

FORMS CHANGES COMING SOON



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**These changes will
be released
on August 1, 2016.**

..substantive changes were made to three main contingencies including the Inspection Contingency, Sale of Buyer's Property Contingency, and the Financing Contingencies..

The Minnesota REALTORS® Forms Committee held six meetings, one Commercial Forms Sub-Committee meeting, and one Leasing Forms Task Force meeting this fiscal year. It covered many of the members' suggested changes. A special thanks is due to the Forms Committee Chair, Deb Richmond-Johnson, and all of the volunteer Forms Committee, Sub-Committee, and Task Force members for their efforts in accomplishing a very hefty agenda this fiscal year.

The Forms Committee made numerous forms changes, which are summarized in this article. These changes will be released

on August 1, 2016. Please note that substantive changes were made to three main contingencies including the *Addendum to Purchase Agreement: Inspection*

Contingency; Addendum to Purchase Agreement: Sale of Buyer's Property Contingency; and the three Addendum to Purchase Agreement: Financing Contingencies (Conventional, FHA, and DVA). We strongly encourage you to thoroughly review these revised forms to ensure you understand how these changes affect the applicability, duration, and removal of these particular contingencies.

Purchase Agreement

(PA, New Construction PA, and the Vacant Land PA):

- **Line 44: Financing Addenda:** Removed the option for “other” and added options in all three Financing Addenda, including Conventional, FHA, and DVA.
- **Lines 48-61: Sale of Buyer’s Property Contingency:** New language was added allowing the parties to *select one of three options* regarding the buyer’s need to sell and close on any other property to purchase the subject property.

PURCHASE AGREEMENT

46. Page 2 Date _____

Property located at _____.

SALE OF BUYER’S PROPERTY CONTINGENCY: (Check one.)

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

OR

- ☐ 2. This Purchase Agreement is contingent upon the successful closing on the Buyer’s property located at _____, which is scheduled to close on _____, 20____ pursuant to a fully executed purchase agreement. If Buyer’s property does not close, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph supersedes any other provision to the contrary in any financing addendum made a part of this Purchase Agreement, if applicable.

OR

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

1. The first option would be selected in the event the buyer needs to sell a property in order to purchase the subject property and has not yet entered into a purchase agreement for the sale of his or her current property. In this case, the parties would also complete the *Addendum to Purchase Agreement: Sale of Buyer’s Property Contingency*.
2. A buyer would select the second option in the event the buyer has already entered into a purchase agreement for the sale of his or her current property but the buyer still needs to close on his or her current property in order for the buyer to purchase the subject property.
3. The third option is a representation from the buyer that he or she has the financial ability to perform on the subject Purchase Agreement without the sale and closing of any other property.

- **Lines 79-81: Modified Possession Date** to allow for two different options: 1) immediately after closing; or 2) other.
- Added language authorizing a settlement statement to be provided to licensees. "Buyer and Seller authorize the title company, escrow agent, and/or their representatives to disclose and provide copies of the disbursing agent's settlement statement to the real estate licensees involved in the transaction at the time these documents are provided to Buyer and Seller."
- Modified the forms throughout making grammatical corrections and replacing legal terms with plain language.

Inspection Contingency Addendum:

For many years, the MN REALTORS® Inspection Contingency Addendum detailed three options provided to the buyer after inspection of the property: (1) The buyer could identify issues pertaining to the property he or she wishes to negotiate by giving written notice to the seller, (2) The buyer could unilaterally waive any issues within the time period specified, or (3) The buyer could, based on the inspection, declare the Purchase Agreement canceled.

Many REALTORS® found the timing and trigger points in these options to be very cumbersome. After much discussion and debate, the Forms Committee decided to simplify the inspection contingency by eliminating unnecessary language and **providing only one (1) time-period for the buyer to obtain the inspections/tests, negotiate any issues with the seller, and either come to agreement with the seller, or cancel the Purchase Agreement based upon the inspection (the "Inspection Period")**.

