

**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

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

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  
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 subordinate  
36. financing, as described in the attached Addendum:  
37.  Conventional  FHA  DVA  Assumption  Contract for Deed  Other: \_\_\_\_\_ .  
------(Check all that apply.)-----

38. The date of closing shall be \_\_\_\_\_ , 20 \_\_\_\_\_ .  
39. This Purchase Agreement  IS  IS NOT subject to an Addendum to Purchase Agreement: Sale of Buyer's Property  
------(Check one.)-----  
40. Contingency. (If answer is IS, see attached Addendum. If answer is IS NOT, the closing of Buyer's property, if any,  
41. may still affect Buyer's ability to obtain financing, if financing is applicable.)



**PURCHASE AGREEMENT:  
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42. Page 2 Date \_\_\_\_\_

43. Property located at \_\_\_\_\_ .
44. This Purchase Agreement  IS  IS NOT subject to a cancellation of a previously written purchase agreement  
-----*(Check one.)*-----
45. dated \_\_\_\_\_ , 20 \_\_\_\_\_ .
46. (If answer is **IS**, said cancellation shall be obtained no later than \_\_\_\_\_ , 20 \_\_\_\_\_ .
47. If said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Builder shall immediately
48. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid hereunder
49. to be refunded to Buyer.)
50. This Purchase Agreement  IS  IS NOT subject to an *Addendum to Purchase Agreement: Inspection Contingency*.  
-----*(Check one.)*-----
51. (If answer is **IS**, see attached *Addendum*.)
52. **PRICE PROTECTION:** If this Purchase Agreement is contingent, a \_\_\_\_\_-day price protection is granted from
53. the date of this Purchase Agreement. If the contingency is not removed within said time period, price shall become
54. null and void. Buyer and Builder will then renegotiate the price. In the event the price cannot be renegotiated, this
55. Purchase Agreement is canceled. Buyer and Builder shall immediately sign a *Cancellation of Purchase Agreement*
56. confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.
57. **COMMENCEMENT OF CONSTRUCTION:** Upon execution of this Purchase Agreement and clearing of all contingencies,
58. Builder shall commence with all reasonable diligence to final completion.
59. BUYER AGREES THAT THE DIRECTION AND SUPERVISION OF THE WORKFORCES, INCLUDING
60. SUBCONTRACTORS, RESTS EXCLUSIVELY WITH BUILDER. BUYER AGREES NOT TO INTERFERE WITH OR
61. ISSUE INSTRUCTIONS TO WORKFORCES NOR TO CONTRACT FOR ADDITIONAL WORK WITH CONTRACTORS
62. OR SUBCONTRACTORS EXCEPT WITH BUILDER'S WRITTEN PERMISSION. IF PERMISSION IS GRANTED,
63. SUCH ADDITIONAL WORK SHALL NOT INTERFERE WITH BUILDER'S COMPLETION OF THE CONSTRUCTION
64. OF THE HOME.
65. **MODIFICATIONS:** Any significant change in the *Plans and Specifications* must be approved in writing by
66. both parties citing by CHANGE ORDER any increase or decrease in the purchase price caused by such change.
67. Unless otherwise agreed in writing, any such increase or decrease shall be reflected as an adjustment in cash at
68.  **EXECUTION OF THE CHANGE ORDER**  **CLOSING**. Materials of similar type and quality may be substituted  
-----*(Check one.)*-----
69. without notice to or consent of Buyer, as long as such change or substitution shall not substantially alter the character
70. of the home or reduce the value thereof.
71. **COMPLETION:** At closing, Builder shall furnish proper individual lien waivers for all labor and materials provided.
72. Builder's funds shall be escrowed for any work which cannot be completed because of weather conditions or because
73. of mortgage requirements. Such escrowed funds shall be payable to Builder upon completion of such specified
74. work.
75. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Builder shall deliver a *(check one)*:
76.  **Warranty Deed**,  **Personal Representative's Deed**,  **Contract for Deed**,  **Trustee's Deed**, or
77.  **Other:** \_\_\_\_\_ **Deed** joined in by spouse, if any, conveying marketable title, subject to
78. (a) building and zoning laws, ordinances, and state and federal regulations;
79. (b) restrictions relating to use or improvement of the Property without effective forfeiture provisions;
80. (c) reservation of any mineral rights by the State of Minnesota;
81. (d) utility and drainage easements which do not interfere with existing improvements;
82. (e) **rights of tenants as follows** (unless specified, not subject to tenancies): \_\_\_\_\_
83. \_\_\_\_\_ ; and
84. (f) others (must be specified in writing): \_\_\_\_\_
85. \_\_\_\_\_ .

