

## AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

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2. **MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with  
3. consumers what type of agency representation or relationship they desire.<sup>(1)</sup> The available options are listed below. This  
4. is **not** a contract. **This is an agency disclosure form only. If you desire representation you must enter into a**  
5. **written contract, according to state law** (a listing contract or a buyer/tenant representation contract). Until such time  
6. as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive  
7. any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see  
8. paragraph IV on page two (2)), unless the broker or salesperson is representing another party, as described below.

9. **ACKNOWLEDGMENT: I/We acknowledge that I/we have been presented with the below-described options.**  
10. **I/We understand that until I/we have signed a representation contract, I/we am/are not represented by the**  
11. **broker/salesperson. I/We understand that written consent is required for a dual agency relationship.**

12. **THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.**

13. **Contract for Deed Investor**

(Signature)

(Date)

(Signature)

(Date)

14. I. **Seller's/Landlord's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker,  
15. represents the Seller/Landlord and acts on behalf of the Seller/Landlord. A Seller's/Landlord's broker owes to  
16. the Seller/Landlord the fiduciary duties described on page two (2).<sup>(2)</sup> The broker must also disclose to the Buyer  
17. material facts as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and  
18. significantly affect the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to  
19. rental/lease transactions.) If a broker or salesperson working with a Buyer/Tenant as a customer is representing the  
20. Seller/Landlord, he or she must act in the Seller's/Landlord's best interest and must tell the Seller/Landlord any  
21. information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph  
22. IV on page two (2)). In that case, the Buyer/Tenant will not be represented and will not receive advice and counsel  
23. from the broker or salesperson.

24. II. **Buyer's/Tenant's Broker:** A Buyer/Tenant may enter into an agreement for the broker or salesperson to represent  
25. and act on behalf of the Buyer/Tenant. The broker may represent the Buyer/Tenant only, and not the Seller/Landlord,  
26. even if he or she is being paid in whole or in part by the Seller/Landlord. A Buyer's/Tenant's broker owes to the  
27. Buyer/Tenant the fiduciary duties described on page two (2).<sup>(2)</sup> The broker must disclose to the Buyer material facts  
28. as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and significantly affect  
29. the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)  
30. If a broker or salesperson working with a Seller/Landlord as a customer is representing the Buyer/Tenant, he or  
31. she must act in the Buyer's/Tenant's best interest and must tell the Buyer/Tenant any information disclosed to him  
32. or her, except confidential information acquired in a facilitator relationship (see paragraph IV on page two (2)). In  
33. that case, the Seller/Landlord will not be represented and will not receive advice and counsel from the broker or  
34. salesperson.

35. III. **Dual Agency - Broker Representing both Seller/Landlord and Buyer/Tenant:** Dual agency occurs when one  
36. broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same  
37. broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and  
38. means that the broker and salesperson owe the same duties to the Seller/Landlord and the Buyer/Tenant. This  
39. role limits the level of representation the broker and salesperson can provide, and prohibits them from acting  
40. exclusively for either party. In a dual agency, confidential information about price, terms and motivation for pursuing  
41. a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose  
42. specific information about him or her. Other information will be shared. Dual agents may not advocate for one party  
43. to the detriment of the other.<sup>(3)</sup>

44. Within the limitations described above, dual agents owe to both Seller/Landlord and Buyer/Tenant the fiduciary  
45. duties described below.<sup>(2)</sup> Dual agents must disclose to Buyers material facts as defined in MN Statute 82.68, Subd.  
46. 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the  
47. property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)

## AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

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49. IV. **Facilitator:** A broker or salesperson who performs services for a Buyer/Tenant, a Seller/Landlord or both but  
 50. does not represent either in a fiduciary capacity as a Buyer's/Tenant's Broker, Seller's/Landlord's Broker or Dual  
 51. Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY**  
 52. **DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A**  
 53. **WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of  
 54. confidentiality to the party but owes no other duty to the party except those duties required by law or contained in  
 55. a written facilitator services agreement, if any. In the event a facilitator broker or salesperson working with a Buyer/  
 56. Tenant shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson  
 57. must act as a Seller's/Landlord's Broker (see paragraph I on page one (1)). In the event a facilitator broker or  
 58. salesperson, working with a Seller/Landlord, accepts a showing of the property by a Buyer/Tenant being represented  
 59. by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's/Tenant's  
 60. Broker (see paragraph II on page one (1)).

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61. (1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by  
 62. one to four families as their residence.
63. (2) The fiduciary duties mentioned above are listed below and have the following meanings:
64. Loyalty - broker/salesperson will act only in client(s)' best interest.
65. Obedience - broker/salesperson will carry out all client(s)' lawful instructions.
66. Disclosure - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge  
 67. which might reasonably affect the client(s)' use and enjoyment of the property.
68. Confidentiality - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific  
 69. information (such as disclosure of material facts to Buyers).
70. Reasonable Care - broker/salesperson will use reasonable care in performing duties as an agent.
71. Accounting - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.
72. (3) If Seller(s)/Landlord(s) elect(s) not to agree to a dual agency relationship, Seller(s)/Landlord(s) may give up the  
 73. opportunity to sell/lease the property to Buyer(s)/Tenant(s) represented by the broker/salesperson. If Buyer(s)/  
 74. Tenant(s) elect(s) not to agree to a dual agency relationship, Buyer(s)/Tenant(s) may give up the opportunity to  
 75. purchase/lease properties listed by the broker.

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76. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender  
 77. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be  
 78. obtained by contacting the local law enforcement offices in the community where the property is located,  
 79. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at  
 80. <https://coms.doc.state.mn.us/publicregistrantsearch>

MN:AGCYDISC-2 (8/19)



## BUYER REPRESENTATION CONTRACT: EXCLUSIVE

41. Page 2

42. Broker may not receive compensation for brokerage services provided to buyer from any source that exceeds the  
43. amount or rate agreed to in this Contract.

44. Buyer understands that Buyer does not have to pay Broker's compensation if Buyer signs another valid buyer  
45. representation contract or facilitator services agreement after the expiration or cancellation of this Contract, under  
46. which Buyer is obligated to compensate another licensed real estate broker.

47. **CAUTION: BUYER'S ACTIONS IN LOCATING A PROPERTY MAY AFFECT PAYMENT OF COMPENSATION BY**  
48. **SELLER(S) AND MAY THEREFORE OBLIGATE BUYER TO PAY ALL OR PART OF THE COMPENSATION**  
49. **IN CASH AT CLOSING. FOR EXAMPLE: THE ACT OF GOING THROUGH AN OPEN HOUSE**  
50. **UNACCOMPANIED BY BUYER'S BROKER OR LICENSEE REPRESENTING BUYER; OR SIGNING**  
51. **A PURCHASE AGREEMENT THROUGH ANOTHER BROKER OR WITH OWNER (FOR SALE BY**  
52. **OWNER) MAY REQUIRE BUYER'S PAYMENT OF THE FULL COMPENSATION TO BUYER'S BROKER.**

53. **E-MAIL COMMUNICATIONS:**

54. Broker neither sends written wiring instructions nor requests personal financial information via E-Mail. By choosing to  
55. correspond by E-Mail, Buyer acknowledges that Buyer understands and assumes the security risks inherent with E-  
56. Mail.

57. **CLOSING SERVICES:**

58. **NOTICE:** THE REAL ESTATE BROKER, LICENSEE REPRESENTING BUYER, OR REAL ESTATE CLOSING AGENT  
59. HAS NOT EXPRESSED AND, UNDER APPLICABLE STATE LAW, MAY NOT EXPRESS OPINIONS  
60. REGARDING THE LEGAL EFFECT OF THE CLOSING DOCUMENTS OR OF THE CLOSING ITSELF.

61. After a purchase agreement for the property is signed, arrangements must be made to close the transaction. Buyer  
62. understands that no one can require Buyer to use a particular person in connection with a real estate closing and  
63. that Buyer may arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

64. Buyer's choice for closing services: *(Check one.)*

65. ☐ Buyer directs Broker to arrange for a qualified closing agent to conduct the closing.

66. ☒ Buyer shall arrange for a qualified closing agent or Buyer's attorney to conduct the closing.

67. **Contract for Deed Investor**

(Buyer's Initials)

(Buyer's Initials)

68. **ADDITIONAL COSTS:** Buyer acknowledges that Buyer may be required to pay certain closing costs, which may  
69. effectively increase the cash outlay at closing.

70. **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Section 1445 of the Internal Revenue Code  
71. provides that a transferee ("Buyer") of a United States real property interest must withhold tax from the transferor  
72. ("Seller") if the Seller is a foreign person and no exceptions from FIRPTA withholding apply. A Buyer is personally  
73. liable for the full amount of FIRPTA withholding tax required to be withheld unless the Seller furnishes Buyer with  
74. specific documentation ensuring Buyer is exempt from the withholding requirements as prescribed under 26 USC  
75. §1445. Due to the complexity and potential risks of failing to comply with FIRPTA, including the Buyer's responsibility  
76. for withholding the applicable tax, Buyer should **seek appropriate legal and tax advice regarding FIRPTA compliance,**  
77. **as Broker will be unable to assure Buyer that the transaction is exempt from the withholding requirements.**

78. **PRIVATE INSPECTION/WARRANTY:** Broker recommends that Buyer obtain a private home inspection to satisfy  
79. himself/herself with the physical condition of the property. Furthermore, there are warranty programs available for  
80. some properties which warrant the performance of certain components of a property, which warranty programs Buyer  
81. may wish to investigate prior to the Purchase of any specific property.

# BUYER REPRESENTATION CONTRACT: EXCLUSIVE

82. Page 3

83. **AGENCY REPRESENTATION:** If the Buyer chooses to Purchase a property listed by Broker, a dual agency will be  
 84. created. This means that Broker will represent both the Buyer and the seller, and owe the same duties to the seller that  
 85. Broker owes to the Buyer. This conflict of interest will prohibit Broker from advocating exclusively on the Buyer's behalf.  
 86. Dual agency will limit the level of representation Broker can provide. If a dual agency should arise, the Buyer will need  
 87. to agree that confidential information about price, terms and motivation will still be kept confidential unless the Buyer  
 88. instructs Broker in writing to disclose specific information about the Buyer. All other information will be shared. Broker  
 89. cannot act as a dual agent unless both the Buyer and the seller agree to it. By agreeing to a possible dual agency,  
 90. the Buyer will be giving up the right to exclusive representation in an in-house transaction. However, if the Buyer  
 91. should decide not to agree to a possible dual agency, and the Buyer wants Broker to represent the Buyer, the Buyer  
 92. may give up the opportunity to Purchase the properties listed by Broker.

93. Buyer's Instructions to Broker:

94. Having read and understood this information about dual agency, Buyer now instructs Broker as follows:

95. ☒ Buyer will agree to a dual agency representation and will consider properties listed by Broker.

96. ☐ Buyer will not agree to a dual agency representation and will not consider properties listed by Broker.

97. Real Estate Company Name: RE/MAX Professionals

98.  Buyer: Contract for Deed Investor

99. By: Brian Zimpel Buyer: \_\_\_\_\_  
 (Licensee) **Brian Nicholas Zimpel**

100. Date: \_\_\_\_\_

101. **OTHER POTENTIAL BUYERS:** Buyer understands that other potential buyers may consider and/or make offers to  
 102. purchase through Broker the same or similar properties as Buyer is seeking to Purchase. Buyer consents to Broker  
 103. representing such other potential buyers before, during and after the expiration of this Contract.

104. **PREVIOUS AGENCY RELATIONSHIPS:** Broker, or licensee representing Buyer, may have had a previous agency  
 105. relationship with a seller of a property Buyer is interested in Purchasing. Buyer acknowledges that Buyer's Broker, or  
 106. licensee representing Buyer, is legally required to keep information regarding the ultimate price and terms the seller  
 107. would accept and the motivation for selling confidential, if known.

108. **TERMINATION OF FIDUCIARY DUTIES:** Broker's fiduciary duties, except the duty of confidentiality, terminate upon  
 109. Buyer's successful closing of a property or expiration or cancellation of this Contract, whichever occurs first.

110. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory  
 111. offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may  
 112. be obtained by contacting the local law enforcement offices in the community where the property is located  
 113. or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at  
 114. <https://coms.doc.state.mn.us/publicregistrantsearch>.

115. **ENTIRE AGREEMENT:** This Contract and all addenda and amendments signed by the parties shall constitute the  
 116. entire agreement between Buyer and Broker. Any other written or oral communication between Buyer and Broker,  
 117. including, but not limited to, e-mails, text messages, or other electronic communications are not part of this Contract.  
 118. This Contract can be modified or canceled only in writing signed by Buyer and Broker or by operation of law. All  
 119. monetary sums are deemed to be United States currency for purposes of this Contract.

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

122. **CONSENT FOR COMMUNICATION:** Buyer authorizes Broker and its representatives to contact Buyer by mail, phone,  
 123. fax, e-mail, text message or other means of communication during the term of this Contract and any time thereafter.

**BUYER REPRESENTATION  
CONTRACT: EXCLUSIVE**

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125. **OTHER:**

Contract for Deed client TBD

126.

127.

128.

129.

