

NEW CONSTRUCTION PURCHASE AGREEMENT

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1. Date _____
2. Page 1 of _____

3. RECEIVED OF _____
4. _____
5. the sum of _____ Dollars (\$ _____)
6. by **CHECK / CASH / NOTE** as earnest money upon acceptance of Purchase Agreement by all parties: *(check one)*
-----*(circle one)*-----
7. GIVEN TO THE SELLER ("BUILDER") AS A CONSTRUCTION DEPOSIT FOR PART PAYMENT OF MATERIALS AND LABOR; OR
8. TO BE DEPOSITED ON OR BEFORE THE THIRD BUSINESS DAY AFTER ACCEPTANCE IN A TRUST ACCOUNT OF THE LISTING BROKER
9. but to be returned to Buyer if Purchase Agreement is not accepted by Builder. Said earnest money is part payment for the purchase
10. of the property located at:
11. Street Address: _____
12. City of _____, County of _____, State of Minnesota,
13. Legally described as: _____
14. _____
15. Builder hereby agrees to construct upon the Real Property a home together with other improvements to be built in substantial conformance with
16. the Plans and Specifications for the _____, a copy of which
(Plan # or Model Name)
17. is attached to this Purchase Agreement as Exhibit "A" or is in the office of Builder. The Real Property, as improved by construction, together with
18. Personal Property, if any, chosen by Buyer and to be provided by Builder, is hereinafter referred to as "Property," which Builder has this
19. date agreed to sell to Buyer for the sum of (\$ _____)
20. _____ Dollars, which Buyer agrees to pay as follows:
21. earnest money of \$ _____; and additional earnest money of \$ _____
22. due _____
(Dates, Terms or Conditions)
23. _____
24. _____; and
25. \$ _____ cash on _____, the date of closing, and the balance of \$ _____ by financing in
26. accordance with the attached addendum:
27. **Conventional / FHA / DVA / Purchase Money Mortgage / Contract for Deed / Other:** _____
-----*(circle all that apply)*-----
28. This Purchase Agreement **IS / IS NOT** subject to a Contingency Addendum for sale of Buyer's property. (If answer is **IS**, see attached addendum.)
-----*(circle one)*-----
29. (If answer is **IS NOT**, the closing of Buyer's property, if any, may still affect Buyer's ability to obtain financing, if financing is applicable.)
30. This Purchase Agreement **IS / IS NOT** subject to a cancellation of a previously written Purchase Agreement dated _____.
-----*(circle one)*-----
31. (If answer is **IS**, said cancellation shall be obtained no later than _____, 20 _____. If said cancellation is not obtained by said date, this
32. Purchase Agreement shall become null and void. Buyer and Builder shall immediately sign a Cancellation of Purchase Agreement directing all
33. earnest money paid hereunder to be refunded to Buyer.)
34. This Purchase Agreement **IS / IS NOT** subject to a Vacant Land Addendum. (If answer is **IS**, see attached addendum.)
-----*(circle one)*-----
35. This Purchase Agreement **IS / IS NOT** subject to an Inspection Addendum. (If answer is **IS**, see attached addendum.)
-----*(circle one)*-----
36. **PRICE PROTECTION:** If this Agreement is contingent, a _____-day price protection is granted from the date of this Purchase
37. Agreement. If the contingency is not removed within said time period, price shall become null and void. Buyer and Builder will then
38. renegotiate the price. In the event the price cannot be renegotiated, this Agreement shall become null and void. Buyer and Builder shall
39. immediately sign a Cancellation of Purchase Agreement.
40. **COMMENCEMENT OF CONSTRUCTION:** Upon execution of this Agreement and clearing of all contingencies, Builder shall continue to work with
41. all reasonable diligence to final completion.
42. BUYER AGREES THAT THE DIRECTION AND SUPERVISION OF THE WORK FORCES, INCLUDING SUBCONTRACTORS, RESTS
43. EXCLUSIVELY WITH BUILDER. BUYER AGREES NOT TO INTERFERE WITH OR ISSUE INSTRUCTIONS TO WORK FORCES,
44. NOR TO CONTRACT FOR ADDITIONAL WORK WITH CONTRACTORS OR SUBCONTRACTORS EXCEPT WITH BUILDER'S
45. WRITTEN PERMISSION. IF PERMISSION IS GRANTED, SUCH ADDITIONAL WORK SHALL NOT INTERFERE WITH BUILDER'S
46. COMPLETION OF THE CONSTRUCTION OF THE HOME.
47. **MODIFICATIONS:** Any significant change in the Plans and Specifications must be approved in writing by both parties citing by CHANGE
48. ORDER any increase or decrease in the purchase price caused by such change. Unless otherwise agreed in writing, any such increase or
49. decrease shall be reflected as an adjustment in cash at **EXECUTION OF THE CHANGE ORDER / CLOSING**. Materials of similar type
-----*(circle one)*-----
50. and quality may be substituted without notice to or consent of Buyer, as long as such change or substitution shall not substantially alter
51. the character of the home or reduce the value thereof.
52. **COMPLETION:** At closing, Builder shall furnish proper individual lien waivers for all labor and materials provided. Builder's funds shall
53. be escrowed for any work which cannot be completed because of weather conditions or because of mortgage requirements. Such
54. escrowed funds shall be payable to Builder upon completion of such specified work.
55. **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Builder shall deliver a **Warranty Deed** or **Other:** _____ **Deed**
-----*(circle one)*-----
56. joined in by spouse, if any, conveying marketable title, subject to:
57. (A) building and zoning laws, ordinances, state and federal regulations; (B) restrictions relating to use or improvement of the property without
58. effective forfeiture provisions; (C) reservation of any mineral rights by the State of Minnesota; (D) utility and drainage easements which do not
59. interfere with existing improvements; (E) **rights of tenants as follows** (unless specified, not subject to tenancies): _____
60. _____;
61. (F) others (must be specified in writing): _____.

