



PURCHASE AGREEMENT

SELLER: _____
(herein "Seller")

BUYER(S): _____

PROPERTY: _____
Address

City, State, ZIP

Legal Description

PURCHASE PRICE: _____

LENDER: _____

Address

For office use only

Date received: _____ Letter of pre-qualification attached: Yes or No

Earnest money attached: Yes or No

Check #: _____ Amount: _____

Eligibility:
First Time Home Buyer: Yes or No

Completed Home Stretch Yes or No

Income Guidelines: _____

Seller desires to sell the Property described above, located in _____, Minnesota, and Buyer desires to purchase it on the following terms and conditions:

1. SALE OF PROPERTY. Seller hereby agrees to sell and Buyer hereby agrees to purchase all of Seller's right, title and interest in the Property, which Seller agrees to convey at closing by Warranty Deed.

2. TERMS OF PAYMENT. Buyer shall pay as earnest money the sum of Five Hundred & 00/100 (\$500.00) Dollars, due and payable at the time of acceptance of this purchase agreement by Seller. The balance of the Purchase Price shall be paid in full in cash at closing.

3. CLOSING. The transaction contemplated by this Agreement shall be closed on or before the Closing Date, at the offices of the Lender, or such other location in _____, Minnesota, as determined by Seller.

4. TITLE PROVISION. Seller warrants that on the date of closing Seller shall convey good and marketable title to the Property, free and clear of all encumbrances, defects and liens, subject to the following exceptions:

- a. Building and zoning laws, ordinances, State and Federal regulations;
- b. Restrictions of record relating to use or improvement of premises without effective forfeiture provisions;
- c. Reservation of any minerals or mineral rights of record;
- d. Covenants, conditions, restrictions, declarations, and easements of record (or as specifically referenced herein);
- e. Restrictive covenants, if any, imposed by Seller.

The Seller shall, within a reasonable time after approval of this agreement, furnish an abstract of title, or a commitment for a standard form ALTA Owner's policy of title insurance certified to date to include proper searches covering bankruptcies, state and federal judgments and liens. The Buyer shall be allowed ten (10) days after receipt thereof for examination of title and making of any objections thereto, not hereinabove excepted, said objections to be in writing or deemed to be waived. If any objections are so made, Seller shall have one hundred twenty (120) days or such longer period as is necessary if Seller proceeds expeditiously, to make such title marketable, and closing and possession shall be delayed accordingly. Seller shall make a good faith, reasonable effort to make the title marketable as expeditiously as possible. If such defects are cured within said one hundred twenty (120) day period, Buyer shall be notified in writing of the curing of such defects in which case the parties shall proceed to perform in accordance with the terms of this agreement. If said title is not marketable and is not made so within one hundred twenty (120) days from the date of written objections thereto as provided above, this agreement shall be null and void, at option of the Buyer, and neither principal shall be liable for damages hereunder to the other principal. All money paid by the Buyer shall be refunded. If the title to the property is found marketable or is made so within the time provided above, and Buyer shall default in any of the agreements, then and in that case, Seller may terminate this contract and on such termination all of the payments made upon this contract shall be retained by the Seller as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this contract provided such contract shall not be terminated as described herein, and provided action to

enforce such specific performance shall be commenced within six (6) months after such right of action shall arise.

5. RISK OF LOSS. Until closing, the risk of loss shall be on the Seller and insurance coverage maintained on the property at its expense.

In the event that, prior to closing, the property or any major portion thereof shall be completely or substantially destroyed or damaged by fire or any other cause beyond the control of Seller, Buyer shall have the option of terminating this agreement and being refunded all earnest money payments made by them, without interest, whereupon this agreement shall become null and void and of no effect whatsoever, and no further rights or obligations shall exist hereunder.

6. TAXES AND ASSESSMENTS. Real estate taxes and installments of special assessments due and payable in the year of closing shall be prorated to closing. Buyer shall pay all taxes and installments of special assessments, including real estate taxes, due and payable in subsequent years.

