

(f) Completion of Residence. Seller shall complete the Residence such that the Residence is ready for occupancy by Buyer within two (2) years after the date of Buyer's Offer, subject to extensions for circumstances reasonably beyond Seller's control as determined by California law. Notwithstanding any provision in this Purchase Agreement to the contrary, including but not limited to Paragraph 10.3, nothing herein shall limit Buyer's remedies if Seller defaults under this Paragraph 6.4(f).

Financing and Loan Approval

7. FINANCING PROVISIONS [Check either Paragraph 7.1 or 7.2]

7.1 Financing Not Required: Buyer will provide all cash to close Escrow without obtaining a loan. Within 5 days after Buyer signs this Purchase Agreement, Buyer shall submit to Seller proof satisfactory to Seller that Buyer now has, or will have prior to Close of Escrow, cash sufficient to close Escrow. Within 3 days after any request by Seller, Buyer shall also provide evidence that sufficient funds are available for Buyer to close Escrow.

7.2 Financing Required: Buyer will apply and qualify for and obtain financing sufficient to close Escrow in the approximate "Estimated New Loan Amount" set forth in Paragraph 4(b), above ("New Loan"). Buyer shall use his or her best efforts to qualify for and obtain institutional financing at the rates and terms available to Buyer.

(a) Loan Application. Within 5 days after Buyer's Offer, Buyer shall submit a completed loan application for the New Loan to DHI Mortgage ("Seller's Approved Lender") and a lender selected by Buyer ("Buyer's Lender"), if any. Buyer shall advise Seller of the lender it has elected to use to close the Escrow prior to the applicable date set forth in Paragraph 7.2(b) below. Buyer shall take all required steps to allow prompt processing of the application for the New Loan, including fully responding to any requests from the lender(s) for documents or information within 3 days. Nothing set forth herein shall compel Buyer to accept any financing approved by Seller's Approved Lender that is not acceptable to Buyer.

(b) Buyer To Obtain Loan Approval. [Check appropriate box] ("Loan Contingency Date"):
 Estimated Closing Date is less than 60 days: Within 20 days after the Offer, but not less than 20 days prior to the Estimated Closing Date, Buyer shall deliver to Seller written evidence satisfactory to Seller that Buyer has obtained final unconditional loan approval for the Estimated New Loan Amount.
 Estimated Closing Date is more than 60 days: Within 20 days after the Offer, Buyer shall deliver to Seller written evidence satisfactory to Seller that Buyer has obtained conditional credit approval. Within 45 days after the Offer, Buyer shall deliver to Seller final unconditional loan approval for the Estimated New Loan Amount, subject only to the lender's approval of the value of the Property through an appraisal.

7.3 Failure to Obtain Loan Approval. If Buyer fails to obtain loan approval as provided in Paragraph 7.2(b) by the Loan Contingency Date, and Buyer is not otherwise in default under this Purchase Agreement, either Buyer or Seller may terminate this Purchase Agreement and cancel Escrow and Buyer shall receive a refund of the Deposit. Buyer's failure to terminate this Purchase Agreement within the time periods set forth above shall be deemed to be a waiver of Buyer's right to terminate this Purchase Agreement as a result of Buyer's failure to obtain financing. Buyer covenants and agrees to use his or her best efforts to qualify for and obtain financing and will comply with the time limits imposed by Seller or the lender for obtaining financing and will not take any action which will prevent or delay obtaining loan approval.

7.4 Authorizations Given By Buyer; Re-verification. Buyer, by its execution of this Purchase Agreement, authorizes Seller to investigate Buyer's credit, including obtaining a credit report, authorizes Seller to disclose to the lender(s) information about Buyer, authorizes Seller to obtain information from the lender(s), including copies of all applications and other documents, and agrees to cooperate with Seller in obtaining information about the New Loan from the lender. Upon the request of Seller, Buyer shall provide to Seller written re-verification of its financing approvals or sufficiency of cash.

7.5 Loan Modification. Buyer shall not change the lender, the loan amount or the loan program after receiving the original final unconditional loan approval referenced in Paragraph 7.2 and any failure of Buyer or its lender to close the loan on the Closing Date after obtaining the final unconditional loan approval from the lender shall constitute a default hereunder, for which Seller shall have the right to terminate this Purchase Agreement and retain Buyer's Deposit as provided in Paragraph 10 hereof.

Construction of The Residence

8. CONSTRUCTION

8.1 Standard Residence. The Residence under construction shall be constructed in substantial conformance with the standard plan on file with and approved by the appropriate governmental authority. Seller is not building the Residence specifically for Buyer, nor to the precise specifications or design of any model home. The fixtures, furnishings, landscaping and other features shown in any model home are not included under this Purchase Agreement unless specifically set forth herein. Seller reserves the right to make any changes or substitutions to the standard plan specifications, construction, materials and fixtures which are substantially equal in utility and quality to the original plans and specifications, and which meet with the approval of the appropriate governmental authorities having jurisdiction, as Seller deems necessary or desirable, without Buyer's consent.

8.2 Occupancy. Buyer shall not be entitled to possession of the Property or receive keys to the residence until after the Close of Escrow.

8.3 Entry Upon Property. Prior to the Close of Escrow, Buyer shall not alter the Property or the Residence, install any improvements on the Property, show or advertise the Property to prospective purchasers or tenants or place any signs at or near the Property, without the prior written consent of Seller and compliance with all requirements of Seller with respect to such entry, including signing an entry permit. All upgrades to the Property prior to the Close of Escrow must be approved in writing by Seller and installed or constructed by Seller or its authorized agents, representatives or independent contractors. If Buyer alters the Property or the Residence prior to the Close of Escrow without written consent of Seller, Seller may immediately remove same and Buyer shall be liable for all damages caused by such unauthorized work and changes to the Property.

8.4 Limited Warranty; Disclaimer of Implied Warranties. Buyer has received samples of the following prior to signing this Purchase Agreement: (a) a homeowner's manual entitled "10-4-1 Limited Homeowner's Manual and Customer Care Guide" ("Homeowner's Manual") which contains Seller's 10-4-1 Limited Warranty ("Limited Warranty"); (b) manufacturer's