Practice Tip: The Forms Committee changed the calculation of days to be based on calendar days. The calculation of days for this contingency is no longer based on business days. Therefore, it is important that when you enter the number of days in the Inspection Contingency Addendum you consider ***that calendar days will include*** Saturdays, Sundays, and State and Federal Holidays.

As with any contingency, there are important ramifications if the parties do not take appropriate action at the appropriate times. If the buyer wishes to cancel the Purchase Agreement based upon his or her inspection or test results, **the revised Inspection Contingency requires the buyer**, or the licensee representing or assisting the buyer, **to provide the seller**, or licensee representing or assisting the seller, **with a written notice of their intent to cancel the Purchase Agreement *no later than the end of the Inspection Period***, as defined in the Inspection Contingency.

ADDENDUM TO PURCHASE AGREEMENT: INSPECTION CONTINGENCY

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

For the purposes of this Addendum, “Calendar Days” shall end at 11:59 p.m., and include Saturdays, Sundays, and state and federal holidays.

All inspection(s), test(s), and resulting negotiations, if any, shall be done within _____ Calendar Days of Final Acceptance Date of this Purchase Agreement (“Inspection Period”). Buyer may cancel this Purchase Agreement based on the inspection(s) or test result(s) by providing written notice to Seller, or licensee representing or assisting Seller, of Buyer’s intent to cancel no later than the end of the Inspection Period. If Buyer cancels this Purchase Agreement, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. If Buyer does not cancel this Purchase Agreement before the end of the Inspection Period, then this Contingency shall be deemed removed and this Purchase Agreement shall be in full force and effect.

Practice Tip: If the buyer, or the licensee representing or assisting the buyer, *fails to provide* the seller, or licensee representing or assisting the seller, with *written notice of cancellation* based on the inspection by the end of the Inspection Period, then the Inspection Contingency is deemed removed and the Purchase Agreement is in full force and effect!

Practice Tip: Ensure the buyer understands that although the buyer may choose to negotiate items with the seller based upon his or her inspection or test results, there is nothing that requires the seller to modify the terms of their current Purchase Agreement. **Be aware that any negotiations between the buyer and seller must occur during the Inspection Period.** If the seller is unwilling to negotiate new terms based on the buyer’s requests, then the **buyer will need to determine whether they wish to cancel** the Purchase Agreement **no later than the end of the Inspection Period.** If negotiations are ongoing and the Inspection Period is running out, then the buyer could request the seller agree to a written amendment to the Purchase Agreement extending the Inspection Period, however the seller would not be required to accept such an amendment and buyer would need to determine whether he or she wishes to proceed or cancel the Purchase Agreement **no later than the end of the Inspection Period.**

Sale of Buyer’s Property Contingency:

The Forms Committee added new contingency options for the sale of buyer’s property to the Purchase Agreements and made substantive changes to the *Addendum to Purchase Agreement: Sale of Buyer’s Property Contingency*. Specifically, new language was added to the Purchase Agreements allowing the parties to **select one of following three options** regarding the buyer’s need to sell and close on any other property to purchase the subject property:

Option 1: Select this option in the event the buyer still needs to sell a property in order to purchase the subject property and has not yet entered into a purchase agreement for the sale of his or her current property. In this case, the parties would complete the Addendum to *Purchase Agreement: Sale of Buyer's Property Contingency*.

Option 2: A buyer would select the second option in the event the buyer has already entered into a purchase agreement for the sale of his or her current property but the buyer still needs to close on their current property in order to purchase the subject property.

Option 3: The third option is a representation from the buyer that he or she has the financial ability to perform on the subject Purchase Agreement without the sale and closing of any other property.

