



READY. SET. FORMS!!

The Minnesota REALTORS® received more than 60 suggested changes to the MN REALTORS® Forms for the fiscal year. The Forms Committee held five meetings. Additionally, a technology task force considered questions specifically related to the electronic forms, and the Commercial Forms Subcommittee considered changes to the commercial forms. With much discussion and debate, the committee generated numerous changes that will be released on August 1, 2019, and one change that was already released at the end of May to accommodate new legislation (read more on the next page). A special thank you to Chair, John Rohan, who led all committee meetings, and to all members who volunteered on the committee and subcommittee this year.

REVISED RESIDENTIAL LEASE AGREEMENT

The Minnesota Legislature has adopted new requirements for residential leases that became **EFFECTIVE MAY 31, 2019**.

The revised law ([Minn. Stat. Chapter 504B](#)) now requires that a written residential lease **MUST**:

1. **identify the specific unit the residential tenant will occupy before they sign the lease** (for a residential building with 12+ units);
2. **identify the lease start date and lease end date;**
3. **indicate the amount of prorated rent on the first page of the lease** (*if* the lease requires the tenant to move in or out on a date other than the first or last day of the month and the rent is prorated).

REVISED RESIDENTIAL LEASE

AGREEMENT: The legislative changes above have been reflected in the May 2019 revision to the Minnesota REALTORS® *Residential Lease Agreement*, which has been posted to Instanet for your immediate use.

ALL MNAR FORMS

Date: Modified format of dates throughout the forms to one blank line. When completed electronically they will appear as Month Day, Year (e.g. August 1, 2019).

Address: All address fields will include the fields for house number, unit number, street name, city, state, and zip.

Signature Lines: On all signature lines where an address is prompted, added a second blank line for City/State/Zip.

Legal Description: Made all references to legal description consistent throughout.

Alignment: All text fields will be left aligned.

Grammar: Other minor consistency and grammatical corrections.

RESIDENTIAL FORMS

Agency Relationships in Real Estate Transactions

Deleted the initial lines and statement on lines 48-49 referencing notice regarding predatory offender on page 2.

Addendum to Purchase Agreement: Common Interest Community

Added language clarifying that the calculation of days for properties subject to Minn. Stat. Chapter 515B is specified in Minn. Stat. § 645.15.

Addendum to Purchase Agreement: Counteroffer

Added language to automatically modify the FHA Escape Clause section in the Purchase Agreement if the sales price changes in the Counteroffer.

Addendum to Purchase Agreement: Subsurface Sewage Treatment System and Well Inspection Contingency

Modified language to clarify that a valid certificate of compliance for the system shall satisfy the obligation of the seller to obtain an inspection.

Addenda/Amendments to Residential Lease Agreement

- **Premises:** Changed all references of “property” to “premises” consistent with the definition in the Lease.
- **Corrections:** Corrected references from “seller” to “owners” and “buyer” to “tenants”

Cancellation of Purchase Agreement

Modified the language pertaining to return of earnest money check to allow for the earnest money to be either electronically transmitted or mailed.

Disclosure Statement: Seller’s Property Disclosure Statement

- **Preferential Tax Treatments/ Government Programs:** Modified the examples for preferential tax treatments and government programs for consistency.
- **Well serving the property:** Clarified the question about whether there is a well serving the property that is not located on the property. Changed location of checkboxes in Private Well Disclosure section.

- **Grammar:** Other minor consistency and grammatical corrections

Disclosure Statement: Seller’s Disclosure Alternatives
Changed location of checkboxes in Private Well Disclosure section.

Disclosure Statement: Subsurface Sewage Treatment System
Clarified the question about whether the SSTS is located entirely within the property boundary lines.

- Disclosure Statement: Vacant Land**
- Eliminated questions about whether utilities were at the boundary line of the property.
 - **Well serving the property:** Clarified the question about whether there is a well serving the property that is not located on the property.

Purchase Agreement (PA)

- **Date of This Purchase Agreement:** Clarified that any references to “the date of this purchase agreement” throughout the Purchase Agreement is defined as the date on line 1 of the PA.
- **Fixtures and Personal Property:**
 - Added the word “attached” before “mirrors.”
 - Added “doorbells” and “thermostats” to the list of items automatically transferring with the real property.
 - Added clarifying language regarding

“built-ins” as fixtures to be transferred as part of the PA.

- Added language to clarify that all items specified in the fixture and personal property section of the PA are to be transferred with no additional monetary value and free and clear of all liens and encumbrances.
- Corrected grammar and punctuation in this section

● **Inspection Contingency:**

- Clarified language in the Inspection Contingency section. “Within _____ Calendar Days of Final Acceptance Date of this PA, all inspection(s), test(s), and resulting negotiations, if any, shall be done (“Inspection Period”).
- Modified the Inspection Contingency language to clarify that the right to cancel based on an inspection only applies if the PA is contingent upon inspection.

