

Seller has posted a bond, cash deposit or other security instrument acceptable to the Department of Real Estate ("Security"), under the provisions of California Business and Professions Code Section 11013.2 or 11013.4 and Seller has obtained a final subdivision public report covering the Property, the Deposit shall be released by Escrow Holder to Seller at Seller's request, without further instruction from Buyer.

**Escrow Procedures and Requirements**

**6. ESCROW.**

**6.1 Opening of Escrow.** Within 5 days after Acceptance, Seller shall deliver this Purchase Agreement to the Escrow Holder listed above for the purpose of opening an escrow ("Escrow"). Escrow Holder's additional instructions are attached as an Addendum. If any provision in the Escrow Instructions Addendum conflicts with any other provisions of this Purchase Agreement, the provisions in this Purchase Agreement control.

**6.2 Buyer's Duty to Cooperate.** Upon Acceptance, Seller will incur daily carrying and other costs attributable to holding the Property off the market. Accordingly, Buyer agrees to cooperate with Seller to use his/her best efforts and to diligently take any action necessary to timely close Escrow, including without limitation, by promptly cooperating in good faith with all time frames for performance under this Purchase Agreement, including all time frames for selecting options and providing all requested documents to lender, Escrow Holder and Title Company. Buyer acknowledges that Buyer's failure to so cooperate shall constitute a default under this Purchase Agreement.

**6.3 Title Company and Escrow Holder.** By Buyer's execution of this Purchase Agreement, Buyer and Seller have mutually agreed to use the Title Company and Escrow Holder designated on the first page of this Purchase Agreement.

**6.4 Close of Escrow; Estimated Closing Date; Closing Date.**

(a) Close of Escrow. The close of escrow shall occur upon the recordation of the Grant Deed ("Close of Escrow")

(b) Closing Date: Escrow shall close on ("Closing Date"):

[ ] Check if Residence is already constructed ; or  
 [X] Check if Residence is not completed The date set forth in the Closing Date Notice (as defined in Paragraph 6.4(c) below) to Buyer that the Residence is ready for occupancy. It is estimated that the Residence will be completed and that either a notice of completion will be filed or a certificate allowing occupancy of the Residence will be issued on 09/30/2005 12:00:00 AM ("Estimated Closing Date").

Due to the variables in the development of the Project, the date on which Escrow actually closes may be before or after the Estimated Closing Date. Seller agrees that it will complete construction in accordance with the standards set forth in Paragraph 8.1 on or prior to the date which is 12 months after the date of Acceptance of this Purchase Agreement, provided that Seller is in no event responsible for any delays due to events beyond Seller's control, including, without limitation, Acts of God, fire, earthquake, terrorist acts and inclement weather, shortages of labor or supplies, moratoria, inability to obtain permits or approvals, utility stoppage or shortages, financing shortages and delays caused by governmental agencies. Except for amounts that may be claimed for liquidated damages, if Escrow has not closed within 12 months after the date of Acceptance, Buyer's Deposit shall be returned to Buyer within 15 days after expiration of such 12-month period. Upon the return of the Buyer's Deposit, Seller shall not have any further obligations to Buyer under this Purchase Agreement, unless Seller is then in default under its provisions.

(c) Notice of Closing Date and Deliveries. Seller or Escrow Holder will notify Buyer (orally or in writing) of the date for the Close of Escrow at least 5 business days before the pending date for the Close of Escrow ("Closing Date Notice"). Buyer shall deliver to Escrow Holder all cash and all documents required to close Escrow no later than the required date for such deliveries set forth in the Closing Date Notice. If Buyer fails to close Escrow by the Closing Date by reason of a default by Buyer, Seller may make a claim for liquidated damages in accordance with the provisions of Paragraph 10 of this Purchase Agreement. Buyer agrees to execute all other documents and to take all other actions as are necessary to close the Escrow in accordance with this Purchase Agreement.

(d) Delay in Escrow Closing. If this Escrow does not close upon the Closing Date specified in the Closing Date Notice due to Buyer's default, Seller will be harmed due to carrying costs for the Property. If Seller does not terminate this Purchase Agreement, Seller may agree to extend the Closing Date, in its sole and absolute discretion, on the condition that Buyer pay Seller's carrying costs in the amount of \$300.00 per day ("Extension Payment"). If Seller approves an extension, Buyer shall deposit into Escrow the applicable Extension Payment, or at Seller's option, Buyer shall pay the Extension Payment at the Close of Escrow as extended by the agreement of Buyer and Seller. Acceptance of Extension Payments will not constitute a waiver by Seller of any default by Buyer in failing to close the Escrow, and Seller's rights to liquidated damages. Any Extension Payment made by Buyer shall not be applicable to the Purchase Price but, if paid prior to the Closing Date, shall be handled in the same manner as the Deposit and liquidated damages under Paragraph 10.

(e) Third Party Charges. If certain charges are incurred by Seller on Buyer's behalf and paid from the Deposit or other funds of Buyer held under this Purchase Agreement ("Third Party Charges"), such charges shall be handled in the same manner as the Deposit. Seller's estimate of the amounts of the Third Party Charges is set forth below. Because these amounts are estimates of what would be due upon termination of this Purchase Agreement prior to the Close of Escrow, these amounts may not be the actual amounts due at Close of Escrow.

• Credit Report: (per report)	100.00
• Appraisal Fees: (per appraisal)	350.00
• Escrow Services:	500.00
• Preliminary title Report:	300.00
• Loan Processing Services:	400.00
• Homebuyer's Manual, if not returned	100.00
• Other:	100.00
ESTIMATED TOTAL	1850.00