

**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

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- 1. Date \_\_\_\_\_
- 2. Page 1 of \_\_\_\_\_ pages: RECORDS AND
- 3. REPORTS, IF ANY, ARE ATTACHED AND MADE A
- 4. PART OF THIS PURCHASE AGREEMENT

5. BUYER (S): \_\_\_\_\_

6. \_\_\_\_\_

7. Buyer's earnest money in the amount of \_\_\_\_\_

8. \_\_\_\_\_ Dollars

9. (\$ \_\_\_\_\_ ) shall be: *(Check one.)*

10.  GIVEN IMMEDIATELY UPON FINAL ACCEPTANCE OF THIS PURCHASE AGREEMENT TO THE SELLER  
11. ("BUILDER") AS A CONSTRUCTION DEPOSIT FOR PART PAYMENT OF MATERIALS AND LABOR; OR

12.  DELIVERED TO LISTING BROKER NO LATER THAN TWO (2) BUSINESS DAYS AFTER FINAL ACCEPTANCE  
13. DATE OF THIS PURCHASE AGREEMENT. Buyer and Builder agree that listing broker shall deposit any earnest  
14. money in the listing broker's trust account within three (3) Business Days of receipt of the earnest money or Final  
15. Acceptance Date of this Purchase Agreement, whichever is later, unless otherwise agreed to in writing, but to be  
16. returned to Buyer if Purchase Agreement is not accepted by Builder.

17. Said earnest money is part payment for the purchase of the property located at

18. Street Address: \_\_\_\_\_ ,

19. City of \_\_\_\_\_ , County of \_\_\_\_\_ , State of Minnesota, legally

20. described as

21. \_\_\_\_\_

22. \_\_\_\_\_ .

23. Builder hereby agrees to construct upon the real property a home, together with other improvements, to be built in substantial  
24. conformance with the Plans and Specifications for the \_\_\_\_\_ , a copy of which is attached  
(Plan # or Model Name)

25. to this Purchase Agreement as Exhibit "A" or is in the office of Builder. The real property, as improved by construction,  
26. together with personal property, if any, chosen by Buyer and to be provided by Builder (collectively the "Property"), which

27. Builder has this date agreed to sell to Buyer for the sum of (\$ \_\_\_\_\_ )

28. \_\_\_\_\_ Dollars, which Buyer agrees to pay as follows:

29. additional earnest money of \$ \_\_\_\_\_ due \_\_\_\_\_  
(Dates, Terms, or Conditions)

30. \_\_\_\_\_ ; and

31. 1. **CASH** of \_\_\_\_\_ percent (%) of the sale price, or more in Buyer's sole discretion, which includes the earnest  
32. money; PLUS

33. 2. **FINANCING** of \_\_\_\_\_ percent (%) of the sale price, which will be the total amount secured against this  
34. Property to fund this purchase.

35. Such financing will be: *(Check one.)*  a first mortgage;  contract for deed; or  a first mortgage with  
36. subordinate financing, as described in the attached Addendum:

37.  Conventional  FHA  DVA  Assumption  Contract for Deed.  
-----*(Check all that apply.)*-----

38. The date of closing shall be \_\_\_\_\_ , 20 \_\_\_\_\_ .

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39. Page 2 Date \_\_\_\_\_

40. Property located at \_\_\_\_\_ .

41. **SALE OF BUYER'S PROPERTY CONTINGENCY:** *(Check one.)*

42.  1. This Purchase Agreement is subject to an Addendum to *Purchase Agreement: Sale of Buyer's Property*  
43. *Contingency* for the sale of Buyer's Property. (If checked, see attached *Addendum*.)

44. OR

45.  2. This Purchase Agreement is contingent upon the successful closing on the Buyer's property located at  
46. \_\_\_\_\_ , which is scheduled to close on

47. \_\_\_\_\_ , 20 \_\_\_\_\_ pursuant to a fully executed purchase agreement. If Buyer's  
48. property does not close, this Purchase Agreement is canceled. Buyer and Builder shall immediately sign a  
49. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid  
50. here to be refunded to Buyer. The language in this paragraph supersedes any other provision to the contrary  
51. in any financing addendum made a part of this Purchase Agreement, if applicable.

52. OR

53.  3. Buyer represents that Buyer has the financial ability to perform on this Purchase Agreement without the sale  
54. and closing on any other property.

55. This Purchase Agreement  IS  IS NOT subject to cancellation of a previously written purchase agreement  
-----*(Check one.)*-----

56. dated \_\_\_\_\_ , 20 \_\_\_\_\_ . (If answer is IS, said cancellation shall be obtained no later than  
57. \_\_\_\_\_ , 20 \_\_\_\_\_ . If said cancellation is not obtained by said date, this Purchase Agreement  
58. is canceled. Buyer and Builder shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation  
59. and directing all earnest money paid here to be refunded to Buyer.)