130. **BROKER**

131. **ACCEPTED BY: RE/MAX Professionals**

132. By:  *Brian Zimpel*  
(Licensee's Signature)

133. **Brian Nicholas Zimpel**  
(Licensee's Printed Name)

134. 04/03/2025  
(Date)

135. \_\_\_\_\_  
(Address)

136. \_\_\_\_\_  
(City/State/Zip)

137. \_\_\_\_\_  
(Phone)

138. \_\_\_\_\_  
(E-Mail Address)

139.

140.

141.

142.

143.

144.

145.

146.

147. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER AND BROKER.**  
148. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

**BUYER**

**ACCEPTED BY:** \_\_\_\_\_  
(Buyer's Signature)

Contract for Deed Investor  
(Buyer's Printed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(E-Mail Address)

**BUYER**

**ACCEPTED BY:** \_\_\_\_\_  
(Buyer's Signature)

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

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(E-Mail Address)



# AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT NOTICE

To: Contract for Deed client TBD

From: RE/MAX Professionals

Property: \_\_\_\_\_

This is to give you notice that RM Professionals, Inc. dba RE/MAX Professionals ("Broker") has a business relationship with Insurance Professionals, LLC. Broker and Insurance Professionals, LLC are owned by Professionals, Inc. Because of this relationship, this referral may provide Broker, or Broker's owner, a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for the purchase or sale of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

PROVIDER	SETTLEMENT SERVICES	RANGE OF CHARGES
Insurance Professionals, LLC	Referral to insurance underwriters for property and casualty insurance	5 - 18% of property and casualty insurance premium

## ACKNOWLEDGEMENT

I/we have read this disclosure form, and understand that referring party is referring me/us to purchase the above-described settlement service(s) and may receive financial or other benefit as the result of this referral.

\_\_\_\_\_  
(Buyer/Seller)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Buyer/Seller)

\_\_\_\_\_  
(Date)

## I. SELLER'S DISCLOSURE

Prior to the sale or transfer of residential real property, both Minnesota and Wisconsin statutes require that SELLERS disclose certain information that could affect potential BUYERS.

Minnesota law affords a seller three different options concerning the issue of disclosure. A SELLER may (1) prepare a written disclosure statement, (2) present a prospective BUYER with a written report prepared by a professional inspector, or (3) the written disclosure requirement may be waived if SELLER and prospective BUYER agree in writing.

Similarly, Wisconsin law provides SELLERS specific forms for disclosure of information to BUYERS.

BUYERS and SELLERS alike should carefully consider the legality of the disclosure forms and their contents.

## II. PERMITTED USE

Please be advised that what constitutes a "material fact" is a matter of interpretation. While it is generally the SELLER's obligation to disclose all known facts, the SELLER may not be aware of the BUYER's intended use of the property.

RE/MAX Professionals suggests to BUYER that they investigate and confirm in writing the viability of their intended use for the subject property prior to closing. In a typical residential transaction, such investigation may include but is not limited to permitted use in accordance with all governmental ordinances; investigation of easements to determine permitted or restricted use; complete review of any association covenants, conditions, and restrictions; complete review of any survey of the property; title examination; and property inspection, including water, sewer, soil, and environmental testing.

## III. STATEMENT OF UNDERSTANDING

Unless otherwise acknowledged, you hereby confirm your understanding that RE/MAX Professionals associates are not lawyers, licensed surveyors, home inspectors, contractors, securities dealers, or title examiners. While RE/MAX Professionals associates may assist BUYERS and SELLERS in uncovering material facts, it is expressly understood that any and all warranties are between BUYER and SELLER exclusively, and that RE/MAX Professionals associates have no duty to provide such assistance. BUYER and SELLER expressly agree that they have not relied on any oral or written representation of RE/MAX Professionals. RE/MAX Professionals recommends that you obtain a survey to determine the exact location of property lines.

## IV. BUYER PROTECTION PROGRAMS

We at RE/MAX Professionals want our BUYERS to be aware of various products and services available in the marketplace which may provide some protection to BUYERS, with respect to the condition of the property they purchase. First, there are various persons and entities which perform property inspections on behalf of BUYERS. Such inspections can include the entire property and/or specific items within a property, such as sewer lines, mold, air quality, etc. These inspectors are professionals, trained to observe and recognize problems which would not be readily apparent to those of us without construction experience or training. We strongly recommend that you hire such an inspector either before signing, or as a condition of your purchase agreement.

Additionally, we want you to be aware of home warranty programs available to home BUYERS. These programs may vary greatly as to what is covered, deductibles, coverage limits and cost. Generally, these programs will cover the cost of repairing or replacing covered items, subject to limits and deductibles, during a specified time following closing.

Names of housing inspectors and warranty companies can be found using a phone book or searching the Internet.

## V. BANK-OWNED PROPERTY / CORPORATE-OWNED / AS-IS SALES

With dramatically discounted pricing and enhanced seller urgency, these types of sales can be particularly enticing. These properties may bring with them a host of issues uncommon in a more traditional real estate transaction. While there are great bargains available, not every one is a good deal. In fact, many of them are riddled with issues that are both expensive and time consuming. These SELLERS typically provide very little information, if any, about the property condition making a thorough BUYER's inspection even more critical. Purchasing contracts for these sales can be a minefield of complicated terminology and deviate from the forms that associates are accustomed to. RE/MAX Professionals suggests all BUYERS considering these types of property secure legal advice to evaluate contracts and safeguard their interests.

RESPA strictly prohibits SELLERS from requiring BUYERS to purchase title insurance from any particular title insurance provider. Therefore, RESPA provides BUYERS the ability to choose the title insurance provider of their choice, and BUYERS are under no obligation to use the SELLER's preferred title insurance provider. Please be advised that there may be material differences in the content and quality of the title coverage being provided by any title insurance provider. We strongly recommend that you review the policy carefully prior to closing, especially if you choose to use the title insurance provider recommended by the SELLER.

## VI. THIRD PARTY VENDORS

It is customary in the real estate industry for sales associates to establish a referral network of third-party vendors who complement the sales experience. RE/MAX Professionals' sales associates may refer their clients to a particular lender, insurance agent, attorney, inspector, contractor or any other pertinent vendor. Ordinarily, these referrals develop out of positive experience working with a specific vendor. In making a referral of this nature, RE/MAX Professionals' sales associates are not endorsing vendors or requiring that you use the service of any particular vendor, and expressly disclaim any liability for the actions of any referred third-party vendor. The offer to help you secure outside services is for your convenience only, and shall not be construed as a warranty of those services. If you would like to investigate different options for these services, RE/MAX Professionals strongly encourages you to do so and thoroughly consider all of your alternatives.



## **VII. PROPERTY AND CASUALTY INSURANCE**

As part of our concierge services to BUYERS, we may send you electronic communication inviting you to apply for insurance through our sister company, Insurance Professionals, LLC. If you choose to apply, your application information will be sent to our insurance broker partner, Choice Insurance Agency, Inc.

## **VIII. ADDITIONAL COMMISSION**

RE/MAX Professionals charges an additional commission of \$549 to all clients and customers, BUYERS and SELLERS. All commission received by RE/MAX Professionals, percentage-based commissions, and any additional commissions, represent payment for services provided by RE/MAX Professionals.

## **IX. FAIR HOUSING**

We at RE/MAX Professionals are committed to providing fair housing opportunities in a nondiscriminatory manner in accordance with federal, state and local rules, and expect the same from the BUYERS and SELLERS we represent. By signing below, you understand and agree that you will not refuse to sell/lease, or discriminate in the terms, conditions or privileges of sale/lease to any member of any protected class.

## **X. GOVERNMENT MANDATES**

Certain government entities have regulation specific to vacant properties, foreclosed properties, rental properties, historic properties, and other classifications of property, as well as regulations surrounding the marketing and sale of properties. RE/MAX Professionals makes no warranties or representations as to specific property classifications and the regulations that pertain to such property, nor any regulations surrounding the marketing and sale of properties. RE/MAX Professionals recommends that you contact the county, municipality, or other governmental body, in which your specific property is located for information and requirements specific to that property. The obligation for compliance with these regulations is ultimately that of the SELLER and/or BUYER.

## **XI. E-MAIL COMMUNICATIONS**

RE/MAX Professionals neither sends written wiring instructions nor requests personal financial information via E-Mail. By choosing to correspond by E-mail, you acknowledge that you understand and assume the security risks inherent with E-Mail.

## **XII. HOMEOWNERS ASSOCIATIONS / RESTRICTIVE COVENANTS**

Some properties are part of homeowners' association(s), and/or are subject to restrictive covenants. These entities and/or covenants may impact the use of properties and have other financial implications. Restrictions and costs may change over time. Homeowners' associations that insure owned property often have policies with large deductibles, which may be assessed to each individual property – check with your insurance agent about loss assessment coverage. Large projects, including insurance claims, may be planned for months or even years and extend beyond your anticipated closing date; such projects/claims may have an unexpected financial impact on BUYERS. Association insurance claims with a loss occurring prior to closing, but not assessed until after closing, may not be covered by a BUYERS loss assessment insurance coverage. RE/MAX Professionals recommends that BUYERS request from SELLERS all details about any associations or restrictive covenants affecting the property, as well as details about any pending insurance claims, upcoming restriction changes, or projects that could have a financial impact on BUYERS.

## **ACKNOWLEDGEMENT**

\_\_\_\_\_  
Buyer/Seller Date

\_\_\_\_\_  
Buyer/Seller Date



# PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.  
© 2024 Minnesota Association of REALTORS®

1. Date TBD  
2. Page 1

3. BUYER (S): Contract for Deed Investor  
4. \_\_\_\_\_  
5. Buyer's earnest money in the amount of 5% of purchahse price  
6. \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ )  
7. shall be delivered to listing broker, or, if checked, to ☐ \_\_\_\_\_ no later than two (2) Business  
\_\_\_\_\_ ("Earnest Money Holder")  
8. Days after Final Acceptance Date. Buyer and Seller agree that earnest money shall be deposited in the trust account of  
9. Earnest Money Holder as specified above within three (3) Business Days of receipt of the earnest money or Final  
10. Acceptance Date, whichever is later.  
11. Said earnest money is part payment for the purchase of the property located at  
12. Street Address: TBD  
13. City of \_\_\_\_\_, County of \_\_\_\_\_,  
14. State of Minnesota, Zip Code \_\_\_\_\_, legally described as \_\_\_\_\_  
15. \_\_\_\_\_  
16. Said purchase shall include all improvements, fixtures, and appurtenances on the property, if any, including but not  
17. limited to, the following (collectively the "Property"): garden bulbs, plants, shrubs, trees, lawn watering systems,  
18. in-ground pet containment systems (excluding collars); sheds; playsets; storm sashes, storm doors, screens, and  
19. awnings; window shades and blinds; traverses, curtain and drapery rods, valances, draperies, curtains, and window  
20. coverings and treatments; towel rods; attached lighting and bulbs; fan fixtures; plumbing fixtures; garbage disposals;  
21. water softeners; water treatment systems; water heating systems; heating systems; air exchange systems; environmental  
22. remediation systems (e.g., radon, vapor intrusion); sump pumps; TV antennas, cable TV jacks and wiring, and TV  
23. wall mounts; wall and ceiling speaker mounts; carpeting; attached mirrors; garage door openers and all controls; smoke  
24. detectors; doorbells; thermostats; all integrated phone and home automation systems, including necessary components  
25. such as intranet and Internet connected hardware or devices, control units (other than non-dedicated mobile devices,  
26. electronics, and computers) and applicable software, permissions, passwords, codes, and access information; fireplace  
27. screens, doors, and heatilators; **ANY OF THE FOLLOWING, IF BUILT-IN:** dishwashers, refrigerators, wine and beverage  
28. refrigerators, trash compactors, ovens, cook-top stoves, warming drawers, microwave ovens, hood fans, shelving,  
29. work benches, intercoms, speakers, air conditioning equipment, electronic air filters, humidifiers and dehumidifiers,  
30. liquid fuel tanks and all controls, pool and spa equipment, propane tanks and all controls, security system equipment,  
31. TV satellite dishes; the above-mentioned inclusions **AND** the following personal property shall be transferred with no  
32. additional monetary value, and free and clear of all liens and encumbrances:  
33. Personal property: washer, dryer, oven, refrigerator, etc  
34. Notwithstanding the foregoing, leased fixtures are not included.  
35. Notwithstanding the foregoing, the following item(s) are excluded from the purchase:  
36. \_\_\_\_\_

## PURCHASE PRICE:

37. \_\_\_\_\_  
38. Seller has agreed to sell the Property to Buyer for the sum of (\$ TBD )  
39. \_\_\_\_\_ Dollars,  
40. which Buyer agrees to pay in the following manner:  
41. 1. 20-25% percent (%) of the sale price in **CASH**, or more in Buyer's sole discretion, including earnest money;  
42. 2 100%-Line 1 percent (%) of the sale price in **MORTGAGE FINANCING**. (See following Mortgage Financing section.)  
43. 3. \_\_\_\_\_ percent (%) of the sale price by **ASSUMING** Seller's current mortgage. (See attached *Addendum to*  
44. *Purchase Agreement: Assumption Financing*.)  
45. 4. \_\_\_\_\_ percent (%) of the sale price by **CONTRACT FOR DEED**. (See attached *Addendum to Purchase*  
46. *Agreement: Contract for Deed Financing*.)