**PURCHASE AGREEMENT:  
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86. Page 3 Date \_\_\_\_\_

87. Property located at \_\_\_\_\_ .
88. **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years
89. including all penalties and interest.
90. Buyer shall pay  **PRORATED FROM DAY OF CLOSING**  \_\_\_\_\_ **12THS OF**  **ALL**  **NO** real estate  
-----*(Check one.)*-----
91. taxes due and payable in the year 20 \_\_\_\_\_ .
92. Builder shall pay  **PRORATED TO DAY OF CLOSING**  \_\_\_\_\_ **12THS OF**  **ALL**  **NO** real estate taxes  
-----*(Check one.)*-----
93. due and payable in the year 20 \_\_\_\_\_ .
94. If the closing date is changed, the real estate taxes paid shall, if prorated, be adjusted to the new closing date. Builder
95. warrants that taxes due and payable in the year 20 \_\_\_\_\_ shall be **NON-HOMESTEAD** classification. Builder
96. agrees to pay Buyer at closing \$ \_\_\_\_\_ toward the non-homestead real estate taxes. Buyer
97. agrees to pay any remaining balance of non-homestead taxes when they become due and payable. Buyer shall pay
98. real estate taxes due and payable in the year following closing and thereafter, the payment of which is not otherwise
99. herein provided. No representations are made concerning the amount of subsequent real estate taxes.
100. **DEFERRED TAXES/SPECIAL ASSESSMENTS:**
101.  **BUYER SHALL PAY**  **BUILDER SHALL PAY** on date of closing any deferred real estate taxes (e.g., Green  
-----*(Check one.)*-----
102. Acres) or special assessments, payment of which is required as a result of the closing of this sale.
103.  **BUYER AND BUILDER SHALL PRORATE AS OF THE DATE OF CLOSING**  **BUILDER SHALL PAY ON**  
-----*(Check one.)*-----
104. **DATE OF CLOSING** all installments of special assessments certified for payment with the real estate taxes due and
105. payable in the year of closing.
106.  **BUYER SHALL ASSUME**  **BUILDER SHALL PAY** on date of closing all other special assessments levied as  
-----*(Check one.)*-----
107. of the date of this Purchase Agreement.
108.  **BUYER SHALL ASSUME**  **BUILDER SHALL PROVIDE FOR PAYMENT OF** special assessments pending  
-----*(Check one.)*-----
109. as of the date of this Purchase Agreement for improvements that have been ordered by any assessing authorities.
110. (Builder's provision for payment shall be by payment into escrow of two (2) times the estimated amount of the
111. assessments, or less, as required by Buyer's lender.) Buyer shall pay any unpaid special assessments payable in the year
112. following closing and thereafter, the payment of which is not otherwise herein provided. As of the date of this Purchase
113. Agreement, Builder represents that Builder  **HAS**  **HAS NOT** received a notice regarding any new improvement project  
-----*(Check one.)*-----
114. from any assessing authorities, the cost of which project may be assessed against the Property. Any such notice received
115. by Builder after the date of this Purchase Agreement and before closing shall be provided to Buyer immediately. If such
116. notice is issued after the date of this Purchase Agreement and on or before the date of closing, then the parties may
117. agree in writing, on or before the date of closing, to pay, provide for the payment of or assume the special assessments.
118. In the absence of such agreement, either party may unilaterally pay, provide for the payment of or assume such
119. special assessments. In the absence of said agreement or said unilateral election, either party may declare this Purchase
120. Agreement canceled by written notice to the other party, or licensee representing or assisting the other party, in which
121. case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled, Buyer and
122. Builder shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all
123. earnest money paid hereunder to be refunded to Buyer.