60. **INSPECTION CONTINGENCY:** This Purchase Agreement  IS  IS NOT subject to an *Addendum to Purchase*  
-----*(Check one.)*-----

61. *Agreement: Inspection Contingency*. (If answer is IS, see attached *Addendum*.)

62. **PRICE PROTECTION:** If this Purchase Agreement is contingent, a \_\_\_\_\_-day price protection is granted from  
63. the date of this Purchase Agreement. If the contingency is not removed within said time period, price shall become  
64. null and void. Buyer and Builder will then renegotiate the price. In the event the price cannot be renegotiated, this  
65. Purchase Agreement is canceled. Buyer and Builder shall immediately sign a *Cancellation of Purchase Agreement*  
66. confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.

67. **COMMENCEMENT OF CONSTRUCTION:** Upon execution of this Purchase Agreement and clearing of all contingencies,  
68. Builder shall commence with all reasonable diligence to final completion.

69. BUYER AGREES THAT THE DIRECTION AND SUPERVISION OF THE WORKFORCES, INCLUDING  
70. SUBCONTRACTORS, RESTS EXCLUSIVELY WITH BUILDER. BUYER AGREES NOT TO INTERFERE WITH OR  
71. ISSUE INSTRUCTIONS TO WORKFORCES NOR TO CONTRACT FOR ADDITIONAL WORK WITH CONTRACTORS  
72. OR SUBCONTRACTORS EXCEPT WITH BUILDER'S WRITTEN PERMISSION. IF PERMISSION IS GRANTED,  
73. SUCH ADDITIONAL WORK SHALL NOT INTERFERE WITH BUILDER'S COMPLETION OF THE CONSTRUCTION  
74. OF THE HOME.

75. **MODIFICATIONS:** Any significant change in the *Plans and Specifications* must be approved in writing by  
76. both parties citing by CHANGE ORDER any increase or decrease in the purchase price caused by such change.  
77. Unless otherwise agreed in writing, any such increase or decrease shall be reflected as an adjustment in cash at

78.  EXECUTION OF THE CHANGE ORDER  CLOSING. Materials of similar type and quality may be substituted  
-----*(Check one.)*-----

79. without notice to or consent of Buyer, as long as such change or substitution shall not substantially alter the character  
80. of the home or reduce the value thereof.

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81. Page 3 Date \_\_\_\_\_

82. Property located at \_\_\_\_\_ .

83. **COMPLETION:** At closing, Builder shall furnish proper individual lien waivers for all labor and materials provided.  
84. Builder's funds shall be escrowed for any work which cannot be completed because of weather conditions or because  
85. of mortgage requirements. Such escrowed funds shall be payable to Builder upon completion of such specified  
86. work.

87. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Builder shall deliver a: *(Check one.)*

88.  **Warranty Deed**,  **Personal Representative's Deed**,  **Contract for Deed**,  **Trustee's Deed**, or

89.  **Other:** \_\_\_\_\_ **Deed** joined in by spouse, if any, conveying marketable title, subject to

90. (a) building and zoning laws, ordinances, and state and federal regulations;

91. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;

92. (c) reservation of any mineral rights by the State of Minnesota;

93. (d) utility and drainage easements which do not interfere with existing improvements;

94. (e) **rights of tenants as follows** (unless specified, not subject to tenancies): \_\_\_\_\_

95. \_\_\_\_\_ ; and

96. (f) **others** (must be specified in writing): \_\_\_\_\_

97. \_\_\_\_\_ .

98. **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years  
99. including all penalties and interest.

100. Buyer shall pay  **PRORATED FROM DAY OF CLOSING**  \_\_\_\_\_ **12THS OF**  **ALL**  **NO** real estate  
\_\_\_\_\_ *(Check one.)*

101. taxes due and payable in the year 20 \_\_\_\_\_ .

102. Builder shall pay  **PRORATED TO DAY OF CLOSING**  \_\_\_\_\_ **12THS OF**  **ALL**  **NO** real estate taxes  
\_\_\_\_\_ *(Check one.)*

103. due and payable in the year 20 \_\_\_\_\_ .

104. If the closing date is changed, the real estate taxes paid shall, if prorated, be adjusted to the new closing date. Builder

105. warrants that taxes due and payable in the year 20 \_\_\_\_\_ shall be **NON-HOMESTEAD** classification. Builder

106. agrees to pay Buyer at closing \$ \_\_\_\_\_ toward the non-homestead real estate taxes. Buyer

107. agrees to pay any remaining balance of non-homestead taxes when they become due and payable. Buyer shall pay

108. real estate taxes due and payable in the year following closing and thereafter, the payment of which is not otherwise

109. here provided. No representations are made concerning the amount of subsequent real estate taxes.