63. **TITLE & EXAMINATION:** Within a reasonable time after acceptance of this Agreement, Builder shall provide evidence of title, which shall
64. include proper searches covering bankruptcies, state and federal judgments and liens, and levied and pending special assessments to Buyer or
65. Buyer's designated title service provider, as follows:
66. **If property is abstract,** Builder shall provide either (1) a commitment for an owner's policy of title insurance on a current ALTA form issued
67. by an insurer licensed to write title insurance in Minnesota. Builder shall pay the cost of an owner's policy, including the
68. entire premium, title examination fee and the costs of evidence of title for such title insurance policy if no lender's
69. policy is obtained; or only the additional cost of obtaining a simultaneously issued owners policy if a lender's policy
70. is obtained (Buyer shall pay the premium and the title examination fee for the lender's policy); or (2) an abstract of title
71. certified to date. Builder shall pay for all abstracting fees and surrender any abstract in Builder's possession or control to Buyer at closing.
72. **If property is Torrens,** Builder shall provide, at Buyer's option and request, either (1) a Registered Property Abstract (RPA) certified
73. to date; or (2) a commitment for an owner's policy of title insurance on a current ALTA form issued by an insurer licensed to write
74. title insurance in Minnesota. Builder shall be responsible to pay, under either option, only those costs necessary to prepare the RPA
75. or commitment. Buyer shall, at Buyer's option, pay for either the Attorney's Opinion or the title insurance premium and examination fee.
76. Builder shall use Builder's best efforts to provide marketable title by the date of closing. In the event Builder has not provided
77. marketable title by the date of closing, Builder shall have an additional 30 days to make title marketable or, in the alternative, Buyer may
78. waive the defects by written notice to Builder. In addition to the 30-day extension, Buyer and Builder may by mutual agreement
79. further extend the closing date. Lacking such extension, either party may declare this Purchase Agreement null and void; neither party
80. shall be liable for damages hereunder to the other. Buyer and Builder shall immediately sign a Cancellation of Purchase Agreement
81. directing all earnest money paid hereunder to be refunded to Buyer.
82. **General Warranties:** Builder warrants that buildings are or will be constructed entirely within the boundary lines of the Property. Builder
83. warrants that there is a right of access to the property from a public right-of-way. These warranties shall survive the delivery of
84. deed or contract for deed.
85. Builder warrants that prior to the closing, payment in full will have been made for all labor, materials, machinery, fixtures or tools
86. furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure on,
87. or improvement to, the property.
88. Builder warrants that Builder has not received any notice from any governmental authority as to violation of any law, ordinance or
89. regulation. If the property is subject to restrictive covenants, Builder warrants that Builder has not received any notice from any person
90. or authority as to a breach of the covenants. Any notices received by Builder will be provided to Buyer immediately.
91. **RISK OF LOSS:** If there is any loss or damage to the property between the date hereof and the date of closing for any reason, including
92. fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Builder. If the property is destroyed or substantially damaged
93. before the closing date, this Purchase Agreement shall become null and void, at Buyer's option. Buyer and Builder shall immediately sign
94. a Cancellation of Purchase Agreement directing all earnest money paid hereunder to be refunded to Buyer.
95. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
96. **WALK-THROUGH REVIEW:** Buyer has the right to a walk-through review of the Property prior to closing.
97. **ENTIRE AGREEMENT:** This Purchase Agreement, any attached exhibits and any addenda or amendments signed by the parties shall
98. constitute the entire agreement between Builder and Buyer and supersedes any other written or oral agreements between Builder and