## CLOSING DATE:

47. \_\_\_\_\_  
48. The date of closing shall be TBD  
We will draft up an offer an buy home on behalf of clients needs. Investor down payment differs from clients down payment.

# PURCHASE AGREEMENT

49. Page 2 Date \_\_\_\_\_

50. Property located at \_\_\_\_\_.

## 51. **MORTGAGE FINANCING:**

52. This Purchase Agreement ☒ **IS** ☐ **IS NOT** subject to the mortgage financing provisions below. If **IS**, complete the  
-----*(Check one.)*-----

53. **MORTGAGE FINANCING** section below. If **IS NOT**, proceed to the **SELLER'S CONTRIBUTIONS TO BUYER'S**  
54. **COSTS** section.

55. Such mortgage financing shall be: *(Check one.)*

56. ☒ **FIRST MORTGAGE only** ☐ **FIRST MORTGAGE AND SUBORDINATE FINANCING.**

57. Buyer shall apply for and secure, at Buyer's expense, a: *(Check all that apply.)*

58. ☐ **CONVENTIONAL OR PRIVATELY INSURED CONVENTIONAL**

59. ☐ **DEPARTMENT OF VETERANS' AFFAIRS ("DVA") GUARANTEED**

60. ☐ **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

61. ☐ **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

62. ☒ **OTHER** **Commerical**

63. mortgage in the amount stated in this Purchase Agreement, amortized over a period of not more than  
64. **25** years, with an initial interest rate at no more than **Market** percent (%) per annum. The mortgage  
65. application **IS TO BE MADE WITHIN FIVE (5) BUSINESS DAYS** after the Final Acceptance Date. Buyer agrees to  
66. use best efforts to secure a commitment for such financing and to execute all documents required to consummate  
67. said financing.

68. **MORTGAGE FINANCING CONTINGENCY:** This Purchase Agreement is contingent upon the following and applies  
69. to the first mortgage and any subordinate financing. *(Check one.)*

70. ☐ If Buyer cannot secure the financing specified in this Purchase Agreement, and this Purchase Agreement does not  
71. close on the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately  
72. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be

73. ☐ **REFUNDED TO BUYER** ☐ **FORFEITED TO SELLER.** **TBD - Depends on clients needs.**  
-----*(Check one.)*-----

74. **NOTE:** If this Purchase Agreement is subject to DVA or FHA financing, **FORFEITED TO SELLER** may be prohibited.  
75. See the following DVA and FHA Escape Clauses.

76. **OR**

77. ☐ Buyer shall provide Seller, or licensee representing or assisting Seller, with the Written Statement, on  
78. or before **TBD**.

79. For purposes of this Contingency, **"Written Statement"** means a Written Statement prepared by Buyer's mortgage  
80. originator(s) or lender(s) after the Final Acceptance Date that Buyer is approved for the loan(s) specified in this  
81. Purchase Agreement, including both the first mortgage and any subordinate financing, if any, and stating that an  
82. appraisal, satisfactory to the lender(s), has been completed or the lender(s) has waived the appraisal and stating  
83. conditions required by lender(s) to close the loan.

84. Upon delivery of the Written Statement to Seller, or licensee representing or assisting Seller, the obligation for  
85. satisfying all conditions required by mortgage originator(s) or lender(s), except those conditions specified below,  
86. are deemed accepted by Buyer:

87. (a) work orders agreed to be completed by Seller;

88. (b) any other financing terms agreed to be completed by Seller here; and

89. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

# PURCHASE AGREEMENT

90. Page 3 Date \_\_\_\_\_

91. Property located at \_\_\_\_\_.
92. Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for  
 93. **ANY REASON** relating to financing, including, but not limited to interest rate and discount points, if any, then Seller  
 94. may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is  
 95. canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a  
 96. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to  
 97. be **FORFEITED TO SELLER** as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.
98. Notwithstanding the language in the preceding paragraph, Seller may not declare this Purchase Agreement  
 99. canceled if the reason this Purchase Agreement does not close was due to:  
 100. (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;  
 101. (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or  
 102. (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except  
 103. as specified in the contingency for sale and closing of Buyer's property.
104. If the Written Statement is not provided by the date specified on line 78, Seller may, at Seller's option, declare this  
 105. Purchase Agreement canceled by written notice to Buyer at any time prior to Seller receiving the Written Statement,  
 106. in which case this Purchase Agreement is canceled. In the event Seller declares this Purchase Agreement canceled,  
 107. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and  
 108. directing all earnest money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER**.  
 ----- (Check one.) -----
109. If the Written Statement is not provided, and Seller has not previously canceled this Purchase Agreement, this  
 110. Purchase Agreement is canceled as of the closing date specified in this Purchase Agreement. Buyer and Seller  
 111. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest  
 112. money paid here to be ☐ **RETAINED BY SELLER** ☐ **REFUNDED TO BUYER**.  
 ----- (Check one.) -----
113. **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:  
 114. (Check one.)
115. ☐ **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE; OR**
116. ☒ **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**
117. **LENDER COMMITMENT WORK ORDERS:** Seller agrees to pay up to \$ \_\_\_\_\_ to make  
 118. repairs as required by the lender commitment. If the lender commitment is subject to any work orders for which the  
 119. cost of making said repairs shall exceed this amount, Seller shall have the following options:  
 120. (a) making the necessary repairs; or  
 121. (b) negotiating the cost of making said repairs with Buyer; or  
 122. (c) declaring this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. Buyer and Seller  
 123. shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest  
 124. money paid here to be refunded to Buyer, unless Buyer provides for payment of the cost of said repairs or escrow  
 125. amounts related thereto above the amount specified on line 117 of this Purchase Agreement.
126. ☐ **SELLER** ☒ **BUYER** agrees to pay any reinspection fee required by Buyer's lender(s).  
 ----- (Check one.) -----
127. ~~**FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that, notwithstanding any other provisions  
 128. of this contract, the purchaser shall not be obligated to complete the purchase of the Property described here or to incur  
 129. any penalty by forfeiture of earnest money deposits or otherwise, unless the purchaser has been given in accordance  
 130. with the Department of Housing and Urban Development ("HUD")/FHA or DVA requirements a written statement by the  
 131. Federal Housing Commissioner, Department of Veterans' Affairs, or a Direct Endorsement lender setting forth the  
 132. appraised value of the Property as not less than \$ \_\_\_\_\_ .  
 (sale price)~~
133. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard  
 134. to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage  
 135. HUD will insure; HUD does not warrant the value nor the condition of the Property. The purchaser should satisfy himself/  
 136. herself that the price and condition of the Property are acceptable."

# PURCHASE AGREEMENT

137. Page 4 Date \_\_\_\_\_

138. Property located at \_\_\_\_\_.

139. **LENDER PROCESSING FEES (FHA, DVA Financing Only):** Seller agrees to pay Buyer's closing fees and

140. miscellaneous processing fees which cannot be charged to Buyer, not to exceed \$ \_\_\_\_\_.

141. This amount is in addition to Seller's Contributions to Buyer's Costs, if applicable.

142. **DVA FUNDING FEE (DVA Financing only):** Pursuant to federal regulations, a one-time Funding Fee based on loan  
143. amount, not otherwise waived, must be paid at closing of this transaction as follows:

144. \_\_\_\_\_ paid by Buyer ☐ **AT CLOSING** ☐ **ADDED TO MORTGAGE AMOUNT**  
(Check one.)

145. \_\_\_\_\_ paid by Seller

146. **NOTE: DVA regulations limit the fees and charges Buyer can pay to obtain a DVA loan.**

147. **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only):** "It is expressly agreed that,  
148. notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest  
149. money or otherwise be obligated to complete the purchase of the Property described here, if the contract purchase  
150. price or cost exceeds the reasonable value of this Property established by the Department of Veterans' Affairs. The  
151. purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without  
152. regard to the amount of reasonable value established by the Department of Veterans' Affairs."

153. **NOTE: Verify DVA requirements relating to payment of all special assessments levied and pending, and**  
154. **annual installments of special assessments certified to yearly taxes.**

155. **OTHER MORTGAGE FINANCING ITEMS:** \_\_\_\_\_

156. \_\_\_\_\_

## SELLER'S CONTRIBUTIONS TO BUYER'S COSTS:

157. \_\_\_\_\_

158. Seller ☐ **IS** ☐ **IS NOT** contributing to Buyer's costs. If answer is **IS**, Seller agrees to pay at closing, up to: (Check one.)  
----- (Check one.) -----

159. ☐ \$ **TBD** \_\_\_\_\_

160. ☐ \_\_\_\_\_ percent (%) of the sale price

161. towards Buyer's closing fees, title service fees, title searches, title examinations, abstracting, lender's title insurance,  
162. owner's title insurance, prepaid items, other Buyer's costs allowable by lender, if any, and/or mortgage discount points. Any  
163. amount of Seller's contribution that exceeds Buyer's allowable costs, or which cannot be used because Seller's  
164. contribution exceeds the maximum Seller contribution allowed by law or by mortgage requirements, shall be retained  
165. by Seller.

166. **NOTE: The amount paid by Seller cannot exceed the maximum Seller contribution allowed by FHA, DVA, or**  
167. **lender. All funds paid by Seller on behalf of Buyer must be stated on the Closing Disclosure at closing.**

## INSPECTIONS: TBD - It is highly encouraged client opts for inspection.

168. \_\_\_\_\_

169. Buyer has been made aware of the availability of Property inspections. Buyer ☒ **ELECTS** ☐ **DECLINES** to have a  
170. Property inspection performed at Buyer's expense. ----- (Check one.) -----

171. This Purchase Agreement ☒ **IS** ☐ **IS NOT** contingent upon any inspection(s) of the Property obtained by Buyer to  
----- (Check one.) -----

172. determine its condition, including any non-intrusive testing or any intrusive testing as allowed pursuant to this Purchase  
173. Agreement.

174. Any inspection(s) or test(s) shall be done by an inspector(s) or tester(s) of Buyer's choice. **Buyer shall satisfy Buyer**  
175. **as to the qualifications of the inspector(s) or tester(s).** For purposes of this Purchase Agreement, "intrusive testing"  
176. shall mean any testing, inspection(s), or investigation(s) that changes the Property from its original condition or  
177. otherwise damages the Property.

178. Seller ☐ **DOES** ☒ **DOES NOT** agree to allow Buyer to perform intrusive testing or inspection(s).  
----- (Check one.) -----

179. If answer is **DOES**, Buyer agrees that the Property shall be returned to the same condition it was in prior to Buyer's  
180. intrusive testing at Buyer's sole expense.



# PURCHASE AGREEMENT

181. Page 5 Date \_\_\_\_\_

182. Property located at \_\_\_\_\_.

183. Seller will provide access to attic(s) and crawlspace(s).

184. Within **TBD** Calendar Days of Final Acceptance Date, all inspection(s), test(s), and resulting negotiations, if any,  
185. shall be done ("Inspection Period").

186. If this Purchase Agreement is contingent upon inspection, Buyer may cancel this Purchase Agreement based on the  
187. inspection(s) or test result(s) by providing written notice to Seller, or licensee representing or assisting Seller, of Buyer's  
188. election to cancel no later than the end of the Inspection Period. If Buyer cancels this Purchase Agreement, then the  
189. Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement*  
190. confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. If Buyer does not  
191. cancel this Purchase Agreement before the end of the Inspection Period, then this Inspection Contingency shall be  
192. deemed removed and this Purchase Agreement shall be in full force and effect.

## 193. **OTHER INSPECTION ITEMS:**

194.

195.

196.

197. **SALE OF BUYER'S PROPERTY:** **TBD - Usually box 211 is market.**  
198. (Check one.)

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

201. OR

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

204. \_\_\_\_\_ pursuant to a fully executed purchase agreement. If Buyer's  
205. property does not close by the closing date specified in this Purchase Agreement, this Purchase Agreement  
206. is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said  
207. cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph  
208. supersedes any other provision to the contrary in any financing contingency made a part of this Purchase  
209. Agreement, if applicable.

210. OR

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

## 213. **REAL ESTATE TAXES/SPECIAL ASSESSMENTS:**

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

216. Buyer shall pay ☒ **PRORATED FROM DAY OF CLOSING** ☐ **ALL** ☐ **NONE** ☐ \_\_\_\_\_/12ths **OF** real estate taxes  
------(Check one.)-----  
217. due and payable in the year of closing.

218. Seller shall pay ☒ **PRORATED TO DAY OF CLOSING** ☐ **ALL** ☐ **NONE** ☐ \_\_\_\_\_/12ths **OF** real estate taxes due and  
------(Check one.)-----  
219. payable in the year of closing.

220. If the Property tax status is a part- or non-homestead classification in the year of closing, Seller ☒ **SHALL** ☐ **SHALL NOT**  
------(Check one.)-----  
221. pay the difference between the homestead and non-homestead.

222. Buyer shall pay real estate taxes due and payable in the year following closing and thereafter, the payment of which  
223. is not otherwise here provided. No representations are made concerning the amount of subsequent real estate taxes.