110. **DEFERRED TAXES/SPECIAL ASSESSMENTS:**

111.  **BUYER SHALL PAY**  **BUILDER SHALL PAY** on date of closing any deferred real estate taxes (e.g., Green  
\_\_\_\_\_ *(Check one.)*

112. Acres) or special assessments, payment of which is required as a result of the closing of this sale.

113.  **BUYER AND BUILDER SHALL PRORATE AS OF THE DATE OF CLOSING**  **BUILDER SHALL PAY ON**  
\_\_\_\_\_ *(Check one.)*

114. **DATE OF CLOSING** all installments of special assessments certified for payment with the real estate taxes due and  
115. payable in the year of closing.

116.  **BUYER SHALL ASSUME**  **BUILDER SHALL PAY** on date of closing all other special assessments levied as  
\_\_\_\_\_ *(Check one.)*

117. of the date of this Purchase Agreement.

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118. Page 4 Date \_\_\_\_\_

119. Property located at \_\_\_\_\_
120.  **BUYER SHALL ASSUME**  **BUILDER SHALL PROVIDE FOR PAYMENT OF** special assessments pending  
-----*(Check one.)*-----
121. as of the date of this Purchase Agreement for improvements that have been ordered by any assessing authorities.  
122. (Builder's provision for payment shall be by payment into escrow of two (2) times the estimated amount of the  
123. assessments, or less, as required by Buyer's lender.) Buyer shall pay any unpaid special assessments payable in the year  
124. following closing and thereafter, the payment of which is not otherwise here provided. As of the date of this Purchase  
125. Agreement, Builder represents that Builder  **HAS**  **HAS NOT** received a notice regarding any new improvement project  
-----*(Check one.)*-----
126. from any assessing authorities, the costs of which project may be assessed against the Property. Any such notice received  
127. by Builder after the date of this Purchase Agreement and before closing shall be provided to Buyer immediately. If such  
128. notice is issued after the date of this Purchase Agreement and on or before the date of closing, then the parties may  
129. agree in writing, on or before the date of closing, to pay, provide for the payment of, or assume the special assessments.  
130. In the absence of such agreement, either party may unilaterally pay, provide for the payment of, or assume such  
131. special assessments. In the absence of said agreement or said unilateral election, either party may declare this Purchase  
132. Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which  
133. case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and  
134. Builder shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all  
135. earnest money paid here to be refunded to Buyer.
136. **POSSESSION:** Builder shall deliver possession of the Property: *(Check one.)*  
137.  **IMMEDIATELY AFTER CLOSING;** or  
138.  **OTHER:** \_\_\_\_\_
139. Builder agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property  
140. by possession date.
141. **TITLE AND EXAMINATION:** As quickly as reasonably possible after Final Acceptance Date of this Purchase Agreement:  
142. (a) Builder shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property, if  
143. in Builder's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or  
144. owner's title insurance policy shall be immediately returned to Builder, or licensee representing or assisting  
145. Builder, upon cancellation of this Purchase Agreement; and  
146. (b) Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including  
147. but not limited to title searches, title examinations, abstracting, a title insurance commitment, or an attorney's  
148. title opinion at Buyer's selection and cost and provide a copy to Builder.
149. Builder shall use Builder's best efforts to provide marketable title by the date of closing. Builder agrees to pay all costs  
150. and fees necessary to convey marketable title including obtaining and recording all required documents, subject to the  
151. following:  
152. In the event Builder has not provided marketable title by the date of closing, Builder shall have an additional 30  
153. days to make title marketable or, in the alternative, Buyer may waive title defects by written notice to Builder. In  
154. addition to the 30-day extension, Buyer and Builder may, by mutual agreement, further extend the closing date.  
155. Lacking such extension, either party may declare this Purchase Agreement canceled by written notice to the other  
156. party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled;  
157. neither party shall be liable for damages here to the other. If either party declares this Purchase Agreement  
158. canceled, Buyer and Builder shall immediately sign a *Cancellation of Purchase Agreement* confirming said  
159. cancellation and directing all earnest money paid here to be refunded to Buyer.
160. **GENERAL WARRANTIES:** Builder warrants that buildings are or shall be constructed entirely within the boundary lines  
161. of the Property. Builder warrants that there is a right of access to the Property from a public right-of-way.
162. **MECHANIC'S LIENS:** Builder warrants that prior to the closing, payment in full shall have been made for all labor,  
163. materials, machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing in connection  
164. with construction, alteration, or repair of any structure on or improvement to the Property.
165. **NOTICES:** Builder warrants that Builder has not received any notice from any governmental authority as to violation  
166. of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Builder warrants that Builder has  
167. not received any notice from any person or authority as to a breach of the covenants. Any notices received by Builder  
168. shall be provided to Buyer immediately.

