

**ADDENDUM TO PURCHASE AGREEMENT**

**MINNESOTA STATE SPECIFIC TERMS**

**Buyer acknowledges that the purchase of the Property may have resulted from a transfer made by a mortgagee under a mortgage who acquired the Property at a sale conducted pursuant to a power of sale under a mortgage, or deed in lieu thereof, as described in Minn. Stat. §§ 580-582. Further, regardless of how Seller obtained title, Seller is not familiar with the condition of the Property, other than as may be disclosed in any inspection reports obtained by or on behalf of Seller, Seller's representatives or agents or that Seller may have received otherwise. Any such reports furnished by Seller or its agents in connection herewith shall be for informational purposes only, are not made part of the Agreement, and Seller makes no representations or warranties about their accuracy or completeness. Buyer acknowledges that in consideration of Seller's execution of the Agreement, Buyer, on behalf of itself and all other parties having any claims, covenants that neither Buyer nor any such other party will sue, commence, prosecute or in any way participate in any judicial, administrative, or other regulatory proceedings for breach of contract based on any disclosures relating to any alleged breach or violation of any state law, rule or regulation by Seller, or any other party engaged on Seller's behalf, including, without limitation any real estate broker or agent representing Seller.**

**EXECUTION OF DISCLOSURES BY BUYER.** Buyer shall execute, deliver and deposit with the Escrow/Closing Agent, at or prior to the date set for Closing, all federal, state and local disclosures concerning the Property that Buyer is required to execute under applicable laws and regulations or required by the Escrow/Closing Agent.

**SEPARATE DOCUMENTS PROVIDED TO BUYER:**

1. Waiver of Disclosure (Minn. Stat. § 513.52 to 513.60)
2. OTHER REQUIRED DISCLOSURE(S):
  - a. Private Sewer System Disclosure
  - b. Private Well Disclosure
  - c. Valuation Exclusion Disclosure Methamphetamine Production Disclosure
  - d. Notice Regarding Predatory Offender Information
3. Federal Lead Based Paint Disclosure (if pre-1978)
4. Pamphlet: "Protect Your Family from Lead in Your Home"

**AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS.**

**MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with consumers what type of agency representation or relationship they desire. (1) The available options are listed below. This is not a contract. This is an agency disclosure form only. If you desire representation, you must enter into a written contract according to state law (a listing contract or buyer contract). Until such time as you choose to

enter into a written contract for representation, you will be treated as a customer and will not receive any representation from the broker or salesperson. The broker or salesperson will be acting as a Seller's Broker only. REALTYBID.COM, INC. (License No. \_\_\_\_\_) IS THE SELLER'S BROKER ONLY (See paragraph I below).

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

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

\_\_\_\_\_ Buyer Signature

\_\_\_\_\_ Co-Buyer Signature

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**I. Seller's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker, represents the Seller and acts on behalf of the Seller. A Seller's broker owes to the Seller the fiduciary duties described below. (2) The broker must also disclose to the Buyer material facts as defined in Minn. Stat. §§ 82.197, Subd. 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Buyer as a customer is representing the Seller, he or she must act in the Seller's best interest and must tell the Seller any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

**II. Subagent:** A broker or salesperson who is working with a Buyer but represents the Seller. In this case, the Buyer is the broker's customer and is not represented by that broker. If a broker or salesperson working with a Buyer as a customer is representing the Seller, he or she must act in the Seller's best interest and must tell the Seller any information that is disclosed to him or her. In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

**III. Buyer's Broker:** A Buyer may enter into an agreement for the broker or salesperson to represent and act on behalf of the Buyer. The broker may represent the Buyer only, and not the Seller, even if he or she is being paid in whole or in part by the Seller. A Buyer's broker owes to the Buyer the fiduciary duties described below. (2) The broker must disclose to the Buyer material facts as defined in Minn. Stat. §§ 82.197, Subd. 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Seller as a customer is representing the Buyer, he or she must act in the Buyer's best interest and must tell the Buyer any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph V below). In

that case, the Seller will not be represented and will not receive advice and counsel from the broker or salesperson.