# PURCHASE AGREEMENT

224. Page 6 Date \_\_\_\_\_

225. Property located at \_\_\_\_\_.

## 226. DEFERRED TAXES/SPECIAL ASSESSMENTS:

227. ☐ BUYER SHALL PAY ☒ SELLER SHALL PAY on date of closing any deferred real estate taxes (e.g., Green  
------(Check one.)-----

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

229. ☐ BUYER AND SELLER SHALL PRORATE AS OF THE DATE OF CLOSING ☒ SELLER SHALL PAY ON  
------(Check one.)-----

230. DATE OF CLOSING all installments of special assessments certified for payment, with the real estate taxes due and  
231. payable in the year of closing.

232. ☐ BUYER SHALL ASSUME ☒ SELLER SHALL PAY on date of closing all other special assessments levied as  
------(Check one.)-----

233. of the Date of this Purchase Agreement. Notwithstanding the foregoing, Buyer shall assume any levied assessments  
234. that cannot be paid in the year of closing.

235. ☐ BUYER SHALL ASSUME ☒ SELLER SHALL PROVIDE FOR PAYMENT OF special assessments pending as  
------(Check one.)-----

236. of the Date of this Purchase Agreement for improvements that have been ordered by any assessing authorities. (Seller's  
237. provision for payment shall be by payment into escrow of two (2) times the estimated amount of the assessments  
238. or less, as required by Buyer's lender.)

239. Buyer shall pay any unpaid special assessments payable in the year following closing and thereafter, the payment of  
240. which is not otherwise here provided.

241. As of the Date of this Purchase Agreement, Seller represents that Seller ☐ HAS ☒ HAS NOT received a notice  
------(Check one.)-----

242. regarding any new improvement project from any assessing authorities, the costs of which project may be assessed  
243. against the Property. Any such notice received by Seller after the Date of this Purchase Agreement and before closing  
244. shall be provided to Buyer immediately. If such notice is issued after the Date of this Purchase Agreement and on  
245. or before the date of closing, then the parties may agree in writing, on or before the date of closing, to pay, provide  
246. for the payment of, or assume the special assessments. In the absence of such agreement, either party may declare  
247. this Purchase Agreement canceled by written notice to the other party, or licensee representing or assisting the other  
248. party, in which case this Purchase Agreement is canceled. If either party declares this Purchase Agreement canceled,  
249. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and  
250. directing all earnest money paid here to be refunded to Buyer.

251. **ADDITIONAL PROVISIONS:** TBD - Usually "IS NOT"

252. PREVIOUSLY EXECUTED PURCHASE AGREEMENT: This Purchase Agreement ☐ IS ☒ IS NOT subject to  
------(Check one.)-----

253. cancellation of a previously executed purchase agreement dated \_\_\_\_\_.

254. (If answer is **IS**, said cancellation shall be obtained no later than \_\_\_\_\_.

255. If said cancellation is not obtained by said date, this Purchase Agreement is canceled. Buyer and Seller shall immediately  
256. sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to  
257. be refunded to Buyer.) TBD - Usually Warranty Deed. Inventory provides Contract for Deed.

258. DEED/MARKETABLE TITLE: Upon performance by Buyer, Seller shall deliver a: (Check one.)

259. ☒ WARRANTY DEED ☐ PERSONAL REPRESENTATIVE'S DEED ☐ CONTRACT FOR DEED ☐ TRUSTEE'S DEED

260. ☐ OTHER: \_\_\_\_\_ DEED joined in by spouse, if any, conveying marketable title, subject to

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

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

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

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

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

266. \_\_\_\_\_; and

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

268. \_\_\_\_\_.

# PURCHASE AGREEMENT

269. Page 7 Date \_\_\_\_\_

270. Property located at \_\_\_\_\_.

271. **POSSESSION:** Seller shall deliver possession of the Property: (Check one.)

272. ☒ **IMMEDIATELY AFTER CLOSING;** or

273. ☐ **OTHER:** \_\_\_\_\_.

274. Seller agrees to remove ALL DEBRIS AND ALL PERSONAL PROPERTY NOT INCLUDED HERE from the Property  
275. by possession date.

276. **LINKED DEVICES:** Seller warrants that Seller shall permanently disconnect or discontinue Seller's access or service  
277. to any device or system on or serving the property that is connected or controlled wirelessly, via internet protocol ("IP")  
278. to a router or gateway or directly to the cloud no later than delivery of possession as specified in this Purchase  
279. Agreement.

280. **PRORATIONS:** All interest; unit owners' association dues; rents; and charges for city water, city sewer, electricity, and  
281. natural gas shall be prorated between the parties as of date of closing. Buyer shall pay Seller for remaining gallons of  
282. fuel oil or liquid petroleum gas on the day of closing, at the rate of the last fill by Seller.

283. **TITLE AND EXAMINATION:** As quickly as reasonably possible after Final Acceptance Date:

284. (a) Seller shall deliver any abstract of title and a copy of any owner's title insurance policy for the Property, if  
285. in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or  
286. owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or  
287. assisting Seller, upon cancellation of this Purchase Agreement; and

288. (b) Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including  
289. but not limited to title searches, title examinations, abstracting, a title insurance commitment, or an attorney's  
290. title opinion at Buyer's selection and cost and provide a copy to Seller.

291. Seller shall use Seller's best efforts to provide marketable title by the date of closing. Seller agrees to pay all costs  
292. and fees necessary to convey marketable title including obtaining and recording all required documents, subject to  
293. the following:

294. In the event Seller has not provided marketable title by the date of closing, Seller shall have an additional thirty  
295. (30) days to make title marketable, or in the alternative, Buyer may waive title defects by written notice to Seller. In  
296. addition to the thirty (30)-day extension, Buyer and Seller may, by mutual agreement, further extend the closing  
297. date. Lacking such extension, either party may declare this Purchase Agreement canceled by written notice to  
298. the other party, or licensee representing or assisting the other party, in which case this Purchase Agreement is  
299. canceled. If either party declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a  
300. *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to  
301. be refunded to Buyer.

302. **SUBDIVISION OF LAND, BOUNDARIES, AND ACCESS:** If this sale constitutes or requires a subdivision of land  
303. owned by Seller, Seller shall pay all subdivision expenses and obtain all necessary governmental approvals. Seller  
304. warrants that the legal description of the real property to be conveyed has been or shall be approved for recording  
305. as of the date of closing. Seller warrants that the buildings are or shall be constructed entirely within the boundary  
306. lines of the Property. Seller warrants that there is a right of access to the Property from a public right-of-way.

307. **MECHANIC'S LIENS:** Seller warrants that prior to the closing, payment in full will have been made for all labor, materials,  
308. machinery, fixtures, or tools furnished within the 120 days immediately preceding the closing in connection with  
309. construction, alteration, or repair of any structure on, or improvement to, the Property.

310. **NOTICES:** Seller warrants that Seller has not received any notice from any governmental authority as to condemnation  
311. proceedings, or violation of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller  
312. warrants that Seller has not received any notice from any person or authority as to a breach of the covenants. Any  
313. such notices received by Seller shall be provided to Buyer immediately. Discriminatory restrictive covenants (e.g.  
314. provisions against conveyance of property to any person of a specified religious faith, creed, national origin, race, or  
315. color) are illegal and unenforceable. An owner of real property may permanently remove such restrictive covenants  
316. from the title by recording a statutory form in the office of the county recorder of any county where the property is located.

317. **DIMENSIONS:** Buyer acknowledges any dimensions, square footage, or acreage of land or improvements provided  
318. by Seller, third party, or broker representing or assisting Seller are approximate. Buyer shall verify the accuracy of  
319. information to Buyer's satisfaction, if material, at Buyer's sole cost and expense.

320. **ACCESS AGREEMENT:** Seller agrees to allow reasonable access to the Property for performance of any surveys or  
321. inspections agreed to here.

# PURCHASE AGREEMENT

322. Page 8 Date \_\_\_\_\_

323. Property located at \_\_\_\_\_.
324. **RISK OF LOSS:** If there is any loss or damage to the Property between the Date of this Purchase Agreement and
325. the date of closing for any reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be
326. on Seller. If the Property is destroyed or substantially damaged before the closing date, this Purchase Agreement
327. is canceled, at Buyer's option, by written notice to Seller or licensee representing or assisting Seller. If Buyer cancels
328. this Purchase Agreement, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming
329. said cancellation and directing all earnest money paid here to be refunded to Buyer.
330. **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement.
331. **CALCULATION OF DAYS:** Any calculation of days begins on the first day (Calendar or Business Days as specified)
332. following the occurrence of the event specified and includes subsequent days (Calendar or Business Days as specified)
333. ending at 11:59 P.M. on the last day.
334. **BUSINESS DAYS:** "Business Days" are days which are not Saturdays, Sundays, or state or federal holidays unless
335. stated elsewhere by the parties in writing.
336. **CALENDAR DAYS:** "Calendar Days" include Saturdays, Sundays, and state and federal holidays. For purposes of
337. this Agreement, any reference to "days" means "Calendar Days" unless otherwise required by law.
338. **RELEASE OF EARNEST MONEY:** Buyer and Seller agree that the Earnest Money Holder shall release earnest money
339. from the Earnest Money Holder's trust account:
340. (a) at or upon the successful closing of the Property;
341. (b) pursuant to written agreement between the parties, which may be reflected in a *Cancellation of Purchase*
342. *Agreement* executed by both Buyer and Seller;
343. (c) upon receipt of an affidavit of a cancellation under MN Statute 559.217; or
344. (d) upon receipt of a court order.
345. **DEFAULT:** If Buyer defaults in any of the agreements here, Seller may cancel this Purchase Agreement, and any
346. payments made here, including earnest money, shall be retained by Seller as liquidated damages and Buyer and
347. Seller shall affirm the same by a written cancellation agreement.
348. If Buyer defaults in any of the agreements here, Seller may terminate this Purchase Agreement under the provisions
349. of either MN Statute 559.21 or MN Statute 559.217, whichever is applicable. If either Buyer or Seller defaults in any
350. of the agreements here or there exists an unfulfilled condition after the date specified for fulfillment, either party may
351. cancel this Purchase Agreement under MN Statute 559.217, Subd. 3. Whenever it is provided here that this Purchase
352. Agreement is canceled, said language shall be deemed a provision authorizing a Declaratory Cancellation under MN
353. Statute 559.217, Subd. 4.
354. If this Purchase Agreement is not canceled or terminated as provided here, Buyer or Seller may seek actual damages
355. for breach of this Purchase Agreement or specific performance of this Purchase Agreement; and, as to specific
356. performance, such action must be commenced within six (6) months after such right of action arises.
357. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender
358. registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained
359. by contacting the local law enforcement offices in the community where the Property is located or the Minnesota
360. Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at
361. <https://coms.doc.state.mn.us/publicregistrantsearch>.

362. **BUYER HAS THE RIGHT TO A WALK-THROUGH REVIEW OF THE PROPERTY PRIOR TO CLOSING TO**
363. **ESTABLISH THAT THE PROPERTY IS IN SUBSTANTIALLY THE SAME CONDITION AS OF THE DATE OF**
364. **THIS PURCHASE AGREEMENT.**
365. BUYER HAS RECEIVED A: (Check any that apply.) ☒ **DISCLOSURE STATEMENT: SELLER'S PROPERTY**
366. **DISCLOSURE STATEMENT** OR A ☐ **DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES** FORM.
367. **DESCRIPTION OF PROPERTY CONDITION:** See *Disclosure Statement: Seller's Property Disclosure Statement* or
368. *Disclosure Statement: Seller's Disclosure Alternatives* for description of disclosure responsibilities and limitations, if
369. any.
370. **BUYER HAS RECEIVED THE INSPECTION REPORTS, IF REQUIRED BY MUNICIPALITY.**
371. BUYER IS NOT RELYING ON ANY ORAL REPRESENTATIONS REGARDING THE CONDITION OF THE PROPERTY
372. AND ITS CONTENTS.

TBD - If septic/well additional forms will be needed. All homes need compliant septic and well test.

## PURCHASE AGREEMENT

373. Page 9 Date \_\_\_\_\_

374. Property located at \_\_\_\_\_.

375. **(Check appropriate boxes.)**

376. SELLER WARRANTS THAT THE PROPERTY IS EITHER DIRECTLY OR INDIRECTLY CONNECTED TO:

377. CITY SEWER ☐ YES ☐ NO / CITY WATER ☐ YES ☐ NO

378. **SUBSURFACE SEWAGE TREATMENT SYSTEM**

379. SELLER ☐ DOES ☐ DOES NOT KNOW OF A SUBSURFACE SEWAGE TREATMENT SYSTEM ON OR  
------(Check one.)-----

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

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

382. **PRIVATE WELL**

383. SELLER ☐ DOES ☐ DOES NOT KNOW OF A WELL ON OR SERVING THE PROPERTY.  
------(Check one.)-----

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

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

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

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

388. **IF A WELL OR SUBSURFACE SEWAGE TREATMENT SYSTEM EXISTS ON THE PROPERTY, BUYER HAS**  
 389. **RECEIVED A DISCLOSURE STATEMENT: WELL AND/OR A DISCLOSURE STATEMENT: SUBSURFACE SEWAGE**  
 390. **TREATMENT SYSTEM.**

391. **HOME PROTECTION/WARRANTY PLAN:** Buyer and Seller are advised to investigate the various home protection/  
 392. warranty plans available for purchase. Different home protection/warranty plans have different coverage options,  
 393. exclusions, limitations, and service fees. Most plans exclude pre-existing conditions. *(Check one.)*

394. ☐ A Home Protection/Warranty Plan will be obtained by ☐ **BUYER** ☐ **SELLER** and paid for by  
------(Check one.)-----

395. ☐ **BUYER** ☐ **SELLER** to be issued by \_\_\_\_\_  
------(Check one.)-----

396. at a cost not to exceed \$ \_\_\_\_\_.

