

Cantera
Offer Instructions

1. Complete highlighted portions of purchase agreement & attached addenda
 - a. Addendum C (Contingent Sale Addendum) is the only optional addendum. Complete this only if the buyer must sell another property to purchase this property.
 - b. All other addenda must be completed.
2. Have buyer(s) sign
3. Submit the signed agreement to CanteraOffers.KyleWhissel.com

Note:

- All buyers will be required to cross qualify with seller's preferred lender:
Mark Angotta
Guaranteed Rate
619-884-7878
mark.angotta@rate.com

JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

Cantera

_____ and _____ (collectively and individually "Buyer") makes to HIGH STREET 34 LP, a California limited partnership ("Seller") an offer to purchase the Property described below. Upon Seller's acceptance, Buyer agrees to purchase and Seller agrees to sell the Property to Buyer on the terms and conditions set forth below in this agreement and all attached addenda ("Agreement").

1. **Property.** The real property (the "Property") which is the subject of this Agreement is located in the City of La Mesa, County of San Diego, California, and is commonly known as:

8252 High Street

(Property Street Address)

La Mesa, CA 91941

(City, State and Zip Code)

The Property plan type and elevation shall be Plan C, Unit 30, subject to the right of Seller to make changes as set forth below. The Property is more particularly described as:

A condominium located in the City of La Mesa, County of San Diego, in a project commonly known as "Cantera" (the "Project"), and more particularly described as Residential Unit No. 30 and all interests appurtenant to such Residential Unit as shown on that certain Condominium Plan recorded May 6, 2024 as Document 2024-0113490, Official Records of San Diego County, California, as amended from time to time (the "Condominium Plan").

2. **Purchase Price And Estimated Cash Due At Closing.** Buyer shall pay the following purchase price for the Property:

<u>Base Purchase Price</u>	\$ _____
<u>Estimated Buyer Closing Costs, Prepaid Expenses and Impounds Due at Closing</u>	\$ _____ To be provided by lender
<u>Initial Deposit</u>	\$ <u>2,500</u>
<u>Estimated New Loan Amount</u>	\$ _____
<u>Estimated Cash Required Down Payment and Buyer Closing Costs</u>	\$ _____ To be provided by lender

3. **Payment Of Purchase Price.** Buyer shall pay the purchase price as follows:

- a. **Initial Deposit.** Seller acknowledges receiving from Buyer the sum of \$ 2,500 ("Purchase Deposit") being a check made payable to Escrow Holder (named in **Paragraph 7** below).
- b. **Balance.** Buyer shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds (i.e., wired funds or a cashier's check drawn on a California banking institution), Buyer's closing costs, prepaid expenses and impounds, estimates of which are indicated above, not later than **three (3) business days** prior to the "Closing Date", as defined in **Paragraph 4** below; however, if Buyer will be obtaining a New Loan, the New Loan Amount shall be deposited into escrow in immediately available funds not more than twenty-four (24) hours prior to close of escrow.

4. **Closing Date.** Escrow shall close on or before the date (the "Closing Date") which is five (5) days after Seller notifies Buyer that the Property has been completed pursuant to the terms of Paragraph 18 below. Seller estimates that the Closing Date will occur on or about _____. Seller makes no representation that the estimated Closing Date will be the actual Closing Date, and Buyer acknowledges that due to the variables in the development of the Property and the Project, the date on which escrow will actually close may differ substantially from the estimated Closing Date and may occur before or after the estimated date. If escrow has not closed by twelve (12) months after the date this Agreement is accepted, and if Buyer is not in default under any of the terms of the Agreement, Buyer may elect to terminate this Agreement and escrow pursuant to Paragraph 5 below.

5. **Failure To Close.** If escrow is unable to close on or before the Closing Date (or a later closing date mutually agreed upon by Seller and Buyer), or as soon as possible after the Closing Date (or mutually agreed date) not to exceed **fifteen (15) days** (the "Outside Closing Date"), for any reason other than a default by Buyer then **fifteen (15) days** after the Outside Closing Date, Seller shall order all of Buyer's deposits to be refunded to Buyer, without deduction except for disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be

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canceled at Seller's expense and the parties shall have no further rights or obligations with respect to the Property under this Agreement. If escrow does not close due to a failure of Buyer to perform his or her obligations under this Agreement, the Buyer shall be in default and Seller may terminate this Agreement and cancel the escrow as provided in **Paragraph 21**.

6. **Financing. [Check One]:**

- Financing Required: Buyer will apply, qualify for and obtain financing sufficient to close escrow in the approximate sum stated above (the "New Loan" or the "New Loan Amount"); or
- Financing Not Required: Buyer will provide verification of cash funds within seven (7) days of acceptance and close escrow without obtaining a loan.

If "Financing Required" has been checked, Buyer shall use his or her best efforts to qualify for and obtain institutional financing. In particular:

a. Buyer To Obtain Loan Qualification or Apply For The New Loan Within Seven (7) Days. Within **SEVEN (7) days** after Buyer signs this Agreement, Buyer shall submit to Mark Angotta with Guaranteed Rate ("Guaranteed Rate Mortgage") a completed loan application for the New Loan together with all other information and all fees required by such lender.

b. Buyer To Pursue Obtaining The Loan. Buyer shall take all steps appropriate to allow prompt processing of the application for the New Loan. For example, and without limitation, Buyer shall fully respond to any requests by the applicable lender(s) for documents or additional information within **THREE (3) calendar days** after such request is made.

c. Buyer To Obtain Loan Approval. [check appropriate box]:

[Check if the Closing Date is **less than sixty (60) days** after the date Buyer signed this Agreement]. Buyer shall deliver to Seller, within **fifteen (15) days** after the date Buyer has signed this Agreement, evidence satisfactory to Seller that Buyer has obtained final loan approval for the New Loan Amount from Guaranteed Rate Mortgage;

[Check if the Closing Date is **more than sixty (60) days** after the date Buyer signed this Agreement]. Buyer shall deliver to Seller, within **fifteen (15) days** after the date Buyer has signed this Agreement, satisfactory evidence that Buyer and the Property have qualified and been approved by Guaranteed Rate Mortgage for the New Loan and Buyer shall deliver to Seller, within **forty-five (45) days** prior to the Closing Date, final loan approval for the New Loan Amount from Guaranteed Rate Mortgage.

d. Additional Lenders. Should Buyer wish to apply to a lender in addition to Guaranteed Rate Mortgage, Buyer may do so provided that Buyer also complies with the requirements set forth in this **Paragraph 6** with respect to Guaranteed Rate Mortgage. The lender who will actually make the New Loan is referred to as the "Lender".

e. Diligence After Loan Approval. After approval of Buyer's loan application by the Lender, Buyer shall diligently comply with each of the requirements of the Lender necessary to close escrow by the Closing Date or Buyer shall be in default hereunder and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 21(a)** below. Should the Lender designated by Buyer (i) not be Guaranteed Rate Mortgage and (ii) should the Lender designated by Buyer fail or refuse to make the New Loan, Buyer agrees to designate Guaranteed Rate Mortgage to replace the Lender designated by Buyer and Buyer shall thereafter comply with each requirement of Guaranteed Rate Mortgage necessary to close escrow by the Closing Date.

f. Seller's Right To Terminate. In the event Buyer fails to use his or her best efforts to qualify for and obtain financing as described above or fails to comply with the above time limits or takes any act to prevent loan approval, Buyer shall be in default and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 21(a)** below. No act or omission by Seller shall be deemed a waiver of its right to later terminate this Agreement for Buyer's failure to diligently pursue or obtain financing within the time periods described in this Paragraph. Further, notwithstanding the time periods stated in this Agreement for Buyer to qualify for and obtain preliminary or final loan approval, in the event Seller, in its sole discretion, determines at any time prior to the expiration of **thirty (30) days** after Buyer's execution of this Agreement, that it is improbable that Buyer will be able to obtain financing in a timely manner, then Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 21(b)** below.

g. Buyer's and Seller's Right To Terminate. If Buyer has used his or her best efforts to qualify for and obtain financing as required in this Agreement and is not otherwise in default under this Agreement, but Buyer is unable to qualify for financing within the time periods set forth above, either Seller or Buyer may terminate this Agreement and cancel escrow in accordance with **Paragraph 21(b) or 22(b)** below.

h. Authorizations Given By Buyer. Buyer gives Seller or Seller's designated agent permission to investigate Buyer's credit (including obtaining a credit report on Buyer). Additionally, Buyer authorizes Seller to disclose to the applicable lender(s) information about Buyer known to Seller and to obtain information from the lender(s) regarding the New Loan. Buyer further authorizes the applicable lender(s) to disclose to Seller all information about Buyer known to such lender(s). Such information may include exchanging copies of completed applications and other documents given by

Buyer. Buyer shall execute such further forms of written authorization for Seller or the lender(s) to obtain other relevant information.

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Buyer has read and understands this **Paragraph 6(h)**, and by placing his or her initials below expressly authorizes such disclosures.

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i. Delay in Closing. If Buyer fails to close escrow on the Closing Date, through no fault of Seller, and if Seller notifies Buyer in writing that Seller agrees to extend the date for close of escrow, Buyer shall pay to Seller at close of escrow and through escrow (in addition to and not in lieu of all other amounts due from Buyer under this Agreement) consideration for an extension of time for the close of escrow. The amount of such additional consideration shall be in an amount equal to \$100.00 per day for each day from and including the Closing Date, to, but excluding, the day escrow closes. Any such consideration for extension for the close of escrow shall be deemed separately earned for the extension so agreed to by Seller and shall not be deemed additional purchase price. This provision shall not apply to a VA Buyer. Nothing stated in this Paragraph shall require that Seller agree to any such extension.

7. **Escrow Holder.** The escrow company ("Escrow Holder") shall be Silvia Santiago - Fidelity National Title

(Name of Escrow Company)

8. **Buyer Must Disclose Contingent Purchase.** If Buyer must sell another property in order to close the escrow for the purchase of the Property, **Buyer acknowledges that Buyer must disclose this fact to Seller's sales representative and must complete and sign a Contingent Sale Addendum before Buyer signs this Agreement.** Seller shall have the right to terminate this Agreement and seek damages against Buyer for material misrepresentations, should Buyer give false information regarding the need to sell another property or status of any such sale.

Buyer and Seller agree that the purchase of the Property by Buyer is: [check one]

- NON-CONTINGENT.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS NOT CONTINGENT** on the sale of another property.
- CONTINGENT IN ESCROW.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS CONTINGENT** on the sale of another property, which is currently in escrow. (See attached **Addendum "C"**.)
- CONTINGENT NOT IN ESCROW.** Buyer's obligation to purchase and Seller's obligation to sell the Property **IS CONTINGENT** on the sale of another property, which is not currently in escrow. (See attached **Addendum "C"**.)

9. **Contingencies If Common Interest Development.** If the Property is located within a "Common Interest Development" as defined in California Civil Code Section 4100, the purchase of the Property by Buyer shall be subject to the terms and provisions of **Addendum "A"** attached to this Agreement.

10. **Addenda.** The Addenda listed below which Buyer and Seller are concurrently signing with this Agreement are incorporated into this Agreement and a part of this Agreement:

- Addendum "A" – Common Interest Development Addendum
 Addendum "B" – Escrow Holders Standard Form, Printed General Escrow Instructions
 Addendum "C" – Contingent Sale Addendum
 Addendum "D" – Disclosure Addendum
 Addendum "E" – Construction Standards and Non-Adversarial Procedures for Statutory Construction Claims _____
 Addendum "F" – Alternative Dispute Resolution Addendum _____
 Addendum "G" – Fit & Finish Warranty _____
 Others Disclosure of ongoing construction

11. **Title.** Buyer will receive a preliminary title report covering the Property from a title company licensed to do business in the State of California (the "Title Company") prior to the close of escrow. The fee, if any, for the preliminary title report shall be paid by Seller. At the close of escrow, title to the Property shall be conveyed to Buyer free of liens and encumbrances other than the following: (A) Standard exceptions and exclusions of the Title Policy, (B) current real property taxes, special taxes and any assessments levied by any Community Facilities District, Community Services District, Lighting and Landscape District and/or other special district or taxing authority; (C) any declaration of covenants, conditions and restrictions (the "Declaration") prepared for the project ("Project") of which the Property is a part; (D) all other covenants, conditions, restrictions, easements, supplementary declarations, rights and rights of way of record; (E) the New Loan in favor of Buyer's lender; (F) all other matters approved in writing by Buyer or caused by Buyer; and (G) any other matters which do not materially impair the use of the Property for residential purposes. The Property shall be conveyed subject to reservations in favor of Seller or others of all oil, minerals, natural gas and other hydrocarbons, geothermal steam and water rights. At the close of escrow, Buyer will receive an Owner's standard form CLTA or ALTA Residential policy (with Western Regional Exceptions) of title insurance (the "Title Policy") issued by the Title Company, showing title vested in Buyer as provided above. The Title Policy shall be in the amount of the Purchase Price for the Property. Buyer agrees that Seller may reasonably amend the Declaration prior to close of escrow.

12. **Vesting.** Buyer shall notify Escrow Holder and Seller in writing not more than **ten (10) days** after Buyer signs this Agreement of the manner in which Buyer wishes to take title (examples: Community property, joint tenancy, living trust, etc.) THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND/OR TAX CONSEQUENCES. BUYER IS

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ENCOURAGED TO DISCUSS THIS SUBJECT WITH BUYER'S LEGAL AND/OR TAX ADVISOR. Nothing stated in this Paragraph is intended to allow Buyer to assign Buyer's rights under this Agreement.

~~13. **Flooring Selections; Option Selections.** Unless already chosen and/or installed by Seller as of the date both parties have signed this Agreement:~~

~~a. **Flooring Selections.** Buyer shall make flooring selections from the choices provided by Seller, as follows: (i) if the Closing Date is within **thirty (30) days** or less from the date Buyer executed this Agreement, Buyer shall make the selections within **five (5) days** of Buyer's execution of this Agreement, (ii) if the Closing Date is more than **thirty (30) days** but within **sixty (60) days** from the date Buyer signed this Agreement, Buyer shall make the selections within **ten (10) days** of Buyer's signed Agreement; and (iii) if the Closing Date is more than **sixty (60) days** from the date Buyer executed this Agreement, Buyer shall make the selections within **forty-five (45) days** prior to the Closing Date. If the unavailability of Buyer's selections will prevent installation of the selections in the Property by Seller prior to the Closing Date, Buyer shall, within **three (3) days** after Seller's written request, provide Seller with an alternate selection. If Buyer does not make selections within the foregoing time frames, Seller shall have the right to make the selections for Buyer or to declare Buyer in default.~~

~~b. **Option Selections.** Buyer shall make all option selections within the construction cut-off time frames provided by Seller. Payment in full or deposits in an amount to be determined by Seller are required at the time selections are made and all selections shall be final. If the unavailability of Buyer's selections will prevent installation of the selections in the Property by Seller prior to the Closing Date, Buyer shall, within **three (3) days** after Seller's written request, provide Seller with alternate selections from the list provided by Seller. Buyer also understands that although Buyer may desire to obtain financing for the cost of any selections through the New Loan, the Lender may or may not allow Buyer to finance any or the entire cost of such items. If for any reason the Lender does not allow Buyer to fully finance such costs, Buyer agrees to deposit the amount Seller requires of the unfinanced portion of such costs into escrow at the time of Buyer's option selection.~~

14. **No Assignment.** This Agreement and the escrow established under this Agreement may not be assigned or otherwise transferred, voluntarily or by operation of law, by Buyer without the prior written consent of Seller, which consent may be withheld for any reason. Any attempt by Buyer to assign his or her rights under this Agreement shall be void and of no effect.