99. Buyer. This Purchase Agreement can be modified or canceled only in writing signed by Builder and Buyer or by operation of law. All
100. monetary sums are deemed to be United States currency for purposes of this Agreement. Buyer or Builder may be required to pay
101. certain closing costs which may effectively reduce the proceeds from the sale or increase the cash outlay at closing.
102. **ACCEPTANCE:** Buyer understands and agrees that this Purchase Agreement is subject to acceptance by Builder in writing. The
103. delivery of all papers and monies shall be made at the listing broker's office.
104. **DEFAULT:** If Buyer defaults in any of the agreements herein, Builder may terminate this Purchase Agreement, and payments made
105. hereunder may be retained by Builder as liquidated damages. If this Purchase Agreement is not so terminated, this provision shall not
106. deprive either Buyer or Builder of the right to recover damages for breach of this Agreement or of the right to specific performance of this
107. Agreement; and, as to specific performance, such action must be commenced within six (6) months after such right of action arises.
108. **NEW CONSTRUCTION STATUTORY WARRANTIES: MINNESOTA LAW REQUIRES THAT A SELLER OF NEW HOMES
109. MUST PROVIDE CERTAIN WARRANTIES TO THE PURCHASER. BUILDER WARRANTS TO THE FIRST
110. PURCHASER AND SUBSEQUENT PURCHASERS THAT: "(1) DURING THE ONE-YEAR PERIOD FROM AND AFTER
111. THE WARRANTY DATE, THE DWELLING SHALL BE FREE FROM DEFECTS CAUSED BY FAULTY WORKMANSHIP
112. AND DEFECTIVE MATERIALS DUE TO NONCOMPLIANCE WITH BUILDING STANDARDS; (2) DURING THE TWO-
113. YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL BE FREE FROM DEFECTS
114. CAUSED BY FAULTY INSTALLATION OF PLUMBING, ELECTRICAL, HEATING AND COOLING SYSTEMS; AND
115. (3) DURING THE TEN-YEAR PERIOD FROM AND AFTER THE WARRANTY DATE, THE DWELLING SHALL BE FREE
116. FROM MAJOR CONSTRUCTION DEFECTS." THE WARRANTY DATE IS THE DATE THE FIRST BUYER FIRST
117. OCCUPIES THE NEW DWELLING OR THE DATE ON WHICH THE FIRST BUYER TAKES LEGAL TITLE TO THE
118. NEW DWELLING. WRITTEN CLAIMS UNDER THE WARRANTY MUST BE REPORTED TO BUILDER
119. WITHIN SIX MONTHS AFTER DISCOVERY OF THE DEFECT. TO DETERMINE THE EXACT COVERAGE UNDER THE
120. WARRANTY AND THE EXCLUSION TO THE WARRANTY, SEE MINNESOTA STATUTES SECTION 327A.01.**
121. **IMPORTANT HEALTH NOTICE:**
122. SOME OF THE BUILDING MATERIALS USED IN THIS HOME (OR THESE BUILDING MATERIALS) EMIT FORMALDEHYDE. EYE,
123. NOSE AND THROAT IRRITATION, HEADACHE, NAUSEA AND A VARIETY OF ASTHMA-LIKE SYMPTOMS, INCLUDING SHORTNESS OF
124. BREATH, HAVE BEEN REPORTED AS A RESULT OF FORMALDEHYDE EXPOSURE. ELDERLY PERSONS AND YOUNG
125. CHILDREN, AS WELL AS ANYONE WITH A HISTORY OF ASTHMA, ALLERGIES OR LUNG PROBLEMS, MAY BE AT
126. GREATER RISK. RESEARCH IS CONTINUING ON THE POSSIBLE LONG-TERM EFFECTS OF EXPOSURE TO FORMALDEHYDE.
127. REDUCED VENTILATION MAY ALLOW FORMALDEHYDE AND OTHER CONTAMINANTS TO ACCUMULATE IN THE INDOOR
128. AIR. HIGH INDOOR TEMPERATURES AND HUMIDITY RAISE FORMALDEHYDE LEVELS. WHEN A HOME IS TO BE LOCATED IN
129. AREAS SUBJECT TO EXTREME SUMMER TEMPERATURES, AN AIR-CONDITIONING SYSTEM CAN BE USED TO CONTROL
130. INDOOR TEMPERATURE LEVELS. OTHER MEANS OF CONTROLLED MECHANICAL VENTILATION CAN BE USED TO REDUCE
131. LEVELS OF FORMALDEHYDE AND OTHER INDOOR AIR CONTAMINANTS.
132. IF YOU HAVE ANY QUESTIONS REGARDING THE HEALTH EFFECTS OF FORMALDEHYDE, CONSULT YOUR DOCTOR OR
133. LOCAL HEALTH DEPARTMENT.
134. **LIEN NOTICE:** (A) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR
135. PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE
136. CONTRIBUTIONS. (B) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSONS WHO SUPPLIED LABOR OR
137. MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM YOUR CONTRACT PRICE, OR WITHHOLD
138. THE AMOUNTS DUE THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT, UNLESS WE GIVE YOU A LIEN
139. WAIVER SIGNED BY PERSONS WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU
140. TIMELY NOTICE.
141. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender registry
142. and persons registered with the predatory offender registry under MN Statute, 243.166, may be obtained by contacting
143. the local law enforcement offices in the community where the property is located, or the Minnesota Department of
144. Corrections at (651) 642-0200, or from the Department of Corrections Web site at www.corr.state.mn.us.

