

# NEW CONSTRUCTION PURCHASE AGREEMENT

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1 **DATE:** \_\_\_\_\_

2 **GOVERNING LAW:** This Purchase Agreement shall be governed by, construed, and interpreted in accordance with the  
3 laws of, and under the jurisdiction of, the State of North Dakota and any actions shall be venued in the county in which  
4 the majority of the Property is located.

5 **BUILDER(s):** \_\_\_\_\_, and

6 **BUYER(s):** \_\_\_\_\_, agree that  
7 Builder(s) shall sell, and Buyer(s) shall buy the following described real property ("Property") pursuant to the terms and  
8 conditions of this Purchase Agreement and any Addendum(s), Counteroffer(s), Amendment(s), and Exhibit(s), all of which  
9 shall constitute the entire Purchase Agreement between Builder(s) and Buyer(s) and supersedes any other written  
10 agreements between Builder(s) and Buyer(s). This Purchase Agreement can be modified only in writing agreed to by  
11 Builder(s) and Buyer(s).

12 **PROPERTY DESCRIPTION:**

13 MLS Listing Number: \_\_\_\_\_

14 Street Address: \_\_\_\_\_

15 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

16 The legal description for the Property is \_\_\_\_\_

17 \_\_\_\_\_

18 \_\_\_\_\_

19 \_\_\_\_\_

20 **PURCHASE PRICE:** (U.S. Currency)

21 Builder(s) has on this day agreed to sell the above listed Property to Buyer(s) for the purchase price of  
22 \_\_\_\_\_ Dollars \$ \_\_\_\_\_,

23 which Buyer(s) agrees to pay in the following manner:

24  **Cash**

25 If cash, Buyer(s) to provide validated proof of funds by \_\_\_\_\_, or  is attached.

26  **Contingent Upon Financing**

27 If financing, Buyer(s) shall provide a preliminary loan commitment letter from the Lender by \_\_\_\_\_,

28 or  is attached.

29  **Contingent Upon Construction Financing**

30 If construction financing,  **Builder(s)**  **Buyer(s)** is responsible for securing. If Buyer(s) is responsible, progress  
31 payments shall be made by Buyer(s) to Builder(s) for work completed as follows:

32 \_\_\_\_\_

33 Please Note: A preliminary loan commitment letter does not indicate final loan approval.

34 **EARNEST MONEY:** (U.S. Currency)

35 The sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) from Buyer(s) by

36 (Check one):  **Check**  **Cash**  **EFT/ACH**

37 Earnest money to be delivered to (Check one)

38  **Listing Broker**  **Buyer Broker**  **Other** \_\_\_\_\_ or  **Released to Builder(s)**

39 **on or before** \_\_\_\_\_ and,

40 if applicable, to be deposited into their trust account as required by North Dakota Century Code.

41 Earnest money  **is**  **is not** refundable, except as specified herein  **Other** \_\_\_\_\_

42 \_\_\_\_\_

43 If applicable, Buyer(s) agrees to pay additional earnest money of \$ \_\_\_\_\_ due on \_\_\_\_\_

44 to be deposited and/or released as follows: \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

45 Builder(s) has the right to terminate this Purchase Agreement if earnest money is not received as agreed herein.  
 46 If Buyer(s) fails to provide the preliminary loan commitment letter, or proof of funds, as applicable, or fails to pay the  
 47 earnest money, by the designated dates, Builder(s), at Builder's option, shall have the right to terminate this Purchase  
 48 Agreement, by written notice delivered after the above deadline date(s). If written notice is given by Builder(s), Buyer(s)  
 49 agrees within two (2) calendar days of receipt of notice of termination from Builder(s) to sign and deliver to Builder(s) a  
 50 CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to  Buyer(s)  Builder(s);  
 51 provided, a refusal by Buyer(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit  
 52 the effect of Builder's decision to terminate the Purchase Agreement.