**IV. Dual Agency:** Broker Representing both Seller and Buyer: Dual agency occurs when one broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and means that the broker and salesperson owe the same duties to the Seller and the Buyer. This role limits the level of representation the broker and salespersons can provide, and prohibits them from acting exclusively for either party. In a dual agency, confidential information about price, terms and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose specific information about him or her. Other information will be shared. Dual agents may not advocate for one party to the detriment of the other. Within the limitations described above, dual agents owe to both Seller and Buyer the fiduciary duties described below. Dual agents must disclose to Buyers material facts as defined in Minn. Stat. §§ 82.197, Subd. 6, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property

**V. Facilitator:** A broker or salesperson who performs services for a Buyer, a Seller, or both but does not represent either in a fiduciary capacity as a Buyer's Broker, Seller's Broker or Dual Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A WRITTEN FACILITATOR SERVICES AGREEMENT.**

The facilitator broker or salesperson owes the duty of confidentiality to the party but owes no other duty to the party except those duties required by law or contained in a written facilitator services agreement, if any. In the event a facilitator broker or salesperson, working with a Buyer, shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Seller's Broker (see paragraph I above). In the event a facilitator broker or salesperson, working with a Seller, accepts a showing of the property by a Buyer being represented by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's Broker (see paragraph III above).

(a) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by one to four families as their residence.

(b) The fiduciary duties mentioned above are listed below and have the following meanings: Loyalty - broker/salesperson will act only in client(s)' best interest. Obedience - broker/salesperson will carry out all client(s)' lawful instructions. Disclosure - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge which might reasonably affect the client's rights and interests. Confidentiality - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific information (such as disclosure of material facts to Buyers). Reasonable Care - broker/salesperson will use reasonable care in performing duties as an agent. Accounting - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

(c) If Seller(s) decides not to agree to a dual agency relationship, Seller(s) may give up the opportunity to sell the property to Buyers represented by the broker/salesperson. If Buyer(s) decides not to agree to a dual agency relationship, Buyer(s) may give up the opportunity to purchase properties listed by the broker.

**NOTICE OF AIRPORT ZONING REGULATIONS.** The legislature, in 2007 Minnesota Laws adopted the following law amending Minn. Stat. § 513.56, Subd. 3, by adding subparagraph (c), reading as follows:

“Subd. 3.(c) The seller has no duty to disclose information regarding airport zoning regulations if the seller, in a timely manner, provides a written notice that a copy of the airport zoning regulations as adopted can be reviewed or obtained at the office of the county recorder where the zoned area is located.”

**AIRPORT ZONING REGULATIONS.** If airport zoning regulations affect this real property, a copy of those airport zoning regulations as adopted can be viewed or obtained at the office of the county recorder where the zoned area is located.

**Buyer's Initials** \_\_\_\_\_/\_\_\_\_\_

**BUILDING AND ZONING CODES.** Buyer should consult the local jurisdiction for information on building and zoning codes or information about transportation beltways and/or planned or anticipated land use within proximity of the Property. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.

**ENVIRONMENTAL HAZARDS.** Seller is not aware of a defect or hazard however this does not mean that it does not exist. **It is the buyer's responsibility to be informed and take additional steps to further investigate.** Some potential hazards that may be found in the state include:

1. Radon ([www.epa.gov/radon](http://www.epa.gov/radon))
2. Floods ([www.epa.gov/ebtpages/emernaturaldisastefloods.html](http://www.epa.gov/ebtpages/emernaturaldisastefloods.html))
3. Methamphetamine Labs
4. Wood-Burning Devices ([www.epa.gov/iaq/pubs/combust.html](http://www.epa.gov/iaq/pubs/combust.html))
5. Underground Storage Tanks ([www.epa.gov](http://www.epa.gov))
6. Well & Septic Systems ([www.epa.gov/ebtpages/wategroundwaterwells.html](http://www.epa.gov/ebtpages/wategroundwaterwells.html))
7. Contaminated Soils ([www.epa.gov/ebtpages/pollsoilcontaminants.html](http://www.epa.gov/ebtpages/pollsoilcontaminants.html))
8. Groundwater ([www.epa.gov/safewater/protect/citguide.html](http://www.epa.gov/safewater/protect/citguide.html))

For more information on environmental hazards, visit [www.epa.gov](http://www.epa.gov).