Sale of Buyer's Property Contingency
(Option 1):

If Option 1 is selected in the Purchase Agreement, attach and complete the *Addendum to Purchase Agreement: Sale of Buyer's Property Contingency*. The

mechanics of this Contingency remain largely the same as they were in the previous revision. The seller will still have the right to demand removal of the contingency for the **sale** of the buyer's current property by providing

written notice to the buyer. To remove the contingency for the **sale** of the buyer's property, the buyer will still be obligated to provide the seller with a valid purchase agreement within the time frame specified. The significant change to this Contingency is that, **if the buyer removes the Contingency for the sale of the buyer's property, the Purchase Agreement becomes contingent upon successful closing of the buyer's property.** In other words, the seller may not cancel the purchase agreement based upon

this Contingency after a valid purchase agreement for the sale of buyer's property has been provided. The seller may not know whether the subject property will close until the date of closing in the subject Purchase Agreement.

...if the buyer removes the Contingency for the sale of the buyer's property, the Purchase Agreement becomes contingent upon successful closing of the buyer's property.

If the buyer's current property fails to close on or before the closing date in the subject Purchase Agreement, then the Purchase Agreement is automatically canceled. The buyer and seller agree to sign a Cancellation

of Purchase Agreement directing the ***earnest money be refunded to the buyer.*** **Note this paragraph supersedes any other provision to the contrary in any Financing Addendum made a part of the Purchase Agreement.**

For example, if the Purchase Agreement contains an *Addendum to Purchase Agreement: Sale of Buyer's Property Contingency* and an *Addendum to Purchase Agreement: Conventional*

Mortgage Financing with the first Financing Contingency option selected and the earnest money forfeited to seller, and the purchase agreement is canceled based on the Sale of Buyer's Property Contingency, then the language in the Sale of Buyer's Property Contingency will supersede and the earnest money will be refunded to the buyer.

If the seller demands removal, and the buyer does not timely remove the contingency by providing a valid purchase agreement, then the Purchase Agreement is automatically canceled. The buyer and seller agree to sign a *Cancellation of Purchase Agreement* confirming the cancellation and the earnest money will be refunded to the buyer.

Buyer's property ☐ **Is Currently Listed** ☐ **Will Be Listed Within** _____ **Days** with
(Check one.)

_____, broker.

Seller shall have the right to continue to offer the Property for sale until this Contingency is removed.

Seller's Right to Demand Removal of Contingency: Seller may demand removal of this Contingency at any time.

To demand removal of this Contingency, Seller, or licensee representing or assisting Seller, shall deliver to Buyer, or licensee representing or assisting Buyer, written notice demanding removal of this Contingency.

Buyer Removal of Contingency: To remove this Contingency, Buyer, or licensee representing or assisting Buyer, shall deliver to Seller, or licensee representing or assisting Seller, at any time, but not later than _____ Business Days of receipt of a written notice from Seller, a true copy of a valid, fully signed purchase agreement for the sale of Buyer's property that is not contingent upon anything other than financing and that has a closing date not later than the closing date in this Purchase Agreement. If Buyer enters into a valid purchase agreement for the sale of Buyer's property, as defined here, Buyer shall remove this Contingency as specified in this Addendum.

Buyer shall have until 11:59 p.m. on the final Business Day referred to on line 14 to remove this Contingency.

Closing of Buyer's Property: If Buyer removes this Contingency for the sale of Buyer's property, this Purchase Agreement becomes contingent upon successful closing on the Buyer's property. If Buyer's property does not close on or before the closing date in this Purchase Agreement, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer. The language in this paragraph supersedes any other provision to the contrary in any Financing Addendum made a part of this Purchase Agreement, if any.

Failure to Remove Contingency: If Seller demands removal, and Buyer does not timely remove this Contingency, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.

If neither party timely removes this Contingency, and this Purchase Agreement does not close on or before the closing date specified, this Purchase Agreement is canceled. Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be refunded to Buyer.

In the event there is more than one Buyer or Seller, the parties agree that any one Buyer may remove the Contingency as specified here and any one Seller may demand removal of this Contingency.