7. WARRANTIES, REPRESENTATIONS AND DISCLAIMER. Seller makes the following representations, warranties and exclusion of warranties:

- a. Any improvements located on the Property are entirely within the boundary lines of the property.
- b. All heating, wiring and plumbing used and located on the Property will be in proper working order on the Closing Date.
- c. Any structures located on the Property are in solid condition and the roofs of any such structures are in water-tight condition.
- d. The Property will be connected to the well and septic system or City water and Sewer, whichever is applicable by the Closing Date.
- e. With respect to improvements located on the Property, Seller has not had a wet basement, nor had roof, wall, or ceiling damage caused by water or by ice build-up.
- f. No mechanics' or materialmen's liens or other charges shall be placed against the property or any part thereof to be conveyed under this agreement, by or on account of any work performed by Seller or at Seller's direction, without Buyer's prior written consent. Any such lien or charge so arising shall be removed and satisfied of record by Seller.
- g. To the best of Seller's knowledge, there are no actions, proceedings or claims pending or threatened against Seller which might affect or result in any change in or to the property or operation of the property. The Seller has not received any notice from any governmental authority as to violation of any law, ordinance, or regulation with respect to the property or any structure thereon; and
- h. Seller has no knowledge of any unrecorded easements, rights-of-way or interests, express or implied, written or oral, whether at law or in equity, which exist and benefit or burden the property.

Buyer makes the following representations and warranties:

- a. Buyer has pre-qualified with the Lender for a loan to finance the purchase of the Property. The pre-qualification was based on standard underwriting procedures. To obtain that pre-qualification, Buyer has submitted a written loan application to the Lender. Buyer hereby expressly authorizes Lender to release to Seller, or Seller's agent, any and all financial information in the Lender's possession relating to Buyer's loan application.
 - b. All financial information provided to Seller or to Lender is complete and accurate to the best of Buyer's knowledge and belief. Buyer will promptly notify Seller and Lender in the event of any material change in any of the financial information so provided.
 - c. Buyer guarantees that the house being purchased is their sole place of residence.
8. UTILITIES. Utilities shall be prorated as of the Closing Date with Seller paying all utility charges to Closing Date and Buyer paying those thereafter.
9. POSSESSION. Buyer shall take possession of the property on the Closing Date.
10. CLOSING COSTS. Seller shall pay the cost of the title insurance search and exam fee; for preparing the deed and certificate of real estate value; for the deed stamps; and for other closing costs typically associated with a Seller. The Buyer shall pay any financing costs associated with obtaining mortgage financing from the Lender; the cost of the title insurance premium; the cost of recording the deed; and other costs typically associated with a Buyer in a real estate transaction.
11. DISCLOSURE OF AIRPORT ZONING REGULATIONS. Seller discloses that the Property is/is not affected by airport zoning regulations.
12. CORPORATE AUTHORITY. The Seller represents and warrants that it is an organized and validly existing corporation in good standing under the laws of the State of Minnesota. Seller further warrants that it has full corporate authority to enter into this Agreement and to perform its obligations hereunder.
13. MISCELLANEOUS.
 - a. Buyer shall have the right to enter upon the Property prior to the date of closing for purposes of examination of it and shall also have the right to have any agents or employees as desired by Buyer, including architects and engineers, examine the Property, after first obtaining the permission of Seller.
 - b. This agreement shall not be amended, altered or modified in any way except by written instrument duly executed by the parties hereto.
 - c. Any notice hereunder shall be in writing and shall be delivered or mailed, postage prepaid, to the Buyer and Seller at the address set forth below or, if none, at their last known address.
 - d. The covenants, warranties, and representations herein contained shall be binding upon the parties hereto and their respective heirs, representatives, successors and assigns and shall survive the closing of this transaction.

- e. When this Purchase Agreement has been accepted by Seller, a Well Disclosure Statement and an Individual Sewer System Disclosure will be provided, if applicable.

Attached hereto and made a part hereof as Addendum _____ is a Methamphetamine Disclosure Statement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

Dated: _____

Buyer

Buyer

Current Address: _____

Telephone: (H) _____
(W) _____

Seller: _____

Dated: _____

By: _____

Its: _____

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

METHAMPHETAMINE DISCLOSURE STATEMENT

The material terms for this DISCLOSURE are contained within the statues reprinted below.

This document, dated _____, concerns the real property located at: _____ and legally described as: _____

_____ County, Minnesota (the "Property").

Seller's Disclosure: [Check only one box, either A., or B]

[] A. To the best of Seller's knowledge, methamphetamine production has not occurred on the property.

[if box A., is checked, stop here. The rest of the form should not be completed.]

[] B. To the best of Seller's knowledge, methamphetamine production has occurred on the property and Seller makes the following disclosure:

A county or local health department or sheriff [strike one] has / has not ordered that the property or some portion of the property is prohibited from being occupied or used until it has been assessed and remediated as provided in the Department of Health's Clandestine Drug Labs General Clean-up Guidelines.