15. **Buyer's Duty To Cooperate.** Buyer understands and acknowledges that upon Seller's acceptance of this Agreement, Seller will incur carrying and other costs attributable to Seller's holding the Property off the market, which costs will increase if Buyer fails to perform all actions necessary to close escrow. Accordingly, Buyer agrees to cooperate with Seller and shall use its best efforts and diligently take any action necessary to timely close escrow, including, without limitation, promptly cooperating in good faith with the Lender, Escrow Holder and the Title Company, and promptly providing all information requested by Seller, the Lender, Escrow Holder or the Title Company. Buyer acknowledges that Buyer's failure to so cooperate shall constitute a default.

16. **Insurance.** Buyer shall procure, prior to the close of escrow, such insurance for the Property as the Lender may require as a condition to extending credit to Buyer. Buyer shall, at least **ten (10) days** prior to the Closing Date, provide the name, address and phone number of Buyer's insurance agent to Escrow Holder. In the event Seller determines, in its sole discretion, that Buyer is not procuring such insurance in a timely manner, Seller may but shall not be obligated to procure any such insurance at any time prior to the Closing Date as the agent of Buyer, and Buyer hereby authorizes Seller to obtain such insurance. Buyer shall reimburse Seller for the actual cost of any such insurance purchased by Seller. In the event Seller procures such insurance, Buyer shall indemnify and hold Seller harmless against any and all losses arising from the selection of such insurance policies.

17. **Soils/Geology.** A soils and geological report for this subdivision is on file with the County or City in which the Property is located, and upon request, a copy will be made available in the sales office for Buyer's review. In order to minimize the possibility of moisture intrusion into the soils of the Property, Buyer agrees not to alter the grading and any drainage devices on the Property. Before constructing any improvements on the Property (including, without limitation, additions, retaining and other walls, landscaping, exterior concrete flat work, swimming pools and spas), Buyer agrees to obtain the recommendations and guidance of appropriate qualified experts as to whether any special design and construction criteria should be employed. Buyer agrees to hold Seller harmless from such improvements or any damage resulting from such improvements.

18. **Completion Of Construction.** Seller shall improve the Property substantially in accordance with plans and specifications on file at the City or County (as applicable) in which the Property is located as such plans may be revised by Seller from time to time pursuant to **Paragraph 20** below. The improvement of the Property shall be deemed completed and to fully comply with the terms of this Agreement when the City or County (whichever has jurisdiction) permits occupancy of the Property. In determining whether the Property has been completed, the Escrow Holder shall rely on the certificate of Seller to that effect which shall be binding. Provided Buyer shall have satisfied all contingencies and fulfilled all obligations required of Buyer under this Agreement, Seller shall complete the Property within twelve (12) months after the date Seller signs this Agreement. Notwithstanding the foregoing, if Seller is delayed at any time in completing the Property for any reason beyond the reasonable control of Seller, then the time for completion of construction shall be extended for the period of delay. In any event the Property will be completed within two (2) years after the date Seller signs this Agreement, unless delayed by conditions or circumstances that are legally supportable under the laws of the State of California as an impossibility of performance for reasons beyond the control of Seller, such as Acts of God.

19. **Buyer Orientation And Inspection.** Buyer and Seller or Seller's representative shall meet for an orientation and inspection of the Property prior to the Closing Date. Buyer shall make himself or herself available within forty-eight (48) hours after Seller's request to meet. Failure of Buyer to meet with Seller after Seller's request shall not delay the close of

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escrow. During the walk through inspection, any corrective work which Seller reasonably agrees is appropriate shall be noted on a list. Any such corrective work shall not delay the close of escrow. Seller will complete all corrective work listed on the list of corrective work and agreed to by Seller within a reasonable period after close of escrow.

20. **Buyer's Representations And Acknowledgments.** In addition to any other representations and acknowledgments of Buyer in this Agreement, the matters set forth in this Paragraph constitute representations and acknowledgments by Buyer which are true and correct as of the date of this Agreement and which Seller requires to remain true and correct as of the close of escrow. If prior to the close of escrow, Buyer learns, or has reason to believe, that any of the following representations or acknowledgments have ceased or may cease to be true, then Buyer shall immediately give written notice to Seller of such change.

a. Buyer has Freely Chosen Lender. Although Buyer is required to submit a loan application to Guaranteed Rate Mortgage, Buyer acknowledges his or her understanding that Seller has not required Buyer to obtain Buyer's loan from any particular lender, and that Buyer has chosen a lender of Buyer's own choice. Buyer acknowledges that Seller makes no representations or warranties with regard to any lender, including, without limitation, the ability of any lender to provide Buyer's financing. Buyer further represents that Seller has not in any manner coerced Buyer to seek any particular loan or agree to any particular loan terms.

b. Availability of Property. Buyer understands that certain other properties of Seller's may be on or off the market and may not have been shown to or otherwise made available for purchase by Buyer. Buyer acknowledges that Seller has no obligation to notify Buyer if any particular property is available or becomes available.

c. Changes in Construction. Buyer acknowledges that Seller is building the Property as one production home within the overall Project. Buyer further acknowledges that Seller is not building the Property to Buyer's specifications or to the precise specifications or design of any model home. Subject to approval of the applicable governmental agencies, Seller reserves the right, at any time and without notice, to make changes to the plans or specifications for the Property, to change the color scheme and to make substitutions as Seller deems reasonably necessary or desirable to the building materials, fixtures, appliances and other components of the Property of equal utility and quality (but not necessarily of equal price) to those specified in the plans and specifications and/or non-upgrade items displayed in any model. Locations of electrical switches, outlets, receptacles and lights in the Property may be different than in any model. It is specifically agreed that substitute items need not be of the same cost. Seller further reserves the right to make changes in construction as may be required from time to time by any governmental agency having jurisdiction over the Property, by any lender making loans on the Project or by any entity or agency insuring, guaranteeing, purchasing or otherwise assisting in the financing of the Project, or as may be required due to shortages, stoppages or unavailability of labor or materials. Buyer's deposit into escrow of funds needed to close escrow shall constitute Buyer's full and complete acceptance of the Property.

d. Changes in Product and Development Plan. Buyer acknowledges that Seller reserves the right, at any time and without notice, to modify its development plan for the Project, including, but not limited to, changing the style, square footage, density, exterior elevations, color schemes, construction schedule, phasing and pricing of the residences in the Project. Without limiting the generality of the foregoing, Seller may, in its sole discretion, elect to improve the residences with more or less expensive architectural features and amenities and/or to build larger or smaller residences or different product types. Additionally, Seller reserves the right to not build residences on each lot and/or not to develop future phases of the Project.

e. Changes in Prices and Marketing Methods. Buyer acknowledges that Seller reserves the right, at any time and without notice, to increase or decrease the sales prices and to adjust the terms and conditions of sale of the homes in the Project. Buyer further acknowledges that the sales price and the terms and conditions of the sale of the Property are not necessarily related to the sales price or terms and conditions of sale which have previously been offered or which may subsequently be offered to other buyers in the Project. Seller has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of the Property (or any other property), and Seller shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of the Property. Buyer also acknowledges that Seller reserves the right, at any time and without notice, to change its marketing methods, including, but not limited to, selling residences (or lots) in bulk to another developer, or to sell residences (or lots) by auction or by lottery.

f. Construction Schedule. Buyer acknowledges that the various stages of construction shall be deemed to have been satisfactorily performed when approved by the appropriate governmental agencies in compliance with existing laws, regulations and codes. Scheduling of construction is difficult and delays in completion are common. Seller shall use reasonable efforts to keep Buyer informed of delays in the construction schedule. However, Buyer acknowledges that Seller makes no representation as to the actual date of completion and that Seller shall not be responsible for inconvenience, loss or expense to Buyer resulting from delays in completion of construction.

g. Alterations Prior to Closing. Buyer acknowledges that all portions of the Property and materials located on the Property are the property of the Seller or persons other than the Buyer and Buyer has no right to utilize in any way any such materials. Buyer also acknowledges that Buyer may not make any changes of any kind to the Property during construction and prior to the close of escrow (e.g., alarm systems, home intercoms, stereo wiring, etc.) Any changes and non-approved options found on the Property during the construction period will be removed by Seller and the cost of removal and any necessary repairs to the Property shall be paid by Buyer.

h. Construction and Sales Activity. Buyer understands that, as presently planned, the Project may be developed in a series of phases, and additional phases may be completed after Buyer closes escrow. The construction and sales of homes in subsequent phases may result in some inconvenience to Buyer due to increased noise and dust from construction traffic and the operation of a model complex and sales office. Buyer agrees to exercise extreme caution

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and to observe all signs while driving through the temporary closure of streets and rerouting of traffic in any construction area. Buyer further assumes all risk of liability for any injuries to persons and property which may be sustained by Buyer, the members of Buyer's family and Buyer's guests and invitees by reason of such person's presence in the construction area. Buyer agrees to reasonably cooperate with Seller should Seller require temporary construction access across the Property to construct another residence(s) or related improvements following close of escrow.

i. Financing. Buyer understands that the interest rate and loan fees for the loan applied for will be determined at the time of loan approval and may be higher or lower than at the date of the sale. Buyer also acknowledges that the interest rate and loan fees referenced on the loan application are for illustrative purposes only and do not constitute a binding commitment.

j. Schools. Buyer acknowledges that Buyer has conducted his or her own investigation of the present and future availability of school facilities, and has made his or her decision to purchase the Property in reliance on such investigation, and not upon any representation made by Seller.

k. Fill Soil and Soils Conditions. The Property may be located on fill soils, in which case the residence will be constructed substantially in accordance with the recommendations and inspections of licensed civil and soils engineers. [Check if applicable] A report certifying the compaction of the fill soils is available for review in the sales office. Buyer acknowledges that many areas in Southern California have soil types which are known to be expansive in nature, and agrees that if the Property is located on expansive soil, Buyer will take the soil type into consideration when designing and installing hardscape and landscape improvements and take necessary precautions in the installation of such improvements to avert causing damage to existing improvements (e.g., Buyer's residence) as well as to any improvements installed by Buyer. Buyer further understands that in some cases soils may contain sandstone or a high level of subterranean rocks such that the installation of pools, spas, landscaping and other improvements which require digging, trenching or other excavation may be more difficult, expensive and sometimes not possible. The foundations of some residences may be so-called "post-tension foundations". Penetration or cutting of a post-tension foundation can cause serious injury and ruin the foundation.

l. Agency Confirmation. Buyer acknowledges that the real estate agent identified on the last page of this Agreement is the agent of the Seller exclusively. Buyer understands and agrees that all sales agents and representatives employed by Seller are and shall be agents and representatives of Seller exclusively and will not be the agents or representatives of Buyer.

m. Hazardous Substances. Buyer represents that Buyer shall not permit or suffer any toxic or hazardous substances or materials (as defined by federal, state or local laws and regulations) to be transported, generated, stored, released, emitted, discharged, processed, recycled, removed, disposed or handled on, to, from or under the Property or any portion of the Project in violation of any federal, state or local law, ordinance, regulation or order. Buyer agrees to indemnify, defend with counsel approved by Seller, and hold harmless Seller and Seller's divisions, subsidiaries, and related entities, and all of their employees, officers, directors, shareholders, contractors, agents, representatives, professional consultants, and their respective successors and assigns, from and against all claims, orders, suits, arbitrations, demands, losses, liabilities, costs, expenses (including attorneys' fees) and penalties arising from Buyer's violation of any law, ordinance, regulation or order and from any violation of the provisions of this Paragraph.

n. No Guarantee of View. Regardless of any existing view or view potential from the Property and regardless of the pricing of the Property, Buyer acknowledges that there are no express or implied easements for views or for the passage of light and air to the Property. Seller does not guarantee or make any representation whatsoever concerning the view, if any, that the Property will enjoy regardless of whether there may be provisions in the Declaration pertaining to view. Buyer further acknowledges that any view which the Property may currently enjoy may be impaired or obstructed by further construction or landscaping within the Project and/or on property near the Project. As one example only, the natural growth of landscaping often impairs existing views. Buyer further understands that provisions of the Declaration (if any) which establish architectural or landscaping controls might not be enforced or enforceable.

o. Adjoining Land Uses. Buyer may have received written disclosures which depict the current and proposed land uses for the properties which adjoin the Project. Land uses are subject to change, and consequently, Seller cannot guarantee whether any information so disclosed is current. Also, land planning and zoning matters are complex and therefore the information which may have been supplied by Seller is not complete. If Buyer is concerned about the type of development that may occur on the adjoining properties, Buyer should discuss nearby land uses with the City/County Planning Department and otherwise conduct his or her own investigation of those matters.

p. Certification of Water Heater Strapping. Seller hereby certifies that any water heater installed by Seller in the Property has been braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion in accordance with the provisions of Sections 19210 et seq. of the California Health and Safety Code.

q. Insulation. The insulation in the Property complies with R-value standards prescribed by manufacturers for an energy efficient home in the area in which the Property is located. R-value measures resistance to heat flow. The higher the R-value, the greater the insulating power. Different types of insulation having different R-values will be used in various places in the Property.

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r. **Non-Authority of Sales Personnel.** Buyer acknowledges and agrees that Seller's sales agents and representatives do not have the authority to interpret, change or modify the terms of any documents whatsoever, including, but not limited to, this Agreement, the Declaration, any disclosure statement executed by Seller and/or any Seller warranties. Additionally, no representation, promise or warranty, whether oral or in writing, made by any sales agent or representative shall be binding on Seller, unless set forth in writing and signed by an authorized officer of Seller.

s. **Property Disclosure Report.** Buyer has been provided or will in the future be provided a report regarding certain natural hazard zones (commonly referred to as a "Property Disclosure Report" or "PDR"). Buyer should consider the following when reviewing any such PDR:

i. **Report is Limited.** A PDR is responsive to specific natural hazard zones recognized by specific State statutes and therefore a PDR is very limited in its coverage. There may be other natural hazard zones in addition to the zones described in a PDR. For example, it is not unusual for local governments to recognize additional or different zones such as local flooding zones, fire zones or seismic zones. **It is Buyer's responsibility to conduct his or her own investigation of these matters before entering into this Agreement.**

ii. **Zones Are Subject To Change.** The zones which are covered by a PDR are subject to change. For example, the mapping for one or more of the zones may have not have been completed. Seller shall have no obligation or responsibility to provide Buyer with any updates to a PDR.

iii. **No Independent Investigation.** Seller does not independently investigate or verify the subject matter of PDRs.

iv. **Common Areas May Not Be Covered.** If the Property is in a common interest development there may be common area in the project, but a PDR does not cover common area. It is not unusual for certain slopes and other open space areas in projects to be covered by fire and other zones.