Sale of Buyer's Property Contingency (Option 2):

If the buyer has already entered into a purchase agreement for the sale of the buyer's current property prior to entering into the subject Purchase Agreement, then the buyer should select the second option under the Sale of Buyer's Property Contingency section in the Purchase Agreement, making the Purchase Agreement contingent upon the ***closing*** of buyer's current property.

This contingency option **does not** require the buyer to provide the seller with a copy of the purchase agreement for the sale of buyer's current property.

Practice Tip: Be cognizant of the closing date in the buyer's purchase agreement and ensure that the subject Purchase Agreement contains a closing date on or after the closing date in the buyer's purchase agreement.

Practice Tip: Make sure you assist your clients and customers in understanding that agreement to a contingency for the sale of buyer's property (either option 1 or 2) may modify distribution of the earnest money in case of cancellation of the subject Purchase Agreement. A seller should also understand that agreement to a contingency for the sale of buyer's property may result in uncertainty of closing on the subject Purchase Agreement all the way up to the closing date.

Like the first option, if the buyer's property does not close, then the subject Purchase Agreement is canceled, a *Cancellation of Purchase Agreement* is to be signed by the parties, and the earnest money is refunded to the buyer. **Again, this paragraph supersedes any other provision to the contrary in any Financing Addendum made a part of the Purchase Agreement.**

Sale of Buyer's Property Contingency (Option 3):

If the buyer wishes to purchase the property without a contingency for the sale of buyer's property, the buyer should select option three (3). By selecting this option, buyer is making a representation to the seller that the buyer can financially perform on the subject Purchase Agreement without having to sell or close on any other property.

Addendum to Purchase Agreement: Conventional Mortgage Financing:

- In addition to conventional and privately insured conventional, the Committee added three additional options for selection of the type of conventional financing:
 - a. USDA Rural Development;
 - b. MN Housing Financing Agency; and
 - c. Other
- The language in the second contingency option has been modified. The language was reformatted to make it easier to understand and the Forms Committee added two additional exceptions to the buyer's acceptance of satisfying conditions required by his or her mortgage lender once he or she has delivered the Written Statement to the seller.

Historically, the Forms Committee has always excepted the work orders to be completed by the seller. The two added exceptions are: 1) other financing terms agreed to be completed by seller in the Purchase Agreement; and 2) any contingency for the sale and closing of the buyer's property pursuant to the Purchase Agreement.

Now, if the Purchase Agreement does not close after the Written Statement is provided, the seller ***will not*** be able to cancel the Purchase Agreement and retain the earnest money if the reason the Purchase Agreement does not close is due to the seller's failure to complete work orders as required by the Purchase Agreement; seller's failure to complete any other financing term agreed to be completed by the seller; or any contingency for the sale and closing of buyer's property, except the seller may cancel as provided in the contingency for the sale of buyer's property.

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

- (a) work orders agreed to be completed by Seller;
- (b) any other financing terms agreed to be completed by Seller here; and
- (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement.

Upon delivery of the Written Statement, if this Purchase Agreement does not close on the stated closing date for ANY REASON relating to financing, including, but not limited to interest rate and discount points, if any, then Seller may, at Seller's option, declare this Purchase Agreement canceled, in which case this Purchase Agreement is canceled. If Seller declares this Purchase Agreement canceled, Buyer and Seller shall immediately sign a *Cancellation of Purchase Agreement* confirming said cancellation and directing all earnest money paid here to be forfeited to Seller as liquidated damages. In the alternative, Seller may seek all other remedies allowed by law.

Notwithstanding the language above, Seller may not declare this Purchase Agreement canceled if the reason this Purchase Agreement does not close was due to:

- (a) Seller's failure to complete work orders to the extent required by this Purchase Agreement;
- (b) Seller's failure to complete any other financing terms agreed to be completed by Seller here; or
- (c) any contingency for the sale and closing of Buyer's property pursuant to this Purchase Agreement, except as specified in the contingency for sale and closing of Buyer's property.

