

**DEALER INFO MUST
BE INSERTED HERE**

July, 2004 Manufactured Housing Division
of the Department of Business and Industry
Purchase Contract NEW Homes
**This is a legal and binding Contract if you do not
understand it you should contact an Attorney**
SUPPLEMENT A

BUYER'S FINANCING REQUEST: NO DEALER LIABILITY

BUYER REQUESTS THAT THE FOLLOWING CONTRACT ITEMS BE INCLUDED IN THE LOAN AMOUNT, SOLELY FOR PURPOSES OF ASSISTING BUYER WITH FINANCING, WITHOUT LIABILITY TO DEALER. Buyer will SEPARATELY CONTRACT for these items and will look ONLY to the contractor with regard to these items. Buyer agrees to hire only CONTRACTORS LICENSED AND BONDED by the proper licensing authority. BUYER MUST OBTAIN LAND COST FROM OWNER OR LICENSED REALTOR.

A. Skirting	\$	F. Patios	\$	M. Concrete Work	\$
B. Site Prep	\$	G. Gas	\$	N. Installation	\$
C. Compaction	\$	H. Electric	\$	O. Landscaping	\$
D. Termite Test	\$	I. Water	\$	P. Awnings	\$
E. Land Cost	\$	J. Septic Tank	\$	Q. Electric Pedestal	\$
* Impact Fees	\$	K. Well	\$	R. TV/Phones Jacks	\$
* Points in \$	\$	L. Utility Fees	\$	S. Walls/Fencing	\$
* Closing Fees \$	\$				

TOTAL FINANCING REQUESTED \$ _____

CONSTRUCTION AND COMPLETION

IF IMPROVEMENTS CONTRACTED FOR BY DEALER: See Page 6

CHANGE ORDERS: Any change order relating to the land development and accessories must be contained within a separate written agreement between Buyer and his contractor if Buyer uses a contractor other than Dealer.

Buyer agrees to have this work completed before (date) _____. Buyer understands that Dealer will incur additional costs if completion of any phase is delayed. Therefore, Buyer agrees to pay a LATE CHARGE OF \$ _____ PER DAY until work is completed. Buyer's time and his contractor's time to complete any improvements will be extended automatically for the length of any delays resulting from matters outside of Buyer's control that make timely completion impossible, including, without limitation, labor strikes, slowdowns, lockouts, material or labor shortages, any action of the federal, state or local authorities having jurisdiction over the premises which may affect Dealer's ability to perform, civil disorder, fire, unusual weather conditions or any acts of God. Buyer must notify Dealer of any such delay within 24 hours before Dealer is to arrive to begin work.

SITE IMPROVEMENT: The construction of the site improvements must be completed in compliance with the plans and specifications in any addendum referenced and the applicable governmental regulations.

CONSTRUCTION SCHEDULE: Dealer makes no representation as to the specific completion date or schedule of construction other than as set forth herein. The time by which the premises must be completed may be extended by written agreement of Dealer and Buyer and will be extended automatically for the length of any delays resulting from matters outside Dealer's control that make timely completion impossible, including, without limitation, labor strikes, slowdowns, lockouts, material or labor shortages, any action of the federal, state or local authorities having jurisdiction over the premises which may affect Dealer's ability to perform, civil disorder, fire, unusual weather conditions or any acts of God.

Date _____

Buyer _____

Licensee _____

Buyer _____

Dealer's # _____

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SUPPLEMENT B

FINANCING OPTIONS CUSTOMER MAY SELECT LENDER OF CHOICE

RELEASE OF DEALER: Any loan described in this contract must be independently investigated and evaluated by Buyer, who hereby acknowledges that any decision to enter into a loan arrangement with any person or entity will be based solely upon such independent investigation and evaluation. Buyer further holds harmless and releases Dealer from any liability based on any loan obtained by Buyer in which the Dealer is not involved. Buyer acknowledges that Dealer is in no way responsible for Buyer's decisions concerning the desirability or acceptability of any loan or any terms therein.