21. **Termination By Seller.** Seller shall have the right to unilaterally terminate this Agreement in the following circumstances:

a. **Upon Buyer's Default.** If Buyer fails to complete the purchase of the Property by reason of any default of Buyer under this Agreement (including, without limitation, Buyer's failure to use best efforts to obtain financing as more particularly described in **Paragraph 6** above), Seller may terminate this Agreement and cancel the escrow by giving written notice of such termination (the "Termination Notice") to Escrow Holder and Buyer by registered or certified mail, return receipt requested or by personal service. The Termination Notice shall contain a statement that Seller has determined that Buyer is in default hereunder, that Seller is terminating this Agreement and canceling the escrow, whether Seller is electing to retain liquidated damages in accordance with the provisions of **Paragraph 23** below, and shall otherwise comply with the requirements of **Paragraph 23** below. Thereafter, Seller, Buyer and Escrow Holder shall proceed as provided in **Paragraph 23** below.

b. **Upon Failure of Condition.** Seller may terminate this Agreement and cancel the escrow by giving a Termination Notice to Escrow Holder and Buyer by registered or certified mail, return receipt requested or by personal service in the event a condition precedent has not occurred by the date required by this Agreement. If Seller elects to so terminate this Agreement and Buyer is not in default under this Agreement, all of Buyer's deposits shall be refunded to Buyer within **fifteen (15) days** of such notice without deduction except disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

22. **Termination By Buyer.** Buyer shall have the right to unilaterally terminate this Agreement in the following circumstances:

a. **Failure of Escrow To Close In One Year.** If through no fault of Buyer the close of escrow has not occurred within one (1) year after the date Seller executes this Agreement, then Buyer may terminate this Agreement and cancel the escrow by giving written notice to Seller and Escrow Holder by registered or certified mail, return receipt requested, except that such one (1) year period shall be extended for any periods mutually agreed upon by Buyer and Seller and for the period of any delays caused by Buyer. If Buyer elects to terminate this Agreement, Buyer's deposits shall be refunded in full to Buyer within **fifteen (15) days** of such notice, escrow shall be canceled at Seller's expense, and the Parties shall have no further rights or obligations with respect to the Property under this Agreement.

b. **Upon Failure of Financing Condition.** If Buyer has used his or her best efforts to qualify for and obtain financing as required in this Agreement and is not otherwise in default under this Agreement, but Buyer is unable to qualify for financing within the time periods set forth above, either Buyer or Seller may terminate this Agreement and cancel escrow by giving a Termination Notice to Escrow Holder and Seller by registered or certified mail, return receipt requested or by personal service. If Buyer elects to so terminate this Agreement, all of Buyer's deposits shall be refunded to Buyer within **fifteen (15) days** of such notice without deduction except disbursements made or payable therefrom to third parties in accordance with **Paragraph 29(e)** below, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

23. **LIQUIDATED DAMAGES. IF BUYER DEFAULTS UNDER ANY TERMS OR PROVISIONS UNDER THIS AGREEMENT, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER, AND SELLER MAY PURSUE ANY REMEDY AT LAW OR IN EQUITY THAT IT MAY HAVE AGAINST BUYER ON ACCOUNT OF SUCH DEFAULT; PROVIDED, HOWEVER, WITH RESPECT TO SELLER'S DAMAGES, BY PLACING THEIR INITIALS BELOW BUYER AND SELLER AGREE THAT:**

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a. **REASONS FOR LIQUIDATED DAMAGES.** IF BUYER BREACHES THIS AGREEMENT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THESE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN AND THE PARTIES WISH HEREBY TO AGREE TO A LIQUIDATED DAMAGES AMOUNT.

b. **AMOUNT OF LIQUIDATED DAMAGES.** IN THE EVENT OF A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER SHALL HAVE A RIGHT TO RETAIN AS LIQUIDATED DAMAGES ALL DEPOSITS MADE BY BUYER UNDER THIS AGREEMENT AND ANY ADDENDA OR AMENDMENTS TO THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, DEPOSITS FOR OPTIONAL IMPROVEMENTS, AND SELLER MAY INSTRUCT ESCROW HOLDER, AS MORE PARTICULARLY SET FORTH BELOW, TO RELEASE TO SELLER OUT OF BUYER'S DEPOSITS TO ESCROW HOLDER THE AGGREGATE DEPOSITS MADE BY BUYER UNDER THIS AGREEMENT AND UNDER ANY AGREEMENTS FOR OPTIONAL IMPROVEMENTS. THE AMOUNTS TO BE SO RELEASED TO SELLER SHALL BE NET OF THE THIRD PARTY CHARGES AUTHORIZED BY PARAGRAPH 29(e) BELOW. THE LIQUIDATED DAMAGES AMOUNT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 *ET SEQ.* OF THE CALIFORNIA CIVIL CODE. SELLER, IN ITS SOLE DISCRETION, SHALL HAVE THE RIGHT TO LIMIT THE LIQUIDATED DAMAGES TO NOT MORE THAN THREE PERCENT (3%) OF THE PURCHASE PRICE OF THE PROPERTY. IF THE TOTAL DEPOSITS EXCEED THREE PERCENT (3%) OF THE TOTAL PRICE AND SELLER DECIDES TO NOT LIMIT THE LIQUIDATED DAMAGES TO THREE PERCENT (3%) OF THE PURCHASE PRICE, THEN, PURSUANT TO SECTION 1675(d) OF THE CALIFORNIA CIVIL CODE, SELLER MUST ESTABLISH THAT THE LIQUIDATED DAMAGES ARE REASONABLE AS LIQUIDATED DAMAGES SHOULD BUYER DELIVER AN OBJECTION NOTICE IN A TIMELY MANNER PURSUANT TO THIS PARAGRAPH 23.

c. **RETENTION OF LIQUIDATED DAMAGES.** LIQUIDATED DAMAGES SHALL BE REMITTED TO SELLER OR RETAINED BY SELLER ONLY IF ONE OF THE FOLLOWING APPLIES: (1) PURSUANT TO THE DETERMINATION OF A COURT OF LAW OR AN ARBITRATOR (AS APPLICABLE), (2) IF BUYER AND SELLER HAVE ENTERED INTO AN AGREEMENT WHICH PROVIDES FOR LIQUIDATED DAMAGES TO BE REMITTED TO OR RETAINED BY SELLER, OR (3) PURSUANT TO THE FOLLOWING PROCEDURES:

i. **SELLER'S TERMINATION NOTICE.** SELLER MAY GIVE WRITTEN NOTICE TO ESCROW HOLDER AND TO BUYER OF SELLER'S DETERMINATION THAT BUYER IS IN DEFAULT UNDER THIS AGREEMENT, AND DEMANDING THAT ESCROW HOLDER REMIT TO SELLER THE DEPOSITS HELD BY ESCROW HOLDER. SUCH WRITTEN NOTICE SHALL BE BY MEANS OF ANY OF THE FOLLOWING METHODS: (a) PERSONAL SERVICE, (b) ANY FORM OF MAIL (SUCH AS CERTIFIED MAIL) WHICH PROVIDES FOR A RETURN RECEIPT OR (c) SUBSTITUTED SERVICE IN ACCORDANCE WITH SECTION 415.20 OF THE CODE OF CIVIL PROCEDURE. UPON THE GIVING OF SUCH TERMINATION NOTICE, SELLER SHALL DEPOSIT INTO ESCROW ALL OF BUYER'S DEPOSITS HELD BY SELLER PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 11013.2(c) OR SECTION 11013.4(b).

ii. **BUYER'S OBJECTION NOTICE.** BUYER SHALL HAVE TWENTY (20) DAYS AFTER SELLER'S NOTICE IS DELIVERED PURSUANT TO SUBSECTION (i) ABOVE TO DELIVER WRITTEN NOTICE TO ESCROW HOLDER ("OBJECTION NOTICE") OBJECTING TO SELLER'S RIGHT TO RETAIN BUYER'S DEPOSITS OR RECEIVE BUYER'S DEPOSITS FROM ESCROW HOLDER AS LIQUIDATED DAMAGES. UNLESS BUYER GIVES AN OBJECTION NOTICE WITHIN SUCH TWENTY (20) DAY PERIOD, SELLER SHALL HAVE THE RIGHT TO RETAIN AS LIQUIDATED DAMAGES BUYER'S DEPOSITS PAID OUTSIDE OF ESCROW AND ESCROW HOLDER SHALL RELEASE TO SELLER AS LIQUIDATED DAMAGES ANY OF BUYER'S DEPOSITS HELD BY ESCROW HOLDER AND BUYER SHALL BE DEEMED TO HAVE WAIVED ITS RIGHT TO A DETERMINATION OF DEFAULT. BUYER SHALL BE DEEMED TO WAIVE ANY RIGHT TO PURCHASE THE PROPERTY OR OTHER INTEREST IN THE PROPERTY UNLESS AN OBJECTION NOTICE IS SO DELIVERED BY BUYER AND IN THE OBJECTION NOTICE BUYER SPECIFICALLY CLAIMS A CONTINUED RIGHT TO PURCHASE THE PROPERTY. ANY WRITTEN NOTICE DELIVERED BY BUYER PURSUANT TO THIS SUBSECTION SHALL BE BY MEANS OF EITHER OF THE FOLLOWING METHODS: (a) PERSONAL SERVICE OR (b) ANY FORM OF MAIL (SUCH AS CERTIFIED MAIL) WHICH PROVIDES FOR A RETURN RECEIPT.

iii. **IF OBJECTION NOTICE IS GIVEN.** UPON RECEIPT OF THE OBJECTION NOTICE, ESCROW HOLDER SHALL IMMEDIATELY NOTIFY SELLER IN WRITING AND THE CONTROVERSY REGARDING THE DISPOSITION OF FUNDS DEPOSITED BY BUYER AND ANY OTHER ISSUES RAISED BY BUYER SHALL BE SETTLED BY ANY COURT HAVING PROPER JURISDICTION; PROVIDED HOWEVER, ALL SUCH DISPUTES SHALL BE RESOLVED BY BINDING ARBITRATION IF BUYER AND SELLER HAVE INITIALED THE PARAGRAPH OF THIS AGREEMENT ENTITLED "ARBITRATION OF PRE-CLOSING DISPUTES". UNLESS A PARTY EXPRESSLY INSTRUCTS ESCROW HOLDER OTHERWISE, ESCROW HOLDER SHALL THEREAFTER CANCEL THE ESCROW. HOWEVER, ESCROW HOLDER SHALL RETAIN THE MONIES WHICH CONSTITUTE LIQUIDATED DAMAGES PENDING A DETERMINATION OF DEFAULT BY THE COURT OR ARBITRATOR, WHICHEVER IS APPLICABLE, SHOULD ESCROW HOLDER HOLD DEPOSITS. EACH PARTY WILL SIGN ESCROW CANCELLATION INSTRUCTIONS IF SO REQUESTED BY ESCROW HOLDER.

BY PLACING THEIR INITIALS HERE, BUYER AND SELLER AGREE TO THE LIQUIDATED DAMAGES PROVISIONS OF THIS PARAGRAPH 23:

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24. ARBITRATION OF DISPUTES. ANY CONTROVERSY BETWEEN BUYER AND SELLER WHICH ARISES BEFORE CLOSE OF ESCROW, INCLUDING THE CONTROVERSY CREATED BY THE CONFLICTING NOTICES BY SELLER AND BUYER, AND THE DISPOSITION OF FUNDS HELD BY ESCROW HOLDER ("PRE-CLOSING DISPUTES"), SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA RULES"). ANY "POST-CLOSING DISPUTES" SHALL BE GOVERNED BY THE PROCEDURES SET FORTH IN THE ALTERNATIVE DISPUTE RESOLUTION ADDENDUM TO THIS AGREEMENT. THE FOLLOWING SUPPLEMENTAL RULES SHALL APPLY TO ALL ARBITRATION PROCEEDINGS RESPECTING PRE-CLOSING DISPUTES AND SHALL GOVERN IN THE EVENT OF A CONFLICT BETWEEN THE RULES SET FORTH BELOW AND THE AAA RULES.

a. SELLER TO ADVANCE FEES. THE FEES NECESSARY TO INITIATE THE ARBITRATION SHALL BE ADVANCED BY SELLER, WITH COSTS AND FEES (INCLUDING ONGOING COSTS AND FEES) TO BE PAID AS AGREED BY THE PARTIES. IF THE PARTIES CANNOT AGREE ON THE PAYMENT OF SUCH COSTS AND FEES, ALL COSTS AND FEES OF ARBITRATION SHALL ULTIMATELY BE BORNE AS DETERMINED BY THE ARBITRATOR.

b. IMPARTIAL ARBITRATOR. A NEUTRAL AND IMPARTIAL INDIVIDUAL(S) SHALL BE APPOINTED TO SERVE AS ARBITRATOR(S) WITHIN A SPECIFIED PERIOD OF TIME, WHICH SHALL IN NO EVENT BE MORE THAN SIXTY (60) DAYS FROM THE ADMINISTRATOR'S RECEIPT OF A WRITTEN REQUEST FROM A PARTY TO ARBITRATE THE CLAIM OR DISPUTE. THE PROVISIONS OF SECTION 1297.121 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE SHALL APPLY TO THE SELECTION OF THE ARBITRATOR(S). AN ARBITRATOR MAY BE CHALLENGED FOR ANY OF THE GROUNDS LISTED IN SECTION 1297.121 OR 1297.124 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

c. VENUE. THE VENUE OF THE ARBITRATION SHALL BE IN THE COUNTY WHERE THE PROPERTY IS LOCATED UNLESS BUYER AND SELLER AGREE TO SOME OTHER LOCATION.

d. DATE OF ARBITRATION. THE ARBITRATION SHALL BE COMMENCED PROMPTLY AND TIMELY IN ACCORDANCE WITH THE RULES OF THE ARBITRATION. IF THE RULES OF THE ARBITRATION DO NOT SPECIFY A DATE BY WHICH THE ARBITRATION MUST COMMENCE, THEN IT SHALL COMMENCE ON A DATE AGREED TO BY THE PARTIES. IF THE PARTIES CANNOT AGREE ON AN ARBITRATION COMMENCEMENT DATE, IT SHALL COMMENCE ON A DATE DETERMINED BY THE ARBITRATOR(S).

e. AAA RULES. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH RULES AND PROCEDURES WHICH ARE REASONABLE AND FAIR TO BUYER AND SELLER. THE AMERICAN ARBITRATION ASSOCIATION COMMERCIAL RULES OF ARBITRATION IN EFFECT AS OF THE DATE OF THIS AGREEMENT SHALL BE DEEMED IN COMPLIANCE WITH THIS REQUIREMENT.

f. TIMELY ARBITRATION. THE ARBITRATION SHALL CONCLUDE PROMPTLY AND TIMELY.

g. AUTHORITY OF ARBITRATORS. THE ARBITRATOR(S) ARE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION.

h. JUDGMENT UPON DECISION. JUDGMENT UPON THE DECISION RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED INTO ANY COURT HAVING PROPER JURISDICTION.

i. FEDERAL ARBITRATION ACT. BUYER AND SELLER ACKNOWLEDGE THAT BECAUSE MANY OF THE MATERIALS AND PRODUCTS INCORPORATED INTO THE HOME ARE MANUFACTURED IN OTHER STATES, THE PURCHASE AGREEMENT EVIDENCES A TRANSACTION INVOLVING INTERSTATE COMMERCE AND THE FEDERAL ARBITRATION ACT (9 U.S.C. §1, ET SEQ.) NOW IN EFFECT AND AS IT MAY BE HEREAFTER AMENDED WILL GOVERN THE INTERPRETATION AND ENFORCEMENT OF THE ARBITRATION PROVISIONS OF THE PURCHASE AGREEMENT. NOTWITHSTANDING THE REFERENCES IN THE NEXT PARAGRAPH OR ELSEWHERE IN THIS AGREEMENT TO CALIFORNIA LAW AND THE CALIFORNIA CODE OF CIVIL PROCEDURE, IN THE EVENT OF ANY INCONSISTENCY BETWEEN CALIFORNIA LAW (INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE) AND THE FEDERAL ARBITRATION ACT, THE FEDERAL ARBITRATION ACT SHALL PREVAIL.

