

**CONDOMINIUM/TOWNHOUSE/
COOPERATIVE ADDENDUM
COMMON INTEREST COMMUNITY (CIC)**

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1. Date _____
2. Page _____

3. Addendum to Purchase Agreement between parties dated _____, 20____, pertaining to the purchase and sale
4. of property at _____

5. _____
6. **THIS TRANSACTION MAY NOT BE SUBJECT TO THE DISCLOSURE REQUIREMENTS (see information on back of form)
7. AND TEN (10) DAY RIGHT OF CANCELLATION DESCRIBED BELOW. BUYER MAY WISH TO DETERMINE WHETHER THESE
8. PROVISIONS APPLY BEFORE PROCEEDING WITH THIS OFFER TO PURCHASE.**

9. **NOTICE:** Unless otherwise exempt, the following statutory NOTICE applies to transactions involving condominiums,
10. or cooperatives, or planned communities (including townhomes) that are subject to or have elected to be subject to the
11. Minnesota Common Interest Ownership Act (MCIOA), Minnesota Statutes 515B.1-101 through 515B.4-118:
12. "The following notice is required by Minnesota Statutes. The purchaser is entitled to receive a disclosure
13. statement or resale disclosure certificate, as applicable. The disclosure statement or resale disclosure certificate
14. contains important information regarding the common interest community and the purchaser's cancellation rights."

15. **DOCUMENTATION AND RIGHT TO CANCEL**

16. **APPLICABILITY:** If this transaction involves ownership of a condominium, or of a cooperative, or of a unit in a
17. planned community (including townhomes) that is subject to or has elected to be subject to MCIOA,
18. then the following disclosure requirements and right of cancellation apply to this transaction. However, certain properties are
19. exempt from coverage under MCIOA. Buyer may wish to determine whether this property is subject to MCIOA before
20. submitting an offer to purchase.

21. **DOCUMENTS: Seller is required to furnish Buyer with the following documents relating to the Association or to the
22. Master Association, if applicable, before conveyance of unit:**

23. 1) (a) copies of the **declaration**, if any (other than any CIC plat), (b) the **articles of incorporation**, (c) **bylaws**, (d) any **rules
24. and regulations** for the Association or Master Association, if any, and (e) any **amendments thereto**;
25. 2) the organizational and operating documents relating to the Master Association, if any (for resale of the property);
26. 3) a **Disclosure Statement** (for initial sale of property) or **Resale Disclosure Certificate** (for resale of the property) and all
27. amendments thereto required by MCIOA 515B.4-101 or 515B.4-107. The Resale Disclosure Certificate from the Association must
28. be dated not more than 90 days prior to the date of the Purchase Agreement or the date of conveyance, whichever is earlier.
29. The Association may charge a reasonable fee for providing the required documents, which shall be paid by Seller unless
30. otherwise agreed to in writing. A Seller, on resale of the property, is not liable to Buyer for any erroneous information
31. provided by the Association and included in the Resale Disclosure Certificate. Nor is a Seller, on resale of the property, liable
32. to Buyer for failure of the Association to provide the Resale Disclosure Certificate, or for a delay by the Association in
33. providing said Disclosure Certificate in a timely manner. For an initial sale of the property, a declarant of a common interest
34. community may be liable to provide the Disclosure Statement and its contents.

35. **RIGHT TO CANCEL PURCHASE AGREEMENT: Unless Buyer received said documents more than ten (10) days before
36. signing the Purchase Agreement, Buyer has the right to cancel this Purchase Agreement within ten (10) days of receipt
37. of said documents.** If an Amendment to a Disclosure Statement (for an initial sale of the property only) materially and
38. adversely affects a Buyer, then Buyer may cancel this Purchase Agreement within ten (10) days after delivery of the Amendment.
39. If Buyer elects to cancel this Purchase Agreement, the Agreement shall become null and void. Buyer and Seller shall immediately
40. sign a Cancellation of Purchase Agreement directing all earnest money paid hereunder to be refunded to Buyer. Buyer shall return all
41. documents to Seller or shall reimburse Seller for Seller's cost to obtain the documents. Buyer may cancel, without penalty, by
42. either delivering written notice of cancellation to Seller, or Licensee representing or assisting Seller, or by mailing such notice by
43. postage-prepaid U.S. mail, to Seller, or Licensee representing or assisting Seller, within said ten-day period.
44. On residential transactions, the ten-day rescission period cannot be waived or shortened except by Buyer's acceptance
45. of conveyance (closing) of the property, in accordance with MN Statute 515B.