NEW CONVENTIONAL FIRST LOAN

This sale is contingent upon Buyer qualifying for Permanent First Loan Permanent First Loan and Interim Loan

Permanent Loan Amount: \$ _____ Interim Loan Amount: \$ _____ Term of Loan: _____

TYPE OF LOAN: Conventional Fixed Rate Conventional Adjustable Rate Other

INTEREST RATE: The interest rate must not exceed _____% as an annual rate for a fixed rate or an initial rate for an adjustable rate loan. Buyer agrees to establish the interest rate and "points" by separate written agreement with Lender at the time of the loan application. If Buyer does not "lock" rate at time of application and is unable to obtain terms described herein at close of escrow, **earnest money may be forfeited.**

INTERIM LOAN: If an interim loan is required, within ten (10) calendar days or _____ calendar days after execution of this contract, Buyer or Lender must provide a written interim loan approval from Lender based on a completed loan application and credit report. Buyer agrees to supply all documentation required by Lender. Buyer instructs Lender to send copies of such approval to Dealer. Buyer authorizes Lender to provide loan status updates to Dealer.

CONDITIONAL LOAN APPROVAL: Within ten (10) calendar days or _____ calendar days after execution of this contract, Buyer or Lender must provide a written conditional loan approval from Lender based on a completed loan application and credit report. Buyer agrees to supply all documentation required by Lender. Buyer instructs Lender to send copies of such approval to Dealer. Buyer authorizes Lender to provide loan status updates to Dealer.

LOAN COSTS: Private Mortgage Insurance is required for certain types of loans. Buyer shall pay the cost in a manner acceptable to Lender. Buyer shall be responsible for any costs in obtaining loan.

Discount points not to exceed: _____ total points (Does not include origination fee).

A.L.T.A. Lender Title Insurance Policy # _____ Loan Origination Fee (Not to exceed ___ % of loan amount).

Appraisal Fee \$ _____ Paid by Buyer Paid by Dealer and reimbursed by Buyer at closing.

Buyer shall pay any additional loan costs not set forth herein.

APPRAISAL: This sale is contingent upon an appraisal of the premises by an appraiser acceptable to Lender for at least the sales price of \$ _____. The party responsible for paying for the appraisal shall do so within five (5) calendar days after execution hereof.

Date _____

Buyer _____

Buyer _____

Licensee _____

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SUPPLEMENT B CONTINUED

NEW FHA OR VA LOAN

This sale is contingent upon Buyer qualifying for a new FHA or VA Loan.

Loan Amount: \$ _____ (excluding MIP or Funding Fee) Term of Loan: _____

Type of Loan: FHA VA

FHA Mortgage Insurance Premium (MIP) or VA funding fee of \$ _____ to be financed by Buyer, which will increase the loan amount to \$ _____ or to be paid by Buyer in cash at close of escrow.

INTEREST RATE: The interest rate must not exceed ____ % as an annual rate for a fixed rate loan or an initial rate for an adjustable-rate loan. Buyer agrees to establish the interest rate and "points" by separate written agreement with Lender at the time of the loan approval.

CONDITIONAL LOAN APPROVAL: Within ten (10) days or ____ calendar days after execution of this contract, Buyer or Dealer must provide a written conditional loan approval from Lender based on a completed loan application and credit report. Buyer agrees to supply all documentation required by Lender. Buyer instructs Lender to send copies of such approval to Dealer. Buyer authorizes Lender to provide loan status updates to Dealer.

LOAN COSTS: When maximizing Buyer's loan amount under the FHA "acquisition method," Buyer's new loan amount may be reduced and additional cash may be required at closing from Buyer if Dealer pays for any of the loan costs. Either party may pay the following:

FHA Discount points paid by: Buyer Discount points must not exceed: _____ total points (Origination fee not included).

VA Discount points paid by: Dealer

A.L.T.A. Lender Title Insurance Policy Buyer Loan Origination Fee \$ _____ Buyer

Appraisal Fee \$ _____ Buyer Paid by Dealer and reimbursed by Buyer at closing

OTHER LOAN COSTS: Dealer agrees to pay for document preparation, tax service and underwriting fees. In addition, in VA loans, Dealer agrees to pay any escrow fees. Buyer shall pay any additional loan costs not included in agreement.

APPRAISAL: Party responsible for paying for the appraisal shall do so within five (5) calendar days after execution hereof.

VA AMENDATORY CLAUSE: It is expressly agreed that notwithstanding any other provision of this contract, Buyer will not incur any penalty by forfeiture of deposit or otherwise be obligated to complete the purchase of the property described herein if the contract purchase price or cost exceeds the reasonable value of the property established by the United States Department of Veterans Affairs. Buyer will, however, have the option to proceed with the consummation of this contract without regard to the amount of the reasonable value established by the United States Department of Veterans Affairs.