**FAIR HOUSING ACT DISCLOSURE.** Under the Federal Fair Housing Act, it is illegal to discriminate in the rental or sale of housing on the basis of race, color, national origin, religion, sex, handicap, or familial status.

**MOLD.** Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional. Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional. Real property (including, but not limited to, the basement) is or may be affected by water or moisture damage, toxic mold, and/or other environmental hazards or conditions. Buyer is being advised that exposure to certain species of mold may pose serious health risks, and those individuals with immune system deficiencies, infants and children, the elderly, individuals with allergies or respiratory problems, and pets are particularly susceptible to experiencing adverse health effects from mold exposure. Buyer acknowledges that Seller has advised Buyer to make his/her own evaluation of the Property and to have the Property thoroughly inspected. Buyer has been further advised by Seller that all areas contaminated with mold, and/or other environmental hazards or conditions, should be properly and thoroughly remediated. Additionally, Buyer has been advised by Seller that habitation of the Property without complete remediation may subject the inhabitants to potentially serious health risks and/or bodily injury. Buyer acknowledges that it is the sole responsibility of Buyer to conduct any remediation on the Property. Buyer represents and warrants to Seller that Buyer has made his own inspection and evaluation of the Property to Buyer's complete satisfaction and Buyer accepts the Property AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS.

**PERMITS AND REPAIRS.** If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification or any similar certification or permit or any form of improvement or repair to the Property (collectively, "Permits and Repairs"), Buyer acknowledges and agrees that Buyer shall be responsible for obtaining any and all of the Permits and Repairs at Buyer's sole cost and expense, including but not limited to any certificate of use or other certification required by the ordinance. Buyer shall make application for all Permits and Repairs within ten (10) days of the Seller's Acceptance Date, such date to be the date of execution of the Agreement and any Exhibits and Addenda hereto. Seller makes no representations or warranties regarding compliance or conformity with any building codes, laws, rules or regulations.

**PREDATORY SEX OFFENDER INFORMATION.** Information regarding the predatory offender registry and persons registered with the predatory offender registry under Minn. Stat. § 243.166, may be obtained by contacting the local law enforcement offices in the community where the property is located, or the Minnesota Department of Corrections at (651) 642-0200, or from the Department of Corrections web site at [www.corr.state.mn.us](http://www.corr.state.mn.us).

**PROPERTY TAX DISCLOSURE SUMMARY.** Buyer should not rely on the Seller's current property taxes as the amount of property taxes that the Buyer may be obligated to pay in the year subsequent to purchase. A change of ownership, use, or property improvements may trigger reassessments of the Property that could result in higher property taxes. If Buyer has any questions concerning valuation, Buyer is advised to contact the county property appraiser's office for information.

**RADON.** Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels

of radon that exceed federal and state guidelines may have been found in buildings in the state where the Property is located. Additional information regarding radon and radon testing may be obtained from your county or state public health unit. Buyer represents and warrants that he/she/it has not relied on the accuracy or completeness of any representations that have been made by the Seller and/or Seller's broker or auctioneer as to the presence of radon and that the Buyer has not relied on the Seller's or Seller's broker's failure to provide information regarding the presence or effects of any radon found on the Property. Real estate brokers and agents are not generally qualified to advise buyers on radon treatment or its health and safety risks.

**SQUARE FOOTAGE.** Buyer acknowledges that the square footage of the Property has not been measured by Seller, Seller's broker or its auctioneer (including the square footage of the lot and home) and the square footage quoted on any marketing tools such as advertisements, brochures, MLS data, the auction website and any other information provided is based on information supplied to Seller and is deemed approximate and not guaranteed. Buyer further acknowledges that Buyer has not relied upon any such marketing tool and that such tools are not representations and/or warranties of Seller or its agent.