THE FOLLOWING NOTICE IS REQUIRED BY SECTION 1298 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE:

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE

AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

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SELLER'S INITIALS _____ **SELLER'S INITIALS** _____

25. **Delivery Of Possession.** Except as provided in this Agreement, possession of the Property shall be delivered to Buyer upon confirmation by Seller that escrow has closed and the deed by which the Property has been conveyed to Buyer has been recorded in the Office of the County Recorder of the county in which the Property is located.

26. **Destruction Of The Property Prior To Close Of Escrow.** If the Property is destroyed or materially damaged (other than by Buyer's act or omission) prior to the close of escrow, and has not been rebuilt prior to the maximum escrow period stated in **Paragraph 22(a)** above, then, on demand by Seller or Buyer, all of Buyer's deposits shall be returned to Buyer within **fifteen (15) days** after the date of such demand, without deduction, and the parties shall have no further rights or obligation under this Agreement.

27. **Entry Into Construction Areas And Indemnification.** Buyer shall not enter any construction area without a Construction Pass issued by Seller and Buyer acknowledges his or her understanding that no entry will be allowed prior to 3:30 P.M. on Monday through Friday. Entry will generally be allowed on Saturdays and Sundays from 10:00 A.M. to 5:00 P.M. Buyer acknowledges and agrees that if Buyer enters into the Property or other construction areas, with or without Seller's permission: (i) Buyer assumes all risks of any and all injuries (including death) to any person and/or damage to any property arising from or in any way related to Buyer's entry into the Property or other construction area; (ii) Buyer waives any and all claims of any kind or nature against Seller, Seller's subsidiaries and related entities, and all of their employees, officers, directors, shareholders, contractors, subcontractors, vendors, agents, representatives, consultants, and their respective successors and assigns (collectively, the "Releasees"); (iii) Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorney's fees) arising from or in any way related to Buyer's or Buyer's family or friends' entry onto the Property or other construction areas; and (iv) Buyer acknowledges that Seller strongly discourages Buyer from taking children onto the Property or other construction areas; however, if Buyer elects to take children into the construction areas, Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorney's fees) arising from or in any way related to any injury (including death) to such child.

28. **Right Of Entry.** Buyer shall permit Seller to enter onto the Property upon reasonable notice during normal business hours after the close of escrow if any corrective or additional work is required by any governmental agency, is specified on Buyer's and Seller's joint inspection corrective list described in **Paragraph 19** above, or is required under the limited warranties given by Seller for the Property.

29. **Escrow Provisions.**

a. **Opening of Escrow.** Seller and Buyer agree to use Escrow Holder as the escrow agent for the purchase and sale of the Property. Escrow shall be deemed opened with Escrow Holder upon Seller's delivery to Escrow Holder of a fully executed copy of this Agreement. This Agreement, together with Escrow Holder's standard form printed general escrow provisions attached hereto as **Addendum "B"** shall constitute the complete escrow instructions to Escrow Holder. In the event of a conflict between Escrow Holder's standard form printed general escrow provisions and this Agreement, this Agreement shall control.

b. **Delivery of Grant Deed.** Seller shall deliver to Escrow Holder on or before the Closing Date a duly executed Grant Deed in recordable form sufficient to convey good title to the Property to Buyer, subject to the matters referenced in **Paragraph 11** of this Agreement.

c. **Conditions to Close of Escrow.** Upon the performance of each of their respective obligations stated in this Agreement which are to be performed prior to the close of escrow, and in addition to all other conditions stated in this Agreement, escrow shall not close until all of the following conditions are satisfied:

i. **Title Insurance.** Escrow shall not close until receipt by Escrow Holder of written advice by Title Company that it will issue, in the sole discretion of Seller, either a standard form CLTA or ALTA residential title insurance policy (with Western Regional Exceptions) in favor of Buyer and the Lender with liability equal to the Purchase Price insuring that title to the Property is vested in Buyer, subject to the matters referenced in **Paragraph 11** above;

ii. **Blanket Encumbrance.** The escrow shall not close, funds shall not be released from escrow, and title shall not be conveyed to Buyer until any and all blanket encumbrances (as defined in Business and Professions Code Sections 11013 and 11013.1) encumbering the Property have been released in compliance with Business and Professions Code Section 11013.2(a); provided that, in lieu of such a release from the lien or charge of a deed of trust, all of the following conditions shall have been met: (A) the holder of the Deed of Trust has executed a release agreement per Department of Real Estate Regulation 2791(b)(2)(A); (B) said agreement has been deposited with Escrow Holder and Buyer is notified that it is available upon request; (C) each Buyer is provided with a policy of title insurance against loss by reason of the Deed of Trust; and (D) legal title is conveyed to Buyer;

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

iii. Mechanic's Liens. Escrow shall not close until the statutory period for the recordation of mechanic's liens against the Property have expired or Buyer's policy of title insurance shall include an endorsement or other coverage insuring Buyer against unrecorded mechanic's liens;

iv. Satisfaction of Conditions for Common Interest Development. If the Property is located in a Common Interest Development as noted on page 1, escrow shall not close until satisfaction of the Conditions to Close of Escrow set forth in the Common Interest Development Addendum attached hereto as **Addendum "A"**.

d. Closing Costs, Prepaid Expenses and Impounds. Regardless of the amount of estimated closing costs stated in this Agreement, Buyer agrees to deposit into escrow not later than **three (3) days** prior to the Closing Date, in immediately available funds, and to pay at the close of escrow, the actual costs of the following: (i) all escrow fees and related charges of Escrow Holder, including, without limitation, Escrow Holder's document preparation fees, messenger expenses, express mail charges, bank wire charges and any other costs incurred by Escrow Holder necessary to complete this transaction; (ii) a prorated portion of all real property taxes, special taxes and assessments for the applicable fiscal year; (iii) a prorated portion of any homeowner association assessments, any capital contributions and homeowner association transfer fees; (iv) all prepaid expenses, including, without limitation, extended coverage fire and hazard insurance, if any; (v) all fees for recording the grant deed conveying the Property to Buyer; (vi) all charges set forth in the Lender's instructions, including, without limitation, the Lender's title insurance policy and all costs of any extended coverage, prepaid interest, credit report fee, appraisal fee, tax service fee, loan origination fee, processing fee, funding fee, initial mortgage insurance premium, if required, initial impounds, if required, all County and/or City recording fees for the Lender's deed of trust, and notary fees; (vii) the premium for Buyer's CLTA or ALTA Owners policy of title insurance if payment of such premium by Buyer is the customary practice in the County in which the Property is located; Seller shall pay the premium for the Owners title policy if it is the customary practice in the County where the Property is located for sellers do so; (viii) up to \$35.00 of the costs of a Property Disclosure Report (see **Paragraph 20(t)** above) ordered by Seller for the Property; Seller shall pay the cost of any Property Disclosure Report in excess of \$35.00; and (ix) Buyer shall pay all other expenses, impounds and closing costs not expressly payable by Seller under the terms of this Agreement. The estimated total amount of such closing costs, prepaid expenses and impounds is stated in this Agreement. If the actual amount of closing costs, prepaid expenses and impounds exceeds the estimate indicated in this Agreement, upon receipt of notification of the actual amount, Buyer shall immediately deposit with Escrow Holder the additional funds required. Notwithstanding the above, if Buyer is obtaining a VA loan, the amount deposited by Buyer under this Paragraph shall not exceed the amounts permitted by applicable regulations of the VA. Any documentary transfer tax levied by the City or County upon the transfer of title to the Property to Buyer shall be allocated to Buyer or Seller based on the custom in the County where the Property is located.

e. Third Party Charges Against Deposits. In the event of cancellation of this Agreement for any reason other than cancellation pursuant to **Paragraph 22 (a) or Paragraph 26**, Buyer hereby authorizes Escrow Holder and/or Seller, as the case may be, to pay from Buyer's deposits under this Agreement, all charges and fees due from Buyer to the appropriate third parties who have provided the following services at the following estimated costs: (i) credit reports: \$50 each; (ii) escrow services: \$400; (iii) preliminary title reports: \$50; (iv) appraisals: and (v) loan processing services: \$400.

f. Prorations. All prorations or adjustments to be made shall be made as of the close of escrow on the basis of a thirty (30) day calendar month. Taxes will be prorated by Escrow Holder on the best figures available from the County Tax Collector and/or Seller. The parties acknowledge that the Property may not be separately assessed from other lots/units within the project and, in such event, tax figures shall be computed on a proportionate basis each lot/unit bears to the total Property based on information supplied by Seller. The parties further acknowledge that during the period of July 1st until the annual tax bills are issued, taxes may be estimated by the Seller in accordance with the most recently ascertainable tax bill or assessment and Escrow Holder is authorized to use the figures so provided by Seller without further approval and prorate accordingly, including credit to Seller, if prepaid. The Property will be subject to reassessment following the close of escrow by the County Tax Assessor and such reassessments occurring subsequent to the close of escrow will result in a supplemental tax bill and Buyer is solely responsible for the payment of such supplemental tax bill. Neither Seller nor Escrow Holder has any obligation for the payment of such supplemental tax bill.

g. No Withholding. Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor (i.e., Seller) is a foreign person. Similarly, Sections 18662 and 18668 of the California Revenue and Taxation Code provide that a transferee of a California real property interest must withhold tax if the funds from the transferee are to be disbursed either to a transferor with a last known address outside of the State of California or to the financial intermediary of the transferor, if the transferor is a non-resident of California. To inform Buyer that withholding of tax is not required in connection with this transaction, Seller certifies that (a) Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate, and (b) Seller's known street address and its principal place of business are both within the State of California. Buyer and Seller acknowledge that Escrow Holder has hereby provided notice of these provisions, and, in light of the representations of Seller made herein, that Escrow Holder will take no action regarding the withholding.

30. **General Escrow Provisions.** Escrow Holder's general provisions set forth on Addendum "B" are incorporated in this Agreement.

31. **Proposition 65 Disclosure.** Materials included in the construction of this house may contain chemicals known to the State of California to cause cancer or birth defects. For example, formaldehyde, a substance known to cause cancer. Further information may be obtained from the Seller. The following information is intended to explain the warning furnished by Seller of this home for exposures to formaldehyde a substance known to the State of California to cause cancer. The exposures are caused by materials of which the house is or will be built.

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products purchased by Seller from materials suppliers. These materials include carpeting, pressed wood products, insulation, plastics, and glues.

This home, if constructed prior to entering into this Agreement, has not been tested, and if constructed after entering into this Agreement, will not be tested. Given the cost of testing, it is not feasible to test every home to ascertain the level of formaldehyde present. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. In the absence of specific information on these homes, and in light of the materials used in their construction, Seller believes that a warning is necessary.

Buyer may have further questions about these issues. Seller is willing to share any further information Seller has obtained and will provide upon request a list of known suppliers which may be contacted for further information, and whether any inquiry has been made by Seller.

