

ADDENDUM TO PURCHASE AGREEMENT: BUYER'S HOME INSPECTION CONTINGENCY.

© Copyright 1998, 2018 by Minnesota State Bar Association, Minneapolis, Minnesota. [Use with "Minnesota Standard Residential Purchase Agreement," M.S.B.A., Real Property Form No. 1 (2017).] BEFORE YOU USE OR SIGN THIS FORM, YOU SHOULD CONSULT WITH A LAWYER TO DETERMINE THAT THIS CONTRACT ADEQUATELY PROTECTS YOUR LEGAL RIGHTS. Minnesota State Bar Association disclaims any liability arising out of use of this form.

This Addendum is a continuation of the Purchase Agreement dated _____
by and between _____, as
Sellers, and _____, as Buyers, for property
located at or described as: _____

Definitions. For the purposes of this Addendum, the following terms have these definitions:

"Inspector" means a person currently licensed by the state of Minnesota as a building inspector, structural engineer, architect, or general contractor or currently employed as an inspector by a home inspection company that is a member of either National Association of Home Inspectors [NAHI®] or American Society of Home Inspectors [ASHI®].

"Inspection" means an examination performed by an Inspector of the real property and its improvements. Inspection does not include examination of personal property.

"Inspection Report" means a written report prepared by an Inspector disclosing the conditions of the real property and its improvements.

"Public law, code, or regulation" includes, but is not limited to, the Minnesota State Building Code and those parts of the Uniform Building Code, the Uniform Fire Code, and the Uniform Life Safety Code adopted by reference into the Minnesota State Building Code.

"Unsatisfactory Condition" means: (1) that the item or component being inspected is not fit for its intended purpose, that it is in violation of a public law, code or regulation, that it needs replacement, cleaning, repairs or service, or that it is missing essential parts; or, (2) that an environmental condition (such as radon, mold, well water contamination, asbestos, soil contamination, noise or vibration) exists at levels that are unacceptable to Buyer. However, an item or component is not in Unsatisfactory Condition if its only imperfections are cosmetic or signs of wear and tear or diminished effectiveness associated with an item or component of its age, or because it is not new or perfect, or because it is legally nonconforming under current law.

Buyer's obligation to close this transaction is contingent upon Buyer receiving an Inspection Report from Buyer's Inspector disclosing no Unsatisfactory Conditions. The Inspector shall be chosen at Buyer's discretion and at Buyer's expense.

Buyer shall obtain the Inspection on or before *[state Inspection Deadline Date]* _____.

Buyer shall have until *[select one of these for the Notification Period]*

☐ three (3) days after the Inspection Deadline Date

☐ _____ days *[not less than 4 days]* after the Inspection Deadline Date

to notify Seller in writing of any Unsatisfactory Conditions disclosed by the Inspection Report and to notify Seller that the Purchase Agreement is terminated (if Buyer elects to terminate). If Buyer either:

(1) does not obtain an Inspection by the Inspection Deadline Date; or,

(2) does not inform Seller of such Unsatisfactory Conditions and does not give Seller notice of termination during the Notification Period;

then this contingency shall be deemed waived by Buyer.

If Buyer informs Seller of any Unsatisfactory Conditions disclosed by the Inspection Report, Buyer may terminate the Purchase Agreement by written notice to Seller, delivered to Seller (or postmarked by U.S. Mail) not later than the end of the Notification Period. If the Purchase Agreement is terminated, then the earnest money shall be refunded to Buyer, and, *[Check the additional remedies from a., and b., if either or both apply to this agreement:]*

☐ a. Seller shall reimburse Buyer for _____ % of the fees paid to the Inspector and Buyer shall deliver a copy of the Inspection Report to Seller.

☐ b. Seller shall reimburse Buyer up to a maximum of \$_____ for all of Buyer's costs paid and expenses incurred to apply for a mortgage loan for the Property.

Following the Buyer's receipt of an Inspection Report disclosing any Unsatisfactory Condition and before the end of the Notification Period, the parties may negotiate an additional written agreement for the repair, replacement, or remediation of any Unsatisfactory Condition or for the reduction of the purchase price. ANY

SUCH NEGOTIATIONS MUST BE COMPLETED BEFORE THE END OF THE NOTIFICATION PERIOD. SUCH NEGOTIATIONS DO NOT EXTEND THE NOTIFICATION PERIOD.

Buyer shall have reasonable access to the property to inspect it with or without an Inspector. If Buyer has it inspected by a person who is not qualified as an Inspector, such inspections are insufficient for the purposes of this Addendum.

The terms of this Addendum do not change any obligation for Seller to provide disclosure created by statute, ordinance, or common law. The terms of this Addendum do not change Seller's obligations, if any, to remedy any conditions disclosed by inspections by F.H.A. or D.V.A. or private mortgage lenders. The terms of this Addendum do not change Seller's obligations to remedy conditions disclosed by municipal housing inspections and required to be repaired, replaced or otherwise corrected by municipal housing codes.

SELLER: _____

BUYER: _____

SELLER: _____

BUYER: _____

SUPPLEMENTAL TERMS