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124. Page 4    Date \_\_\_\_\_

125. Property located at \_\_\_\_\_ .
126. **TITLE AND EXAMINATION:** As quickly as reasonably possible after Final Acceptance Date of this Purchase Agreement:
127.     (a) Builder shall surrender any abstract of title and a copy of any owner's title insurance policy for the Property, if
128.         in Builder's possession or control, to Buyer or Buyer's designated title service provider; and
129.     (b) Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including
130.         but not limited to title searches, title examinations, abstracting, a title insurance commitment or an attorney's
131.         title opinion at Buyer's selection and cost and provide a copy to Builder.
132. Builder shall use Builder's best efforts to provide marketable title by the date of closing. Builder agrees to pay all costs
133. and fees necessary to convey marketable title including obtaining and recording all required documents, subject to the
134. following:
135.     In the event Builder has not provided marketable title by the date of closing, Builder shall have an additional 30
136.     days to make title marketable or, in the alternative, Buyer may waive title defects by written notice to Builder. In
137.     addition to the 30-day extension, Buyer and Builder may, by mutual agreement, further extend the closing date.
138.     Lacking such extension, either party may declare this Purchase Agreement canceled by written notice to the other
139.     party, or licensee representing or assisting the other party, in which case this Purchase Agreement is canceled;
140.     neither party shall be liable for damages hereunder to the other. If either party declares this Purchase Agreement
141.     canceled, Buyer and Builder shall immediately sign a *Cancellation of Purchase Agreement* confirming said
142.     cancellation and directing all earnest money paid hereunder to be refunded to Buyer.
143. **GENERAL WARRANTIES:** Builder warrants that buildings are or shall be constructed entirely within the boundary lines
144. of the Property. Builder warrants that there is a right of access to the Property from a public right-of-way.
145. **MECHANIC'S LIENS:** Builder warrants that prior to the closing, payment in full shall have been made for all labor,
146. materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection
147. with construction, alteration or repair of any structure on or improvement to the Property.
148. **NOTICES:** Builder warrants that Builder has not received any notice from any governmental authority as to violation
149. of any law, ordinance or regulation. If the Property is subject to restrictive covenants, Builder warrants that Builder has
150. not received any notice from any person or authority as to a breach of the covenants. Any notices received by Builder
151. shall be provided to Buyer immediately.
152. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage or acreage of land or improvements provided by
153. Builder, third party, or broker representing or assisting Builder are approximate. Buyer shall verify the accuracy of
154. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.
155. **RISK OF LOSS:** If there is any loss or damage to the Property between the date hereof and the date of closing for
156. any reason, including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Builder. If the Property
157. is destroyed or substantially damaged before the closing date, this Purchase Agreement is canceled, at Buyer's option.
158. If Buyer cancels this Purchase Agreement, Buyer and Builder shall immediately sign a *Cancellation of Purchase*
159. *Agreement* confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.
160. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
161. **WALK-THROUGH REVIEW:** Buyer has the right to a walk-through review of the Property prior to closing.
162. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (calendar or Business Days as specified)
163. following the occurrence of the event specified and includes subsequent days (calendar or Business Days as specified)
164. ending at 11:59 P.M. on the last day.
165. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays or state or federal holidays unless
166. stated elsewhere by the parties in writing.
167. **RELEASE OF EARNEST MONEY:** Buyer and Builder agree that the listing broker shall release earnest money from the
168. listing broker's trust account: 1) at or upon the successful closing of the Property; 2) pursuant to written agreement
169. between the parties, which may be reflected in a *Cancellation of Purchase Agreement* executed by both Buyer and
170. Builder; 3) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or 4) upon receipt of a court order.

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171. Page 5 Date \_\_\_\_\_

172. Property located at \_\_\_\_\_ .

173. **DEFAULT:** If Buyer defaults in any of the agreements herein, Builder may cancel this Purchase Agreement, and any  
174. payments made hereunder, including earnest money, shall be retained by Builder as liquidated damages and Buyer  
175. and Builder shall affirm the same by a written cancellation agreement.

176. If Buyer defaults in any of the agreements hereunder, Builder may terminate this Purchase Agreement, under the  
177. provisions of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either the Buyer or Builder  
178. defaults in any of the agreements hereunder or there exists an unfulfilled condition after the date specified for fulfillment,  
179. either party may cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided herein  
180. that this Purchase Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory  
181. Cancellation under MN Statute 559.217, Subd. 4.