If such order or orders have been issued complete the following statement:

The above orders issued against the property [strike one] have / have not been vacated.

If such order has not been issued, state the status of removal and remediation on the property: [Use additional sheets, if necessary.]

[Empty box for additional disclosure details]

Seller's signatures: _____

Buyer received this Disclosure on [date]: _____
Buyer(s) signatures: _____

Minn. Stat. Section 152.0275. CERTAIN CONTROLLED SUBSTANCE OFFENSES; RESTITUTION; PROHIBITIONS ON PROPERTY USE; NOTICE PROVISIONS.

Subdivision 1. RESTITUTION.

(a) As used in this subdivision:

- (1) "clandestine lab site" means any structure or conveyance or outdoor location occupied or affected by conditions or chemicals typically associated with the manufacturing of methamphetamine;
- (2) "emergency response" includes, but is not limited to, removing and collecting evidence, securing the site, removal, remediation, and hazardous chemical assessment or inspection of the site where the relevant offense or offenses took place, regardless of whether these actions are performed by the public entities themselves or by private contractors paid by the public entities, or the property owner;
- (3) "remediation" means proper cleanup, treatment, or containment of hazardous substances or methamphetamine at or in a clandestine lab site, and may include demolition or disposal of structures or other property when an assessment so indicates; and
- (4) "removal" means the removal from the clandestine lab site of precursor or waste chemicals, chemical containers, or equipment associated with the manufacture, packaging, or storage of illegal drugs.

(b) A court may require a person convicted of manufacturing or attempting to manufacture a controlled substance or of an illegal activity involving a precursor substance, where the response to the crime involved an emergency response, to pay restitution to all public entities that participated in the response. The restitution ordered may cover the reasonable costs of their participation in the response.

(c) In addition to the restitution authorized in paragraph (b), a court may require a person convicted of manufacturing or attempting to manufacture a controlled substance or of illegal activity involving a precursor substance to pay restitution to a property owner who incurred removal or remediation costs because of the crime.

Subdivision 2. PROPERTY-RELATED PROHIBITIONS; NOTICE; WEB SITE.

(a) As used in this subdivision:

- (1) "clandestine lab site" has the meaning given in subdivision 1, paragraph (a);
- (2) "property" means publicly or privately owned real property including buildings and other structures, motor vehicles as defined in section 609.487, subdivision 2a, public waters, and public rights-of-way;
- (3) "remediation" has the meaning given in subdivision 1, paragraph (a); and
- (4) "removal" has the meaning given in subdivision 1, paragraph (a).

(b) A peace officer who arrests a person at a clandestine lab site shall notify the appropriate county or local health department, state duty officer, and child protection services of the arrest and the location of the site.

(c) A county or local health department or sheriff shall order that any property or portion of a property that has been found to be a clandestine lab site and contaminated by substances, chemicals or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine be prohibited from being occupied or used until it has been assessed and remediated as provided in the Department of Health's clandestine drug labs general cleanup guidelines. The remediation shall be accomplished by a contractor who will make the verification required under paragraph (e).

(d) Unless clearly inapplicable, the procedures specified in chapter 145A and any related rules adopted under that chapter addressing the enforcement of public health laws, the removal and abatement of public health nuisances, and the remedies available to property owners or occupants apply to this subdivision.

(e) Upon the proper removal and remediation of any property used as a clandestine lab site, the contractor shall verify to the property owner and the applicable authority that issued the order under paragraph (c) that the work was completed according to the Department of Health's clandestine drug labs general cleanup guidelines and best practices. The contractor shall provide the verification to the property owner and the applicable authority within five days from the completion of the remediation. Following this, the applicable authority shall vacate its order.

(f) If a contractor issues a verification and the property was not remediated according to the Department of Health's clandestine drug labs general cleanup guidelines, the contractor is liable to the property owner for the additional costs relating to the proper remediation of the property according to the guidelines and for reasonable attorney fees for collection of costs by the property owner. An action under this paragraph must be commenced within six years from the date on which the verification was issued by the contractor.

(g) If the applicable authority determines under paragraph (c) that a motor vehicle has been contaminated by substances, chemicals, or any items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-product or degradates of manufacturing methamphetamine and if the authority is able to obtain the certificate of title for the motor vehicle, the authority shall notify the registrar of motor vehicles of this fact and in addition, forward the certificate of title to the registrar. The authority shall also notify the registrar when it vacates its order under paragraph (e).