397. ☒ No Home Protection/Warranty Plan is negotiated as part of this Purchase Agreement. However, Buyer may elect  
 398. to purchase a Home Protection/Warranty Plan.

399. **AGENCY NOTICE**

400. **TBD** is ☒ **Seller's Agent** ☐ **Buyer's Agent** ☐ **Dual Agent** ☐ **Facilitator.**  
(Licensee) ------(Check one.)-----

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

402. \_\_\_\_\_ is ☐ **Seller's Agent** ☒ **Buyer's Agent** ☐ **Dual Agent** ☐ **Facilitator.**  
(Licensee) ------(Check one.)-----

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

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

405. **SELLER'S CONTRIBUTION TO BUYER'S BROKER'S COMPENSATION:** Seller agrees to pay buyer's broker's

406. compensation at closing **3** percent (%) of the selling price or \$ \_\_\_\_\_, which is in  
 407. addition to any Seller's contribution to Buyer's closing costs paid at closing. This amount is in addition to the listing  
 408. broker's offer of cooperating compensation, if any.

# PURCHASE AGREEMENT

409. Page 10 Date \_\_\_\_\_

410. Property located at \_\_\_\_\_.

411.	<b>DUAL AGENCY REPRESENTATION</b>	<b>TBD</b>
412.	<b>PLEASE CHECK <u>ONE</u> OF THE FOLLOWING SELECTIONS:</b>	
413.	<input type="checkbox"/> Dual Agency representation <b><i>DOES NOT</i></b> apply in this transaction. <i>Do not complete lines 414–430.</i>	
414.	<input type="checkbox"/> Dual Agency representation <b><i>DOES</i></b> apply in this transaction. <i>Complete the disclosure in lines 415–430.</i>	
415.	Broker represents both the Seller(s) and the Buyer(s) of the Property involved in this transaction, which creates a	
416.	dual agency. This means that Broker and its salespersons owe fiduciary duties to both Seller(s) and Buyer(s). Because	
417.	the parties may have conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for	
418.	either party. Broker cannot act as a dual agent in this transaction without the consent of both Seller(s) and Buyer(s).	
419.	Seller(s) and Buyer(s) acknowledge that	
420.	(1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will	
421.	remain confidential unless Seller(s) or Buyer(s) instructs Broker in writing to disclose this information. Other	
422.	information will be shared;	
423.	(2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and	
424.	(3) within the limits of dual agency, Broker and its salespersons will work diligently to facilitate the mechanics of	
425.	the sale.	
426.	With the knowledge and understanding of the explanation above, Seller(s) and Buyer(s) authorize and instruct Broker	
427.	and its salesperson to act as dual agents in this transaction.	
428.	Seller _____	Buyer _____
429.	Seller _____	Buyer _____
430.	Date _____	Date _____

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

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

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

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

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

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

MN:PA-10 (8/24)



# PURCHASE AGREEMENT

450. Page 11 Date \_\_\_\_\_

451. Property located at \_\_\_\_\_.

452. **FULLY EXECUTED PURCHASE AGREEMENT AND FINAL ACCEPTANCE:** To be binding, this Purchase Agreement  
453. and all addenda must be fully executed by both parties and a copy must be delivered.

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

456. **ENTIRE AGREEMENT:** This Purchase Agreement and all addenda and amendments signed by the parties shall  
457. constitute the entire agreement between Buyer and Seller. Any other written or oral communication between Buyer and  
458. Seller, including, but not limited to, e-mails, text messages, or other electronic communications are not part of this  
459. Purchase Agreement. This Purchase Agreement can be modified or canceled only in writing signed by Seller and  
460. Buyer or by operation of law. All monetary sums are deemed to be United States currency for purposes of this Purchase  
461. Agreement.

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

464. **DATE OF THIS PURCHASE AGREEMENT:** Date of this Purchase Agreement to be defined as the date on line one  
465. (1) of this Purchase Agreement.

466. **OTHER:**

467.

468.

469.

470.

471.

472.

473.

474.

475.

476. **ADDENDA:** The following addenda are attached and made a part of this Purchase Agreement.

477. **NOTE:** Disclosures and optional Arbitration Agreement are not part of this Purchase Agreement.

- 478. ☐ Addendum to Purchase Agreement
- 479. ☐ Addendum to Purchase Agreement: Additional Signatures
- 480. ☐ Addendum to Purchase Agreement: Assumption Financing
- 481. ☐ Addendum to Purchase Agreement: Buyer Move-In Agreement
- 482. ☐ Addendum to Purchase Agreement: Buyer Purchasing "As Is" and Limitation of Seller Liability
- 483. ☐ Addendum to Purchase Agreement: Condominium/Townhouse/Cooperative Common Interest Community ("CIC")
- 484. ☐ Addendum to Purchase Agreement: Contract for Deed Financing
- 485. ☐ Addendum to Purchase Agreement: Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
- 486. ☐ Addendum to Purchase Agreement: Sale of Buyer's Property Contingency
- 487. ☐ Addendum to Purchase Agreement: Seller's Rent Back Agreement
- 488. ☐ Addendum to Purchase Agreement: Seller's Purchase/Lease Contingency
- 489. ☐ Addendum to Purchase Agreement: Short Sale Contingency
- 490. ☐ Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Water Inspection Contingency

491. ☐ Other: \_\_\_\_\_



# PURCHASE AGREEMENT

492. Page 12 Date \_\_\_\_\_

493. Property located at \_\_\_\_\_.

494. I agree to sell the Property for the price and on the  
495. terms and conditions set forth above.

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

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.**

498. ☐ **If checked, this Purchase Agreement is subject to**  
499. **attached *Addendum to Purchase Agreement:***  
500. ***Counteroffer* and the Final Acceptance Date shall be**  
501. **noted on the *Addendum*.**

502. **FIRPTA:** Seller represents and warrants, under penalty  
503. of perjury, that Seller ☐ **IS** ☒ **IS NOT** a foreign person (i.e., a  
-----*(Check one.)*-----

504. non-resident alien individual, foreign corporation, foreign  
505. partnership, foreign trust, or foreign estate for purposes of  
506. income taxation. (See lines 436-449.) This representation  
507. and warranty shall survive the closing of the transaction  
508. and the delivery of the deed.

509. **X** \_\_\_\_\_  
(Seller's Signature) (Date)

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

510. **X** \_\_\_\_\_  
(Seller's Printed Name)

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

511. **X** \_\_\_\_\_  
(Seller's Signature) (Date)

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

512. **X** \_\_\_\_\_  
(Seller's Printed Name)

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

513. **FINAL ACCEPTANCE DATE:** **TBD** The Final Acceptance Date  
514. is the date on which the fully executed Purchase Agreement is delivered.

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

517. **I ACKNOWLEDGE THAT I HAVE RECEIVED AND HAVE HAD THE OPPORTUNITY TO REVIEW THE *DISCLOSURE***  
518. ***STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT,***  
519. **WHICH IS AN OPTIONAL, VOLUNTARY AGREEMENT SEPARATE FROM THIS PURCHASE AGREEMENT.**

520. **SELLER(S)** \_\_\_\_\_

**BUYER(S)** **Investor**

521. **SELLER(S)** \_\_\_\_\_

**BUYER(S)** \_\_\_\_\_

# WIRE FRAUD ALERT



Internet fraud — the use of Internet services or software with Internet access to defraud victims — is on the rise in real estate transactions.

**THESE SOPHISTICATED CRIMINALS COULD:**

- **HACK INTO YOUR E-MAIL ACCOUNT** or the e-mail of others involved in your real estate transaction and may direct you to wire money to the hacker's account.
- **SEND FRAUDULENT E-MAILS** that appear to be from your real estate licensee, lender, or closing agent.
- **CALL YOU** claiming they have revised wiring instructions.

## **Buyers/Tenants and Sellers/Owners are advised to:**

- (1) Never wire funds without confirming the wiring instructions directly with the intended recipient.
- (2) Verify that the contact information for the wire transfer recipient is legitimate by calling a known phone number for the broker or closing agent. Do not rely on the information given to you in an e-mail communication.
- (3) Never send personal information through unsecured/unencrypted e-mail.

## **If you suspect wire fraud in your transaction:**

- (1) Immediately notify your bank, closing agent, and real estate licensee.
- (2) File a complaint online at the Internet Crime Complaint Center (IC3) at <http://www.ic3.gov>.

The undersigned acknowledge receipt of this wire fraud alert and understand the importance of taking proactive measures to avoid being a victim of wire fraud in a real estate transaction.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

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# Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless and odorless gas that comes from the soil. The gas can accumulate in the home. When inhaled, its radioactive particles 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 (picocuries per liter) 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**
5. **a radon warning statement**

## Radon Facts

**How dangerous is radon?** Radon is the number one cause of lung cancer in nonsmokers, 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. A home's radon levels may change in the future, so test every 2–5 years, or sooner if there is major remodeling or changes to the foundation, heating, cooling, or ventilation.

## Radon Warning Statement

“The Minnesota Department of Health strongly recommends that ALL home buyers 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 Testing

Any test lasting less than three months requires **closed-house conditions**. Closed-house conditions include keeping all windows and doors closed, except for normal entry and exit, and temperature set to 65 – 80 °F. For a full list of closed-house conditions please visit [mn.gov/radon/notice](http://mn.gov/radon/notice).

**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 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. If other foundations are present, such as a crawl space or slab on grade, also test the rooms above these foundations.

### Place the test kit:

- 20 inches to 6 feet above the floor
- 3 feet from exterior doors and windows
- 1 foot from exterior walls
- away from heat sources and drafts caused by vents and fans
- not in enclosed areas or areas of high heat/humidity

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

There are special protocols for radon testing in real estate transactions. Because these tests are time-sensitive there are two testing options. For both tests, test for a minimum of 2 days.

#### Continuous Radon Monitor (CRM)

MDH recommends CRMs in real estate testing. CRMs are calibrated, provide more data, and may detect tampering. The average of the results are used to make a decision to mitigate.

#### Simultaneous Short-Term Testing

Two short-term test kits are placed side by side, 4" – 8" apart. The results of the two tests are averaged and used to make a decision to mitigate.

## Radon Mitigation

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

**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 action level. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system is often able to reduce the annual average radon level to below 2.0 pCi/L. The cost of a radon mitigation system averages \$1,500 to \$3,000.

**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 short-term test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

**All radon testing and mitigation should be conducted by licensed radon professionals.** Radon service providers, such as home inspectors, must be licensed. A list of these licensed radon professionals can be found at MDH's radon web site. MDH conducts free inspections, upon request, of recently installed radon mitigation systems, to check that they meet requirements.

### More Radon Information

[www.mn.gov/radon](http://www.mn.gov/radon)

Last Updated 4/2023

### MDH Indoor Air Unit

PO Box 64975  
St Paul, MN 55164-0975

### Contact Information

651-201-4601  
800-798-9050  
[health.indoorair@state.mn.us](mailto:health.indoorair@state.mn.us)



# ADDENDUM TO PURCHASE AGREEMENT: DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

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1. Date \_\_\_\_\_
2. Page 1

3. Addendum to Purchase Agreement between parties, dated \_\_\_\_\_
4. (Date of this Purchase Agreement), pertaining to the purchase and sale of the Property at \_\_\_\_\_
5. \_\_\_\_\_

## 6. Lead Warning Statement

7. *Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified*
8. *that such property may present exposure to lead from lead-based paint that may place young children at risk of*
9. *developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including*
10. *learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also*
11. *poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide*
12. *the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's*
13. *possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible*
14. *lead-based paint hazards is recommended prior to purchase.*

## 15. Seller's Disclosure (Check one.)

16. ☐ Seller has no knowledge of, or records or reports relating to, lead-based paint and/or lead-based paint hazards
17. in the housing.
18. ☐ Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing and has provided Buyer
19. with all available details, records, and reports, if any, pertaining to lead-based paint and/or lead-based paint
20. hazards in the housing. (Please explain and list documents below.):
21. \_\_\_\_\_
22. \_\_\_\_\_
23. \_\_\_\_\_

## 24. Buyer's Acknowledgment

25. Buyer has received copies of all information listed above, if any.
26. Buyer has received the pamphlet, *Protect Your Family from Lead in Your Home*.
27. Buyer has: (Check one.)
28. ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or
29. lead-based paint hazards; or
30. ☐ Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment or inspection for
31. the presence of lead-based paint and/or lead-based paint hazards.
32. If checked, this contract is contingent upon a risk assessment or an inspection of the property for the presence of lead-
33. based paint and/or lead-based paint hazards to be conducted at Buyer's expense. The assessment or inspection
34. shall be completed within ☐ TEN (10) ☐ \_\_\_\_\_ Calendar Days after Final Acceptance of the Purchase
35. Agreement. ----- (Check one.) -----

# ADDENDUM TO PURCHASE AGREEMENT: DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

36. Page 2


37. Property located at \_\_\_\_\_.
38. This contingency shall be deemed removed, and the Purchase Agreement shall be in full force and effect,  
 39. unless Buyer or real estate licensee representing or assisting Buyer delivers to Seller or real estate licensee  
 40. representing or assisting Seller, within three (3) Calendar Days after the assessment or inspection is timely  
 41. completed, a written list of the specific deficiencies and the corrections required, together with a copy of any risk  
 42. assessment or inspection report. If Buyer and Seller have not agreed in writing within three (3) Calendar Days  
 43. after delivery of the written list of required corrections that:
44. (A) some or all of the required corrections will be made; or  
 45. (B) Buyer waives the deficiencies; or  
 46. (C) an adjustment to the purchase price will be made;
47. this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase*  
 48. *Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. It is  
 49. understood that Buyer may unilaterally waive deficiencies or defects, or remove this contingency, providing that  
 50. Buyer or real estate licensee representing or assisting Buyer notifies Seller or real estate licensee representing or  
 51. assisting Seller of the waiver or removal, in writing, within the time specified.