#### **WETLANDS, SHORELAND, FLOOD PLAIN DISCLOSURE.**

**PRECAUTION TO BUYERS:** Minnesota law and local ordinances restrict the ability to build or to rebuild improvements within flood plains, shorelands, and wetlands. These restrictions affect homes, garages, outbuildings, wells, and individual on-site sewage treatment systems. You should not excavate in a wetland, fill a wetland or drain a wetland until you have received the proper permits from the local governmental agencies having jurisdiction over the wetlands.

If you are purchasing property which has existing improvements constructed within flood plains, shorelands, or wetlands, the improvements might be "nonconforming" under the law. In other words, you might not be allowed to rebuild the home in the event of a fire or windstorm, and you might not be allowed to rebuild the individual on-site sewage treatment system if it fails.

If you are purchasing a home which is in a flood plain, you will likely be required by your mortgage lender to purchase flood insurance. Your costs for flood insurance over the life of the mortgage might exceed \$20,000.

For purposes of this Purchase Agreement, Wetlands, Shoreland, and Flood Plain are defined as follows:

**Flood Plain.** The term "flood plain" means the area adjoining a water course which has been or hereafter might be covered by the regional flood which recurs once in 100 years, as defined by Minn. Stat. §103F.111 and by Minn. Rules, Part 6120.5000. The boundary of the 100-Year Flood Plain shall be determined by reference to the Flood Insurance Rate Maps promulgated by the Federal Emergency Management Agency for the National Flood Insurance Program or by reference to Minnesota Department of Natural Resources flood plain elevation data.

**Shoreland.** The term "shoreland" has the meaning given to it by Minn. Stat. §103F.205, Subd. 4, as follows: "Shoreland" means land located within the following distances from the ordinary

high water elevation of public waters: (1) land within 1,000 feet from the normal high watermark of a lake, pond, or flowage; and, (2) land within 300 feet of a river or stream or the landward side of a flood plain delineated by ordinance on the river or stream, which is greater.

Wetlands. The term “wetlands” has the meaning given to it by the Minnesota Wetlands Conservation Act of 1991 (1991 Minn. Sess. Law Serv. {West}, Chapter 354, as amended from time to time, codified as Minn. Stat. §103G.005 Subd. 19(a), as follows: “Wetlands” means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes: (1) have a predominance of hydric soils; (2) are inundated or saturated by surface or ground water at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and (3) under normal circumstances support a prevalence of such vegetation.

**PRECAUTION TO SELLERS:** If you do not understand the definitions above, or the disclosures below, or the significance of the “Seller’s Representations” below, you should consult with your lawyer before completing this form.

**Seller’s Representations.** [Check all statements that apply:]

a. Flood Plain. Seller represents that:

1.  The real property is not in a flood plain;
2.  All or part of the real property is in a flood plain, but none of the improvements, including all buildings, the well, and the individual on-site sewage treatment system is in the flood plain or in any setback from a flood plain;
3.  Seller does not know if any of the improvements or the real property is in a flood plain or “flood insurance area”, as defined by federal law.

b. Shoreland. Seller represents that:

1.  The real property is not in a shoreland;
2.  All or part of the real property is in a shoreland, but none of the improvements, including all buildings, the well, and the individual on-site sewage treatment system is in any setback within a shoreland;
3.  Seller does not know if any of the improvements or the real property is in a shoreland.

c. Wetlands. Seller represents that:

1.  The real property does not contain wetlands;
2.  Part of the real property contains wetlands, but all of the improvements, including all buildings, the well, and the individual on-site sewage treatment system are not in the wetlands or in any setback from the edge of a wetland;
3.  Seller does not know if the real property has wetlands or if any of the improvements is located in wetlands.

d. Conforming/Nonconforming Improvements. If Seller has disclosed the presence of flood plain, shoreland, or wetlands on or affecting the property, Seller further discloses that Seller has not received notice from any governmental unit indicating that any of the improvements is nonconforming under current law. Seller makes no representation about future changes to laws which might render the property or the improvements “nonconforming.”