Addendum to Purchase Agreement: FHA Insured Mortgage Financing and DVA Guaranteed Mortgage Financing:

- Added a check option for MN Housing Financing Agency.
- Modified the language in the second Financing Contingency options as already described under Conventional Mortgage Financing.
- Added language clarifying that the fees seller agrees to pay that cannot be charged to the buyer is an amount in addition to the *Addendum to Purchase Agreement: Seller's Contributions to Buyer's Costs*, if applicable.
- Modified the forms throughout making grammatical corrections and replacing legal terms with plain language.

Other Forms Changes

Addendum to Purchase Agreement: Buyer Purchasing "AS-IS" and Limitation of Seller Liability:

- **Line 14:** Eliminated the reference to line numbers in the Purchase Agreement.

Amendments to Purchase Agreement: Buyer's Move-In Agreement and Seller Holdover Possession Agreement:

- A blank line was added for possession time on the possession date.
- Modified the forms throughout making grammatical and formatting corrections.

Disclosure Statement: Seller's Disclosure Alternatives:

- **Deleted lines 174-175** — reference to the *Desktop Reference Guide*.
- Modified the forms throughout making grammatical and replacing legal terms with plain language.

Disclosure Statement: Seller's Property Disclosure Statement:

- Under **SECTION C:** added "Environmental remediation system (e.g., radon, vapor intrusion)" to the list of items.
- Under **SECTION L: Environmental Concerns:** A new question was added: "Have you ever been contacted or received any information from any governmental authority pertaining to possible or actual environmental contamination affecting the property?"
- **Deleted lines 352-353** — reference to the *Desktop Reference Guide*.
- Modified the forms throughout making grammatical corrections and replacing legal terms with plain language.

Listing Contracts (Sale and Lease) and Owner/Seller Facilitator Services Agreements:

- The **Internet Display Options** form has been incorporated into these forms. The same MLS data feed explanations and definitions and the four display questions/options for the seller/owner are now included in these listing forms.
- The second paragraph of the SELLER'S/OWNER'S OBLIGATIONS section was modified to clarify and enhance the language pertaining to seller's authorization of access by others to the seller's property, as follows:

Access to the Property: Seller authorizes access to the Property. Authorizing access means giving permission to another person to enter the Property, with or without a licensed salesperson present, disclosing to the other person any security codes necessary to enter the Property, and lending a key to the other person to enter the Property, directly or through a lockbox. To facilitate the showing and sale of the Property, Seller instructs Broker to:

1. access the Property;
2. authorize other brokers and their associates, inspectors, appraisers, contractors, and other industry professionals to access the Property at reasonable times and upon reasonable notice; and
3. duplicate keys to facilitate convenient and efficient showings of the Property.

Seller agrees to commit no act which might tend to obstruct Broker's performance here. If the Property is occupied by someone other than Seller, Seller shall comply with Minnesota law and any applicable lease provisions of an existing lease and provide tenant with proper notice in advance of any Property showing.

Residential Lease Agreement:

- Rearranged the sections to follow the order of items under Paragraph 1 on page 1.
- Added "Unit Number:" and "Zip Code" lines.
- Deleted current line 35 pertaining to whether the Premises is part of CIC but added:
"The Premises ☐ ARE ☐ ARE NOT part of a Common Interest Community ("CIC"). If the answer is "ARE," see the attached *Addendum to Residential Lease Agreement: Common Interest Community ("CIC")*."

The Committee adopted a new form *Addendum to Residential Lease Agreement: Common Interest Community ("CIC")*.

- Modified the forms throughout making grammatical and formatting corrections, and replacing legal terms with plain language.
- Added a blank line to clarify who will be holding the security deposit.
- Added check options for additional fees for allowing pets.