FHA AMENDATORY CLAUSE: It is expressly agreed that notwithstanding any other provision of this contract, Buyer will not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of deposit or otherwise unless Buyer has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, Veterans Administration or a direct Endorsement Lender setting forth the appraised value of the property of not less than \$ _____. Buyer will have the option to proceed with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation must be arrived at to determine the maximum mortgage the Department of Housing and Urban Development (HUD) will insure. HUD does not warrant the value or condition of the property. Buyer should satisfy himself that the price and condition of the property are acceptable.

FHA NOTICE TO BUYER: HUD does not warrant the condition of the property. It is important for Buyer to have a home inspection performed on the property he wishes to purchase in order to identify any possible defects. Up to \$200 of the cost to perform the inspection may be financed into Buyer's mortgage. The names of home inspection companies can be found in the yellow pages of a telephone directory under the heading "Home Inspections Services."

Date _____

Buyer _____

Buyer _____

Licensee _____

Dealer's # _____

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SUPPLEMENT C

DELIVERY AND INSTALLATION

This contract contains all essential services and elements to complete the installation of the home and meets all requirements to pass inspections required by state laws and regulations unless otherwise noted in this contract. To help ensure prompt delivery and proper installation of your home, there are certain responsibilities that must be fulfilled by both you and your Dealer for the work to be done properly. Please read the following provisions carefully. If you have any questions, please ask your sales representative.

WE, AS YOUR DEALER, ARE RESPONSIBLE FOR THE FOLLOWING:

1. Blocking and leveling of the home to State's code or manufacturer's code.
2. The connection of above-ground utilities, as agreed upon in the contract, up to a maximum of _____ feet of materials, to existing codes.
3. Any applicable inspections.

You, as Buyer, agree that if MORE than the maximum of _____ feet of above-ground utility materials are needed for proper installation of the home, you will pay, at the time of installation, the following charges or allow them to be included in your financing request:

A. Electrical, 100 AMP	\$ _____	Per Ft.	E. Water	\$ _____	Per Ft.
B. Electrical, 200 AMP	\$ _____	Per Ft.	F. Gas	\$ _____	Per Ft.
C. Sewer	\$ _____	Per Ft.	G. Telephone	\$ _____	Per Ft.
D. Television cable	\$ _____	Per Ft.	H. Required flood-plain or perimeter blocking	\$ _____	Actual Cost

This contract **DOES** **DOES NOT** contain a line-item charge, in the amount of \$ _____, for "materials." Any unused portion of this money will be returned to Buyer after the installation is completed and the installation crew is paid. If Buyer believes that the utility or other costs will exceed this amount, Buyer should advise the salesperson immediately so this figure may be adjusted. Buyer understands that Dealer cannot be held responsible for delays caused by weather, accidents, strikes, fires, equipment failure, delays by the manufacturer or any other cause beyond Dealer's control.

YOU, AS BUYER, ARE RESPONSIBLE FOR THE FOLLOWING:

1. Arranging for utility service to be turned on at the time of installation, as set forth below.
2. (A) Obtaining the necessary permit for the placement of your home; or
(B) Authorizing Dealer to obtain the permit. I hereby agree to pay for the permit and any tap-on development fees.
3. Verifying that your home is compatible with the lot, CC&Rs, deed restrictions, zoning laws and the available utilities based on approved plans. You are responsible for the cost of cutting trees, excess site-preparation costs not included in this contract and excessive trenching for utilities, as necessary. You are also responsible for any additional expenses, such as a loader, bulldozer or similar heavy equipment that may be needed to properly install your home on your site. For your protection, Dealer advises you to have a compaction test done on the soil to determine compatibility. Dealer can arrange for this test to be done, at your expense. If you act against Dealer's advice and choose not to have a compaction test done, you agree that YOU will be responsible for any problems that a compaction test would have revealed. Improper soil compaction can lead to such problems as unlevelled conditions, settling, tape or texture cracking, etc.
4. Making sure there is adequate access for the home to be properly installed. If the lot is not ready for installation of your home and the workers are required to wait, there will be a charge of \$ _____ per hour for each worker.
5. Making sure the electrical power pedestal is installed with meter base, breaker box and necessary (size _____ AMP) breaker, within _____ feet of the home's electrical service, unless otherwise agreed upon.
6. Making sure the water, septic tank or sewer connection is within _____ feet of the home's connection point, and your portion must be preinstalled to the proper code. For assistance, please contact your licensed contractor.