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169. Page 5    Date \_\_\_\_\_

170. Property located at \_\_\_\_\_.
171. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided by  
172. Builder, third party, or broker representing or assisting Builder are approximate. Buyer shall verify the accuracy of  
173. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
174. **RISK OF LOSS:** If there is any loss or damage to the Property between the Final Acceptance Date and the date of  
175. closing for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Builder.  
176. If the Property is destroyed or substantially damaged before the closing date, this Purchase Agreement is canceled,  
177. at Buyer's option. If Buyer cancels this Purchase Agreement, Buyer and Builder shall immediately sign a *Cancellation*  
178. *of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.
179. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
180. **WALK-THROUGH REVIEW:** Buyer has the right to a walk-through review of the Property prior to closing.
181. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (calendar or Business Days as specified)  
182. following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified)  
183. ending at 11:59 P.M. on the last day.
184. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless  
185. stated elsewhere by the parties in writing.
186. **RELEASE OF EARNEST MONEY:** Buyer and Builder agree that the listing broker shall release earnest money from the  
187. listing broker's trust account:  
188.     (a) at or upon the successful closing of the Property;  
189.     (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*  
190.     *Agreement* executed by both Buyer and Builder;  
191.     (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or  
192.     (d) upon receipt of a court order.
193. **DEFAULT:** If Buyer defaults in any of the agreements here, Builder may cancel this Purchase Agreement, and any  
194. payments made here, including earnest money, shall be retained by Builder as liquidated damages and Buyer and  
195. Builder shall affirm the same by a written cancellation agreement.
196. If Buyer defaults in any of the agreements here, Builder may terminate this Purchase Agreement, under the  
197. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either the Buyer or  
198. Builder defaults in any of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment,  
199. either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here  
200. that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory  
201. Cancellation under MN Statute 559.217, Subd. 4.
202. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Builder may seek actual damages  
203. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific  
204. performance, such action must be commenced within six (6) months after such right of action arises.
205. **NEW CONSTRUCTION STATUTORY WARRANTIES: MINNESOTA LAW REQUIRES THAT A SELLER OF NEW**  
206. **HOMES MUST PROVIDE CERTAIN WARRANTIES TO THE PURCHASER. BUILDER WARRANTS TO THE FIRST**  
207. **PURCHASER AND SUBSEQUENT PURCHASERS THAT**  
208.     **" (1) DURING THE ONE-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING**  
209.     **SHALL BE FREE FROM DEFECTS CAUSED BY FAULTY WORKMANSHIP AND DEFECTIVE MATERIALS**  
210.     **DUE TO NONCOMPLIANCE WITH BUILDING STANDARDS;**  
211.     **(2) DURING THE TWO-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL**  
212.     **BE FREE FROM DEFECTS CAUSED BY FAULTY INSTALLATION OF PLUMBING, ELECTRICAL, HEATING**  
213.     **AND COOLING SYSTEMS; AND**  
214.     **(3) DURING THE TEN-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL**  
215.     **BE FREE FROM MAJOR CONSTRUCTION DEFECTS."**
216. **TO DETERMINE THE EXACT COVERAGE UNDER THE WARRANTY AND THE EXCLUSION TO THE WARRANTY,**  
217. **SEE MN STATUTE SECTION 327A.01-327A.03. BUYERS MUST PURSUE CERTAIN STATUTORY PROCEDURES**  
218. **BEFORE THEY CAN PURSUE LEGAL ACTION FOR WARRANTY CLAIMS. SEE MN STATUTE 327A.02,**  
219. **SUBD. 4.**



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220. Page 6 Date \_\_\_\_\_

221. Property located at \_\_\_\_\_

**224. A BUYER HAS TWO YEARS FROM**

223. (A) THE DISCOVERY OF A BREACH OF THE STATUTORY WARRANTIES SUMMARIZED ABOVE; OR

224. (B) FROM THE DISCOVERY OF A BREACH OF AN EXPRESSED WRITTEN WARRANTY TO BRING AN  
225. ACTION BASED ON THE BREACH.

226. IN THE CASE OF AN ACTION UNDER MN STATUTE SECTION 327A.05 WHICH ACCRUES DURING THE NINTH  
227. OR TENTH YEAR AFTER THE WARRANTY DATE, AN ACTION MAY BE BROUGHT WITHIN TWO YEARS OF THE  
228. DISCOVERY OF THE BREACH, BUT IN NO EVENT MAY AN ACTION UNDER MN STATUTE SECTION 327A.05  
229. BE BROUGHT MORE THAN 12 YEARS AFTER THE EFFECTIVE WARRANTY DATE.