## 52. Real Estate Licensee's Acknowledgment

53. Real estate licensee has informed Seller of Seller's obligations under 42 U.S.C. 4852(d) and is aware of licensee's  
 54. responsibility to ensure compliance.

## 55. Certification of Accuracy

56. The following parties have reviewed the information above and certify, to the best of their knowledge, that the  
 57. information provided by the signatory is true and accurate.

58. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) \_\_\_\_\_ (Date)
59. \_\_\_\_\_ (Seller) \_\_\_\_\_ (Date) \_\_\_\_\_ (Buyer) \_\_\_\_\_ (Date)
60. \_\_\_\_\_ (Real Estate Licensee) \_\_\_\_\_ (Date)  04/03/2025 \_\_\_\_\_ (Real Estate Licensee) \_\_\_\_\_ (Date)

TLX:SALE-2 (8/20)





TBD - Possibly  
alternative disclosures.

## DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

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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 DISCLOSURE.

### 5. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

6. **NOTICE:** This Disclosure Statement satisfies the disclosure requirements of MN Statutes 513.52 through 513.60.  
 7. Under Minnesota law, sellers of residential property, with limited exceptions listed on page nine (9), are obligated to  
 8. disclose to prospective buyers all material facts of which Seller is aware that could adversely and significantly affect  
 9. an ordinary buyer's use or enjoyment of the property or any intended use of the property of which Seller is aware.  
 10. MN Statute 513.58 requires Seller to notify buyer in writing as soon as reasonably possible, but in any event before  
 11. closing, if Seller learns that Seller's disclosure was inaccurate. Seller is obligated to continue to notify Buyer, in writing,  
 12. of any facts disclosed here (new or changed) of which Seller is aware that could adversely and significantly affect the  
 13. Buyer's use or enjoyment of the property or any intended use of the property that occur up to the time of closing.  
 14. Seller has disclosure alternatives allowed by MN Statutes. See *Disclosure Statement: Seller's Disclosure Alternatives*  
 15. form for further information regarding disclosure alternatives. **This disclosure is not a warranty or a guarantee of any**  
 16. **kind by Seller or licensee(s) representing or assisting any party in the transaction and is not a substitute for**  
 17. **any inspections or warranties the party(ies) may wish to obtain.**

18. For purposes of the seller disclosure requirements of MN Statutes 513.52 through 513.60:

19. "Residential real property" or "residential real estate" means property occupied as, or intended to be occupied as, a  
 20. single-family residence, including a unit in a common interest community as defined in MN Statute 515B.1-103,  
 21. clause (10), regardless of whether the unit is in a common interest community not subject to chapter 515B.

22. The seller disclosure requirements of MN Statutes 513.52 through 513.60 apply to the transfer of any interest in  
 23. residential real estate, whether by sale, exchange, deed, contract for deed, lease with an option to purchase, or any  
 24. other option.

25. **INSTRUCTIONS TO BUYER:** Buyers are encouraged to thoroughly inspect the property personally or have it  
 26. inspected by a third party, and to inquire about any specific areas of concern. **NOTE:** If Seller answers "NO" to any of  
 27. the questions listed below, it does not necessarily mean that it does not exist on the property, did not occur, or does  
 28. not apply. "NO" may mean that Seller is unaware.

29. **INSTRUCTIONS TO SELLER:** (1) Complete this form yourself. (2) Consult prior disclosure statement(s) and/or  
 30. inspection report(s) when completing this form. (3) Describe conditions affecting the property to the best of your  
 31. knowledge. (4) Attach additional pages, with your signature, if additional space is required. (5) Answer all questions.  
 32. (6) If any items do not apply, write "NA" (not applicable).

33. Property located at \_\_\_\_\_,

34. City of \_\_\_\_\_, County of \_\_\_\_\_,

35. State of Minnesota, Zip Code \_\_\_\_\_ ("Property").

36. **A. GENERAL INFORMATION:** The following questions are to be answered to the best of Seller's knowledge.

37. (1) What date did you ☐ Acquire ☐ Build the home? \_\_\_\_\_  
 ----- (Check one.) -----

38. (2) Type of title evidence: ☐ Abstract ☐ Registered (Torrens) ☐ Unknown

39. Location of Abstract: \_\_\_\_\_

40. Is there an existing Owner's Title Insurance Policy? ☐ Yes ☐ No

41. (3) Have you occupied this home continuously during your ownership? ☐ Yes ☐ No

42. If "No," explain: \_\_\_\_\_

43. (4) Is the home suitable for year-round use? ☐ Yes ☐ No

44. (5) Are you in possession of prior seller's disclosure statement(s)? (If "Yes," please attach.) ☐ Yes ☐ No

45. (6) Does the Property include a manufactured home? ☐ Yes ☐ No

46. If "Yes," HUD #(s) is/are \_\_\_\_\_

47. Has the title been surrendered to the Registrar of Motor Vehicles for cancellation? ☐ Yes ☐ No

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

48. Page 2

## 49. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

50. Property located at \_\_\_\_\_.

51. (7) Is the Property located on a public or a private road? ☐ Public ☐ Private ☐ Public: no maintenance

52. (8) Flood Insurance: All properties in the state of Minnesota have been assigned a flood zone designation. Some  
53. flood zones may require flood insurance.

54. (a) Do you know which zone the Property is located in? ☐ Yes ☐ No

55. If "Yes," which zone? \_\_\_\_\_

56. (b) Have you ever had a flood insurance policy? ☐ Yes ☐ No

57. If "Yes," is the policy in force? ☐ Yes ☐ No

58. If "Yes," what is the annual premium? \$ \_\_\_\_\_

59. If "Yes," who is the insurance carrier? \_\_\_\_\_

60. (c) Have you ever had a claim with a flood insurance carrier or FEMA? ☐ Yes ☐ No

61. If "Yes," please explain: \_\_\_\_\_

62. \_\_\_\_\_

63. **NOTE:** Whether or not Seller currently carries flood insurance, it may be required in the future. Flood insurance  
64. premiums are increasing, and in some cases will rise by a substantial amount over the premiums  
65. previously charged for flood insurance for the Property. As a result, Buyer should not rely on the  
66. premiums paid for flood insurance on this Property previously as an indication of the premiums that  
67. will apply after Buyer completes their purchase.

68. Are there any

69. (9) homeowners associations or shared amenities? ☐ Yes ☐ No

70. (10) encroachments? ☐ Yes ☐ No

71. (11) covenants, historical registry, reservations, or restrictions, that affect  
72. or may affect the use or future resale of the Property? ☐ Yes ☐ No

73. (12) governmental requirements or restrictions that affect or may affect the use or future  
74. enjoyment of the Property (e.g., shoreland restrictions, non-conforming use, etc.)? ☐ Yes ☐ No

75. (13) easements, other than utility or drainage easements? ☐ Yes ☐ No

76. (14) Please provide clarification or further explanation for all applicable "Yes" responses in Section A:

77.

78.

79. **B. GENERAL CONDITION:** To your knowledge, have any of the following conditions previously existed or do they  
80. currently exist on the Property?

81. (ANSWERS APPLY TO ALL STRUCTURES, SUCH AS GARAGE AND OUTBUILDINGS.)

82. (1) Has there been any damage by wind, fire, flood, hail, or other cause(s)? ☐ Yes ☐ No

83. If "Yes," give details of what happened and when: \_\_\_\_\_

84. \_\_\_\_\_

85. (2) Have you ever had an insurance claim(s) related to the Property? ☐ Yes ☐ No

86. If "Yes," what was the claim(s) for (e.g., hail damage to roof)? \_\_\_\_\_

87. \_\_\_\_\_

88. Did you receive compensation for the claim(s)? ☐ Yes ☐ No

89. Did you have the items repaired? ☐ Yes ☐ No

90. What dates did the claim(s) occur? \_\_\_\_\_

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

91. Page 3

## 92. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

93. Property located at \_\_\_\_\_.

94. (3) (a) Has/Have the structure(s) been altered?  
95. (e.g., additions, altered roof lines, changes to load-bearing walls) ☐ Yes ☐ No

96. If "Yes," please specify what was done, when, and by whom (owner or contractor):

97.

98.

99. (b) Has any work been performed on the Property? (e.g., additions to the  
100. Property, wiring, plumbing, retaining wall, general finishing) ☐ Yes ☐ No

101. If "Yes," please explain: \_\_\_\_\_

102.

103. (c) Are you aware of any work performed on the Property for which  
104. appropriate permits were not obtained? ☐ Yes ☐ No

105. If "Yes," please explain: \_\_\_\_\_

106.

107. (4) Has there been any damage to flooring or floor covering? ☐ Yes ☐ No

108. If "Yes," give details of what happened and when: \_\_\_\_\_

109.

110. (5) Do you have or have you previously had any pets? ☐ Yes ☐ No

111. If "Yes," indicate type \_\_\_\_\_ and number \_\_\_\_\_.

112. (6) **THE FOUNDATION:** The type of foundation is (i.e., block, poured, wood, stone, other):

113.

114. (7) **THE BASEMENT, CRAWLSPACE, SLAB:**

115. (a) cracked floor/walls? ☐ Yes ☐ No (e) leakage/seepage? ☐ Yes ☐ No

116. (b) drain tile problem? ☐ Yes ☐ No (f) sewer backup? ☐ Yes ☐ No

117. (c) flooding? ☐ Yes ☐ No (g) wet floors/walls? ☐ Yes ☐ No

118. (d) foundation problem? ☐ Yes ☐ No (h) other? \_\_\_\_\_ ☐ Yes ☐ No

119. Give details to any questions answered "Yes":

120.

121.

122. (8) **THE ROOF:**

123. (a) What is the age of the roofing material?

124. Home: \_\_\_\_\_ years Garage(s)/Outbuilding(s): \_\_\_\_\_ years

125. (b) Has there been any interior or exterior damage? ☐ Yes ☐ No

126. (c) Has there been interior damage from ice buildup? ☐ Yes ☐ No

127. (d) Has there been any leakage? ☐ Yes ☐ No

128. (e) Have there been any repairs or replacements made to the roof? ☐ Yes ☐ No

129. Give details to any questions answered "Yes": \_\_\_\_\_

130.

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

131. Page 4

## 132. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

133. Property located at \_\_\_\_\_.

### 134. (9) THE EXTERIOR AND INTERIOR WALLS/SIDING/WINDOWS:

135. (a) The type(s) of siding is (e.g., vinyl, stucco, brick, other): \_\_\_\_\_

136. (b) cracks/damage? ☐ Yes ☐ No

137. (c) leakage/seepage? ☐ Yes ☐ No

138. (d) other? ☐ Yes ☐ No

139. Give details to any questions answered "Yes": \_\_\_\_\_

140. \_\_\_\_\_

### 141. C. APPLIANCES, HEATING, PLUMBING, ELECTRICAL, AND OTHER MECHANICAL SYSTEMS:

142. **NOTE:** Check "NA" if the item is not physically located on the Property. Check "Yes" for items in working  
143. condition. Check "No" for items not in working condition. Working order means all components of the  
144. items specified below.