32. **General Provisions.**

a. Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts of this Agreement shall remain in full force and effect.

b. Broker's Commission. All fees, commissions and other amounts due or payable in connection with the sale of the Property to the sales agents and representatives who are appointed by Seller shall be paid by Seller. Seller shall not have any obligation to pay any fees, commissions or other amounts to any other broker, sales agent or finder unless expressly set forth in writing and signed by Seller. Each party agrees to indemnify, defend and hold harmless the other from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, sales agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this transaction.

c. No Waiver. The waiver by Seller of any term or provision of this Agreement shall not be construed as a waiver of any other term or provision of this Agreement, or of any subsequent performance required under this Agreement.

d. Notices. Unless specifically stated otherwise in this Agreement, all notices, instructions, demands and other communications given hereunder shall be set forth in writing and shall be personally served or delivered by facsimile or by United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the party's and/or Escrow Holder's designated address set forth on the signature page of this Agreement. All such written notices, instructions, demands and other communications shall be deemed delivered upon personal delivery, delivery by facsimile, or **three (3) days** after deposit in the United States Mail. Delivery shall be to Seller's and Buyer's designated address indicated in this Agreement. If Escrow Holder has attempted to deliver a notice and Buyer and/or Seller refuses to accept same, such party shall be deemed to have received such notice.

e. Counterparts. This Agreement may be signed in one or more counterparts, each of which independently shall have the same effect as if it were the original, and all of which together shall constitute one and the same Agreement.

f. Survival. All obligations referred to herein to be performed at a time or times after the close of escrow, all provisions hereof relating to a time after the close of escrow, and all representations and acknowledgments contained herein, shall survive the close of escrow and the delivery of Seller's grant deed.

g. Definitions. The term "party" or "parties" shall mean Buyer and/or Seller, as the context may require. The term "escrow" shall mean the escrow created under this Agreement, and "close of escrow", "closing of the escrow" and similar terminology shall refer to recordation of Seller's grant deed in the Official Records of the County in which the Property is located. The term "days" shall mean calendar days, unless otherwise indicated to mean business days. The use herein of (i) the neuter or male gender includes the masculine and the feminine as appropriate and (ii) the singular number includes the plural as appropriate. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Agreement or any of the terms hereof. Any box checked or otherwise marked to indicate its applicability to a particular provision shall designate that such provision is incorporated into this Agreement. This Agreement shall be construed and any ambiguities contained herein shall be resolved equally as between the parties, and not against the party responsible for the preparation of this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

h. No Recordation. Neither this Agreement, nor any reference thereto, nor any short form or memorandum thereof shall be recorded in the office of any County Recorder.

i. Entire Agreement. This Agreement (including all Addenda to this Agreement) contains the entire agreement between the parties and the entire escrow between Escrow Holder and the parties hereto. All prior statements and representations, if any, whether oral or written, are hereby superseded by this Agreement. The terms of this Agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. Buyer and Seller further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any arbitration or other legal proceedings, if any, involving this Agreement. No addition or modification of any terms of this Agreement shall be effective unless set forth in writing and

Buyer's Initials **Buyer's Initials** **Buyer's Initials** **Buyer's Initials**

signed by Buyer and by an **authorized officer of Seller**. **No sales agent or representative of Seller has authority to modify the terms of this Agreement.**

j. Offer and Acceptance. Buyer acknowledges that Buyer has carefully read and understands each and every provision of this Agreement. By execution of this Agreement, Buyer acknowledges his informed and voluntary consent hereto, and Buyer agrees that the provisions of this Agreement are commercially reasonable and effectuate the intent of the parties with respect to the Property. Buyer acknowledges that he has had sufficient opportunity to consult with his or her legal counsel with respect to this Agreement. Execution of this Agreement by Buyer and by Seller's sales agent or representative shall constitute only an offer to purchase, which shall not be binding unless accepted by Seller, as evidenced by the execution of this Agreement by a duly authorized officer of Seller, and Seller reserves the right to refuse to accept such offer for any reason whatsoever, at its sole and absolute discretion. Buyer acknowledges that Seller's sales agents and representatives are not authorized to accept this offer, and that receipt of Buyer's deposit by Seller's sales agent or representative shall not constitute an acceptance of this offer by Seller. Seller, or Seller's sales agent or representative, may hold Buyer's deposit check uncashed until such time as Seller accepts this offer. If Seller fails or refuses to accept such offer, all funds deposited by Buyer shall be promptly refunded to Buyer.

k. No Representations. **BUYER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION OR PROMISE THAT IS NOT SET FORTH IN THIS AGREEMENT, THE DECLARATION OR A DISCLOSURE STATEMENT EXECUTED BY SELLER HAS BEEN MADE TO BUYER BY ANY EMPLOYEE, SALES AGENT OR REPRESENTATIVE OF SELLER UPON WHICH BUYER IS RELYING IN CONNECTION WITH THE PURCHASE OF THE PROPERTY.**

l. Buyer Sole Remedy Regarding Disclosures. Seller may in good faith after acceptance of this Agreement provide additional disclosures or correct disclosures regarding this sale, the Project or nearby areas. Should any such additional or corrected disclosure be material to Buyer's decision to purchase, Buyer may, prior to close of escrow, terminate this Agreement and receive a refund of his or her deposit, provided Buyer gives Seller written notice of termination within **three (3) days** after delivery in person, by facsimile, or **five (5) days** after mailing, of such additional or corrected disclosure. This remedy shall be Buyer's sole remedy and Buyer waives any other claim provided Seller acted in good faith. Buyer acknowledges that in entering into this Agreement, Seller has relied on Buyer's agreement that Buyer will pursue no other claim, action, or remedy (e.g., a lawsuit for negligent misrepresentation or negligent failure to disclose) against Seller arising out of any such good faith additional or corrected disclosure. Should Buyer decide to close escrow, doing so shall evidence that Buyer did not deem the additional or corrected disclosure to be material and that Buyer has waived any claim against Seller regarding such additional or corrected disclosure.

[Remainder of page intentionally left blank. Signature page follows]

Buyer's Initials **Buyer's Initials** **Buyer's Initials** **Buyer's Initials**

TIME IS OF THE ESSENCE OF THIS AGREEMENT AND FAILURE OF BUYER TO PERFORM WITHIN THE TIME LIMITS DESCRIBED ABOVE WILL ALLOW SELLER TO TERMINATE THIS AGREEMENT.

BUYER'S INITIALS _____ **BUYER'S INITIALS** _____ **BUYER'S INITIALS** _____ **BUYER'S INITIALS** _____

IN WITNESS WHEREOF, the parties have executed this Agreement and make it effective as of the Date of Seller's Acceptance indicated below.

AGENT'S RECEIPT FOR BUYER'S "PURCHASE DEPOSIT" (AGENT'S SIGNATURE DOES NOT CONSTITUTE SELLER'S SIGNATURE OR ACCEPTANCE OF THIS AGREEMENT)

Date: _____, 20____

(Sales Agent's Signature)

BUYER'S OFFER TO PURCHASE

"BUYER"

BUYER'S PHONE NOS.

_____, (Home) _____ (Work) () _____ Ext _____

(Signature)

_____, (Home) _____ (Work) () _____ Ext _____

(Signature)

_____, (Home) _____ (Work) () _____ Ext _____

(Signature)

Date: _____, 20____ (Buyer's Fax No.) () _____

BUYER'S DESIGNATED ADDRESS

(Street Address, No. P.O. Boxes)

(City, State and Zip Code)

"SELLER"

_____,
a _____

By: _____

Its: _____

Acceptance Date: _____, 20____

SELLER'S DESIGNATED ADDRESS

(Street Address, No. P.O. Boxes)

(City, State and Zip Code)

"ESCROW HOLDER"

By _____
(Authorized Representative)

_____, 20____
(Date Received in Escrow)

THIS ESCROW COMPANY IS LICENSED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS OR CALIFORNIA DEPARTMENT OF INSURANCE (PLEASE CIRCLE ONE) UNDER LICENSE NO. _____.

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

ADDENDUM "A"

COMMON INTEREST DEVELOPMENT ADDENDUM

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 **BUYER'S NAME** _____

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated _____, 20____ by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

The Property is located in a "Common Interest Development" (as defined in California Civil Code Section 4100), and is subject to the following association(s) and "Project Documents":

Check One

A Planned Development with one Association

The Association is commonly known as Cantera Community Association
(Name of Association)

(the "Association"), and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Association;
A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto;
and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

A Planned Development with two Associations

The Master Association is commonly known as _____
(Name of Association)

(the "Master Association") and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Master Association;
A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto;
and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

A Sub-Association commonly known as _____
(Name of Association)

(the "Sub-Association") and the Property is subject to the following additional Project Documents:

The Articles of Incorporation and Bylaws of the Sub-Association;
A declaration of covenants, conditions and restrictions; (and, if applicable, an amendment or supplement thereto;
and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

Additional Association

The Additional Association is commonly known as _____
(Name of Association)

and the Property is subject to the following Project Documents:

The Articles of Incorporation and Bylaws of the Additional Association;
A declaration of covenants, conditions and restrictions (and, if applicable, an amendment or supplement thereto;
and if applicable, a Notice of Annexation; and, if applicable, an amendment thereto).

1. **MEMBERSHIP IN THE ASSOCIATION(S).** Buyer understands and agrees that upon the recordation of the grant deed conveying the Property to Buyer, Buyer will automatically become a "Member" of the applicable Association(s) referenced above. Buyer shall be deemed to have agreed to and shall be entitled to exercise all of the rights (including, but not limited to, voting rights in such Association(s)), and to perform all of the obligations (including, but not limited to, the payment of Assessments) of a Member, all as more particularly set forth in the applicable Project Documents referenced above.

2. **APPROVAL OF PROJECT DOCUMENTS.** Buyer acknowledges having read and approved the Final Subdivision Public Report issued by the California Department of Real Estate (the "DRE") for the Property. Additionally, Buyer hereby acknowledges having received from Seller or Escrow Holder a copy of each of the applicable Project Documents, a statement from the applicable Association(s) setting forth any delinquent assessments and related charges levied by such Association pertaining to the Property, and a current financial statement and related statements for the applicable Association(s), if available.

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

3. **ASSOCIATION DUES.** Buyer acknowledges that by reason of Buyer's membership in the Association(s), commencing as of the close of escrow, Buyer is obligated to pay the Assessments levied by such Association(s). The current monthly installment of Regular Assessment levied by the applicable Association(s) is/are estimated to be:

Cantera Community Association (\$ 293), and
(Name of Association) (Monthly dues)
_____ (\$ _____), and
(Name of Association) (Monthly dues)
_____ (\$ _____), and
(Name of Association) (Monthly dues)

Escrow Holder shall prorate the monthly installment of Regular Assessments between Buyer and Seller as of the close of escrow based upon the latest information available to Escrow Holder.

4. **WORKING CAPITAL CONTRIBUTION.** If required by a Declaration or by the Federal National Mortgage Association, Escrow Holder is directed to collect from Buyer the sums required by the respective Declarations as an initial working capital fund for the applicable Association(s). Buyer acknowledges that this amount does not constitute advance payment by Buyer of Regular Assessments levied by such Association. Escrow Holder is directed to remit the amount collected to the respective Association upon the close of escrow. **Check here if applicable and indicate to which Association(s) capital contributions apply:** _____

5. **CONDITIONS PRECEDENT TO CLOSE.** Buyer acknowledges that the Escrow for the purchase of the Property shall not close, no funds shall be released from Escrow (except for third party disbursements, upon default by Buyer or upon cancellation of Escrow, as provided in the Agreement) and title to the Property shall not be conveyed to Buyer until all of the following conditions precedent have been satisfied:

5.1 **Subordination of Lien to Declaration.** Escrow Holder has received written notice from the Title Company that all monetary encumbrances of record (including, deeds of trust and mortgages) encumbering the Project (other than general and special taxes and assessments) are subordinate to the above-referenced Declaration(s);

5.2 **Notices of Completion.** A Notice of Completion, as defined in Civil Code Section 8182, has been recorded covering all of the common areas and improvements constructed thereon in the phase of development in which the Property is located, or Seller has posted a bond or other security in a form and amount acceptable to the DRE to assure lien-free completion of all such common area improvements and Escrow Holder has received RE Form 621A signed by the DRE, and a Notice of Completion has been recorded on the Property to be conveyed to Buyer;

5.3 **Mechanics' Liens.** The statutory period for the recordation of mechanics' liens on the Property has expired, or Buyer will be provided, at Seller's expense, with a policy of title insurance insuring Buyer against all unrecorded mechanics' liens;

5.4 **Blanket Encumbrances.** "Proper releases", as defined in DRE Regulation 2791.1, have been obtained from any and all "blanket encumbrances", as defined in Business and Professions Code Section 11013; provided, however, escrow may close, funds may be released, and title may be conveyed even though no proper release has been obtained from the lien or charge of one or more deeds of trust if the Buyer is notified that a "release agreement", as defined in Department of Real Estate Regulation 2791.1, duly deposited with Escrow Holder, is available to the Buyer on request for each such deed of trust and the Buyer has been provided a policy of title insurance insuring the Buyer against loss by reason of each such deed of trust;

5.5 **Maintenance Assessment Bond.** In compliance with DRE Regulation 2792.9(a)(2), prior to the first close of an escrow for the sale of a lot in the phase of development in which the Property is located, Seller has obtained a Maintenance Assessment Bond in favor of the applicable Association(s) in an amount equal to six (6) monthly installments of the Regular Assessments levied by the applicable Association(s) for each Lot in this phase of development, and has deposited said Bond(s), together with a copy of Real Estate Form 643, executed by both Seller and Escrow Holder, with Escrow Holder, who shall not release said Bond(s) until (a) escrows have closed on eighty percent (80%) of all Lots in the phase of development in which the Property is located; and (b) Escrow Holder has received a certified copy of a resolution of the Board of Directors of the applicable Association(s), adopted not less than **thirty (30) days** prior to its receipt, stating that Seller is not delinquent in the payment of any Assessments for which Seller is obligated; and

5.6 **Common Area.** Title to any common area in the phase of development in which the Property is located, if applicable, has been conveyed by Seller to the applicable Association(s) free and clear of any blanket encumbrances, and the statutory period for recordation of all mechanics' lien claims has expired, or the applicable Association(s) will be provided at Seller's expense, with a policy of title insurance insuring the applicable Association(s) against unrecorded mechanics' liens.

6. **INSURANCE.** Escrow Holder shall order insurance on subject property in the form and in the amounts as required by Lender and pay premium(s) for same through this escrow. If the property is attached housing where there is a master insurance policy in effect, Escrow Holder shall obtain Insurance Certificate on said Master Policy acceptable to Lender. **MASTER INSURANCE POLICIES DO NOT COVER MANY ITEMS**

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

COVERED BY A HOMEOWNERS POLICY AND BUYER MAY WISH TO INCREASE OR EXPAND THE COVERAGE OF A MASTER POLICY (IF ANY).

7. **MISCELLANEOUS.**

7.1 **Entire Agreement.** This Addendum contains the entire Agreement between the parties concerning the Property being located within a "common interest development" as defined in California Civil Code Section 4100. All prior discussions, negotiations and agreements, if any, whether oral or written, are hereby superseded by this Addendum. No addition or modification of this Addendum shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

7.2 **Time.** Time is of the essence of this Addendum.

7.3 **Capitalized Terms.** Various capitalized terms used in this Addendum are defined in the Agreement and shall have the same meaning as set forth therein, unless otherwise indicated herein.

All Buyers must execute this Addendum to be binding,

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: _____, 20 _____

Date: _____, 20 _____

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

ADDENDUM "B"

ESCROW HOLDER'S GENERAL ESCROW INSTRUCTIONS

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 **BUYER'S NAME** _____

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated _____, 20____ by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

1. **GOOD FUNDS.** All parties are hereby made aware that in accordance with Section 12413.1 of the California Insurance Code, no title insurance company or controlled escrow holder can disburse funds from an escrow account until such funds have been collected, i.e., are "good funds". Consequently, the funds required from the Buyer and any Lender to be deposited immediately prior to the Close of Escrow must be in the form of a wire transfer or cashier's check. Any check deposited will be subject to a three (3) to seven (7) day clearance period prior to the Close of Escrow and the disbursement of funds may delay the closing. If any check submitted to the Escrow Holder is dishonored for payment, Escrow Holder is authorized to notify all principals and/or their respective agents of such nonpayment.

2. **ADDITIONAL FEES.** Each party shall reimburse Escrow Holder for any special messenger, courier, express mail or bank wire fees incurred on their behalf. It is understood that the fees agreed to be paid for Escrow Holder's services are for ordinary and usual services only, and should there be any extraordinary or unusual services rendered by Escrow Holder, the parties herein agree to pay reasonable compensation to Escrow Holder for same.