(h) The applicable authority issuing an order under paragraph (c) shall record with the county recorder or registrar of titles of the county where the clandestine lab is located an affidavit containing the name of the owner, a legal description of the property where the clandestine lab was located, and a map drawn from available information showing the boundary of the property and the location of the contaminated area on the property that is prohibited from being occupied or used that discloses to any potential transferee: (1) that the property, or portion of the property, was the site of a clandestine lab; (2) the location, condition, and circumstances of the clandestine lab; to the full extent known or reasonably ascertainable; and (3) that the use of the property or some portion of it may be restricted as provided by paragraph (c). If an inaccurate drawing or description is filed, the authority, on request of the owner or another interested person, shall file a supplemental affidavit with a corrected drawing or description. If the authority vacates its order under paragraph (e), the authority shall record an affidavit that contains the recording information of the above affidavit and states that the order is vacated. Upon filing the affidavit vacating the order, the affidavit and the affidavit filed under this paragraph, together with the information set forth in the affidavits, cease to constitute either actual or constructive notice.

(i) If proper removal and remediation has occurred on the property, an interest party may record an affidavit indicating that this has occurred. Upon filing the affidavit described in this paragraph, the affidavit and the affidavit filed under paragraph (h), together with the information set forth in the affidavits, cease to constitute either actual or constructive notice. Failure to record an affidavit under this section does not affect or prevent any transfer of ownership of the property.

(j) The county recorder or registrar of titles must record all affidavits presented under paragraph (h) or (i) in a manner that assures their disclosure in the ordinary course of a title search of the subject property.

(k) The commissioner of health shall post on the Internet contact information for each local community health services administrator.

(l) Each local community health services administrator shall maintain information related to property with the administrator's jurisdiction that is currently or was previously subject to an order issued under paragraph (c). The information maintained must include the name of the owner, the location of the property, the extent of the contamination, the status of the removal and remediation work on the property, and whether the order has been vacated. The administrator shall make this information available to the public either upon request or by other means.

(m) **Before signing an agreement to sell or transfer real property, the seller or transferor must disclose in writing to the buyer or transferee if, to the seller's or transferor's knowledge, methamphetamine production has occurred on the property.** If methamphetamine production has occurred on the property, the disclosure shall include a statement to the buyer or transferee informing the buyer or transferee: (1) whether an order has been issued on the property as described in paragraph (c); (2) whether any orders issued against the property under paragraph (c) have been vacated under paragraph (l); or (3) if there was no order issued against the property and the seller or transferor is aware that methamphetamine production has occurred on the property, the status of removal and remediation on the property.

(n) Unless the buyer or transferee and seller or transferor agree to the contrary in writing before the closing of the sale, **a seller or transferor who fails to disclose, to the best of their knowledge, at the time of sale any of the facts required, and who knew or had reason to know of methamphetamine production on the property, is liable to the buyer or transferee for:** (1) costs relating to remediation of the property according to the Department of Health's clandestine drug labs general cleanup guidelines and best practices; and (2) reasonable attorney fees for collection of costs from the seller or transferor. An action under this paragraph must be commenced within six years after the date on which the buyer or transferee closed the purchase or transfer of the real property where the methamphetamine production occurred.

(o) This section preempts all local ordinances relating to the sale or transfer of real property designated as a clandestine lab site.

Tennessen Warning

Important Information Concerning Data Privacy

Some of the information that you provide is private data as defined by the Minnesota Government Data Practices Act. The data is being collected in order to determine your eligibility to purchase this home. This information will be accessible to the Headwaters Regional Development Commission and its Agent. This information will also be accessible to the following:

1. Staff persons from the Minnesota Housing Finance Agency and Greater Minnesota Housing Fund may monitor this program for compliance with state and federal regulations, and other program guidelines.
2. Any person necessary for auditing purposes.
3. Any person or entity required by local, state or federal law.

Buyer Signature

Date

Buyer Signature

Date

CONTINGENCY ADDENDUM

This Agreement is contingent upon Buyer entering into a valid purchase agreement for the sale of Buyer's home located at (address) _____ on or before the ____ day of _____, 200__, which is listed, or shall immediately be listed, for sale. If Buyer does not remove this contingency on or before the date above, 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 hereunder to be refunded to Buyer.

To remove this contingency, Buyer shall serve upon Seller a Notice of Intent to Remove Contingency on or before the above-specified date. Upon receipt of said Notice of Intent to Remove Contingency, this Purchase Agreement shall have effect as if there were no such contingency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

Dated: _____

Buyer

Buyer

Seller: _____

Dated: _____

By: _____

Its: _____

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