are occasioned by clerical errors or omissions or erroneous information, the approval of the closing documents by the parties shall constitute their approval of any differences between this

Agreement and the closing. The Buyer and Seller agree that if requested, after closing they will correct any documents and pay any amounts due where such corrections or payments are appropriate by reason of mistake, clerical errors or omissions, or the result of erroneous information.

Notices: Except as otherwise provided herein, all notices, including demands, required or permitted hereunder, shall be in writing and delivered either (1) in person, (2) by an overnight delivery service, (3) by facsimile transmission (fax), or (4) by the United States Postal Service, postage prepaid, registered or certified return receipt requested. Notice shall be deemed to have been given as of the date and time it is actually received. Receipt of notice by the Broker or agent representing a party as a client pursuant to a written agency agreement shall be deemed to be notice to that party for all purposes herein.

FEES AND POINTS: Discount points will be paid by the Buyer. Buyer to finance VA Funding Fee, if applicable. If Buyer obtains a new loan, the loan and closing costs will be paid by Buyer and prepaid costs will be paid by Buyer. (Should Seller, as an exception to this Contract and as part of the sale's agreement, elect to assist in helping pay prepaid items, then the length of time that the Seller shall advance shall be limited to a maximum of three (3) months or less.) **Buyer will be responsible for Title Insurance as required by the Lender.** Seller shall not be responsible if interest rate locks expire due to delay or delays in construction and property does not close at the original contract time. Performance of this instrument shall still be in force.

TO THE MORTGAGE COMPANY, BUYER, SELLING AGENT:

SELLER will not pay mortgage lender fees, including, but not limited to, processing fees, mortgage flood review fees, lender review fees, wire fees, amortization fees, express delivery fees, underwriting fees, tax service fees, warehouse fees, courier fees, Buyer's document preparation fees, loan review fees, assignment fees, administration fees, review appraisal fees, etc. These are not "normal" closing cost fees. It is the BUYER'S responsibility to insure before the BUYER'S Mortgage Company processes the BUYER'S loan that these fees will not be charged to Seller.

MORTGAGE INSPECTION: Any mortgage inspection required by Buyer's lender shall be at Buyer's expense and shall be ordered by Buyer or Buyer's lender. Seller is not responsible for re-staking property prior to or after closing if original stakes have been removed. Buyer is responsible for paying an additional fee for property to be re-staked if Buyer so desires.

12. CHANGES, ADDITIONS AND MATERIAL SELECTION: Request for changes and/or extras desired by the Buyer must be made in writing to Seller and agreed upon by both Buyer and Seller. Seller may require, at his sole option, that the Buyer pay on demand a TWO HUNDRED AND NO/100 (\$200.00) DOLLAR change order fee in addition to the cost for said extras prior to the change being made, such changes are exempt and excluded from commissions. Any changing or upgrading must be done through agents designated by Contractor. The cost of the upgrades will be paid by Buyer at the time of the Contract, or as such time a change order may be effected. All color selections must be selected and decided at the time of authorization. Should the Buyer furnish any item or items for the purpose of placing these items in the home,

Seller will not be liable nor warrant such items, or guarantee condition and should closing fail to occur, said item or items will become a part of the real property and may not be removed. Buyer further understands that unless there are specific terms and conditions to the contrary that extras will be paid up front and the cost will not be added to the initial cost of the home. In the event Buyer fails to close for any reason other than default of Seller, Seller shall retain all funds paid for said cost of plan changes, change order fees, extras, materials supplied, sweat equity, and any and all changes without reimbursement to Buyer. All construction materials that are to be selected by Buyer shall be selected from Seller's suppliers and vendors only.

13. **TERMITE INSPECTION:** Seller agrees to provide an appropriate termite clearance letter or soil treatment letter at closing, as may be required by lender, FHA or VA.

14. **OCCUPANCY:** Possession will be given at closing if Seller receives all monies due hereunder at closing. Any occupancy without Seller's written approval prior to that date shall be deemed unlawful. Seller regrets that seller cannot allow for any early move-ins. No furniture or appliance deliveries will be allowed until after the closing has taken place. Buyers are responsible for Buyer's own living arrangements and/or extra moving expenses if there are any delays in closing, and Buyer agrees to hold Seller harmless for the same.

15. **CASUALTY LOSS:** It is understood and agreed between Seller and Buyer that recovery of any insurance proceeds or other payments as a result of loss by theft, fire or other casualty to the improvements located on the Property shall remain with the Seller and shall only pass to Buyer at closing of the transaction in Seller's discretion. Buyer shall assume responsibility and bear the risk of any casualty loss or theft for any items placed on property by the Buyer. Seller's hazard insurance will be canceled at closing, and Buyer acknowledges Buyer is responsible for insuring the improvements and its contents after closing.