46. **ASSOCIATION RESERVES AND ASSESSMENTS**

47. The selling price includes any funds held in reserve by the Homeowner's Association for repairs or capital improvements.
48. There shall be no adjustment at closing for such reserves, except for such portion of the current (month of closing) monthly
49. assessments allotted for such reserves.

50. **REGULAR ASSESSMENTS:** All Homeowner's Association regular assessments shall be paid to date of closing by Seller
51. as required by Homeowner's Association documents. The installment of regular assessments due or paid in the month
52. of closing shall be prorated between Buyer and Seller as of the date of closing. Seller shall furnish paid receipts or a letter
53. from the Homeowner's Association at closing, confirming that all assessments have been paid as required by Homeowner's
54. Association documents.

55. **HOMEOWNER'S ASSOCIATION SPECIAL ASSESSMENTS:** shall be handled as specified on page one (1) of the Purchase Agreement.
56. Seller makes no representation or warranty whatsoever concerning the amount of Homeowner's Association assessments
57. which may be assessed against the property after the date of closing. Such information, if known, is reflected in the Disclosure
58. Statement or Resale Disclosure Certificate. However, Seller shall provide Buyer with any written notice received by Seller from
59. the Homeowner's Association relating to potential expenditures which may occur subsequent to the date of closing.

60. **WARRANTY DISCLAIMER**

61. **Notwithstanding anything to the contrary contained in this Purchase Agreement, Seller makes no warranty of any
62. kind regarding the condition of the common areas and facilities, subject to any statutorily mandated warranty. For
63. an initial sale of a property, the builder/developer may be required by statute to provide specified warranties.**

64. **OTHER:**

65. _____
(Seller) (Date) (Buyer) (Date)
66. _____
(Seller) (Date) (Buyer) (Date)

67. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.**
68. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

69. Most common interest communities will be subject to MN Statute (M.S.) 515B (MCIOA); however, current
70. M.S. 515B.1-102 (e) states that Chapter 515B shall **not apply, unless the association has elected to be covered**
71. **by M.S. 515B (MCIOA)**, to the following:

72. (1) a planned community or cooperative which consists of 12 or fewer units subject to the same declaration,
73. which is not subject to any rights to add additional real estate and which will not be subject to a master association;
74. (2) a common interest community where the units consist solely of separate parcels of real estate designed or
75. utilized for detached single-family dwellings or agricultural purposes, and where the association has no obligation
76. to maintain any building containing a dwelling or any agricultural building;
77. (3) a cooperative where, at the time of creation of the cooperative, the unit owners' interests in the dwellings as
78. described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20
79. years, including renewal options;
80. (4) planned communities and cooperatives limited by the declaration to nonresidential use; or
81. (5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying
82. rights with respect to access, utilities, parking, ditches, drainage or irrigation.

83. Unless a common interest community described in (1) – (5) above has elected to be subject to M.S. 515B, Seller
84. would not be required to give a Resale Disclosure Certificate or the ten-day Purchaser's Right of Rescission.

85. **If you have determined that the common interest community is subject to M.S. 515B, then the seller MUST**
86. **provide a Resale Disclosure Certificate and the ten-day Purchaser's Right of Rescission for all common interest**
87. **communities, including condominiums, townhomes and cooperatives, regardless of when they were created.**

88. M.S. 515B.4-101 (c)

89. **Neither a Disclosure Statement nor a Resale Disclosure Certificate need be prepared or delivered in the case of:**

90. (1) a gratuitous transfer;
91. (2) a transfer pursuant to a court order;
92. (3) a transfer to a government or governmental agency;
93. (4) a transfer to a secured party by foreclosure or deed in lieu of foreclosure;
94. (5) an option to purchase a unit, until exercised;
95. (6) a transfer to a person who "controls," or is "controlled by," the grantor, as those terms are defined with respect
96. to a declarant under section 515B.1-103(2);
97. (7) a transfer by inheritance;
98. (8) a transfer of special declarant rights under section 515B.3-104; or
99. (9) a transfer in connection with a change of form of common interest community under section 515B.2-123.

100. A Disclosure Statement and a Resale Disclosure Certificate can be waived by agreement of purchasers of a unit which is
101. restricted to **nonresidential** use.