**BUYER IS NOT RELYING ON SELLER’S REPRESENTATIONS.** The purchase price as set forth in this purchase agreement does not reflect any reliance upon any representations made by Seller as to the location or presence of wetlands, flood plain, or shoreland. Buyer’s obligation to close under this Purchase Agreement is not contingent upon Buyer obtaining, at Buyer’s sole cost and expense, verification that any, all or part of the real property, the currently existing improvements or intended future improvements are unaffected by the presence of wetlands, flood plain or shoreland. The presence of wetlands, shoreland, or flood plain, if any, shall be deemed acceptable to Buyer.

**Buyer’s Initials** \_\_\_\_\_/\_\_\_\_\_

**RECEIPT OF DISCLOSURES.** Buyer acknowledges and agrees that Buyer has received and/or had adequate opportunity to read and understand all disclosures and documents regarding the Property made available by Seller, Seller’s broker or its auctioneer in print or electronic form (the “Disclosures”), prior to entering into the Agreement, including without limitation:

1. The pamphlet “Protect Your Family From Lead in Your Home”;
2. The documents and information made available on the internet at [www.realtybid.com](http://www.realtybid.com);
3. The written disclosures made available at the Property and at the location where the sale of the Property is conducted;
4. Any real estate brokerage relationship disclosures, such disclosures made available and provided to Buyer during the registration process, prior to bidding at auction and prior to entering into any Agreement for the purchase and sale of the Property; and,
5. The disclosures listed herein and attached to the Agreement, which are incorporated into the Agreement by reference herein.

Buyer understands and acknowledges that any information provided by or on behalf of Seller with respect to the Property, including without limitation, all information in any Disclosures or brochure was obtained from a variety of sources and that Seller and Seller’s broker(s) and auctioneer have not made any independent investigation or verification of such information and make no representations as to the accuracy or completeness of such information.

**“AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS” SALE.** Buyer acknowledges and agrees that neither Seller nor any person acting as Seller's representative or agent has occupied the Property and that Buyer is acquiring the Property “AS IS, WHERE IS, WITH ALL FAULTS AND LIMITATIONS”, in its present state and condition, with all defects and faults, whether known or unknown, presently existing or that may hereafter arise including, without limitation:



1. The value, any appraised value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology;
2. The income to be derived from the Property;
3. The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
4. The habitability, marketability, tenantability or fitness for a particular purpose of the Property.

Buyer shall hold harmless, indemnify and defend Seller and its representatives and agents from any claim arising from or relating to the Property. Buyer hereby fully and irrevocably releases Seller and its representatives and agents from any and all claims of any kind whatsoever, whether known or unknown, arising from or relating to the Property. This release includes claims that Buyer does not know or suspect to exist in Buyer's favor and which would materially affect Buyer's release of Seller if such claims were known by Buyer. The obligations and agreements of Buyer under this section shall survive the close of escrow or the earlier termination of the Agreement.

**WAIVER OF SPECIFIC PERFORMANCE REMEDY.** As a material part of the consideration to be paid or received by Buyer and Seller under the Agreement, Buyer waives all rights to file and maintain an action against Seller for specific performance and to record a Lis Pendens or notice of pendency of action against the Property if a dispute arises concerning the Agreement. Buyer agrees that the Property is not unique and in the event of Seller's default, Buyer can be adequately and fairly compensated solely by receiving a return of Earnest Money Deposit and cancellation of Buyer's obligation to purchase the Property. Upon return of the Earnest Money Deposit to Buyer, the Agreement shall be terminated, and Buyer and Seller irrevocably instruct the Closing Agent to return all funds and documents to the party that deposited them without further direction.

*To the maximum extent permissible under Minnesota law, Buyer expressly waives any and all claims, damages, and/or remedies related to the foregoing and attached disclosures, including but not limited to those arising from any errors, inaccuracies, and/or omissions therein.*

Dated: \_\_\_\_\_

**BUYER:**

\_\_\_\_\_  
Buyer Signature

\_\_\_\_\_  
Buyer Printed Name

Dated: \_\_\_\_\_

**CO-BUYER:**

\_\_\_\_\_  
Co-Buyer Signature

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Co-Buyer Printed Name