230. **NOTICE: Buyer has received, if required, written information regarding the home warranty dispute resolution**  
231. **process pursuant to MN Statute 327A.051.**

232. **IMPORTANT HEALTH NOTICE: SOME OF THE BUILDING MATERIALS USED IN THIS HOME (OR THESE BUILDING**  
233. **MATERIALS) EMIT FORMALDEHYDE. EYE, NOSE AND THROAT IRRITATION, HEADACHE, NAUSEA AND A**  
234. **VARIETY OF ASTHMA-LIKE SYMPTOMS, INCLUDING SHORTNESS OF BREATH, HAVE BEEN REPORTED AS**  
235. **A RESULT OF FORMALDEHYDE EXPOSURE. ELDERLY PERSONS AND YOUNG CHILDREN, AS WELL AS**  
236. **ANYONE WITH A HISTORY OF ASTHMA, ALLERGIES OR LUNG PROBLEMS, MAY BE AT GREATER RISK.**  
237. **RESEARCH IS CONTINUING ON THE POSSIBLE LONG-TERM EFFECTS OF EXPOSURE TO**  
238. **FORMALDEHYDE.**

239. **REDUCED VENTILATION MAY ALLOW FORMALDEHYDE AND OTHER CONTAMINANTS TO ACCUMULATE**  
240. **IN THE INDOOR AIR. HIGH INDOOR TEMPERATURES AND HUMIDITY RAISE FORMALDEHYDE LEVELS. WHEN**  
241. **A HOME IS TO BE LOCATED IN AREAS SUBJECT TO EXTREME SUMMER TEMPERATURES, AN AIR-**  
242. **CONDITIONING SYSTEM CAN BE USED TO CONTROL INDOOR TEMPERATURE LEVELS. OTHER MEANS OF**  
243. **CONTROLLED MECHANICAL VENTILATION CAN BE USED TO REDUCE LEVELS OF FORMALDEHYDE AND**  
244. **OTHER INDOOR AIR CONTAMINANTS.**

245. **IF YOU HAVE ANY QUESTIONS REGARDING THE HEALTH EFFECTS OF FORMALDEHYDE, CONSULT YOUR**  
246. **DOCTOR OR LOCAL HEALTH DEPARTMENT.**

**247. LIEN NOTICE:**

248. (A) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR  
249. PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT  
250. PAID FOR THE CONTRIBUTIONS.

251. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR  
252. MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT  
253. PRICE OR TO WITHHOLD THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION  
254. OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSONS WHO SUPPLIED  
255. ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU TIMELY NOTICE.

**256. METHAMPHETAMINE PRODUCTION DISCLOSURE:**

257. (A Methamphetamine Production Disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

258.  Seller is not aware of any methamphetamine production that has occurred on the Property.

259.  Seller is aware that methamphetamine production has occurred on the Property.

260. (See Disclosure Statement: Methamphetamine Production.)

261. **NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The Property may be in or near an airport safety zone  
262. with zoning regulations adopted by the governing body that may affect the Property. Such zoning regulations are  
263. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such  
264. zoning regulations affect the Property, you should contact the county recorder where the zoned area is located.

265. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender  
266. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained  
267. by contacting the local law enforcement offices in the community where the Property is located or the Minnesota  
268. Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at  
269. [www.corr.state.mn.us](http://www.corr.state.mn.us).

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271. Property located at \_\_\_\_\_

272. **(Check appropriate boxes.)**

273. BUILDER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

274. **CITY SEWER**  **YES**  **NO** / **CITY WATER**  **YES**  **NO**

275. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

276. BUILDER  **DOES**  **DOES NOT** KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR  
-----*(Check one.)*-----

277. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*

278. *Statement: Subsurface Sewage Treatment System.*)

279. **PRIVATE WELL**

280. BUILDER  **DOES**  **DOES NOT** KNOW OF A WELL ON OR SERVING THE PROPERTY.  
-----*(Check one.)*-----

281. (If answer is **DOES** and well is located on the Property, see *Disclosure Statement: Well.*)

282. THIS PURCHASE AGREEMENT  **IS**  **IS NOT** SUBJECT TO AN *ADDENDUM TO PURCHASE AGREEMENT*:  
-----*(Check one.)*-----

283. *SUBSURFACE SEWAGE TREATMENT SYSTEM AND WELL INSPECTION CONTINGENCY.*

284. (If answer is **IS**, see attached *Addendum.*)

285. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**  
286. **RECEIVED A *DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE***  
287. ***TREATMENT SYSTEM.***

288. **RADON DISCLOSURE:** (The following Seller disclosure satisfies MN Statute 144.496.)

289. **RADON WARNING STATEMENT:** The Minnesota Department of Health strongly recommends that ALL homebuyers  
290. have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels  
291. mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a  
292. qualified, certified, or licensed, if applicable, radon mitigator.

293. Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous  
294. levels of indoor radon gas that may place occupants at risk of developing radon-induced lung cancer. Radon, a Class  
295. A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The  
296. seller of any interest in residential real property is required to provide the buyer with any information on radon test  
297. results of the dwelling.