	NA	Working Order			NA	Working Order	
		Yes	No			Yes	No
145. Air-conditioning .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	145. Pool and equipment .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
146. <input type="checkbox"/> Central <input type="checkbox"/> Wall <input type="checkbox"/> Window				146. Propane tank .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
147. Air exchange system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
148. Carbon monoxide detector .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	147. Range/oven .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
149. Ceiling fan .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148. Range hood .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
150. Central vacuum .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	149. Refrigerator .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
151. Clothes dryer .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	150. Security system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
152. Clothes washer .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
153. Dishwasher .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	151. Smoke detectors (battery) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
154. Doorbell .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	152. Smoke detectors (hardwired) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
155. Drain tile system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	153. Solar collectors .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
156. Electrical system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	154. Sump pump .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
157. Environmental remediation system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	155. Toilet mechanisms .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
158. (e.g., radon, vapor intrusion) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	156. Trash compactor .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
159. Exhaust system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	157. TV antenna system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
160. Fire sprinkler system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	158. TV cable system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
161. Fireplace .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	159. TV receiver .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
162. Fireplace mechanisms .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	160. TV satellite dish .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
163. Freezer .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
164. Furnace humidifier .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161. Water heater .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
165. Garage door auto reverse .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	162. Water purification system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
166. Garage door opener .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
167. Garage door opener remote .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	163. Water softener .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
168. Garbage disposal .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
169. Heating system (central) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	164. Water treatment system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
170. Heating system (supplemental) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Rented <input type="checkbox"/> Owned			
171. Incinerator .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	165. Windows .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
172. Intercom .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	166. Window treatments .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
173. In-ground pet containment system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	167. Wood-burning stove .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
174. Lawn sprinkler system .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
175. Microwave .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
176. Plumbing .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

180. Page 5

## 181. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

182. Property located at \_\_\_\_\_.

183. Are there any items or systems on the Property connected or controlled wirelessly,  
184. via internet protocol ("IP"), to a router or gateway or directly to the cloud? ☐ Yes ☐ No

185. Comments regarding issues in Section C: \_\_\_\_\_

186. \_\_\_\_\_

### 187. D. SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE:

188. (A subsurface sewage treatment system disclosure is required by MN Statute 115.55.) (Check appropriate box.)

189. Seller ☐ DOES ☐ DOES NOT know of a subsurface sewage treatment system on or serving the above-described  
------(Check one.)-----

190. real Property. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure Statement:*  
191. *Subsurface Sewage Treatment System*.)

192. ☐ There is an abandoned subsurface sewage treatment system on the above-described real Property.  
193. (See *Disclosure Statement: Subsurface Sewage Treatment System*.)

### 194. E. PRIVATE WELL DISCLOSURE: (A well disclosure and Certificate are required by MN Statute 103I.235.) 195. (Check appropriate box(es).)

196. ☐ Seller does not know of any wells on the above-described real Property.

197. ☐ There are one or more wells located on the above-described real Property. (See *Disclosure Statement: Well*.)

198. ☐ This Property is in a Special Well Construction Area.

199. ☐ There are wells serving the above-described Property that are not located on the Property.

200. (1) How many properties or residences does the shared well serve? \_\_\_\_\_

201. (2) Is there a maintenance agreement for the shared well? ☐ Yes ☐ No

202. If "Yes," what is the annual maintenance fee? \$ \_\_\_\_\_

### 203. F. PROPERTY TAX TREATMENT:

#### 204. **Preferential Property Tax Treatment**

205. Is the Property subject to any preferential property tax status or any other credits  
206. affecting the Property? (e.g., Disabled Veterans' Benefits, Disability, Green Acres,  
207. Non-Profit Status, RIM, Rural Preserve, etc.) ☐ Yes ☐ No

208. If "Yes," would these terminate upon the sale of the Property? ☐ Yes ☐ No

209. Explain: \_\_\_\_\_

210. \_\_\_\_\_

### 211. G. NOTICES/ SPECIAL ASSESSMENTS: The following questions are to be answered to the best of Seller's knowledge.

212. Seller ☐ HAS ☐ HAS NOT received a notice regarding **any** proposed, ongoing, or completed improvement  
------(Check one.)-----

213. project from **any** assessing authorities, the cost of which may be assessed, or is currently assessed, against the  
214. Property. If "HAS", please attach and/or explain:

215. \_\_\_\_\_

216. \_\_\_\_\_

217. \_\_\_\_\_

### 218. H. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"): Section 1445 of the Internal Revenue Code 219. provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must 220. withhold tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply.

221. Seller represents that Seller ☐ IS ☐ IS NOT a foreign person (i.e., a non-resident alien individual, foreign corporation,  
------(Check one.)-----  
222. foreign partnership, foreign trust, or foreign estate) for purposes of income taxation. This representation shall  
223. survive the closing of any transaction involving the Property described here.

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

224. Page 6

## 225. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

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

227. **NOTE:** If the above answer is "**IS**," Buyer may be subject to income tax withholding in connection with the  
228. transaction (unless the transaction is covered by an applicable exception to FIRPTA withholding). In non-  
229. exempt transactions, Buyer may be liable for the tax if Buyer fails to withhold.

230. If the above answer is "**IS NOT**," Buyer may wish to obtain specific documentation from Seller ensuring  
231. Buyer is exempt from the withholding requirements as prescribed under Section 1445 of the Internal  
232. Revenue Code.

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

### 237. I. METHAMPHETAMINE PRODUCTION DISCLOSURE:

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

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

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

241. (See Disclosure Statement: Methamphetamine Production.)

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

247. **K. NOTICE REGARDING CARBON MONOXIDE DETECTORS:** MN Statute 299F.51 requires Carbon Monoxide  
248. Detectors to be located within ten (10) feet from all sleeping rooms. Carbon Monoxide Detectors may or may not  
249. be personal property and may or may not be included in the sale of the home.

250. **L. CEMETERY ACT:** The following questions are to be answered to the best of Seller's knowledge.

251. MN Statute 307.08 prohibits any damage or illegal molestation of human remains, burials or cemeteries. A  
252. person who intentionally, willfully and knowingly destroys, mutilates, injures, disturbs, or removes human skeletal  
253. remains or human burial grounds is guilty of a felony.

254. Are you aware of any human remains, burials, or cemeteries located on the Property? ☐ Yes ☐ No

255. If "Yes," please explain: \_\_\_\_\_

256. All unidentified human remains or burials found outside of platted, recorded or identified cemeteries and in  
257. contexts which indicate antiquity greater than 50 years shall be dealt with according to the provisions of MN  
258. Statute 307.08, Subd. 7.

259. **M. ENVIRONMENTAL CONCERNS:** To your knowledge, have any of the following previously existed or do they  
260. currently exist on the Property?

261. (1) Animal/Insect/Pest Infestation? ☐ Yes ☐ No (6) Lead? (e.g., paint, plumbing) ☐ Yes ☐ No

262. (2) Asbestos? ☐ Yes ☐ No (7) Mold? ☐ Yes ☐ No

263. (3) Diseased trees? ☐ Yes ☐ No (8) Soil problems? ☐ Yes ☐ No

264. (4) Formaldehyde? ☐ Yes ☐ No (9) Underground storage tanks? ☐ Yes ☐ No

265. (5) Hazardous waste/substances? ☐ Yes ☐ No (10) Vapor intrusion? ☐ Yes ☐ No

266. (11) Other? \_\_\_\_\_ ☐ Yes ☐ No

267. (12) Have you ever been contacted or received any information from any governmental  
268. authority pertaining to possible or actual environmental contamination (e.g., vapor  
269. intrusion, drinking water, and/or soil contamination, etc.) affecting the Property? ☐ Yes ☐ No



# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

270. Page 7

## 271. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

272. Property located at \_\_\_\_\_.

273. (13) Are you aware if there are currently, or have previously been, any orders issued  
274. on the Property by any governmental authority ordering the remediation of a  
275. public health nuisance on the Property? ☐ Yes ☐ No  
276. If answer above is "Yes," all orders ☐ HAVE ☐ HAVE NOT been vacated.  
------(Check one.)-----

277. (14) Please provide clarification or further explanation for all applicable "Yes" responses in Section M.

278.

279.

280.

281.

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

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

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

292. **RADON IN REAL ESTATE:** By signing this Statement, Buyer hereby acknowledges receipt of the Minnesota  
293. Department of Health's publication entitled **Radon in Real Estate Transactions**, which is attached hereto and  
294. can be found at [www.health.state.mn.us/communities/environment/air/radon/radonre.html](http://www.health.state.mn.us/communities/environment/air/radon/radonre.html).

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

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

302. (a) Radon test(s) ☐ HAVE ☐ HAVE NOT occurred on the Property.  
------(Check one.)-----

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

305.

306.

307. (c) There ☐ IS ☐ IS NOT a radon mitigation system currently installed on the Property.  
------(Check one.)-----

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

310.

311.

312. **EXCEPTIONS:** See Section S for exceptions to this disclosure requirement.

313. **O. CHRONIC WASTING DISEASE IN CERVIDAE:** (The following Seller disclosure satisfies MN Statute 35.155, Subd. 11(d).)

314. Has Chronic Wasting Disease been detected on the Property? ☐ YES ☐ NO

315. If Yes, see *Disclosure Statement: Chronic Wasting Disease*.  
------(Check one.)-----

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

316. Page 8

## 317. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

318. Property located at \_\_\_\_\_.

319. **P. OTHER DEFECTS/MATERIAL FACTS/ADDITIONAL COMMENTS:** Are there any other material facts that could  
320. adversely and significantly affect an ordinary buyer's use or enjoyment of the Property or any intended use of the

321. Property? ☐ Yes ☐ No. If "Yes," explain:

322.

323.

324.

325.

326.

327.

328.

329. **Q. WATER INTRUSION AND MOLD GROWTH:** Studies have shown that various forms of water intrusion affect  
330. many homes. Water intrusion may occur from exterior moisture entering the home and/or interior moisture  
331. leaving the home.

332. Examples of exterior moisture sources may be:

- 333. • improper flashing around windows and doors,
- 334. • improper grading,
- 335. • flooding,
- 336. • roof leaks.

337. Examples of interior moisture sources may be:

- 338. • plumbing leaks,
- 339. • condensation (caused by indoor humidity that is too high or surfaces that are too cold),
- 340. • overflow from tubs, sinks, or toilets,
- 341. • firewood stored indoors,
- 342. • humidifier use,
- 343. • inadequate venting of kitchen and bath humidity,
- 344. • improper venting of clothes dryer exhaust outdoors (including electrical dryers),
- 345. • line-drying laundry indoors,
- 346. • houseplants—watering them can generate large amounts of moisture.

347. In addition to the possible structural damage water intrusion may do to the Property, water intrusion may also result  
348. in the growth of mold, mildew, and other fungi. Mold growth may also cause structural damage to the Property.  
349. Therefore, it is very important to detect and remediate water intrusion problems.

350. Fungi are present everywhere in our environment, both indoors and outdoors. Many molds are beneficial to  
351. humans. However, molds have the ability to produce mycotoxins that may have a potential to cause serious  
352. health problems, particularly in some immunocompromised individuals and people who have asthma or allergies  
353. to mold.

354. To complicate matters, mold growth is often difficult to detect, as it frequently grows within the wall structure. If you  
355. have a concern about water intrusion or the resulting mold/mildew/fungi growth, you may want to consider having the  
356. Property inspected for moisture problems before entering into a purchase agreement or as a condition of your  
357. purchase agreement. Such an analysis is particularly advisable if you observe staining or musty odors on the  
358. Property.

359. **R. NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory  
360. offender registry and persons registered with the predatory offender registry under MN Statue 243.166  
361. may be obtained by contacting the local law enforcement offices in the community where the property  
362. is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of  
363. Corrections web site at <https://coms.doc.state.mn.us/publicregistrantsearch>.

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

364. Page 9

## 365. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

366. Property located at \_\_\_\_\_.

### 367. S. MN STATUTES 513.52 THROUGH 513.60: SELLER'S MATERIAL FACT DISCLOSURE:

368. **Exceptions:** The seller disclosure requirements of MN Statutes 513.52 through 513.60 **DO NOT** apply to
- 369. (1) real property that is not residential real property;
  - 370. (2) a gratuitous transfer;
  - 371. (3) a transfer pursuant to a court order;
  - 372. (4) a transfer to a government or governmental agency;
  - 373. (5) a transfer by foreclosure or deed in lieu of foreclosure;
  - 374. (6) a transfer to heirs or devisees of a decedent;
  - 375. (7) a transfer from a co-tenant to one or more other co-tenants;
  - 376. (8) a transfer made to a spouse, parent, grandparent, child, or grandchild of Seller;
  - 377. (9) a transfer between spouses resulting from a decree of marriage dissolution or from a property agreement incidental to that decree;
  - 379. (10) a transfer of newly constructed residential property that has not been inhabited;
  - 380. (11) an option to purchase a unit in a common interest community, until exercised;
  - 381. (12) a transfer to a person who controls or is controlled by the grantor as those terms are defined with respect to a declarant under section 515B.1-103, clause (2);
  - 383. (13) a transfer to a tenant who is in possession of the residential real property; or
  - 384. (14) a transfer of special declarant rights under section 515B.3-104.

### 385. MN STATUTES 144.496: RADON AWARENESS ACT

386. The seller disclosure requirements of MN Statute 144.496 DO NOT apply to (1)-(9) and (11)-(14) above. Sellers  
387. of newly constructed residential property must comply with the disclosure requirements of MN Statute 144.496.

388. **Waiver:** The written disclosure required under sections 513.52 to 513.60 may be waived if Seller and the  
389. prospective Buyer agree in writing. Waiver of the disclosure required under sections 513.52 to 513.60 does not  
390. waive, limit, or abridge any obligation for seller disclosure created by any other law.

