



NEW CONSTRUCTION ADDENDUM TO RPA-CA

(Use When Selling A Newly Constructed Completed Home Not Subject To A Public Report Or Not In An Exempt Subdivision) (C.A.R. Form NCRPA, 4/04)

This is an addendum ("Addendum") to the California Residential Purchase Agreement and Joint Escrow Instructions ("Agreement") dated _____ on property known as _____

between _____ ("Property"), _____ ("Buyer"), and _____ ("Seller").

Buyer and Seller agree to amend the Agreement as follows:

- 1. MAINTENANCE RECOMMENDATIONS: Provided with the Agreement are Copies of all builder maintenance and preventative maintenance recommendations.
2. MANUFACTURED PRODUCTS MAINTENANCE AND LIMITED WARRANTIES: Provided with the Agreement are Copies of all manufactured products maintenance, preventative maintenance and limited warranty information.
3. BUILDER LIMITED CONTRACTUAL WARRANTIES: Provided with the Agreement are Copies of all builder limited contractual warranties not specified in paragraph 10 of this Addendum or elsewhere in writing.
4. PROCEDURES FOR ACTIONS ON CONSTRUCTION DEFECTS AND ESCROW INSTRUCTION:
A. Notice: California law establishes procedures that must be followed prior to the filing of any action related to a claimed construction defect.
B. Escrow Holder Instruction: By signing this document, the parties are instructing Escrow Holder to insert in the deed the language specified in quotes in paragraph 4A above.
C. Attached to the Agreement is a Copy of California Civil Code §§ 895 to 945.5.
D. By initialing here, Buyer and Seller acknowledge that each has read and understands this paragraph and the copy of California Civil Code §§ 895 to 945.5 provided.

Buyer's Initials _____ / _____ Seller's Initials _____ / _____ (or Seller's Representative)

- 5. NON-ADVERSARIAL PROCEDURE OF CALIFORNIA CIVIL CODE: Seller elects to engage in (or, if checked, [] opts out of) the non-adversarial procedure set forth in California Civil Code § 914 for construction defect claims.
6. AGENT FOR NOTICE: Claims and requests for information relating to construction defect allegations made pursuant to Chapter 4 of Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 910 may be made to the following person at the following address: _____

By initialing here, Buyer and Seller acknowledge that each has read and understands this paragraph.

Buyer's Initials _____ / _____ Seller's Initials _____ / _____ (or Seller's Representative)

- 7. DOCUMENTATION TO SUBSEQUENT PURCHASERS: Buyer is instructed to give any subsequent purchaser all documents related to the sale and purchase that Buyer receives from Seller.
8. MEDIATION AND ARBITRATION: Paragraph 17B(2) of the Agreement is modified as follows, unless otherwise agreed in a separate written agreement signed by Buyer and Seller: Buyer and Seller agree that the procedures set forth in Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 895 shall apply to any construction defect disputes relating to the Property prior to any mediation or arbitration that may otherwise be required by the Agreement.
9. INSULATION: The Federal Trade Commission requires that a new home seller must include in every new home sales contract the following information regarding type, thickness and R-value of insulation to be installed in each part of the residence:

Exterior Walls: Type _____ Thickness _____ R-Value _____
Ceilings: Type _____ Thickness _____ R-Value _____
Interior Walls: Type _____ Thickness _____ R-Value _____
Other _____ : Type _____ Thickness _____ R-Value _____

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 2004-2009, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

Buyer's Initials (____)(____)
Seller's Initials (____)(____)

Reviewed by _____ Date _____



NEW CONSTRUCTION ADDENDUM TO RPA-CA (NCRPA PAGE 1 OF 2)

10. WARRANTY:

- A. SELLER WARRANTY:** Pursuant to Chapter 2 of Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 896, Seller warrants the Property including, but not limited to, fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes and trim, against defective materials and workmanship for a period of 1 year from the date of occupancy ("Seller Warranty"), provided that Seller receives notice of such defect(s) within the 1-year period. Defects that were inspected and approved/waived by Buyer under paragraph 15 of the Agreement or thereafter, minor settling cracks, damage caused by Buyer or movers, or damage due to alterations or additions made other than by Seller, are excluded from Seller's Warranty. Seller will, at Seller's option, and within a reasonable time, repair or replace any defect in the Property. Seller will assign to Buyer all material and subcontractor warranties.
- B.** Seller's obligations are subject to Chapter 2 of Title 7 of Part 2 of Division 2 of the California Civil Code commencing with § 896, unless Seller elects to offer an enhanced protection agreement ("EPA") in place of the provisions of Chapter 2. The protection offered in the EPA must be greater than or equal to the protection offered in Chapter 2. If Seller elects to offer an EPA the election shall be made in writing with Buyer no later than the Close Of Escrow and Seller shall provide Buyer a copy of Chapter 2 and advise Buyer of Seller's election not to be subject to its provisions.
- C.** Seller shall not be liable for, or have any obligation to provide, warranty services with respect to any defect expressly noted and approved/waived by Buyer at Close Of Escrow.
- D.** THE SELLER'S WARRANTY IS PROVIDED IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS, AND IN LIEU OF ANY STRICT LIABILITY OF SELLER IN TORT, TO THE EXTENT SUCH LIABILITY MAY BE DISCLAIMED UNDER CALIFORNIA LAW. THE SELLER'S WARRANTY ALSO EXCLUDES LIABILITY FOR CONSEQUENTIAL DAMAGES TO THE EXTENT THAT SUCH LIABILITY MAY BE DISCLAIMED UNDER CALIFORNIA LAW.
- E.** WHETHER OR NOT SELLER WARRANTS ANY ASPECT OF THE PROPERTY, SELLER IS OBLIGATED TO DISCLOSE KNOWN MATERIAL FACTS, AND TO MAKE OTHER DISCLOSURES REQUIRED BY LAW.
- F.** Buyer and Seller understand and acknowledge that Brokers shall not be liable for any breach of paragraph 10 of this addendum.

11. PROPOSITION 65 WARNING: MATERIALS INCLUDED IN THE CONSTRUCTION OF THIS HOUSE WILL EXPOSE YOU TO FORMALDEHYDE, A SUBSTANCE KNOWN TO CAUSE CANCER. FURTHER INFORMATION MAY BE OBTAINED FROM THE BUILDER/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.

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 materials suppliers that may be contacted for further information, and whether any inquiry has been made by Seller.

12. LEGAL ADVICE: Buyer and Seller are advised to consult with legal counsel: (i) about whether to elect to engage in an alternate non-adversarial procedure other than the procedure set forth in California Civil Code § 914 and (ii) regarding the effect of an EPA, as specified in paragraph 10B above, and the implications to each party in this transaction if construction defect claims are not subject to the provisions of Chapter 2. Seller is also advised to consult with legal counsel: (i) to determine whether it is advisable to record on title, in addition to the Notice provided in paragraph 4A above, additional documents, and if so, which ones and when, and (ii) whether Seller should elect to offer an EPA in place of the protection granted by Chapter 2.

By signing below, Buyer and Seller acknowledge that each has read, understands, received a copy of, and agrees to the terms of this New Construction Addendum.

Buyer _____ Date _____

Buyer _____ Date _____

Seller _____ Date _____

Seller _____ Date _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____