3. **ADDRESS OF RECORD.** All documents and funds due the respective parties herein are to be mailed to the addresses set out in these instructions below their respective signatures, unless otherwise instructed. Buyer's address following the Close of Escrow shall be deemed to be the new property address unless Escrow Holder is notified to the contrary by Buyer. Buyer and Seller's signatures on any documents and/or instructions pertaining to this escrow indicate Buyer and Seller's unconditional approval of same, The parties herein authorize you to destroy these instructions and records in this escrow at any time after five (5) years from the date of Close of Escrow.

4. **DEFINITIONS.** "Opening of Escrow" is defined as the time when this original Offer for Joint Purchase Agreement and Escrow Instructions have been signed by all parties and delivered into escrow. Escrow Holder's duty to act as Escrow Holder does not commence until such time as Escrow Holder is in receipt of same. The term "Close of Escrow" is the day that all instruments referred to herein are filed for record with the County Recorder. Escrow Holder is authorized to furnish copies of this Agreement, instructions, amendments thereto, closing statements and/or any other documents deposited in this escrow to the Lender or lenders and/or any real estate broker involved in this transaction upon the request of same.

5. **DEPOSIT OF FUNDS.** All funds received in this escrow shall be deposited with a State or Federal bank with other escrow trust funds and all disbursements shall be made by check of Escrow Holder. In the event it may be necessary, in order to comply with these instructions, Escrow Holder is authorized to deposit or have deposited documents and/or funds with any duly authorized sub-escrow agent, bank, title company, or licensed escrow, prior to the close of escrow and subject to Escrow Holder's order. Escrow Holder is authorized to transfer any of Buyer's funds on deposit for the property under any Reservation Agreement to this escrow for credit to Buyers account herein. Disbursement checks not presented for payment within six (6) months of date are subject to Escrow Holder's scheduled service charges.

6. **NOTICE OF CANCELLATION.** If for any reason escrow cannot be closed within the stated period of time you shall nevertheless close it as soon as possible thereafter unless notice of cancellation is given by either party. Any notice of cancellation affecting this escrow, for whatever reason and whenever given, may be given only in writing delivered to Escrow Holder. On receipt of such notice, Escrow Holder shall within **three (3) days** mail one (1) copy to the other party. Except for demand of cancellation pursuant to any liquidated damages provision pursuant to the Contingent Sale Addendum, unless written objection thereto from such other party shall be received by Escrow Holder within **ten (10) days** after such mailing, Escrow Holder is authorized to comply with any instructions in such notice and to cancel the escrow upon payment of Escrow Holder's cancellation charges. In the event written objection is received within the time stated or in the event conflicting claims are made upon Escrow Holder in this escrow, Escrow Holder may refuse to take further action hereunder and may interplead the parties in any court of competent jurisdiction, in which case Escrow Holder shall be entitled to its costs including reasonable attorneys' fees incurred therein. If Escrow Holder becomes a party to any civil action by reason of this escrow, Escrow Holder shall be entitled to recover its attorneys' fees and costs, as may be allowed by the court.

7. **INSURANCE.** Escrow Holder shall order insurance on subject property in the form and in the amounts as required by Lender and pay premium(s) for same through this escrow.

8. **DISCLOSURES.** Escrow Holder is not to be concerned with the giving of any disclosures except as expressly required by Federal or State law to be given by Escrow Holder, nor is Escrow Holder to be concerned with the effect of zoning ordinances, land division regulations or building restrictions which may pertain to or affect the land or improvements that are the subject of this escrow. The parties to this escrow have satisfied themselves outside of escrow

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

that the transaction covered by this escrow is not in violation of the Subdivision Map Act or any other law regulating land division. Escrow Holder is relieved of all responsibility and/or liability in connection therewith and is not to be concerned with the enforcement of said laws.

9. **PRELIMINARY CHANGE OF OWNERSHIP FORM.** Buyer is required to furnish a Preliminary Change of Ownership form with the County and a penalty will be charged by the County if the form is not filed or is unacceptable. Escrow Holder will furnish the required form to Buyer, but will not accept responsibility for its acceptance or rejection.

10. **INSTRUCTIONS TO CLOSE.** In the event that conditions of this escrow have not been complied with at the expiration of the time provided for herein, Escrow Holder is instructed, nevertheless, to complete the same at any time thereafter as soon as the conditions (except as to time) have been complied with, unless any of the parties have made written demand for cancellation and/or return of money or documents.

11. **ESCROW HOLDER NOT LIABLE.** Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner of execution or validity of any instruments deposited in this escrow, or as to identity, authority or rights of any person executing the same or for failure to comply with any of the provisions of any agreements or other instruments filed herein and referred to herein. Escrow Holder shall not be concerned with any matters relating to construction, warranties or other agreements made between Buyer and Seller over which Escrow Holder has no control and/or which agreements may survive Close of Escrow. Any agreements between Buyer and Seller are entered into the Agreement as a matter of record solely between Buyer and Seller with which Escrow Holder is not to be concerned and Escrow Holder's duties hereunder shall be limited to the safekeeping of such money, instruments or other documents received by Escrow Holder and for the disposition or return of same in accordance with the Escrow Instructions set forth herein.

12. **DEMANDS.** Pay at the close of escrow, from Seller's funds, any demand for reconveyance, releases or satisfactions of any encumbrances of record and any taxes, payment and/or release which are necessary to place title in condition to close this escrow.

13. **COUNTERPARTS/AMENDMENTS.**

13.1 Any instructions to this escrow may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original and such counterparts together shall constitute one and the same instrument.

13.2 Any amended, supplemental or additional instructions given in connection with this escrow shall be subject to the conditions contained herein.

14. **CONFLICTING DEMANDS OR DISPUTES.** In the event conflicting written demand or notices are made or served upon Escrow Holder or any controversy arises between the parties hereto or with any third party growing out of or relating to this escrow, Escrow Holder shall have the absolute right to withhold all further proceedings in this escrow until receipt of satisfactory written notice of the settlement of the controversy by agreement of the parties hereto, or by final judgment of an arbitrator or court of competent jurisdiction and/or Escrow Holder may interplead the parties in any court of competent jurisdiction. All parties to this escrow hereby jointly and severally promise and agree to pay promptly on demand, as well as to indemnify Escrow Holder and hold same harmless from and against, all litigation and interpleader costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of every kind which, in good faith, Escrow Holder may incur or suffer in connection with or arising out of this escrow, whether said litigation, interpleader, obligations, liabilities or expenses arise during the performance of this escrow or subsequent thereto, directly or indirectly. Escrow Holder is hereby given a lien upon all rights, title and interest of each of the parties hereto in all escrow documents, funds and other property and all monies or property for any and all expenses, including cancellation costs, attorneys' fees, losses and other liabilities caused Escrow Holder in this escrow. No action shall lie against Escrow Holder for any claim, loss, liability or alleged cause of action of any kind or nature whatsoever, however caused or occurred under this escrow or in connection with the handling or processing of this escrow unless brought within twelve (12) months after the Close of Escrow.

All Buyers must execute this Addendum to be binding.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's Acceptance Date: _____, 20_____

Date: _____, 20_____

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

ADDENDUM "C"

CONTINGENT SALE ADDENDUM

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 BUYER'S NAME

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated _____, 20____ by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

1. CONTINGENCY. Buyer needs to sell and close escrow for the sale of another property located at:

(Street Address)

(City, State and Zip)

("Buyer's Existing Property") in order to close the escrow for the purchase of the Property. Accordingly, subject to the provisions of this Addendum and provided that Buyer is not in default under the Agreement, Buyer and Seller agree that Buyer's obligation to purchase the Property shall be contingent upon the close of escrow for the sale of Buyer's Existing Property ("Resale Contingency") on the terms, conditions and recitals set forth below.

2. Listing of Buyer's Existing Property.

a. Seller's Policies Regarding Acceptance of Buyer's Offer to Purchase. Seller has the following policies as to whether or not to accept an Offer to Purchase which is contingent on the sale of a buyer's existing property. Buyer acknowledges his or her understanding that these policies are a result of Seller's business concern regarding accepting an Offer To Purchase which is contingent unless Seller determines, in its sole discretion, that the terms of a listing agreement for the sale of Buyer's Existing Property are realistic and that the broker chosen by a buyer is competent, effective in the particular market, ethical and will communicate effectively with Seller and the Lender as to the status of the sale of Buyer's Existing Property.

i. Seller's Policy Regarding Terms of Listing. Seller will not accept an Offer to Purchase which is contingent on the sale of Buyer's Existing Property unless Seller determines, in its sole discretion, that the price of Buyer's Existing Property is realistic, the period of the listing agreement is sufficient and other terms of the listing are satisfactory to Seller.

ii. Seller's Policy Regarding Listing Broker. Seller has determined that ("Realty") is acceptable as the listing broker for Buyer's Existing Property. Should Buyer wish to list Buyer's Existing Property with another real estate broker, Seller will consider the particular broker designated by Buyer. However, Seller will not accept an Offer to Purchase which is contingent on the sale of Buyer's Existing Property unless Seller determines, in its sole discretion, that the broker is competent, effective in the particular market, ethical and will communicate effectively with Seller and the Lender as to the status of the sale of Buyer's Existing Property.

iii. Seller's Right to Evaluate Buyer's Existing Property. Seller may require that it investigate Buyer's Existing Property before Seller decides whether to accept Buyer's Offer to Purchase the Property. Buyer shall permit Seller or Seller's agent to inspect and appraise Buyer's Existing Property at Seller's expense Seller.

Check Which Provision Applies: Paragraph 2(b) or Paragraph 2(c):

[] b. Realty as the Listing Broker. Concurrently with signing this Agreement, Buyer has signed an Exclusive Right to Sell listing agreement with Realty for the sale of Buyer's Existing Property. The Exclusive Right to Sell listing agreement includes a provision which makes it contingent on Seller accepting Buyer's Offer to Purchase the Property.

[] c. Listing With Another Real Estate Broker. Subject to Seller accepting Buyer's Offer to Purchase, Buyer intends to list Buyer's Existing Property with _____ whose business address and telephone number are: _____ a duly licensed California real estate broker ("Outside Broker"). Buyer shall provide to Seller, for its review and approval, each of the following items prior to signing the Offer To Purchase the Property: (i) a copy of the listing agreement; (ii) the broker's resume; (iii) a written competitive market analysis for Buyer's Existing Property prepared by the listing broker which shall set forth Buyer's estimated net sales proceeds; and (iv) the broker's marketing plan ("Marketing Plan"). The Marketing Plan shall include minimum standards for a "For Sale" sign, a lock box, proposed advertising (intervals and methods) and a schedule for broker previews and open houses. Buyer shall cause the broker to provide Seller with weekly reports on the status of the

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

Marketing Plan (including, but not limited to, the days and hours open houses were held, weekly traffic counts and the terms and status of any offers received).

3. **Sale of Buyer's Existing Property.** Buyer shall have until _____, 201____ ("Contingency Date") to enter into a bona fide agreement for the sale of Buyer's Existing Property to a qualified third party purchaser acceptable to Seller, which agreement shall provide for a sale and a concurrent closing of Buyer's Existing Property ("**Existing Property Closing Date**"). *The Existing Property Closing Date shall be the same date as the "Closing Date" set forth in Paragraph 4 of the Agreement.* In the event (i) Buyer has not entered into an agreement for the sale of Buyer's Existing Property by the Contingency Date or (ii) the escrow for the sale of Buyer's Existing Property has not closed by the Existing Property Closing Date, Seller may elect, in its sole discretion, to:

- a. Terminate the Agreement in accordance with **Paragraph 6** below; or
- b. Invoke the procedures set forth in **Paragraph 7** below by providing written notice to Buyer and Escrow Holder.

Any extension of the Contingency Date or Existing Property Closing Date and any new terms by Seller must be in writing and signed by both Seller and Buyer.

2. **Seller's Right to Market the Property.** Notwithstanding Seller's acceptance of Buyer's contingent offer to purchase the Property, Seller shall have the right to continue to offer the Property for sale and to receive offers to purchase the Property from third parties. Should Seller receive a bona fide offer from a third party to purchase the Property on terms acceptable to Seller in its sole discretion ("**Third Party Offer**"), Seller shall promptly notify Buyer either telephonically or in writing (including by email or facsimile).

3. **No Seller Costs; Indemnification.** Seller shall not have any obligation whatsoever to pay any costs, expenses, fees or commissions whatsoever in connection with the sale (or attempted sale) of Buyer's Existing Property, and Buyer agrees to indemnify and hold Seller harmless from and against any claims or demands against Seller for such costs, expenses, fees or commissions.

4. **Termination by Seller.** In the event Buyer fails to satisfy any one of the foregoing conditions by the time periods or dates specified herein, Seller may, in its sole discretion, elect to terminate the Agreement and cancel the escrow by giving written notice to the Escrow Holder. Any delay by Seller in making its election shall not constitute a waiver of its right to do so. In the event Seller elects to terminate the Agreement and cancel the escrow, Buyer shall be entitled to the refund of the Purchase Deposit.

5. **72-Hour Contingency Waiver.** Upon notification of the Third Party Offer, or upon notification from Seller pursuant to **Paragraph 3(b)** above, Buyer shall have a period of 72 hours ("**Election Period**") in which to notify Seller, in writing, of Buyer's election of either of the following:

- a. To terminate the Agreement and the escrow, in which event (i) Buyer shall be entitled to the refund of the Purchase Deposit, and (ii) Seller shall be free to accept the Third Party Offer and shall thereafter have no further obligation to sell the Property to Buyer; or
- b. To waive the Resale Contingency, in which event Buyer shall be obligated to purchase the Property on all the terms and conditions of the Agreement, including without limitation **Paragraph 23** of the Agreement, captioned "LIQUIDATED DAMAGES," without reference to the Resale Contingency.

If Buyer fails to deliver written notice of its election within the Election Period, Buyer shall be conclusively deemed to have elected to terminate the Agreement and the Escrow in accordance with **Paragraph 7(a)** above.