- **Lender Work Orders:** Deleted language in the PA pertaining to no seller warranty to make repairs required by the lender commitment. If there is any dollar amount listed and the lender requires repairs that are within that amount, then the seller would be required to make the repair.

PA: Vacant Land

- **Utilities:** Eliminated lines pertaining to utilities presently existing within the property.
- **Fixtures and Personal Property:** Modified this section to clarify what fixtures or personal property is or is not

included in the sale of the real property.

- **Physical Inspection:** Added an option for physical inspection of the property in the special contingencies section.

- **Utility Connections:** Added language in the special contingencies section for buyer to obtain evidence of utility connections available, and costs for connection to the property.

- **Lender Work Orders:** Deleted language pertaining to no seller warranty to make repairs required by the lender commitment. If there is any dollar amount listed and the lender requires repairs that are within that amount, then the seller would be required to make the repair.

- **Preferential Tax Treatments/ Government Programs:** Modified the examples for preferential tax treatments and government programs for consistency.

- **Flood Zone:** Modified the terminology referencing “designated flood plain” to “designated flood zone.”

- **Buyer’s Move-In Agreement:** Eliminated the reference to *Addendum to PA: Buyer’s Move-in Agreement* in this form.

PA: New Construction

- **Lender Work Orders:** Deleted language pertaining to no seller warranty to make repairs required by the lender commitment. If there is any dollar amount listed and the lender requires

repairs that are within that amount, then the seller would be required to make the repair.

- **Final Acceptance Date:** On line 249, modified “date of this Purchase Agreement” to “Final Acceptance Date.”
- **Preferential Tax Treatments/ Government Programs:** Modified the examples for preferential tax treatments and government programs for consistency.
- **Inspection Contingency:**
 - Clarified language in the Inspection Contingency section. “Within _____ Calendar Days of Final Acceptance Date of this PA, all inspection(s), test(s), and resulting negotiations, if any, shall be done (“Inspection Period”).
 - Modified the Inspection Contingency language to clarify that the right to cancel based on an inspection only applies if the PA is contingent upon inspection.

One-Time Showing Contract

- Changed title to “Showing and Compensation Agreement.”
- Made several modifications to make it clear that this is not a listing contract.
- Added language pertaining to seller’s lead-based paint disclosure requirements.
- Added the “entire agreement” language similar to language in the Purchase Agreement.
- Lease version only: added licensee’s contact info to signature blocks

Representation/Facilitator Services Agreements

- **Arrangements for Closing:** Modified the language pertaining to arrangements for closing to read: “[Client] directs Broker to arrange for a qualified closing agent to conduct the closing.”
- **Entire Agreement:** Added the “entire agreement” language similar to that in the Purchase Agreement to the representation/facilitator services agreements.
- **Printed Name:** Added a line to the signature blocks for insertion of Printed Name.
- **Signature Block:** Added an additional line in the signature blocks for City/ State/Zip; added licensee’s contact information to signature blocks
- **Facilitator Services Agreements: Owner Leasing, Seller and Tenant:** Modified the Broker’s Obligation section for consistency with other Facilitator Services Agreements and to add clarification.

COMMERCIAL FORMS

Commercial Purchase Agreement

- Added a line to define seller.
- Added clarifying language to ascertain if seller and buyer are a business entity and the state of organization.

- Added an additional blank line on signature page for signor's printed name.
- Clarified that any references to "the date of this purchase agreement" throughout the Purchase Agreement is defined as the date on line 1 of the PA.
- Added a question about whether there is a storage tank on the property.

Purchase Agreement: Land (Non-residential)

- Added a line to define seller.
- Added clarifying language to ascertain if seller and buyer are a business entity and the state of organization.
- Added an additional blank line on signature page for signor's printed name.
- Modified reference for "designated flood plain" to "designated flood zone."
- Modified the examples for preferential tax treatments and government programs for consistency.
- Added a question about whether there is a storage tank on the property.

Representation/Facilitator Services Agreements

- **Arrangements for Closing:** Modified the language pertaining to arrangements for closing to read: "[Client] directs Broker to arrange for a qualified closing agent to conduct the closing."
- **Entire Agreement:** Added the "entire agreement" language similar to that in the Purchase Agreement to the representation/facilitator services agreements.

Commercial One Time Showing Contract

- Title changed to "Showing and Compensation Agreement."
- Modified the language about identification of the buyer and whether they are represented or not.
- Eliminated checkboxes and states that, "Seller understands that Broker is not representing Seller as Seller's agent and that Broker is representing or assisting the buyer/tenant."
- Added the "entire agreement" language similar to that in the Purchase Agreement.

NEW FORM

Commercial Disclosure Statement: Storage Tank(s)

Facilitates the statutory disclosure requirements for certain specified storage tanks.

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