298. **RADON IN REAL ESTATE:** By signing this Statement, Buyer hereby acknowledges receipt of the Minnesota  
299. Department of Health's publication entitled ***Radon in Real Estate Transactions***, which is attached hereto and can be  
300. found at [www.health.state.mn.us/divs/eh/indoorair/radon/rnrealestateweb.pdf](http://www.health.state.mn.us/divs/eh/indoorair/radon/rnrealestateweb.pdf).

301. A seller who fails to disclose the information required under MN Statute 144.496, and is aware of material facts pertaining  
302. to radon concentrations in the property, is liable to the Buyer. A buyer who is injured by a violation of MN Statute 144.496  
303. may bring a civil action and recover damages and receive other equitable relief as determined by the court. Any such  
304. action must be commenced within two years after the date on which the buyer closed the purchase or transfer of the  
305. real property.

306. **SELLER'S REPRESENTATIONS:** The following are representations made by Seller to the extent of Seller's actual  
307. knowledge.

308. (a) Radon test(s)  **HAVE**  **HAVE NOT** occurred on the property.  
-----*(Check one.)*-----

309. (b) Describe any known radon concentrations, mitigation, or remediation. **NOTE: Seller shall attach the most**  
310. ***current records and reports pertaining to radon concentration within the dwelling:***

311. \_\_\_\_\_

312. \_\_\_\_\_

313. (c) There  **IS**  **IS NOT** a radon mitigation system currently installed on the property.  
-----*(Check one.)*-----

314. If "**IS**," Seller shall disclose, if known, information regarding the radon mitigation system, including system  
315. description and documentation.

316. \_\_\_\_\_

317. \_\_\_\_\_

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NEW CONSTRUCTION**

318. Page 8 Date \_\_\_\_\_

319. Property located at \_\_\_\_\_

320. **COVENANTS, CONDITIONS, AND RESTRICTIONS:** Builder warrants that Builder has delivered copies of all  
321. covenants, conditions, and restrictions pertaining to the Property, and Buyer acknowledges receipt and  
322. acceptance of all covenants, conditions, and restrictions.

323. **BUILDER AND BUYER INITIAL(S):** \_\_\_\_\_ Builder(s) \_\_\_\_\_ Buyer(s)

324. **NOTICE:** Buyer shall receive, prior to the execution of this Purchase Agreement, written performance guidelines  
325. for the services to be performed by Builder, pursuant to MN Statute 326B.809(b). Said written performance  
326. guidelines are included or incorporated by reference here.

327. **SPECIAL WARRANTIES:** BUILDER WARRANTS, AS MN STATUTE 327A.02, SUBD. 1(b) REQUIRES, THAT  
328. PLUMBING, ELECTRICAL, HEATING AND COOLING SYSTEMS BE FREE FROM DEFECTS CAUSED BY FAULTY  
329. INSTALLATION FOR A TWO-YEAR PERIOD AND SHALL BE IN WORKING ORDER AT TIME OF CLOSING.  
330. APPLIANCES PROVIDED WITH THE PROPERTY BEAR ONLY THE WARRANTIES ESTABLISHED BY THE  
331. MANUFACTURER, AND BUILDER MAKES NO ADDITIONAL WARRANTIES ON APPLIANCES, EXPRESS OR  
332. IMPLIED.

**NOTICE**

333. \_\_\_\_\_  
334. \_\_\_\_\_ is  Seller's Agent  Buyer's Agent  Dual Agent  Facilitator.  
(Licensee) -----(Check one.)-----

335. \_\_\_\_\_  
(Real Estate Company Name)

336. \_\_\_\_\_ is  Seller's Agent  Buyer's Agent  Dual Agent  Facilitator.  
(Licensee) -----(Check one.)-----

337. \_\_\_\_\_  
(Real Estate Company Name)

338. **THIS NOTICE DOES NOT SATISFY MINNESOTA STATUTORY AGENCY DISCLOSURE REQUIREMENTS.**

**DUAL AGENCY REPRESENTATION**

340. **PLEASE CHECK ONE OF THE FOLLOWING SELECTIONS:**

341.  Dual Agency representation **DOES NOT** apply in this transaction. *Do not complete lines 342-358.*

342.  Dual Agency representation **DOES** apply in this transaction. *Complete the disclosure in lines 343-358.*

343. Broker represents both the Seller(s) and the Buyer(s) of the Property involved in this transaction, which creates a  
344. dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because  
345. the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for  
346. either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).  
347. Seller(s) and Buyer(s) acknowledge that

348. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will  
349. remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other  
350. information will be shared;

351. (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and

352. (3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of  
353. the sale.

354. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker  
355. and its salesperson to act as dual agents in this transaction.

356. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

357. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

358. Date \_\_\_\_\_ Date \_\_\_\_\_



**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

359. Page 9    Date \_\_\_\_\_

360. Property located at \_\_\_\_\_ .

361. **CLOSING COSTS:** Buyer or Builder may be required to pay certain closing costs, which may increase the cash outlay  
362. at closing or effectively reduce the proceeds from the sale.