Additional payments:

- ☐ There shall be a pet rent of \$_____ per month.
- ☐ There shall be a one-time, non-refundable pet fee of \$_____.
- ☐ There shall be a refundable pet deposit, collected in addition to the security deposit, of \$_____, which may be retained by Owner to the extent that it is needed to make repairs to the Premises that were caused by the pet(s). The pet deposit shall be governed by MN Statute 504B.178.

- After line 71, added language regarding "single-metered residential building".
"Owner and Tenant understand that if the Premises is a "single-metered residential building" as defined in MN Statute 504B.215, then Owner must comply with the requirements of MN Statute 504B.215. Owner is advised to seek legal advice regarding payment of utilities."
- Deleted current lines 74-79 pertaining to Common Interest Communities and incorporated the language into the new *Addendum to Residential Lease Agreement: Common Interest Community ("CIC")*.
- Modified line 85 to comply with MN Statutes.
"\$30, pursuant to MN Statute 604.113, Subd. 2"
- Modified line 107 to reflect statutory language.
"the Premises and all common areas are fit for the use intended by the parties"
- After line 133, added the following language regarding liability insurance coverage:
"(k) Tenant shall obtain a liability insurance policy with coverage in the amount of at least \$_____ to cover injuries or other accidents that may happen on the Premises during Tenant's tenancy."

- Added new maintenance options after the “Covenants of Tenant” section, as follows:

14. **MAINTENANCE:** Owner and Tenant agree that the following maintenance items, if applicable, will be completed by the party elected here:

(a) Snow removal from sidewalks, driveways, and other necessary snow removal on the Premises shall be completed by ☐ Owner ☐ Tenant ☐ Not Applicable.

(Check one.)

(b) Lawn maintenance, including mowing and _____ on the Premises shall be completed by ☐ Owner ☐ Tenant ☐ Not Applicable.

(Check one.)

(c) Adding salt to the water softener shall be completed by ☐ Owner ☐ Tenant ☐ Not Applicable.

(Check one.)

Additionally, Tenant shall be responsible for the following maintenance tasks: _____

_____ ;

and Owner shall be responsible for the following maintenance tasks: _____

_____ .

In accordance with MN Statute 504B.161, Subd. 2, Tenant hereby acknowledges the receipt of adequate compensation, reflected in the amount of rent due pursuant to this Lease for the performance of the above-referenced maintenance activities to be completed by Tenant.

- Line 142, changed the heading to “LOCKS, KEYS, SECURITY CARDS, AND OPENERS”
- Modified lines 143-144 to read as follows:

16. **LOCKS, KEYS, SECURITY CARDS, AND OPENERS:** Tenant may not add or change any locks on the Premises. At Tenant's request, Owner shall change or re-key the locks at Tenant's expense. In the event that Tenant is responsible for a lost or missing key, security card, or garage door opener relating to the Premises, Tenant shall either pay \$ _____ for Owner to re-key the Premises, or \$ _____ for the Owner to obtain new copies from Owner's master key, at the election of Owner.

- After line 148, added the following language pertaining to renter's insurance:
“Tenant may wish to secure a renter's insurance policy to cover the loss or damage of Tenant's personal property.”
- The following language regarding termination of lease was added after the “BREACH OF LEASE” section:

23. **EARLY TERMINATION:** Tenant may not terminate this Lease early without prior written consent from Owner. Should Tenant decide to vacate the Premises prior to the end of the Term specified in this Lease, Tenant will be responsible for all rent owed pursuant to this Lease, along with any utilities necessary to prevent waste of the Premises. Owner will make a reasonable effort to obtain a new tenant, satisfactory to Owner, to mitigate Tenant's rental costs.

In any case, Tenant shall notify Owner upon Tenant's vacation of the Premises and return all keys, security cards, and openers to Owner at that time. Failure to do so may result in damage to the Premises for which Tenant is liable.