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145. Address _____

146. Page 3 Date _____

- 147. **BUYER SHALL PAY / BUILDER SHALL PAY** _____ on date of closing any deferred real estate taxes (e.g., Green Acres, etc.) or special assessments, _____
(circle one)
- 148. payment of which is required as a result of the closing of this sale.
- 149. **BUYER AND BUILDER SHALL PRORATE AS OF THE DATE OF CLOSING / BUILDER SHALL PAY ON DATE OF CLOSING** all installments _____
(circle one)
- 150. of special assessments certified for payment with the real estate taxes due and payable in the year of closing.
- 151. **BUYER SHALL ASSUME / BUILDER SHALL PAY** _____ on date of closing all other special assessments levied as of the date of this Agreement.
(circle one)
- 152. **BUYER SHALL ASSUME / BUILDER SHALL PROVIDE FOR PAYMENT OF** _____ special assessments pending as of the date of this Agreement
(circle one)
- 153. for improvements that have been ordered by any assessing authorities. (Builder's provision for payment shall be by payment
- 154. into escrow of two (2) times the estimated amount of the assessments or less, as required by Buyer's lender.)
- 155. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of which is not
- 156. otherwise herein provided. As of the date of this Agreement, Builder represents that Builder **HAS / HAS NOT** received a notice regarding _____
(circle one)
- 157. any new improvement project from any assessing authorities, the cost of which project may be assessed against
- 158. the Property. Any such notice received by Builder after the date of this Agreement and before closing will be provided to Buyer
- 159. immediately. If notice of a pending special assessment is issued after the date of this Agreement and on or before the date of closing,
- 160. then the parties may agree in writing, on or before the date of closing, to pay, provide for the payment of, or assume the special assessments. In the
- 161. absence of such agreement, either party may unilaterally pay, provide for the payment of, or assume such special assessments.
- 162. In the absence of said agreement or said unilateral election, either party may declare this Purchase Agreement null and void. Buyer and Builder
- 163. shall immediately sign a Cancellation of Purchase Agreement directing all earnest money paid hereunder to be refunded to Buyer.
- 164. Buyer shall pay **PRORATED FROM DAY OF CLOSING /** _____ **12THS / ALL / NONE** real estate taxes due and payable in the year 20 _____.
(circle one)
- 165. Builder shall pay **PRORATED TO DAY OF CLOSING /** _____ **12THS / ALL / NONE** real estate taxes due and payable in the year 20 _____.
(circle one)
- 166. If the closing date is changed, the real estate taxes paid shall, if prorated, be adjusted to the new closing date. Builder warrants that taxes
- 167. due and payable in the year 20 _____ will be **NON-HOMESTEAD** classification. Builder agrees to pay Buyer at closing \$ _____
- 168. toward the non-homestead real estate taxes. Buyer agrees to pay any remaining balance of non-homestead taxes when they become
- 169. due and payable. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which is
- 170. not otherwise herein provided. No representations are made concerning the amount of subsequent real estate taxes.