2. **Option Deposits; Liquidated Damages.** Buyer acknowledges that Seller is allowing Buyer to proceed with the purchase of the Property subject to the Resale Contingency, even though the Agreement may require Buyer's selection of certain options. Buyer further acknowledges that as a result, the residence as constructed will be customized to Buyer's individual selections, which may or may not have the same value, or even any value at all, to another purchaser. **ACCORDINGLY, AND AS A MATERIAL INDUCEMENT TO SELLER WITHOUT WHICH SELLER WOULD NOT HAVE AGREED TO THE RESALE CONTINGENCY, BUYER AGREES THAT ANY OPTION DEPOSITS ARE PART OF THE PURCHASE DEPOSIT AND SHALL BE SUBJECT TO PARAGRAPH 23 OF THE AGREEMENT IN ALL CIRCUMSTANCES OTHER THAN TERMINATION OF THE AGREEMENT AND ESCROW BY REASON OF SELLER'S DEFAULT, AND THAT IF BUYER DOES NOT WAIVE THE RESALE CONTINGENCY AND ELECTS (OR IS DEEMED TO ELECT) TO TERMINATE THE AGREEMENT AND THE ESCROW, ANY SUCH OPTION DEPOSITS ARE PART OF THE PURCHASE DEPOSIT AND SHALL BE PAID TO SELLER ONLY AS LIQUIDATED DAMAGES SUBJECT TO PARAGRAPH 23 OF THE AGREEMENT.**

Notwithstanding the preceding Paragraph, in order to minimize the possibility that the residence is customized with features that would have minimal or even negative value to other prospective purchasers, the parties agree that while the Resale Contingency remains outstanding, all options selections shall be subject to Seller's approval and Buyer may not select any options that have not been approved by Seller.

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

3. **Miscellaneous.**

a. Escrow Instructions. Upon Escrow Holder's receipt of Seller's or Buyer's written notice to cancel the escrow, Escrow Holder shall immediately cancel the escrow, without further instructions required by the Buyer or Seller (as the case may be), and return to Buyer the Purchase Deposit, less the Third Party Charges specified in the Agreement and normal escrow cancellation charges as specified herein.

b. Entire Agreement. This Addendum contains the entire agreement between the parties concerning the sale and close of escrow for Buyer's Existing Property as a contingency to Buyer's obligation to purchase the Property from Seller. All prior discussions, negotiations and agreements, if any, whether oral or written, are hereby superseded by this Addendum. No addition or modification of this Addendum shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

c. Hold Harmless. Buyer and Seller each agree to hold Escrow Holder harmless from any claim, liability or obligation arising out of this Addendum.

d. Time. Time is of the essence in this Addendum.

e. Capitalized Terms. Various capitalized terms used in this Addendum are defined in the Agreement and shall have the same meaning as set forth therein, unless otherwise indicated herein.

f. Execution by Buyers. All Buyers must execute this Addendum to be binding.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: _____, 20____

Date: _____, 20____

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

ADDENDUM "D"

**DISCLOSURE ADDENDUM
(To Be Attached)**



Buyer's Initials **Buyer's Initials** **Buyer's Initials** **Buyer's Initials**

ADDENDUM "E"

CONSTRUCTION STANDARDS AND NON-ADVERSARIAL PROCEDURES FOR STATUTORY CONSTRUCTION CLAIMS

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 BUYER'S NAME

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated ... 20 ... by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

Seller hereby gives the following notices and delivers the documentation and materials described in this Addendum below on its own behalf and on behalf of each general contractor who, as of the date of the Agreement: (i) is in the business of building, developing or constructing the Property for public purchase; and (ii) is a partner, member of, subsidiary of, or otherwise similarly affiliated with Seller. Such affiliated general contractors and affiliated contractors are each referred to herein as an "Affiliated Contractor".

1. RESIDENTIAL CONSTRUCTION LEGISLATION. California Civil Code Section 895 et seq. ("SB 800") is residential construction legislation establishing construction standards and providing non-adversarial procedures for resolution of claims. Such claims are referred to in this Addendum as "Statutory Construction Claims." The following is a summary of some of the pertinent provisions of SB 800:

SB 800 provides a series of standards describing how a home and its components should function (the "Standards"). These Standards are divided into categories such as water intrusion, structural and soils-related issues, fire protection issues, plumbing and sewer, electrical and several other areas of construction. Components must meet the Standards for periods which vary from one to ten years, as set forth in SB 800.

A builder may be excused from its obligations under SB 800 if a buyer fails to properly maintain the home, fails to promptly notify the builder of damage, if damage to a component is caused by a third party or act of nature, or under certain other circumstances specified in Section 945.5 of SB 800.

If a claim arises under SB 800, a buyer must follow the "non-adversarial procedures" set forth in Sections 910 through 938 of SB 800. These procedures define certain actions that are required from both a buyer and the builder and the time frames for completing those actions.

SB 800 does not preclude Buyer from seeking, and Buyer is encouraged to seek, repairs or redress of claims through Seller's Customer Service Program as set forth in Seller's homeowner manual (as described in paragraph 6 below), instead of, or prior to, initiating formal claim procedures under the Statute.

Seller has provided to Buyer, and Buyer hereby acknowledges receipt of, a copy of Title 7 of Part 2 of Division 2 of the Civil Code as required under SB 800. YOU SHOULD READ THESE PROVISIONS CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY YOU ARE PURCHASING.

BUYER'S INITIALS

BUYER'S INITIALS

SELLER'S INITIALS

2. FIT & FINISH WARRANTY. In connection with your purchase of the Property, Seller will provide you with a fit and finish warranty ("Fit & Finish Warranty"), which warrants the fit and finish of certain components of your home for one year from the close of escrow, subject to certain exclusions which include but are not limited to, the failure to properly maintain the components and damage caused by third parties. The Fit & Finish Warranty will be provided to you by Seller on its own behalf and on behalf of each Affiliated Contractor. Claims for repairs under the Fit & Finish Warranty are not subject to the non-adversarial procedures in SB 800. Such claims should be made to Seller's customer service representative as set forth in the homeowner's manual referenced in paragraph 6 below.

EXCEPT FOR DISCLAIMER AND EACH AFFILIATED CONTRACTOR DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THAT THE HOME WAS DESIGNED AND CONSTRUCTED IN A WORKMAN-LIKE MANNER, FITNESS FOR A PARTICULAR PURPOSE, AND MERCHANTABILITY.

BUYER'S INITIALS

BUYER'S INITIALS

SELLER'S INITIALS

4. NOTICE OF CLAIMS. If Buyer or any successor to Buyer's interest claims that the construction of the residence on the Property violates any or all of the Standards, Buyer shall provide notice to Seller (or Seller's Agent) and each Affiliated Contractor at the address listed below.

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

Legal/Risk Management Department

_____, CA _____
Attn: SB800 CLAIMS ADMINISTRATOR

This contact information is subject to change. The name and address of Seller's and each Affiliated Contractor's agent under Civil Code Section 912(e) is also available at the office of the California Secretary of State. To ensure that notice is delivered to Seller and each Affiliated Contractor at their correct address(es), Buyer is advised to confirm the current name and address of Seller's and each Affiliated Contractor's agent with the Secretary of State before delivering notice. This information can be provided by written request to:

California Secretary of State
Special Filings Unit
P.O. Box 944225
Sacramento, California 94244-2250
or by telephone at (916) 653-3984

By initialing below, Buyer acknowledges and agrees that Seller has provided Buyer with the name and address of the contact person for notice of any claimed violations of the Standards, both on Seller's own behalf and on behalf of each Affiliated Contractor.

BUYER'S
INITIALS

BUYER'S
INITIALS

SELLER'S
INITIALS

4. **STATUTORY NON-ADVERSARIAL PROCEDURES.** By initialing below, Buyer acknowledges that Seller has initially elected to use certain procedures referred to as the "non-adversarial procedures" for the resolution of Statutory Construction Claims regarding the Property, as set forth in SB 800 at Sections 910 through 938. Seller has recorded or will record a notice of these procedures on the Property prior to the Close of Escrow. Buyer has had the opportunity to read the non-adversarial procedures in the Statute and acknowledges that the procedures set forth therein impact Buyer's legal rights with respect to the Property. According to the terms of SB 800, the non-adversarial procedures will not apply with respect to a given claim if the builder (i) elects not to use the non-adversarial procedures, or (ii) does not comply with the requirements set forth therein. In such an instance, the parties would proceed to binding arbitration as set forth in paragraph 9 below.

BUYER'S
INITIALS

BUYER'S
INITIALS

SELLER'S
INITIALS

5. **RECEIPT OF SB 800 DOCUMENTS; BUYER TO PROVIDE TO SUBSEQUENT BUYERS.** Buyer acknowledges that it has received or may in the future receive certain documents in conjunction with Buyer's purchase of the Property, including, but not limited to, those referenced in the Receipt of Documents and Information. Buyer shall maintain a full and complete copy of all documents. Buyer agrees to provide any subsequent buyer with a complete copy of all documents as required by SB 800. Buyer should instruct subsequent buyers to provide to their subsequent buyers a complete copy of all documents.

BUYER'S
INITIALS

BUYER'S
INITIALS

SELLER'S
INITIALS

6. **MAINTENANCE RESPONSIBILITIES.** Seller shall, concurrently with the execution of the Agreement, provide Buyer with a homeowner manual which contains maintenance information that outlines Seller's and/or manufacturers' recommended homeowner maintenance obligations and schedules ("Maintenance Manual").

By initialing below, Buyer acknowledges and agrees that Buyer shall follow the recommendations set forth in the Maintenance Manual, as the same may be updated from time to time. Buyer further acknowledges and agrees that Buyer shall provide a copy of the Maintenance Manual to any subsequent buyers of the Property.

BUYER'S
INITIALS

BUYER'S
INITIALS

SELLER'S
INITIALS

7. **MANUFACTURERS' WARRANTIES.** Effective at close of escrow, Seller assigns to Buyer all of those manufacturers' warranties for appliances, fixtures and other equipment installed in the Property that are listed in the Receipt of Documents and Information, which will be provided to Buyer at the time the Agreement is executed. Seller may supplement the list of manufacturers' warranties that are to be assigned to Buyer any time prior to the close of escrow. Buyer acknowledges that certain actions may void such manufacturers' warranties (e.g., sealing grout or adding tinting to dual-glazed windows).

Buyer's Initials Buyer's Initials Buyer's Initials Buyer's Initials

8. **SURVIVABILITY.** The parties intend that each provision of this Agreement that pertains to matters or events that occur, or performance that is to be rendered, after the close of escrow shall survive the close of escrow.

9. **BINDING ARBITRATION.** If a Statutory Construction Claim is not resolved through the non-adversarial procedures described herein, or if the non-adversarial procedures are deemed not to apply to a given claim, such claims shall be resolved through binding arbitration pursuant to the provisions set forth in the Alternative Dispute Resolution Addendum (Addendum "F") to the Agreement. All unresolved claims related to the Fit & Finish Warranty shall also be resolved through binding arbitration.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: _____, 20____

Date: _____, 20____

Buyer's Initials **Buyer's Initials** **Buyer's Initials** **Buyer's Initials**

ADDENDUM "F"

ALTERNATIVE DISPUTE RESOLUTION ADDENDUM

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 **BUYER'S NAME** _____

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated _____, 20____ by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

1. **ARBITRATION OF DISPUTES.** BUYER AND SELLER AGREE THAT ANY "DISPUTE" (AS SUCH TERM IS DEFINED IN THE SUPPLEMENTAL DECLARATION OF RESTRICTIONS FOR CANTERA ("DECLARATION")) SHALL BE RESOLVED ACCORDING TO THE PROVISIONS SET FORTH IN THE DECLARATION, AND BUYER AND SELLER WAIVE THEIR RESPECTIVE RIGHTS TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN THE DECLARATION. BUYER AND SELLER ACKNOWLEDGE THAT, BY AGREEING TO RESOLVE ALL DISPUTES AS PROVIDED IN THE DECLARATION THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH DISPUTES TRIED BEFORE A JURY.

NOTICE: BY INITIALLING IN THE SPACE BELOW BUYER AND SELLER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND BUYER AND SELLER ARE GIVING UP ANY RIGHTS BUYER AND SELLER MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW BUYER AND SELLER ARE GIVING UP THEIR RESPECTIVE JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF BUYER OR SELLER REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, BUYER OR SELLER MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT.

I/WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES TO BINDING ARBITRATION.

BUYER'S INITIALS

BUYER'S INITIALS

SELLER'S INITIALS

3. **Survival; Successors and Assigns.** The rights and obligations of the parties pursuant to this Addendum shall survive the close of escrow. This Addendum and the rights, duties and obligations of Buyer and Seller shall be binding upon and shall inure to the benefit of the successors and assigns of Seller and, subject to any limitation on assignment contained in the Agreement, to the heirs, executors, administrators, successors and assigns of Buyer.

4. **Severability.** In addition to and without limiting the effect of any general severability provisions of the Agreement, if the arbitrator or any court determines that any provision of this Addendum is unenforceable for any reason, that provision shall be severed, and proceedings agreed to in this Addendum shall be conducted under the remaining enforceable terms of this Addendum.

BY SIGNING THIS ADDENDUM, BUYER AND SELLER AGREE TO BE BOUND BY ITS PROVISIONS.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's Acceptance Date: _____, 20____

Date: _____, 20____

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

ADDENDUM "G"

FIT & FINISH WARRANTY ADDENDUM

PROJECT Cantera LOT/UNIT NO. 30 TRACT NO. 16-01

PHASE NO. 1 **BUYER'S NAME**

(Print Buyer's Last Name)

This Addendum supplements that certain Joint Purchase Agreement and Escrow Instructions dated _____, 20____ by and between Seller and Buyer (the "Agreement") regarding the purchase by Buyer of the Property described in the Agreement. Subject to the exclusions and limitations listed below, Seller provides the following fit and finish warranty on the home you are purchasing (this "Warranty"). Seller provides this Warranty on its own behalf and on behalf of each Affiliated Contractor (defined below).

**ARTICLE 1
DEFINITIONS**

1.1 **"Affiliated Contractor"** – Each general contractor and contractor who, as of the date of the Agreement: (i) is in the business of building, developing or constructing the Residence for public purchase; and (ii) is a partner, member of, subsidiary of, or otherwise similarly affiliated with Seller.

1.2 **"Close of Escrow"** – The date of recordation of the grant deed conveying the Property from Seller to Buyer.

1.3 **"Components"** – Cabinets, mirrors, flooring, interior and exterior walls, wall coverings, countertops, paint finishes and trim.

1.4 **"Deficiency"** – The Fit & Finish of a Component does not meet the standards of quality as measured by guidelines found in the publication, *Residential Performance Guidelines for Professional Builders and Remodelers*, National Association of Home Builders, 2000 (2nd Edition), or if an item is not covered in that publication, by standard industry practice, subject to the terms and conditions of this Warranty.

1.5 **"Fit & Finish"** – The non-structural, cosmetic appearance or alignment of the Components, subject to the terms, conditions and exclusions of this Warranty.

1.6 **"Maintenance Manual"** – The manual provided by Seller to Buyer that outlines Seller's or manufacturers' recommended homeowner maintenance obligations and schedules. The Maintenance Manual is found in the _____ Homeowner Manual.

1.7 **"Residence"** – The separate interest portion of a condominium or the single-family home conveyed or to be conveyed by Seller to Buyer.

1.8 **"Unforeseen Acts of Nature"** – A weather condition, earthquake, or man-made event such as war, terrorism or vandalism, in excess of the design criteria expressed by the applicable building codes, regulations and ordinances in effect at the time of original construction of the Residence.