182. If this Purchase Agreement is not canceled or terminated as provided hereunder, Buyer or Builder may seek actual  
183. damages for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to  
184. specific performance, such action must be commenced within six (6) months after such right of action arises.

185. **NEW CONSTRUCTION STATUTORY WARRANTIES: MINNESOTA LAW REQUIRES THAT A SELLER OF NEW  
186. HOMES MUST PROVIDE CERTAIN WARRANTIES TO THE PURCHASER. BUILDER WARRANTS TO THE FIRST  
187. PURCHASER AND SUBSEQUENT PURCHASERS THAT**

188. “ (1) DURING THE ONE-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING  
189. SHALL BE FREE FROM DEFECTS CAUSED BY FAULTY WORKMANSHIP AND DEFECTIVE MATERIALS  
190. DUE TO NONCOMPLIANCE WITH BUILDING STANDARDS;

191. (2) DURING THE TWO-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL  
192. BE FREE FROM DEFECTS CAUSED BY FAULTY INSTALLATION OF PLUMBING, ELECTRICAL, HEATING  
193. AND COOLING SYSTEMS; AND

194. (3) DURING THE TEN-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL  
195. BE FREE FROM MAJOR CONSTRUCTION DEFECTS.”

196. TO DETERMINE THE EXACT COVERAGE UNDER THE WARRANTY AND THE EXCLUSION TO THE WARRANTY,  
197. SEE MN STATUTE SECTION 327A.01–327A.03. BUYERS MUST PURSUE CERTAIN STATUTORY PROCEDURES  
198. BEFORE THEY CAN PURSUE LEGAL ACTION FOR WARRANTY CLAIMS. SEE MN STATUTE 327A.02,  
199. SUBD. 4.

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

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

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

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

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

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

217. **REDUCED VENTILATION MAY ALLOW FORMALDEHYDE AND OTHER CONTAMINANTS TO ACCUMULATE  
218. IN THE INDOOR AIR. HIGH INDOOR TEMPERATURES AND HUMIDITY RAISE FORMALDEHYDE LEVELS. WHEN  
219. A HOME IS TO BE LOCATED IN AREAS SUBJECT TO EXTREME SUMMER TEMPERATURES, AN AIR-  
220. CONDITIONING SYSTEM CAN BE USED TO CONTROL INDOOR TEMPERATURE LEVELS. OTHER MEANS OF  
221. CONTROLLED MECHANICAL VENTILATION CAN BE USED TO REDUCE LEVELS OF FORMALDEHYDE AND  
222. OTHER INDOOR AIR CONTAMINANTS.**

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

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225. Page 6 Date \_\_\_\_\_

226. Property located at \_\_\_\_\_

**227. LIEN NOTICE:**

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

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

**236. METHAMPHETAMINE PRODUCTION DISCLOSURE:**

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

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

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

240. (See Disclosure Statement: Methamphetamine Production.)

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

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

250. (Check appropriate boxes.)

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

252. CITY SEWER  YES  NO / CITY WATER  YES  NO

**253. SUBSURFACE SEWAGE TREATMENT SYSTEM**

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

255. SERVING THE PROPERTY. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure*  
256. *Statement: Subsurface Sewage Treatment System*.)

**257. PRIVATE WELL**

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

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

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

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

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

263. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**  
264. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE**  
265. **TREATMENT SYSTEM.**

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266. Page 7 Date \_\_\_\_\_

267. Property located at \_\_\_\_\_

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

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

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

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

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

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

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

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

291. \_\_\_\_\_  
292. \_\_\_\_\_

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

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

296. \_\_\_\_\_  
297. \_\_\_\_\_

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

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

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

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305. Page 8 Date \_\_\_\_\_

306. Property located at \_\_\_\_\_

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

313.

**NOTICE**

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

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

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

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

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

319.