171. **COVENANTS, CONDITIONS & RESTRICTIONS:**

172. **Builder warrants that Builder has delivered copies of all covenants, conditions and restrictions pertaining to the Property, and**

173. **Buyer acknowledges receipt and acceptance of all covenants, conditions and restrictions.**

174. **BUILDER & BUYER INITIAL(S):** **Builder(s)** _____ **Buyer(s)** _____

175. **SPECIAL WARRANTIES:**

176. **BUILDER WARRANTS THAT PROPERTY WILL BE / WILL NOT BE** EITHER DIRECTLY OR INDIRECTLY CONNECTED TO CITY SEWER.
(circle one)

177. **BUILDER WARRANTS THAT PROPERTY WILL BE / WILL NOT BE** EITHER DIRECTLY OR INDIRECTLY CONNECTED TO CITY WATER.
(circle one)

178. **BUILDER WARRANTS, AS MN STATUTE 327A.02 SUBD. 1(b) REQUIRES, THAT PLUMBING, ELECTRICAL, HEATING AND**

179. **COOLING SYSTEMS TO BE FREE FROM DEFECTS CAUSED BY FAULTY INSTALLATION FOR A TWO-YEAR PERIOD, AND WILL BE IN**

180. **WORKING ORDER AT TIME OF CLOSING. APPLIANCES PROVIDED WITH THE PROPERTY BEAR ONLY THE WARRANTIES ESTABLISHED**

181. **BY THE MANUFACTURER, AND BUILDER MAKES NO ADDITIONAL WARRANTIES ON APPLIANCES, EXPRESS OR IMPLIED.**

182. **BUILDER CERTIFIES THAT BUILDER DOES / DOES NOT** KNOW OF A PRIVATE SEWER SYSTEM ON OR SERVING THE PROPERTY.
(circle one) (If answer is **DOES**, see *Private Sewer System Disclosure*.)

183. **BUILDER CERTIFIES THAT BUILDER DOES / DOES NOT** KNOW OF ANY WELLS ON OR SERVING THE PROPERTY.
(circle one) (If answer is **DOES**, see *Well Disclosure Statement*.)

184. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAD THE OPPORTUNITY TO REVIEW THE ARBITRATION DISCLOSURE**

185. **AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT.**

186. **SELLER(S)** _____ **BUYER(S)** _____

187. **SELLER(S)** _____ **BUYER(S)** _____

188. **NOTICE**

189. _____ is Seller's Agent / Buyer's Agent / Dual Agent / Facilitator
(Licensee) (circle one)

190. _____
(Company)

191. _____ is Seller's Agent / Buyer's Agent / Dual Agent / Facilitator
(Licensee) (circle one)

192. _____
(Company)

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

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194. Address _____

195. Page 4 Date _____

196. **DUAL AGENCY REPRESENTATION**

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

198. Dual Agency representation **DOES NOT** apply in this transaction. *Disregard lines 199-212.*

199. Dual Agency representation **DOES** apply in this transaction. *Complete the disclosure in lines 200-212.*

200. Broker represents both the Seller(s) and the Buyer(s) of the property involved in this transaction, which creates a dual agency. This

201. means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because the parties may have conflicting

202. interests, Broker and its salespersons are prohibited from advocating exclusively for either party. Broker cannot act as a dual agent in this

203. transaction without the consent of both Seller(s) and Buyer(s). Seller(s) and Buyer(s) acknowledge that:

204. (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will remain confidential

205. unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other information will be shared;

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

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

208. With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker and its

209. salesperson to act as dual agents in this transaction.

210. Seller _____ Buyer _____

211. Seller _____ Buyer _____

212. Date _____ Date _____

213. I, the owner of the property, accept this Agreement and I agree to purchase the property for the price and on

214. authorize the listing broker to withdraw said property from the terms and conditions set forth above.

215. the market, unless instructed otherwise in writing. **I have reviewed all pages of this Purchase Agreement.**

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

217. If checked, this Agreement is subject to attached

218. Counteroffer Addendum.

219. **X** _____ **X** _____

(Builder's Signature) (Date) (Buyer's Signature) (Date)

220. _____

(Builder's Printed Name) (Marital Status) (Buyer's Printed Name)

221. _____

(Social Security Number - optional) (Marital Status)

222. **X** _____ **X** _____

(Builder's Signature) (Date) (Buyer's Signature) (Date)

223. _____

(Builder's Printed Name) (Marital Status) (Buyer's Printed Name)

224. _____

(Social Security Number - optional) (Marital Status)

225. Builder's License Number _____

226. Builder's Federal ID Number or SS # _____

227. **FINAL ACCEPTANCE DATE** _____ **SELLING LICENSEE** _____

228. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYERS AND SELLERS.**

229. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**