16. **PRORATION:** All real estate taxes are to be prorated as of the closing date. Seller's portion will be based on estimates only. Back taxes, if any, are to be paid by Seller.

17. **BREACH OF CONTRACT:** If this Contract is breached by Buyer or if Buyer fails, for any reason, to complete his purchase of this Property in accordance with the terms set forth herein, Seller shall have the right to declare this Contract null and void, and upon such election, the earnest money shall be retained by Seller as liquidated damages and shall be exempt and excluded from commissions. The right given Seller to make the above election shall not be Seller's exclusive remedy, as it shall have the right to affirm this Contract and enforce its performance or recover full damages for its breach, and recover reasonable attorneys fees and costs in said action. Seller's retention of such earnest money shall not be evidence of an election to declare this Contract null and void, as Seller has the right to retain such earnest money to be credited against damages and/or costs actually sustained or monies already advanced for the purchase of goods, services, and materials although not placed upon the property.

If Seller breaches this contract, Buyer's sole and exclusive remedy is to cancel the contract and receive a refund of any earnest money paid by Buyer.

18. **DISCLAIMER:** Seller and Buyer acknowledge that they have not relied upon the advice or representations, if any, of the Broker (or Broker's associated salesperson), subcontractor, friend, relative or other in regards to the legal and tax consequences of this Contract in the sale of the Property, the purchase and ownership of the Property, the structural condition of the Property, the condition of the roofing, the operating condition of the electrical heating, air conditioning, plumbing, water heating systems, and appliances in the Property, the availability of utilities to the Property, zoning ordinances or the investment potential or resale value of the Property. Seller and Buyer both acknowledge that if such matters have been of concern to them, they have sought and obtained independent advice, expertise or the like relative thereto.

19. SPECIAL PROVISIONS:

- A. Contractor does not guarantee that the **crawl space**, if applicable, will be dry at all times due to environmental conditions.
- B. Contractor has or will finish the **yard and landscaping** in the usual and customary manner; however, Contractor does not guarantee that some rocks or gravel will not be visible on the surface of the yard. He also will not guarantee that the grass will grow, nor does he intend to provide a lawn. A lawn is established through years of re-seeding, diligent watering, and hard work. MONARCH HOMES, LLC has a goal to satisfy our buyers, therefore, it is important to us that you are aware of what the start kit actually includes with regard to your purchase. (1) Heavily wooded lots will be cleared to the rear portion of the house, clearing limits to extend beyond the rear of the building an adequate distance to provide construction access only (approximately 30 feet). Large lots will be cleared only where house will located; (2) Yards will be seeded and covered with straw to the limits of the tree line, or according to specifications, *once only*; (3) Yards are seeded during all seasons in order to establish erosion control. Until grass sprouts and covers the yard, some small pools of water will probably appear.
- C. The **resources of each lot** will be used to accommodate the start kit process. No off-site materials will be imported. If a lot requires additional topsoil, this would become a future investment of the homeowner. *No bedrock will be removed.*
- D. **Drainage** will be the responsibility of the Developer, or the City or County Road Department, whichever is applicable, not MONARCH HOMES, LLC.
- E. There will be **no removal of trees or stumps after** the lot has been cleared for the footing. There is no warranty on trees.
- F. MONARCH HOMES, LLC, does not guarantee that trees and shrubs will live, nor will they remove any tree, living or dead, after closing date.

G. Seller agrees to furnish, in writing, at closing, a Home Buyers Warranty Agreement and a One Year Builder Warranty. Buyer agrees that said warranty is in lieu of all other warranties, statutory or otherwise, express or implied. **THIS EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR HABITABILITY, ALL OF WHICH ARE DISCLAIMED BY THE SELLER AND WAIVED BY THE BUYER.**

_____ Initials

_____ Initials

ARBITRATION: Any controversy or claim arising out of or relating to this contract being raised by Buyer,, or the breach thereof, shall be settled by arbitration in accordance with the rules of Construction Arbitration Services, Inc. in effect at the time of the request for arbitration or by such other arbitration service as Home Buyers Warranty shall, in its sole discretion select and pursuant to the rules of that arbitration service in effect at the time to the request for arbitration. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction. The expenses of the arbitration shall be shared equally, but each party shall bear its own fees and costs. The controlling standard for performance shall be Home Buyers Warranty Agreement items and remedies as per policy or quality standards as supplied and accepted by the Residential Construction Performance Guidelines for Professional Builders and Remodelers per NAHB. These two performance standards shall be the only standards by which warranty or correction and/or arbitration shall be required. Seller may also elect to utilize arbitration as provided herein in the event of any disputes with the Buyer if Seller so chooses.