**DUAL AGENCY REPRESENTATION**

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

321.  Dual Agency representation **DOES NOT** apply in this transaction. *Do not complete lines 322-338.*

322.  Dual Agency representation **DOES** apply in this transaction. *Complete the disclosure in lines 323-338.*

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

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

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

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

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

336. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

337. Seller \_\_\_\_\_ Buyer \_\_\_\_\_

338. Date \_\_\_\_\_ Date \_\_\_\_\_

**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

339. Page 9 Date \_\_\_\_\_

340. Property located at \_\_\_\_\_ .

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

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

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

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

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

355. **OTHER:** \_\_\_\_\_

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370. \_\_\_\_\_

**PURCHASE AGREEMENT:  
NEW CONSTRUCTION**

371. Page 10 Date \_\_\_\_\_

372. Property located at \_\_\_\_\_

373. **ADDENDA AND PAGE NUMBERING: Attached addenda are a part of this Purchase Agreement.**

374. **Enter total number of pages of this Purchase Agreement, including addenda, on line two (2) of page one (1).**

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

377. I, the owner of the Property, accept this Purchase  
378. Agreement and authorize the listing broker to withdraw  
379. said Property from the market, unless instructed  
380. 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.**

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

382.  **If checked, this Purchase Agreement is subject to**  
383. **attached Addendum to Purchase Agreement:**  
384. **Counteroffer.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Radon in Real Estate Transactions



All Minnesota homes can have dangerous levels of **radon gas** in them. Radon is a colorless, odorless and tasteless **radioactive gas** that can seep into homes from the earth. When inhaled, its radioactive particles can damage the cells that line 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, making it a serious health concern for all Minnesotans.

It **does not matter if the home is old or new** and 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 built before 2010** and **1 in 5 homes built since 2010** exceed the 4.0 pCi/L action level.



In Minnesota, buyers and sellers in a real estate transaction are free to negotiate radon testing and reduction. Ultimately, it is up to the buyer to decide an acceptable level of radon risk in the home. Prospective buyers should keep in mind that it is inexpensive and easy to measure radon, and radon levels can be lowered at a reasonable cost. The MDH Radon Program website provides more detailed information on radon, including the MDH brochure "Keeping Your Home Safe from Radon."

The Minnesota Radon Awareness Act does not require radon testing or mitigation. However, many relocation companies and lending institutions, as well as home buyers, require a radon test when purchasing a house. 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. This publication is being provided by the seller in order to meet a requirement of the Act. In addition, **before signing a purchase agreement to sell or transfer residential real property**, the seller shall disclose in writing to the buyer any knowledge the seller has of radon concentrations in the dwelling.

The disclosure shall include:

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 concentrations, mitigation, or remediation;
4. information regarding the radon mitigation system, including system description and documentation, if such system has been installed in the dwelling; and
5. a radon warning statement

### 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."

## Radon Facts

### How dangerous is radon?

Radon is the **number one cause of lung cancer in non-smokers** and the second leading cause of lung cancer overall, next to tobacco smoking. Thankfully, much of this risk can be prevented through testing and taking action to reduce high levels of radon gas when and where they are found. Your risk for lung cancer increases with higher levels of radon gas, prolonged exposure and whether or not you are a smoker.

### Where is your greatest exposure to radon?

Radon is present everywhere, and there is no known safe level. Your greatest exposure is where it can concentrate indoors and where you spend most of your time. For most Minnesotans, this is at home. Whether a home is old or new, well-sealed or drafty, with or without a basement, **any home can have high levels of radon.**



### Where does Radon come from?

Radon comes from the soil. It is produced by the natural decay of uranium and radium commonly found in nearly all soils in Minnesota. As a gas, radon moves freely through the soil and eventually into the air you breathe. Our homes tend to draw soil gases, including radon, into the structure.

### I have a new home, aren't radon levels reduced already?

Homes built in Minnesota since June 2009 are required to contain construction features that may limit radon entry. These features are known as passive Radon Resistant New Construction (RRNC). While these passive RRNC features may lower the amount of radon in newer homes, it does not guarantee low levels. It is recommended all new homes be tested for radon, and if elevated levels are found, these passive RRNC features can be easily and inexpensively activated with the addition of a radon fan in the attic. If you are buying a new home, ask if the home has any RRNC features and if the home has been tested.

### 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 house should be fixed.** Consider fixing the home if radon levels are between 2 pCi/L and 3.9 pCi/L. While it isn't possible to reduce radon to zero, the best approach is to reduce the radon levels to as low as reasonably achievable. Any amount of radon, even below the recommended action level, carries some risk.

