



**NEW CONSTRUCTION OPTIONS AND UPGRADES
ADDENDUM TO NEW CONSTRUCTION RESIDENTIAL PURCHASE
AGREEMENT AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form NCA, Revised 1/01)**

(The definitions in C.A.R. Form NCPA are applicable to this Form NCA)

This is an addendum ("Addendum") to the New Construction Residential Purchase Agreement and Joint Escrow Instructions, Counter Offer, or Other _____, ("Agreement") dated _____ on property known as _____ ("Property"), in which _____ is referred to as Buyer, and _____ is referred to as Seller.

In consideration of the covenants and conditions contained herein, Buyer and Seller agree to amend the Agreement in the following respects:

1. **OPTIONS AND UPGRADES:** The options and upgrades set forth below shall be installed on the Property by Seller for the amount listed opposite such option and upgrade (collectively, the "Options and Upgrades Price"). The Purchase Price of the Property shall be increased by the Options and Upgrades Price. If Buyer is financing the purchase of the Property, including the Options and Upgrades, Buyer understands and acknowledges that Buyer's lender shall determine the amount of the Purchase Price of the Property that may be financed. If Buyer's lender determines that all or a portion of the Purchase Price of the Property may not be financed, Buyer shall pay cash at the Close Of Escrow for any portion of the Purchase Price of the Property not financed by Buyer's lender.
2. **OPTION PAYMENT:** Concurrently with the execution of this Addendum by Buyer, Buyer shall deposit with the person designated in paragraph 2A of the Agreement to hold Buyer's deposit, good funds, paid in the amount designated as the Option Payment below (the "Option Payment"). The Option Payment shall increase the amount that may be retained by Seller as liquidated damages in the event of Buyer's default under the Agreement as set forth below.
3. **LIQUIDATED DAMAGES: IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BY REASON OF DEFAULT OF BUYER, SELLER MAY PURSUE ANY REMEDY IN LAW OR EQUITY THAT IT MAY HAVE AGAINST BUYER ON ACCOUNT OF THE DEFAULT; PROVIDED, HOWEVER, THAT BY PLACING THEIR INITIALS HERE, BUYER _____ / _____ AND SELLER _____ / _____ AGREE THAT:**
 - A. **IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY BECAUSE OF A DEFAULT BY BUYER, SELLER SHALL BE ENTITLED TO RETAIN AS LIQUIDATED DAMAGES PAYABLE TO SELLER AN AMOUNT EQUAL TO THE SUM OF (1) THE LESSER OF (a) THREE PERCENT (3%) OF THE TOTAL PURCHASE PRICE, OR (b) THE INITIAL DEPOSIT, PLUS (2) THE OPTION PAYMENT REMITTED BY BUYER UNDER THE TERMS OF THIS ADDENDUM FOR OPTIONS OR UPGRADES WHICH SELLER HAS INSTALLED IN THE PROPERTY AS OF SUCH TERMINATION OR WHICH SELLER HAS ORDERED AS OF SUCH TERMINATION AND IS UNABLE TO RETURN TO THE VENDOR.**
 - B. **THE PAYMENT OF SUCH LIQUIDATED DAMAGES TO SELLER SHALL CONSTITUTE THE EXCLUSIVE REMEDY OF SELLER ON ACCOUNT OF THE DEFAULT OF BUYER.**
 - C. **LIQUIDATED DAMAGES SHALL BE PAYABLE TO SELLER OUT OF BUYER'S DEPOSIT TOWARD PURCHASE OF THE PROPERTY ACCORDING TO THE FOLLOWING PROCEDURES:**
 - (1) **THE SELLER SHALL GIVE WRITTEN NOTICE ("SELLER'S NOTICE AND DEMAND"), IN THE MANNER PRESCRIBED BY SECTION 116.340 OF THE CODE OF CIVIL PROCEDURE FOR SERVICE IN A SMALL CLAIMS ACTION, TO ESCROW HOLDER AND TO BUYER THAT BUYER IS IN DEFAULT UNDER THE CONTRACT AND THAT SELLER IS DEMANDING THAT ESCROW HOLDER REMIT THE PURCHASE MONEY DEPOSIT TO SELLER AS LIQUIDATED DAMAGES UNLESS, WITHIN 20 DAYS, BUYER GIVES ESCROW HOLDER BUYER'S WRITTEN OBJECTION TO DISBURSEMENT OF PURCHASE MONEY AS LIQUIDATED DAMAGES ("BUYER'S OBJECTION").**
 - (2) **BUYER HAS A PERIOD OF 20 DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND IN WHICH TO GIVE ESCROW HOLDER BUYER'S OBJECTION.**
 - (3) **IF BUYER FAILS TO GIVE ESCROW HOLDER BUYER'S OBJECTION WITHIN 20 DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND; (A) ESCROW HOLDER SHALL PROMPTLY REMIT THE AMOUNT DEMANDED TO SELLER; AND (B) SELLER IS RELEASED FROM ANY OBLIGATION TO SELL THE PROPERTY TO BUYER.**
 - (4) **IF BUYER GIVES ESCROW HOLDER BUYER'S OBJECTION WITHIN 20 DAYS FROM THE DATE OF RECEIPT OF SELLER'S NOTICE AND DEMAND, THEN THE DETERMINATION AS TO WHETHER SELLER IS ENTITLED TO THE DISBURSEMENT OF PURCHASE MONEY AS LIQUIDATED DAMAGES, AND EVERY OTHER CAUSE OF ACTION THAT HAS ARISEN BETWEEN BUYER AND SELLER UNDER**

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Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



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