363. **SETTLEMENT STATEMENT:** Buyer and Builder authorize the title company, escrow agent, and/or their representatives  
364. to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved in  
365. the transaction at the time these documents are provided to Buyer and Builder.

366. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code  
367. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold  
368. tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply. Buyer and Seller  
369. agree to comply with FIRPTA requirements under Section 1445 of the Internal Revenue Code.

370. Seller shall represent and warrant, under the penalties of perjury, whether Seller is a "foreign person" (as the same  
371. is defined within FIRPTA), prior to closing. Any representations made by Seller with respect to this issue shall survive  
372. the closing and delivery of the deed.

373. Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument, affidavit, or statement  
374. reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer  
375. identification numbers or Social Security numbers.

376. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility for  
377. withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA**  
378. **compliance, as the respective licensees representing or assisting either party will be unable to assure either**  
379. **party whether the transaction is exempt from FIRPTA withholding requirements.**

380. **ENTIRE AGREEMENT:** This Purchase Agreement and any addenda or amendments signed by the parties shall  
381. constitute the entire agreement between Buyer and Builder. Any other written or oral communication between Buyer  
382. and Builder, including, but not limited to, e-mails, text messages, or other electronic communications are not part of  
383. this Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Buyer and  
384. Builder or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase  
385. Agreement.

386. **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to this  
387. transaction constitute valid, binding signatures.

388. **FINAL ACCEPTANCE:** To be binding, this Purchase Agreement must be fully executed by both parties and a copy  
389. must be delivered.

390. **SURVIVAL:** All warranties specified in this Purchase Agreement shall survive the delivery of the deed or contract for  
391. deed.

392. **OTHER:**

393. \_\_\_\_\_

394. \_\_\_\_\_

395. \_\_\_\_\_

396. \_\_\_\_\_

397. \_\_\_\_\_

398. \_\_\_\_\_

399. **ADDENDA AND PAGE NUMBERING:** Attached addenda are a part of this Purchase Agreement.  
400. **Enter total number of pages of this Purchase Agreement, including addenda, on line two (2) of page one (1).**

401. **NOTE:** Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement and should  
402. **not be part of the page numbering.**

**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

403. Page 10 Date \_\_\_\_\_

404. Property located at \_\_\_\_\_

405. I, the owner of the Property, accept this Purchase  
406. Agreement and authorize the listing broker to withdraw  
407. said Property from the market, unless instructed  
408. otherwise in writing.

I agree to purchase the Property for the price and on  
the terms and conditions set forth above.

**I have reviewed all pages of this Purchase  
Agreement.**

409. **I have reviewed all pages of this Purchase Agreement**

410.  **If checked, this Purchase Agreement is subject to**  
411. **attached Addendum to Purchase Agreement:**  
412. **Counteroffer.**

413. **FIRPTA:** Builder represents and warrants, under penalty  
414. of perjury, that Builder  **IS**  **IS NOT** a foreign person (i.e.,  
-----*(Check one.)*-----  
415. a non-resident alien individual, foreign corporation, foreign  
416. partnership, foreign trust, or foreign estate for purposes of  
417. income taxation. (*See lines 366-379.*) This representation  
418. and warranty shall survive the closing of the transaction  
419. and the delivery of the deed.

420. **X** \_\_\_\_\_  
(Builder's Signature) (Date)

**X** \_\_\_\_\_  
(Buyer's Signature) (Date)

421. **X** \_\_\_\_\_  
(Builder's Printed Name)

**X** \_\_\_\_\_  
(Buyer's Printed Name)

422. **X** \_\_\_\_\_  
(Marital Status)

**X** \_\_\_\_\_  
(Marital Status)

423. **X** \_\_\_\_\_  
(Builder's Signature) (Date)

**X** \_\_\_\_\_  
(Buyer's Signature) (Date)

424. **X** \_\_\_\_\_  
(Builder's Printed Name)

**X** \_\_\_\_\_  
(Buyer's Printed Name)

425. **X** \_\_\_\_\_  
(Marital Status)

**X** \_\_\_\_\_  
(Marital Status)

426. Builder's License Number \_\_\_\_\_

427. Builder's Federal ID Number \_\_\_\_\_

428. **FINAL ACCEPTANCE DATE:** \_\_\_\_\_ The Final Acceptance Date  
429. is the date on which the fully executed Purchase Agreement is delivered.

430. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**  
431. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

432. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE**  
433. **DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION**  
434. **AGREEMENT, WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT AND IS NOT PART OF THIS PURCHASE**  
435. **AGREEMENT.**

436. **BUILDER(S)** \_\_\_\_\_ **BUYER(S)** \_\_\_\_\_

437. **BUILDER(S)** \_\_\_\_\_ **BUYER(S)** \_\_\_\_\_

# Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless, odorless and tasteless **radioactive gas** that can seep into homes from the soil. When inhaled, it can damage the lungs. Long-term exposure to radon can lead to **lung cancer**. About 21,000 lung cancer deaths each year in the United States are caused by radon.

The only way to know how much radon gas has entered the home is to conduct a radon test. MDH estimates 2 in 5 homes exceed the 4.0 pCi/L action level. Whether a home is old or new, **any home can have high levels of radon**.

The purpose of this publication is to educate and inform potential home buyers of the risks of radon exposure, and how to test for and reduce radon as part of real estate transactions.

## Disclosure Requirements



Effective January 1, 2014, the Minnesota Radon Awareness Act requires specific disclosure and education be provided to potential home buyers during residential real estate transactions in Minnesota. **Before signing a purchase agreement to sell or transfer residential real property**, the seller shall provide this publication and shall disclose in writing to the buyer:

1. whether a radon test or tests have occurred on the property;
2. the most current records and reports pertaining to radon concentrations within the dwelling;
3. a description of any radon levels, mitigation, or remediation;
4. information on the radon mitigation system, if a system was installed; and
5. a radon warning statement.

 Minnesota  
Department of Health

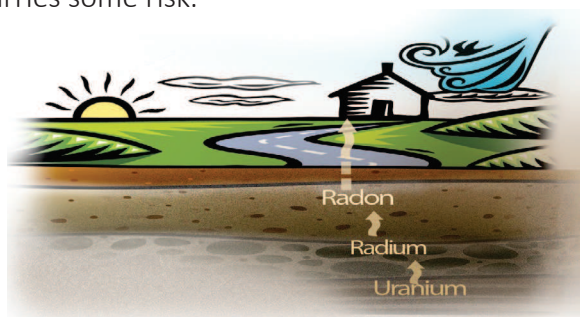
INDOOR AIR UNIT

## Radon Facts

**How dangerous is radon?** Radon is the number one cause of lung cancer in non-smokers, and the second leading cause overall. Your risk for lung cancer increases with higher levels of radon, prolonged exposure, and whether or not you are a current smoker or former smoker.

**Where is your greatest exposure to radon?** For most Minnesotans, your greatest exposure is at home where radon can concentrate indoors.

**What is the recommended action based on my results?** If the average radon in the home is at or above 4.0 pCi/L, the home's radon level should be reduced. Also, consider mitigating if radon levels are between 2.0 pCi/L and 3.9 pCi/L. Any amount of radon, even below the recommended action level, carries some risk.



**MDH Radon Program**  
PO Box 64975  
St Paul, MN 55164-0975  
[health.indoor@state.mn.us](mailto:health.indoor@state.mn.us)  
[www.health.state.mn.us/radon](http://www.health.state.mn.us/radon)  
651-201-4601  
800-798-9050

## Radon Testing

Any test lasting less than three months requires **closed-house conditions**. Keep all windows and doors closed, except for normal entry and exit.

**Before testing:** Begin closed-house conditions at least 12 hours before the start of the radon test.

**During testing:** Maintain closed-house conditions during the entire duration of the short-term test. Operate home heating or cooling systems normally during the test. Test for at least 48 hours.

**Where should the test be conducted?** Any radon test conducted for a real estate transaction needs to be placed in the lowest livable area of the home suitable for occupancy. This is typically in the basement, whether finished or unfinished.

Place the test kit:

- twenty inches to six feet above the floor
- at least three feet from exterior walls
- four inches away from other objects
- in a location where it won't be disturbed
- not in enclosed areas or areas of high heat or humidity

## Radon Mitigation

When elevated levels of radon are found, they can be easily reduced by a certified radon mitigation professional.

**Radon mitigation** is the process used to reduce radon concentrations in buildings. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system should reduce levels to below 4.0 pCi/L, if not lower.

**After a radon mitigation system is installed** perform an independent short-term test to ensure the reduction system is effective. Operate the radon system during the entire test. This test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

## Radon Warning Statement

*"The Minnesota Department of Health strongly recommends that ALL homebuyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.*

*Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling".*

**How are radon tests conducted in real estate transactions?** There are special protocols for radon testing. The two most common ways to test are either using a calibrated continuous radon monitor (CRM) or two-short term test kits used at the same time. The short-term test kits are placed 4 inches apart and the results are averaged.

### Continuous Radon Monitor (CRM)

*Fastest*



### Simultaneous Short-term Testing

*Second Fastest*



**All radon tests should be conducted by a certified professional.** This ensures the test was conducted properly, in the correct location, and under appropriate building conditions. A list of these radon measurement professionals can be found at MDH's Radon website. If the seller previously conducted testing in a property at or above 4 pCi/L, the home should be mitigated.