- The following language was added after the “ELECTRONIC SIGNATURES” section:

31. **LANDLORDS' AND TENANTS' RIGHTS AND RESPONSIBILITIES:** Tenant acknowledges they have been notified of the availability of the *Landlords' and Tenants' Rights and Responsibilities* booklet through the Minnesota Attorney General's Office: 1400 Bremer Tower, 445 Minnesota St., St. Paul, MN 55101; (651) 296-3533 or (800) 657-3787; <http://www.ag.state.mn.us/consumer/housing/lt/>.

Addendum to Residential Lease Agreement: Common Interest Community ("CIC"): -New Form-

- The Committee developed a new Addendum to Residential Lease, moving existing language regarding common interest communities from the Lease to this Addendum.
- Lines were included to provide contact information for the CIC
- Language was included stating the Tenant is responsible for any additional moving fees charged by the CIC, if any.
- Utility payment options were included.
- The Addendum also addresses fees pertaining to locks, keys, security cards, and openers.
- Note there is language on lines 9-10 of this Addendum clarifying that if there is a conflict between the Addendum and any other provisions of the Lease Agreement, the language in the Addendum governs.

COMMERCIAL PURCHASE AGREEMENT

- Changed "written cancellation" throughout the form to refer to the Cancellation of Purchase Agreement, which will now be included in the Commercial Forms library.
- Modified the Possession Date to allow for two different options: 1) immediately after closing; or 2) other.
- After line 282, added the following notice:
"NOTE: MN Statute 500.21 establishes certain restrictions on the acquisition of title to agricultural land by aliens and non-American corporations. Please seek appropriate legal advice if this Purchase Agreement is for the sale of agricultural land and Buyer is a foreign person."

PURCHASE AGREEMENT: LAND (NON-RESIDENTIAL)

- Deleted lines 93-94 pertaining to rights of tenants and added a new sentence after line 97 as follows,

TENANTS/LEASES: Property ☐ IS ☐ IS NOT subject to rights of tenants (if answer is **IS**, see attached *Addendum*
-----*(Check one.)*-----
to Commercial Purchase Agreement: Due Diligence).
Seller shall not execute leases from the date of this Purchase Agreement to the date of closing, the term of which lease extends beyond the date of closing, without the prior written consent of Buyer. Buyer's consent or denial shall be provided to Seller within _____ days of Seller's written request. Said consent shall not be unreasonably withheld.

- Modified the Possession Date to allow for two different options: 1) immediately after closing; or 2) other.
- After line 307, added the following notice:
"NOTE: MN Statute 500.21 establishes certain restrictions on the acquisition of title to agricultural land by aliens and non-American corporations. Please seek appropriate legal advice if this Purchase Agreement is for the sale of agricultural land and Buyer is a foreign person."

Q When will the Minnesota REALTORS® be releasing the forms to the membership?

A The forms will be posted to Instanet/Transaction Desk on August 1st, 2016.

Q How will my templates get updated?

A For Transaction Templates and AuthentiSign Templates, you will be able to add in the new/revised forms starting August 1st, including those forms branded with your company logo.* There is no fee for updating the templates yourself.

If you have had Instanet do any custom forms for your brokerage, you will need to contact Instanet directly if you would like Instanet

to incorporate any of the MN REALTORS® forms changes into your custom forms. There is a cost, per page, for Instanet to do this work. Instanet cannot begin customizations until the forms go live on August 1st.

If you would like to have your logo added to the MN REALTORS® Approved forms, please contact Instanet at logos@instanetsolutions.com.

* NOTE: If you have had Instanet hard-code your logo to all pages of the forms, this is considered a customization, and there will be a cost, per page, to hard-code your logo to the new/revised forms. Please contact Instanet with any questions regarding forms customizations.

COMING SOON:

Please watch MN REALTORS® website, the weekly eREsource emails, and our YouTube Channel for videos on the forms changes.