Initial Buyer(s): _____

Initial Seller(s): _____

After Closing: Any controversy or claim arising from the construction of BUYER'S home will be settled by binding arbitration, as detailed above under Arbitration.

Initial Buyer(s): _____

Initial Seller(s): _____

H. **Insulation** will be installed in the home as per Model Energy Code of state or locally controlling code as of the time of construction. No other guidelines shall be used.

I. **Plumbing** materials and **paint** materials shall comply with all State and Federal regulations as of the time of construction.

J. **Radon Notice and Disclaimer:** The United States Environmental Protection Agency (EPA) and the Tennessee Department of Health or Environmental Protection have expressed concern over the presence of radon gas in homes. Prolonged exposure to high levels of indoor radon or its progeny may affect the health of residents. Although such conditions may exist, the Builder has made no investigation to determine whether radon gas or other environmental pollutants are present in the home or affecting the premises. The Builder has made no analysis or verification of the extent of the environmental or health hazard, if any that may affect the premises or residents. The Builder makes no representations or warranties as to the presence or lack of radon or hazardous environmental condition, nor as to the effect of radon or any such condition on the premises or residents. The Builder further disclaims and Buyer waives, unless otherwise expressly provided in the Builder's Limited Warranty

– all warranties, express or implied, including, but not limited to the warranties of good workmanship, habitability, merchantability, and fitness of purpose, and including any warranties that could be construed to cover the presence of radon or other environmental pollutants. The only warranties the Builder provides to the Buyer are those contained in the Limited Warranty.

K. Molds, Spores, Mildew, Vermin, Fungae and the Like – Notice and Disclaimer:

The Builder has used all diligence, all standard accepted building practices, all standard materials and has followed the existing City or County Code as close as is humanly possible. I realize, as the future homeowner, that the Builder is unable to protect or treat for unforeseen items such as attacks by molds, spores, mildews, vermin, fungae or the like. This does not mean that at some point in the future, these conditions may not exist or make themselves known or even now be in a dormant state. I/We also am aware that some items placed in this house, by the very nature of being organic, natural, man-made, or porous, may contain molds, spores, mildew, vermin, fungae, or the like, that do not at present appear or show any signs of being present. I/We further state that I/We will hold the Builder harmless and release him from any and all liability that such items or attacks may present and I/We will seek no further remedies. I/We further understand that many different conditions may or may not ever exist. The Builder has and will use all diligence to use quality accepted materials, standards, practices, and techniques. I/We the Buyers do not expect any warranty nor will we expect this condition to be warranted. The Builder makes no representation or warranty as to the presence or lack thereof and these items will not be warranted, nor be covered in the Builder One Year Warranty or the additional 2-10 warranty that I may be receiving at closing, nor will I/we have any future remedies. I/We have been made aware that at some point in the future, a condition may exist wherein molds, spores, mildews, fungae, vermin, or the like may surface and make their presence known.

Initial Buyer(s): _____

Initial Seller(s): _____

L. Conditions resulting from **condensation** on, or **expansion** or **contraction** of materials will not be warranted.

M. **INJURY LIABILITY:** I/WE ARE AWARE THAT ENTRY UPON THE CONSTRUCTION SITE IS A HAZARDOUS ACTIVITY, AND I/WE SHALL BE VOLUNTARILY ENTERING UPON THE CONSTRUCTION SITE WITH THE KNOWLEDGE OF THE DANGER INVOLVED AND I/WE AGREE TO ACCEPT AND ASSUME ANY AND ALL RISKS OF INJURY, DEATH AND PROPERTY DAMAGE. ***In addition, I/we hereby release and discharge MONARCH HOMES, LLC, its agents and employees, from all claims and actions that I/we, my heirs, my invited visitors, or legal representatives now have or may hereafter have, for injury or damages arising out of or related to my entry upon said lot.***

Initial Buyer(s): _____

Initial Buyer(s): _____

O. **RE-PAINTING:** The parties acknowledge and agree that it is difficult for paint colors to be matched between painted walls and subsequently touched up areas. In the event Buyer requests Seller to touch up any paint for nailheads or other items, Seller shall not be responsible if the paint color of the touched up area does not match the existing wall. Under no circumstances will Seller be responsible to re-paint an entire wall due to areas being touched up at Buyer's request not matching the existing paint.

Initial Buyer(s): _____

Initial Buyer(s): _____

P. **NATURAL GAS CONNECTIONS:** Seller shall not be responsible to run any lines for natural gas, make any natural gas connections, or pay any fees or tap fees for natural gas service for homes with no natural gas appliances other than fireplaces. In such cases, it will be the responsibility of the Buyer to arrange for the natural gas connection and utility lines.