## How are radon tests conducted in real estate transactions?

Because of the unique nature of real estate transactions, involving multiple parties and financial interests, there are special protocols for radon testing.



### Continuous Radon Monitor (CRM)

*Fastest*

Test is completed by a certified contractor with a calibrated CRM for a minimum of 48 hours.

Test report is analyzed to ensure that it is a valid test.



### Simultaneous Short-term Testing

*Second fastest*

Two short-term test kits are used at the same time, placed 6-12 inches apart, for a minimum of 48 hours.

Test kits are sent to the lab for analysis.

The two test results are averaged to get the radon level.



### Sequential Short-Term Testing

*Slowest*

One short-term test is performed for a minimum of 48 hours.

Test kit is sent to lab for analysis.

Another short-term kit is used in the same place as the first, started right after the first test is taken down. Test is performed for a minimum of 48 hours.

Test kit is sent to the lab for analysis.

The two test results are averaged to get the radon level.

## Radon Testing

### House conditions when testing

Be aware that any test lasting less than three months requires closed-house conditions.

**Closed-house Conditions:** Mean keeping 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.

### Where the test should 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. In Minnesota, this is typically in the basement, whether it is finished or unfinished.

The test kit should be placed:

- two 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
- not in areas of high heat or humidity

If the house has multiple foundation types, it is recommended that each of these be tested. For instance, if the house has one or more of the following foundation types--basement, crawl space, slab-on-grade--a test should be performed in the basement and in at least one room over the crawlspace and one room with a slab-on-grade area.

## Who should conduct radon testing in real estate transactions?

All radon tests should be conducted in accordance with national radon measurement protocols, by a certified and MDH-listed 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 web site. A seller may have previously conducted testing in a property. If the test result is at or above the action level, the home should be mitigated.

## Radon Mitigation

### Lowering radon in existing homes – Radon Mitigation

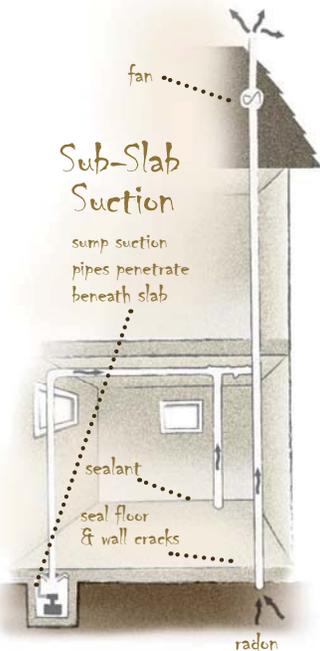
When elevated levels of radon are found, they should be mitigated. Elevated radon concentrations can be easily reduced by a nationally certified and MDH-listed radon mitigation professional. A list of these radon mitigation professionals can be found at MDH's Radon web site.

Radon mitigation is the process or system used to reduce radon concentrations in the breathing zones of occupied buildings. The goal of a radon mitigation system is to reduce the indoor radon levels to below the EPA action level of 4.0 pCi/L. A quality radon reduction (mitigation) system is often able to reduce the annual average radon level to below 2.0 pCi/L

Active sub-slab suction (also called sub-slab depressurization, or SSD) is the most common and usually the most reliable type of system because it draws radon-filled air from beneath the house and vents it outside. There are standards of practice that need to be followed for the installation of these systems. More information on radon mitigation can be found at the MDH Radon website.

### After a radon reduction system is installed

Perform an independent short-term test to ensure that the reduction system is effective. Make sure the radon system is operating during the entire test. Once a confirmatory radon test shows low levels of radon in the home, be sure to retest the house every two years to confirm continued radon reduction.



### Contact the MDH Radon Program if you are uncertain about anything regarding radon testing or mitigation.

The MDH Radon Program can provide:

- Information about radon health effects, radon testing and radon mitigation;
- Names of trained, certified and MDH-listed radon professionals;

### MDH Radon Program

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P.O. Box 64975  
St. Paul, MN 55164-0975  
(651) 201-4601  
1(800) 798-9050



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Web: [www.health.state.mn.us/radon](http://www.health.state.mn.us/radon)