Date _____

Buyer _____

Buyer _____

Licensee _____

Dealer's # _____

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SUPPLEMENT C CONTINUED

7. Contracting with and paying a licensed contractor for gas plumbing, testing of appliances and gas hookup if Dealer or installation company is not licensed for gas plumbing, testing of appliances and gas hookup. It is not the responsibility of Dealer to complete such work under this contract. Dealer is not responsible for any work done by outside contractors.
8. Arranging for phone service and the installation of phone and television jacks.
9. Obtaining written approval of tenancy from park management where applicable.
10. Being available to assist in placing the home to your requirements and to accept delivery. Rental community installation sets are usually assisted by the manager and must be installed to the community standards. Make sure that you inquire about these requirements.
11. Allowing _____ working days after delivery (_____ additional days for drywall homes) before planning to move into your new home. A land or home purchase may take up to _____ days after delivery for move-in.

DELIVERY INFORMATION

Buyer _____ Date _____

Buyer _____ Date _____

Home Phone _____ Work Phone _____ Other _____

Delivery Address _____

Directions

RUNNING GEAR (TIRES, WHEELS, AXLES AND SPRINGS)

The value of running gear (tires, wheels, axles and springs) has been given as a reduction in the base price of the home on page 1.

Dealer will retain running gear. Value \$ _____

Buyer will return running gear to Dealer Value \$ _____

Buyer will retain running gear per contract on page 1.

Date _____

Buyer _____

Buyer _____

Licensee _____

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SUPPLEMENT D

“DISPLAY MODEL” SUPPLEMENT AND RELEASE

If Buyer is purchasing a Display Model, the following terms and conditions are made a part of this contract:

Buyer acknowledges and understands that the home being purchased is not in the same condition as if it had been delivered new from the manufacturer. Rather, the home has been previously set up on the premises of Dealer, a manufactured housing show or at some other location and has been used as a Display Model. As such, the home has been subject to some cosmetic wear and tear, including, without limitation, carpet wear, scratches, dents, nicks, paint chips, fading, etc., as fully described below.

Buyer acknowledges paying a **reduced purchase price** of \$ _____ for the Display Model and Dealer agrees to warrant cosmetic items only for a period of _____ days after the date of closing, subject to the terms of any addenda and the delivery and installation provisions of this contract, if any. All applicable manufacturer’s warranties will still apply as set forth in the manufacturer’s warranty materials received by Buyer. As a material part of this contract, Buyer represents that Buyer is voluntarily **giving up certain warranty rights in exchange for a substantial reduction in the price.**

By accepting the discounted price, Buyer has specifically and voluntarily **chosen to waive** Buyer’s rights to object to **any** matter concerning the cosmetic condition of the home after the limited warranty period set forth herein expires. Buyer will be responsible for any and all cosmetic items after that date, and therefore agrees to release and indemnify Dealer, its principals, agents and employees from any and all liability or complaints whatsoever for cosmetic items after the limited warranty expires.

Buyer agrees that this contract is a complete defense to any complaint, civil or administrative, regarding any cosmetic items arising after the limited warranty for this home expires. Buyer has been advised that Dealer has granted Buyer a right to have a professional inspection performed on the home before delivery and encourages Buyer to have such an inspection performed.

Buyer specifically acknowledges that there have been no representations or warranties of any kind made by Dealer or any of its representatives regarding the applicable warranty, the condition of the home, its systems or any of the appliances that may be contained therein, other than as set forth in writing in this purchase contract and any addenda thereto.

Buyer acknowledges that Dealer may have furnishings, wall decorations and similar display items in the Display Model that are not included in the purchase of the home unless listed separately on page 1.

Except for any written repairs noted below, Buyer is accepting the home in “AS IS” condition with regard to each of the following initialed items:

Buyers Initials:

- _____ Exterior Paint _____
- _____ Wear and Tear on Linoleum _____
- _____ Scratches on Cabinets _____
- _____ Wear and Tear on Carpet _____
- _____ Scratches and Dents on Appliances _____
- _____ Ordinary Wear and Tear on Roof _____
- _____ Cosmetic Defects (Cuts, Chips and Cracks) _____
- _____ Dents, Scratches and Discoloration of Interior and Doors _____

Date _____

Buyer _____

Buyer _____

Licensee _____

Dealer’s # _____