Q. **CANCELLATION BY SELLER:** For any reason during the term of this Contract, Seller may nullify this Contract, declare this Contract to be null and void, and refund to the Buyer the earnest money and any other monies paid by the Buyer. The affect of this nullification in the sole discretion of the Seller shall be that the Buyer has no further rights to purchase the property whatsoever, and that Seller may freely sell the property to another third party.

R. **WARRANTY PERFORMANCE:** Seller or Seller's agents shall make appointments with Buyer to gain access to inside of home, if necessary, for any repair after closing. Should Buyer fail to meet Seller or Seller's agents at time and date specified, Buyer shall incur a sixty (\$60) dollar wasted trip charge. The wasted trip charge must be paid by Buyer prior to any further warranty work being performed by Seller. Buyer shall be solely liable for any damages resulting from repairs not completed as a result of the nonpayment of this charge.

20. **FLOOD DISCLOSURE:** Seller represents that to the best of his knowledge, the property has not been damaged or affected by flood or storm run-off water and that the property () is () is not in flood area.

21. FHA REAL ESTATE CERTIFICATION AND AMENDATORY CLAUSE:

REAL ESTATE CERTIFICATION: It is agreed and understood that in submitting a request for a Firm Commitment for mortgage insurance, the Seller, the BUYER, and Broker or Agent in the transaction do each certify that the terms of the Contract for purchase are true to the best of his/her knowledge and belief, and that any other agreement entered into by any of these parties in connection with this transaction is fully disclosed and is part of, or attached to, this sales agreement.

AMENDATORY CLAUSE: It is expressly agreed that notwithstanding any other provisions of this Contract, the Buyer shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the Buyer has been given, in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price. The Buyer shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The Buyer should satisfy himself/herself that the price and condition of the property are acceptable. WE, THE BUYER(S), SELLER(S), AND SELLING AGENT OR BROKER, CERTIFY THAT WE HAVE READ, UNDERSTOOD AND AGREED TO BOTH OF THE ABOVE PARAGRAPHS, AND UNDERSTAND THEY ARE A PART OF OUR SALES CONTRACT.

22.VA APPRAISAL: It is expressly agreed that, notwithstanding any other provision of this contract, the BUYER shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Veterans Administration. The Buyer shall, however, have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established by the Veterans Administration.

23.TIME IS OF THE ESSENCE. Time is of the essence of this Contract and all of the conditions thereof.

24.ENTIRE AGREEMENT: This Contract contains the entire agreement of the parties relating to the subject matter hereof and cannot be changed except by their written consent. The following addendum(s) are part of this Contract: (List and attach or, **if none, print none**).

Addendums:

25. REAL ESTATE COMMISSION: Commission to be paid by Seller in connection with this transaction have been negotiated between Seller and Listing Broker. Commissions shall be earned at such time as this contract is accepted by all parties and all conditions herein are met and such are payable upon consummation of this Contract. Real estate commission shall be calculated on the base price of the house or property meaning as follows: There shall be no commission paid on Nehemiah, Ameridream, Own Program, or such down payment programs, or assisted items paid for by the Seller for the Buyers' use. Additionally, any closing costs, prepaid or funding fees paid by the Sellers for the Buyers use shall be excluded from the sales commission. The closing attorney is authorized to debit Seller's accounting and pay commission(s).

I CERTIFY THAT I HAVE FULLY READ, UNDERSTAND AND ACCEPT ALL OF THE PROVISIONS OF THIS CONTRACT.

Witness our signatures on the dates below written:

“SELLER”

“BUYER”

MONARCH HOMES, LLC

By: _____
Chief Manager Date

BUYER Date

BUYER Date

Buyer’s Telephone Numbers: Home _____
Work 1 _____
Work 2 _____
Cell 1 _____
Cell 2 _____

E-Mail Address 1: _____

E-Mail Address 2: _____

Name of Insurance Company and Agent for

Homeowner’s Insurance: _____

Phone Number & Agent: _____

I/We hereby authorize and request the release of
Homeowner’s insurance information to
Middle Tennessee Title, Inc.

Buyer

Buyer

I hereby acknowledge that I have received a copy of this accepted contract.

SELLER Date

BUYER Date

Listing Agent: _____

Selling Agent: _____

Listing Company: _____

Selling Company: _____

Telephone Numbers: _____

Telephone Numbers: _____

Public I.D. Number: _____

E-Mail Address: _____

Public I.D. Number: _____

EFFECTIVE DATE OF CONTRACT (This is not to be filled in until full agreement between parties has been reached):

Full agreement between ALL parties involved in this contract has been reached and the effective date of the contract is: _____

Basic new home contract 12-21-07