

2010 MNAR Approved Forms Summary of Changes

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

Chapter 82 was re-organized and renumbered. Because of the renumbering, all references to MN Statute 82.22, Subd. 8 were changed to MN Statute 82.54, Subd. 3.

BUYER FACILITATOR SERVICES AGREEMENT

This form also referenced MN Statute 82.22, Subd. 8. The reference was updated to 82.54, Subd. 3.

This form was modified to eliminate the use of “I”, “me”, “my”, “You” and “your” and instead uses Buyer and Broker. Grammar was adjusted throughout the form.

The disclaimer regarding the buyer seeking tax or legal advice was added to the bottom of the last page:

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

COMMON INTEREST COMMUNITY MODIFICATION/WAIVER OF BUYER’S RIGHT OF RESCISSION (RESIDENTIAL)

There was a statutory change to MN Statute 515B.4-107. Under the section on page 1 that refers to association documents:

- 1): “or registered land survey” was added after “other than any CIC plat”
- 2): modified to read: copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration (for resale of the property);

The Committee made changes to the language following the list of documents to further clarify which documents were being referred to:

Buyer acknowledges that Buyer has NOT received Association documents (described on lines 26-34) more than ten (10) days before signing the *Purchase Agreement*.

COMMON INTEREST COMMUNITY RESALE DISCLOSURE CERTIFICATE

There were a number of minor changes made to MN Statute 515B.4-107, which contains the Resale Disclosure Certificate:

- In the introductory section on page one, the following was added:
Common elements licensed under MN Statute 515B.2-109 (e):

- Paragraph 5 was modified to read:
The Association is obligated to replace the following components of the common interest community:

The Association has the following amounts in its reserves for replacement of these components:

The replacement of the following components is funded by assessments levied only against the unit or units served by the component, pursuant to MN Statute 515B.3-115 (e) (1) or (2):

- Under Paragraph 9b:
'Floor covering' was changed to 'Finished flooring'
Electrical/Plumbing option now reads: 'Electrical, heating, ventilating and air-conditioning equipment or plumbing fixtures serving a single unit'
- There is now a new Paragraph 12:
This Resale Disclosure Certificate is given in connection with the resale of a unit by a unit owner who is not a declarant and who, therefore, is not liable for express warranties under MN Statute 515B.4-112, or implied warranties under MN Statute 515B.4-113. The conveyance of this unit may, however, result in a transfer of preexisting warranties made by a declarant under the referenced statutes, subject to the terms of MN Statute 515B.4-114 and 515B.4-115.
- What was Paragraph 12 is now Paragraph 13 and now reads:
In addition to the above, the following matters affecting the occupancy or use of the unit, or unit owner's obligations with respect to the unit, are deemed material:

CONOMINIUM/TOWNHOUSE/COOPERATIVE ADDENDUM COMMON INTEREST COMMUNITY (CIC)

There was a statutory change to the notice of initial sale in MN Statute 515B.4-101. This notice now reads:

The real estate to be conveyed under this Purchase Agreement is or may be subject to a master association as defined in MN Statute 515B. The master developer is required to provide to the buyer, within ten (10) days after receipt of a request from the buyer or the buyer's authorized

representative, a statement containing the information required by MN Statute 515B.4-102(a)(20), with respect to the master association. The statement contains important information regarding the master association. The name, address and telephone number of the master developer are:

There was a statutory change to MN Statute 515B.4-107. Under the section on page 1 that refers to association documents:

- 1): “or registered land survey” was added after “other than any CIC plat”
- 2): modified to read: copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration (for resale of the property);

The Committee made changes to the language following the list of documents to further clarify which documents were being referred to:

Buyer acknowledges that Buyer has NOT received Association documents (described on lines - 35-53) more than ten (10) days before signing the *Purchase Agreement*.

In the Association Reserves and Assessments section, there was a statutory change made to the phrase ‘association reserves’. This is now called ‘association replacement reserves’.

INTERNET DISPLAY OPTIONS

This form was modified to eliminate the use of “I”, “me”, “my” Seller/Owner. The reason for adding Owner is because this form will also be used with the Exclusive Right to Lease Listing Agreement.

SELLER FACILITATOR SERVICES AGREEMENT

This form was modified to eliminate the use of “I”, “me”, “my”, “You” and “your” and instead uses Seller and Broker. Grammar was adjusted throughout the form.

Language was added pertaining to seller providing marketable title. The language adopted replaces ‘I have the full legal right to sell the Property’ under the Seller’s Obligation section with:

Seller shall surrender any abstract of title and a copy of any owner’s title insurance policy for this Property, if in Seller’s possession or control, to Buyer or Buyer’s designated title service provider. Seller shall use Seller’s best efforts to provide marketable title by the date of closing as agreed to in a purchase agreement. Seller shall sign all documents necessary to transfer to Buyer marketable title to the Property. Seller has the full legal right to sell the Property.

There was a seller acknowledgement added to the LISTING section on page 1. The end of that paragraph now states:

Seller acknowledges that neither Broker, the MLS, the Minnesota Association of REALTORS®, nor any other broker is insuring Seller or occupant against theft, loss or vandalism. This was language that was adopted from another state's forms.

Also used from another state that the Committee found useful to include is indemnification language. MN Statutes prohibit using indemnification language in purchase agreements, but doesn't prohibit its inclusion in listing agreements. This language was also included in the Showing Contract:

INDEMNIFICATION: Broker will rely on the accuracy of the information Seller provides to Broker. Seller agrees to indemnify and hold harmless Broker from and against any and all claims, liability, damage or loss arising from any misrepresentation, misstatement, omission of fact or breach of a promise by Seller. Seller agrees to indemnify and hold harmless Broker from any and all claims or liability related to damage or loss to the Property or its contents, or any injury to persons in connection with the marketing of the Property. Indemnification by Seller shall not apply if the damage, loss or injury is the result of the gross negligence or willful misconduct of the Broker.

The disclaimer regarding the seller seeking tax or legal advice was added to the bottom of the last page:

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

SELLER'S PROPERTY DISCLOSURE STATEMENT

Question A(1) was modified to read:

What date _____, 20 _____ did you **Acquire** **Build** the home?

This was modified because agents were finding that having the fill-in line at the end of the question made it too easy for seller's to miss, and this field was often times not filled in.

There was a new series of questions added as B(2) that addressed the issue of claims on the homeowner's insurance policy on the property. This was a request that the Committee had received from several different members and a result of buyers have difficulties finding insurance for a property that had prior claims, and also addressed if there were items on the property that had claims but were never repaired:

Have you ever had an insurance claim(s) against your Homeowner's Insurance Policy? Yes No

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

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

If you received compensation, did you have the items repaired? Yes No

What dates did the claim(s) occur? _____

Question B(2) is now (3), and B(3)(c) was modified to read:

Are you aware of any work performed on the property for which appropriate permits were not obtained? Yes No

If "Yes," please explain: _____

Question b(4) (of the 2009 form) had a field added to explain if the seller is aware of any insect/animal/pest infestation.