1.9 **"Walkthrough"** – The walkthrough inspection of a Residence, with a Seller representative, before Close of Escrow for the purpose of familiarizing Buyer with the features and appliances in the Residence. The Fit & Finish of Components will be inspected during the Walkthrough, and if Deficiencies are discovered, they must be identified and reported to the Seller representative. If such Deficiencies are not reported at the time of the Walkthrough, they may be excluded from coverage under this Warranty, as items of damage caused by Buyer or a third party.

1.10 **"Warranty Period"** – ONE YEAR from the Close of Escrow.

**ARTICLE 2
WARRANTY**

Seller, on its own behalf and on behalf of each Affiliated Contractor, warrants the Fit & Finish of the Components to be free from Deficiencies during the Warranty Period, subject to the exclusions in Article 4.

**ARTICLE 3
SCOPE OF WARRANTY**

3.1 **Performance by Seller and Affiliated Contractors.** During the Warranty Period, Seller will, within a reasonable amount of time, repair or replace the affected Component(s) at no charge to Buyer if repair or replacement is appropriate under this Warranty. The decision whether to repair or replace the Component(s) shall be within the sole discretion of Seller or the Affiliated Contractor (as applicable).

Purchase Agreement Form.20240405..wpd

Buyer's Initials _____ **Buyer's Initials** _____ **Buyer's Initials** _____ **Buyer's Initials** _____

3.2 Repair Materials/Subcontractors. All repairs or replacements will be made with materials or components identical to, or of an equal or better grade or quality than, the materials or components used in the original construction of the Residence. Seller or the Affiliated Contractor (as applicable) has the right to choose the specific materials and components and the subcontractors used for repair or replacement work in its sole discretion. There could be color or texture variations with the new materials.

3.3 Assignment of Other Insurance and Warranties. In the event Seller or an Affiliated Contractor repairs, replaces or pays the cost of repairing any Deficiency or replacing any Component covered by this Warranty for which Buyer is covered by any other insurance or warranty, Buyer assigns to Seller or the Affiliated Contractor (as applicable) all rights, proceeds or payments under such other insurance or warranty to the extent of the actual cost of repair or replacement incurred by Seller or the Affiliated Contractor (as applicable), and Buyer authorizes Seller or the Affiliated Contractor (as applicable) to file a claim against any insurance or warranty on Buyer's behalf. Buyer shall cooperate with Seller or the Affiliated Contractor (as applicable), at no out-of-pocket cost to Buyer, with respect to such claim. To the extent permitted by Buyer's insurance, Buyer agrees to look only to Buyer's insurance coverage for covered claims and to waive any right of subrogation to the extent of such insurance.

3.4 **DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR THIS WARRANTY, SELLER AND EACH AFFILIATED CONTRACTOR DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THAT THE HOME WAS DESIGNED AND CONSTRUCTED IN A REASONABLY WORKMANLIKE MANNER, FITNESS FOR PARTICULAR PURPOSE, AND MERCHANTABILITY.**

Buyers' Initials: () ()

3.5 **LIMITATION OF AVAILABLE REMEDIES.** BUYER AGREES THAT THE SOLE AND EXCLUSIVE REMEDIES FOR THE BREACH OF THIS WARRANTY SHALL BE TO REPAIR OR REPLACE THE COMPONENT. BUYER OTHERWISE AGREES TO ASSUME ALL RISKS ARISING FROM A BREACH OF WARRANTY, INCLUDING, BUT NOT LIMITED TO, ALL ECONOMIC, CONSEQUENTIAL AND EMOTIONAL DISTRESS DAMAGES. EXCEPT TO REPAIR OR REPLACE THE COMPONENT, NEITHER SELLER NOR ANY AFFILIATED CONTRACTOR SHALL OTHERWISE BE LIABLE FOR ANY DAMAGE FOR BREACH OF WARRANTY. BY INITIALING BELOW, BUYER REPRESENTS THAT BUYER UNDERSTANDS THAT REPAIR OR REPLACEMENT UNDER THIS WARRANTY IS EXPRESSLY CONDITIONED UPON SELLER, THE AFFILIATED CONTRACTOR OR THEIR RESPECTIVE AUTHORIZED AGENT BEING GRANTED A REASONABLE OPPORTUNITY TO REPAIR OR REPLACE SUCH COMPONENT. BUYER AGREES THAT SELLER, THE AFFILIATED CONTRACTOR OR THEIR RESPECTIVE AUTHORIZED AGENTS, AND NOT BUYER, SHALL DETERMINE THE MATERIAL AND METHODS TO BE USED IN EFFECTING SUCH REPAIR OR REPLACEMENT.

Buyers' Initials: () ()

**ARTICLE 4
EXCLUSIONS**

The following are not covered by this Warranty:

4.1 Wear and Tear. Damage to the Components due to ordinary wear and tear.

4.2 Buyer's Failure to Maintain Properly. Any Deficiency, loss or damage caused by lack of reasonable care and maintenance, failure to follow a manufacturer's or Seller's or an Affiliated Contractor's maintenance schedule, recommendations or commonly accepted Buyer maintenance obligations. On behalf of itself and each Affiliated Contractor, Seller has provided a description and list of suggested homeowner's care and maintenance items and procedures in the Maintenance Manual and a schedule for such maintenance. From time to time, Seller or an Affiliated Contractor may perform a maintenance task for the benefit of Buyer at no charge; however, performing a task on one or more occasions does not imply or require that Seller or the Affiliated Contractor will perform a similar task at a later date, nor shall such performance be deemed to extend the Warranty Period.

4.3 Casualties or Unforeseen Acts of Nature. Any Deficiency, loss or damage caused by Unforeseen Acts of Nature. Casualties normally covered by homeowner's insurance, or any other cause not under the control of Seller or an Affiliated Contractor such as fire, smoke, explosion, water escape, fluctuations in water pressure, flood, insects, and falling trees. Damage of this sort may be covered by your homeowner's insurance. You should contact your insurance carrier within 24 hours of the occurrence of any such damage.

4.4 Abuse of Residence. Damage caused either by the misuse, abuse, neglect or the use of the Residence in a manner which was not intended.

4.5 Materials Furnished by Buyer. Any Deficiency caused by materials furnished or work done by or at the request of Buyer, including any work done by anyone other than Seller, an Affiliated Contractor or the employees, agents or subcontractors expressly selected by Seller or an Affiliated Contractor.

4.6 Variations in Natural Materials. Variations in natural materials, such as stone, marble, wood grain and color of stained wood used in cabinets, paneling, siding, doors and wood trim. These variations are inherent characteristics of natural materials and are not a Deficiency.

4.7 Failure to Give Timely Notice. Any Deficiency, loss or damage caused or made worse by Buyer's failure to timely notify Seller or an Affiliated Contractor (as applicable) of any Deficiency.

4.8 Failure to Mitigate Damages. Any Deficiency, loss or damage caused or made worse by Buyer's failure to minimize or prevent damages in a timely manner.

4.9 Refusal to Allow Repair. Any Deficiency, loss or damage caused by the Buyer's failure to allow reasonable and timely access for inspections and repairs.

4.10 Buyer or Third-Party Negligence. Any Deficiency, loss or damage caused or made worse by the negligence of Buyer (or Buyer's agent, employee, subcontractor, independent contractor, or consultant) or a third party.

4.11 Successful Repair. Any Deficiency, to the extent that such Deficiency has been successfully repaired or corrected.

4.12 Released Violation. Any Deficiency, for which liability has been released by Buyer pursuant to a release agreement with Seller, Seller, an Affiliated Contractor, a manufacturer or any other third party.

4.13 Warranty Period. Any Deficiency that occurs after the Warranty Period.

4.14 Statutory Claims. Any claims for Deficiencies, loss or damage governed by California Civil Code Sections 895 through 897 and Sections 910 through 938, as may be hereafter amended.

ARTICLE 5 PROCEDURES FOR FILING A WARRANTY REQUEST FOR SERVICE

5.1 How to Request Warranty Service. To assure quality, and to allow Seller and each Affiliated Contractor to maintain a complete file on your home, all requests for warranty service under this Warranty must be submitted in writing to Seller or the Affiliated Contractor, as set forth in Chapter titled "*Customer Service*" in the _____ Homeowner Manual. All of the procedures and contact information for submitting a customer service request are set forth in the *Customer Service* Chapter of the Homeowner Manual.

5.2 Service Requests Not Covered by Warranty. If Seller or the Affiliated Contractor (as applicable) determines that a particular service request is not covered by this Warranty, Seller or the Affiliated Contractor will provide Buyer with a notification describing why the Buyer's service request is not covered. Failure to send such a notice shall not be deemed evidence that a service request is a covered Deficiency. If a service request is governed by California Civil Code, Section 895, et seq., the non-adversarial procedures described in Addendum to the Agreement entitled "Construction Standards and Non-Adversarial Procedures for Statutory Construction Claims" will apply to such service request, instead of the procedures set forth in this Article 5.

ARTICLE 6 GENERAL PROVISIONS

6.1 Applicable Law. This Warranty is made in the State of California and is to be interpreted and constructed in accordance with the cases and laws of California.

6.2 Interpretation. Whenever the context requires, the use herein of one gender includes both genders and the singular number includes the plural number.

6.3 Modification. No modification or change of this Warranty is valid unless it is in writing and signed by Buyer and Seller.

6.4 Captions. Captions are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Warranty or any provisions hereof.

6.5 Time of the Essence. Time is of the essence on all matters of any nature arising under this Warranty.

6.6 Severability. Should any provision or portion of this Warranty be declared invalid or in conflict with any law of the jurisdiction where your Residence is situated, the validity of all other provisions and portions shall remain unaffected and in full force and effect. This Warranty is intended to be a Fit & Finish Warranty under California Civil Code Section 900. To the extent of any conflicts between this Warranty and the requirements of Civil Code Section 900, the requirements of the statute shall control over the terms of this Warranty.

ARTICLE 7 DISPUTE RESOLUTION

All disputes arising under this Warranty will be resolved in accordance with the same procedures for Dispute Notification and Resolution as set forth in the Alternative Dispute Resolution Addendum of the Agreement. The statutory non-adversarial procedures applicable to certain construction defect claims under California Civil Code Sections 910 through 938, as hereafter amended, shall not apply to any claims under this Fit & Finish Warranty.

Purchase Agreement Form.20240405..wpd

Buyer's Initials **Buyer's Initials** **Buyer's Initials** **Buyer's Initials**

Note: Our sales staff does not have responsibility for, nor are they qualified to make, judgments regarding service. All such commitments must be in writing and must come from our Customer Service Department. Seller is very proud of its service and trusts you will find its policy to be fair to all concerned. Proper service and a continuing program of homeowner maintenance will keep your property in good condition both for your own comfort and to maximize its usefulness and durability.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

_____, a

(Signature)

By: _____

(Signature)

(Signature)

(Signature)

Seller's
Acceptance Date: _____, 20_____

Date: _____, 20_____

RECEIPT FOR FIT & FINISH WARRANTY

BY SIGNING BELOW, BUYER ACKNOWLEDGES AND AGREES THAT BUYER HAS RECEIVED A COPY OF THE FIT & FINISH WARRANTY BEFORE SIGNING THE JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS, THAT BUYER HAS HAD THE OPPORTUNITY TO READ AND HAS READ AND UNDERSTOOD THE SCOPE OF, AND THE TERMS, CONDITIONS, EXCEPTIONS AND EXCLUSIONS CONTAINED IN, THE FIT & FINISH WARRANTY. THE FIT & FINISH WARRANTY IS THE ONLY WARRANTY, EXPRESS OR IMPLIED, WHICH IS APPLICABLE TO THE PROPERTY BEING PURCHASED BY BUYER.

I/WE HAVE RECEIVED, READ AND UNDERSTAND THE FIT & FINISH WARRANTY.

BUYER

DATED

BUYER

DATED

ADDENDUM H

CONDITIONAL SUBDIVISION PUBLIC REPORT

1. The following conditions must be satisfied by Seller and information related thereto must be incorporated into the applicable documents before the California Department of Real Estate ("DRE") will issue the Final Public Report:
 1. Evidence that the Condominium Plan for this project and/or any amendments thereto have been recorded in Official Records of San Diego County;
 2. Evidence that the Declaration of Conditions, Covenants and Restrictions ("**Declaration**") for this project has been recorded in Official Records of San Diego County;
 3. The Articles of Incorporation have been filed with the State;
 4. Evidence a current preliminary title report has been issued and provided to DRE after recordation of the items shown above;
 5. Evidence that the Association Property Deed and accompanying Irrevocable Escrow Instructions to the Escrow Holder have been reviewed and accepted by DRE and Deposited in Escrow;
 6. Evidence that the Budget has been reviewed by DRE; and,
 7. Evidence of the Subdivider's financial guarantee to insure its payment of assessments per Regulation 2792.9 and such financial security has been delivered to Escrow Officer.

1. No person acting as a principal or agent shall sell or lease or offer for sale or lease units, lots or parcels in a subdivision for which a Conditional Public Report has been issued except as provided in Business and Professions Code Section 11010 et seq., including, without limitation, Section 11018.12.

2. Subdivision (d) and (e) of Section 11018.12 of the Business and Professions Code provides as follows:

§11018.12(d). Notwithstanding the provisions of Section 11018.2, a person may sell or lease or offer for sale or lease, units, lots or parcels in a subdivision pursuant to a Conditional Public Report if, as a condition of the sale or lease or offer for sale or lease, delivery of legal title or other interest contracted for will not take place until issuance of a Final Public Report and provided that the requirements of subdivision (e) are met.

§11018.12(e).

- " Evidence shall be supplied that all purchase money will be deposited in compliance with subdivision (a) of Section 11013.2 or subdivision (a) of Section 11013.4, and in the case of a subdivision referred to in subdivision (a) of this section, evidence shall be given of compliance with paragraph (1) and (2) of subdivision (a) of Section 11018.5.
- " A description of the nature of the transaction shall be supplied.
- " Provision shall be made for the return of the entire sum of money paid or advanced by the purchaser if a Final Public Report has not been issued during the term of the Conditional Public Report, or as extended, or the purchaser is dissatisfied with the Final Public Report because of a change pursuant to Section 11012.

**I/WE HAVE RECEIVED, READ AND UNDERSTAND
ADDENDUM H- CONDITIONAL SUBDIVISION PUBLIC REPORT**

BUYER

DATED

BUYER

DATED

Disclosure of Ongoing Construction

The Buyer acknowledges that ongoing construction activities at the Cantera project will be happening through December of 2024. Ongoing construction activities will occur Monday through Friday 6:00 am to 3:00pm. Construction activities may occur on Saturdays between 6:00 am to 3:00 pm. Construction vehicles will be present, and noise caused by construction activities may be heard.

Buyer _____ Dated _____

Buyer _____ Dated _____