### 391. No Duty to Disclose:

- 392. (A) There is no duty to disclose the fact that the Property
  - 393. (1) is or was occupied by an owner or occupant who is or was suspected to be infected with Human
  - 394. Immunodeficiency Virus or diagnosed with Acquired Immunodeficiency Syndrome;
  - 395. (2) was the site of a suicide, accidental death, natural death, or perceived paranormal activity; or
  - 396. (3) is located in a neighborhood containing any adult family home, community-based residential facility, or
  - 397. nursing home.
- 398. (B) **Predatory Offenders.** There is no duty to disclose information regarding an offender who is required to  
399. register under MN Statute 243.166 or about whom notification is made under that section, if Seller, in a timely  
400. manner, provides a written notice that information about the predatory offender registry and persons  
401. registered with the registry may be obtained by contacting the local law enforcement agency where the  
402. property is located or the Department of Corrections.
- 403. (C) The provisions in paragraphs (A) and (B) do not create a duty to disclose any facts described in paragraphs  
404. (A) and (B) for property that is not residential property.
- 405. (D) **Inspections.**
  - 406. (1) Except as provided in paragraph (2), Seller is not required to disclose information relating to the real
  - 407. Property if a written report that discloses the information has been prepared by a qualified third party
  - 408. and provided to the prospective buyer. For purposes of this paragraph, "qualified third party" means a
  - 409. federal, state, or local governmental agency, or any person whom Seller or prospective buyer reasonably
  - 410. believes has the expertise necessary to meet the industry standards of practice for the type of inspection
  - 411. or investigation that has been conducted by the third party in order to prepare the written report.
  - 412. (2) Seller shall disclose to the prospective buyer material facts known by Seller that contradict any
  - 413. information included in a written report under paragraph (1) if a copy of the report is provided to Seller.

# DISCLOSURE STATEMENT: SELLER'S PROPERTY DISCLOSURE STATEMENT

414. Page 10

415. THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.

416. Property located at \_\_\_\_\_.

417. **T. ADDITIONAL COMMENTS:**

418.

419.

420.

421.

422.

423.

424.

425. **U. SELLER'S STATEMENT:**

426. *(To be signed at time of listing.)*

427. Seller(s) hereby states the facts as stated above are true and accurate and authorizes any licensee(s) representing  
428. or assisting any party(ies) in this transaction to provide a copy of this Disclosure Statement to any person or entity  
429. in connection with any actual or anticipated sale of the Property. A seller may provide this Disclosure Statement  
430. to a real estate licensee representing or assisting a prospective buyer. The Disclosure Statement provided to the  
431. real estate licensee representing or assisting a prospective buyer is considered to have been provided to the  
432. prospective buyer. If this Disclosure Statement is provided to the real estate licensee representing or assisting  
433. the prospective buyer, the real estate licensee must provide a copy to the prospective buyer.

434. **Seller is obligated to continue to notify Buyer in writing of any facts that differ from the facts disclosed**  
435. **here (new or changed) of which Seller is aware that could adversely and significantly affect the Buyer's**  
436. **use or enjoyment of the Property or any intended use of the Property that occur up to the time of closing.**  
437. To disclose new or changed facts, please use the *Amendment to Disclosure Statement* form.

438. \_\_\_\_\_  
(Seller) (Date) (Seller) **Investor** (Date)

439. **V. BUYER'S ACKNOWLEDGEMENT:**

440. *(To be signed at time of purchase agreement.)*

441. I/We, the Buyer(s) of the Property, acknowledge receipt of this *Seller's Property Disclosure Statement* and agree  
442. that no representations regarding facts have been made other than those made above. This Disclosure Statement  
443. is not a warranty or a guarantee of any kind by Seller or licensee(s) representing or assisting any party in the  
444. transaction and is not a substitute for any inspections or warranties the party(ies) may wish to obtain.

445. The information disclosed is given to the best of Seller's knowledge.

446. \_\_\_\_\_  
(Buyer) (Date) (Buyer) (Date)

447. **LISTING BROKER AND LICENSEES MAKE NO REPRESENTATIONS HERE AND ARE**  
448. **NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING ON THE PROPERTY.**

MN:DS:SPDS-10 (8/24)



# Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless and odorless gas that comes from the soil. The gas can accumulate in the home. When inhaled, its radioactive particles 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 (picocuries per liter) 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**
5. **a radon warning statement**

## Radon Facts

**How dangerous is radon?** Radon is the number one cause of lung cancer in nonsmokers, 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. A home's radon levels may change in the future, so test every 2–5 years, or sooner if there is major remodeling or changes to the foundation, heating, cooling, or ventilation.

## Radon Warning Statement

“The Minnesota Department of Health strongly recommends that ALL home buyers 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 Testing

Any test lasting less than three months requires **closed-house conditions**. Closed-house conditions include keeping all windows and doors closed, except for normal entry and exit, and temperature set to 65 – 80 °F. For a full list of closed-house conditions please visit [mn.gov/radon/notice](http://mn.gov/radon/notice).

**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 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. If other foundations are present, such as a crawl space or slab on grade, also test the rooms above these foundations.

### Place the test kit:

- 20 inches to 6 feet above the floor
- 3 feet from exterior doors and windows
- 1 foot from exterior walls
- away from heat sources and drafts caused by vents and fans
- not in enclosed areas or areas of high heat/humidity

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

There are special protocols for radon testing in real estate transactions. Because these tests are time-sensitive there are two testing options. For both tests, test for a minimum of 2 days.

#### Continuous Radon Monitor (CRM)

MDH recommends CRMs in real estate testing. CRMs are calibrated, provide more data, and may detect tampering. The average of the results are used to make a decision to mitigate.

#### Simultaneous Short-Term Testing

Two short-term test kits are placed side by side, 4" – 8" apart. The results of the two tests are averaged and used to make a decision to mitigate.

## Radon Mitigation

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

**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 action level. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system is often able to reduce the annual average radon level to below 2.0 pCi/L. The cost of a radon mitigation system averages \$1,500 to \$3,000.

**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 short-term test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

**All radon testing and mitigation should be conducted by licensed radon professionals.** Radon service providers, such as home inspectors, must be licensed. A list of these licensed radon professionals can be found at MDH's radon web site. MDH conducts free inspections, upon request, of recently installed radon mitigation systems, to check that they meet requirements.

### More Radon Information

[www.mn.gov/radon](http://www.mn.gov/radon)

Last Updated 4/2023

### MDH Indoor Air Unit

PO Box 64975  
St Paul, MN 55164-0975

### Contact Information

651-201-4601  
800-798-9050  
[health.indoorair@state.mn.us](mailto:health.indoorair@state.mn.us)





# DISCLOSURE STATEMENT: ARBITRATION DISCLOSURE AND RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.  
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1. Page 1

## 2. ARBITRATION DISCLOSURE

3. You have the right to choose whether to have any disputes about disclosure of material facts affecting the use or  
4. enjoyment of the property that you are buying or selling decided by binding arbitration or by a court of law. By agreeing  
5. to binding arbitration, **you give up your right to go to court for claims over \$20,000.**

6. By signing the RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT ("ARBITRATION AGREEMENT") on  
7. page two (2), you agree to the following:

8. (1) disputes with demands which fall within the jurisdictional limits of the conciliation court shall be resolved in the  
9. applicable conciliation court; and
10. (2) all other disputes shall be subject to binding arbitration under the Residential Real Property Arbitration  
11. System ("Arbitration System") administered by National Center for Dispute Settlement ("NCDS") and endorsed  
12. by the Minnesota Association of REALTORS® ("MNAR"). The ARBITRATION AGREEMENT is enforceable only  
13. if it is signed by all buyers, sellers and licensees representing or assisting the buyers and the sellers. The  
14. ARBITRATION AGREEMENT is not part of the *Purchase Agreement*. **Your *Purchase Agreement* will still**  
15. **be valid whether or not you sign the ARBITRATION AGREEMENT.**

16. The Arbitration System is a private dispute resolution system offered as an alternative to the court system. It is not  
17. government sponsored. NCDS and the MNAR jointly adopt the rules that govern the Arbitration System. NCDS and  
18. the MNAR are not affiliated. Under the ARBITRATION AGREEMENT you must use the arbitration services of NCDS.

19. All disputes about or relating to disclosure of material facts affecting the use or enjoyment of the property, excluding  
20. disputes related to title issues, are subject to arbitration under the ARBITRATION AGREEMENT. This includes claims  
21. of fraud, misrepresentation, warranty and negligence. Nothing in this Agreement limits other rights you may have under  
22. MN Statute 327A (statutory new home warranties) or under private contracts for warranty coverage. An agreement to  
23. arbitrate does not prevent a party from contacting the Minnesota Department of Commerce, the state agency that  
24. regulates the real estate profession, about licensee compliance with state law.

25. The administrative fee for the Arbitration System varies depending on the amount of the claim, but it is more than initial  
26. court filing fees. In some cases, conciliation court is cheaper than arbitration. The maximum claim allowed in conciliation  
27. court is \$20,000. This amount is subject to future change. In some cases, it is quicker and less expensive to arbitrate  
28. disputes than to go to court, but the time to file your claim and pre-hearing discovery rights are limited. The right to  
29. appeal an arbitrator's award is very limited compared to the right to appeal a court decision.

30. **A request for arbitration must be filed within 24 months of the date of the closing on the property or else the**  
31. **claim cannot be pursued. In some cases of fraud, a court or arbitrator may extend the 24-month limitation**  
32. **period provided herein.**

33. A party who wants to arbitrate a dispute files a Demand, along with the appropriate administrative fee, with NCDS.  
34. NCDS notifies the other party, who may file a response. NCDS works with the parties to select and appoint an arbitrator  
35. to hear and decide the dispute. A three-arbitrator panel will be appointed instead of a single arbitrator at the request  
36. of any party. The party requesting a panel must pay an additional fee. Arbitrators have backgrounds in law, real estate,  
37. architecture, engineering, construction or other related fields.

38. Arbitration hearings are usually held at the home site. Parties are notified about the hearing at least 14 days in advance.  
39. A party may be represented by a lawyer at the hearing, at the party's own expense, if he or she gives five (5) days  
40. advance notice to the other party and to NCDS. Each party may present evidence, including documents or testimony  
41. by witnesses. The arbitrator must make any award within 30 days from the final hearing date. The award must be  
42. in writing and may provide any remedy the arbitrator considers just and equitable that is within the scope of the parties'  
43. agreement. The arbitrator does not have to make findings of fact that explain the reason for granting or denying an  
44. award. The arbitrator may require the party who does not prevail to pay the administrative fee.

45. **This Arbitration Disclosure provides only a general description of the Arbitration System and a general overview**  
46. **of the Arbitration System rules.** For specific information regarding the administrative fee, please see the Fee Schedule  
47. located in the NCDS Rules. Copies of the Arbitration System rules are available from NCDS by calling (866) 727-8119  
48. or on the Web at [www.ncdsusa.org](http://www.ncdsusa.org) or from your REALTOR®. If you have any questions about arbitration, call NCDS  
49. at (866) 727-8119 or consult a lawyer.

**DISCLOSURE STATEMENT: ARBITRATION  
DISCLOSURE AND RESIDENTIAL REAL  
PROPERTY ARBITRATION AGREEMENT**

50. Page 2

51. **THIS IS AN OPTIONAL, VOLUNTARY AGREEMENT.**  
52. **READ THE ARBITRATION DISCLOSURE ON PAGE ONE (1) IN FULL BEFORE SIGNING.**  
53. **RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT**

54. For the property located at \_\_\_\_\_ .

55. City of \_\_\_\_\_ , County of \_\_\_\_\_ ,

56. State of Minnesota, Zip Code \_\_\_\_\_ .

57. Any dispute between the undersigned parties, or any of them, about or relating to material facts affecting the use or  
58. enjoyment of the property, excluding disputes related to title issues of the property covered by the *Purchase Agreement*  
59. dated \_\_\_\_\_ , including claims of fraud, misrepresentation, warranty and negligence, shall  
60. be settled as specified in the Arbitration Disclosure above. National Center for Dispute Settlement shall be the arbitration  
61. service provider. The rules adopted by National Center for Dispute Settlement and the Minnesota Association of  
62. REALTORS® shall govern the proceeding(s). The rules that shall govern the proceeding(s) are those rules in effect  
63. at the time the Demand for Arbitration is filed and include the rules specified in the Arbitration Disclosure on page one  
64. (1). This Agreement shall survive the delivery of the deed or contract for deed in the *Purchase Agreement*. This Agreement  
65. is only enforceable if all buyers, sellers and licensees representing or assisting the buyers and sellers have agreed to  
66. arbitrate as acknowledged by signatures below. For purposes of this Agreement, the signature of one licensee of a  
67. broker shall bind the broker and all licensees of that broker.

68. \_\_\_\_\_  
(Seller's Signature) (Date) (Buyer's Signature) (Date)

69. \_\_\_\_\_  
(Seller's Printed Name) (Buyer's Printed Name)

70. \_\_\_\_\_  
(Seller's Signature) (Date) (Buyer's Signature) (Date)

71. \_\_\_\_\_  
(Seller's Printed Name) (Buyer's Printed Name)

72. \_\_\_\_\_  
(Licensee Representing or Assisting Seller) (Date) (Licensee Representing or Assisting Buyer) (Date)

73. \_\_\_\_\_  
(Company Name) (Company Name)

Decline

74. **THE RESIDENTIAL REAL PROPERTY ARBITRATION AGREEMENT IS A LEGALLY BINDING CONTRACT**  
75. **BETWEEN BUYERS, SELLERS AND LICENSEES. IF YOU DESIRE LEGAL ADVICE, CONSULT A LAWYER.**

MN:DS:ADRAA-2 (8/24)