53 **FINANCING:** (Check one)  
 54  Conventional  FHA  VA  USDA  Contract for Deed  Other \_\_\_\_\_

55 Buyer(s) agrees to use best efforts to secure a commitment for such financing and to execute all documents required to  
 56 consummate said financing. If Buyer(s) cannot secure a commitment prior to closing for such financing, either Buyer(s) or  
 57 Builder(s) shall have the option of declaring this Purchase Agreement terminated by written notice to the other party. If  
 58 such written notice is given by the terminating party, the party receiving the notice agrees, within two (2) calendar days  
 59 of receipt of notice of termination, to sign and deliver to the terminating party a CANCELLATION OF PURCHASE  
 60 AGREEMENT with release of earnest money, if any, to  Buyer(s)  Builder(s); provided, a refusal by the party  
 61 receiving the notice to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of  
 62 the terminating party's decision to terminate the Purchase Agreement.

63 **BUILDER'S CONTRIBUTION TO BUYER'S COST:** (Not to exceed maximum amount allowed by Lender, if applicable.)  
 64 Builder(s) is contributing \$ \_\_\_\_\_ to Buyer's costs.  
 65 Buyer(s) may use it at their discretion towards points, buy-down fees including temporary rate buy-downs, prepaid  
 66 expenses, or other Buyer's costs as allowed by Lender. This may include any Buyer's obligations referred to in this  
 67 Purchase Agreement. If Buyer(s) does not use all the above stated Builder's contributions, the excess amount may be  
 68 applied towards special assessments or a reduction of the loan amount or sales price, if allowed by Lender and governing  
 69 authority.

70 **BROKER COMMISSIONS ARE NOT SET BY LAW AND ARE FULLY NEGOTIABLE.**

71 **BUILDER(s) COMPENSATION TO BUYER'S BROKER:** On behalf of Buyer(s), Builder(s) agrees to pay Buyer's  
 72 Broker or Broker assisting Buyer(s) total compensation of \_\_\_\_\_ % of purchase price OR \$ \_\_\_\_\_ at closing,  
 73 which is in addition to any Builder's contribution to Buyer's costs.

74 **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that notwithstanding any other provisions of  
 75 this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur  
 76 any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with  
 77 HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans  
 78 Affairs, or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than  
 79 \$ \_\_\_\_\_. The purchaser shall have the privilege and option of proceeding with consummation of the contract  
 80 without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum  
 81 mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the  
 82 condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are  
 83 acceptable."

84 _____		84 _____	
85 Buyer Signature	Date	Builder Signature	Date
86 _____		86 _____	
87 Buyer Signature	Date	Builder Signature	Date

88 **REAL ESTATE CERTIFICATION (FHA Financing only):** "The borrower, builder, and the selling real estate agent or  
 89 broker involved in the sales transaction certify that the terms and conditions of the sales contract are true to the best of  
 90 their knowledge and belief and that any other agreement entered into by any of the parties in connection with the real  
 91 estate transaction is part of, or attached to, the sales agreement."

92 _____		92 _____	
93 Buyer Signature	Date	Builder Signature	Date
94 _____		94 _____	
95 Buyer Signature	Date	Builder Signature	Date
96 _____		96 _____	
97 Selling Agent Signature	Date	Listing Agent Signature	Date

Buyer(s) Initials \_\_\_\_\_ Builder(s) Initials \_\_\_\_\_

98 **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only):** "It is expressly agreed that,  
 99 notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest  
 100 money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price  
 101 or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The purchaser  
 102 shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the  
 103 amount of the reasonable value established by the Department of Veterans Affairs."

104 _____ 105 Buyer Signature	Date	_____	Date
106 _____ 107 Buyer Signature	Date	_____	Date

108 **THIS SALE INCLUDES:**  
 109 The following personal property, with no additional monetary value, and free and clear of all liens and encumbrances:  
 110 \_\_\_\_\_  
 111 \_\_\_\_\_  
 112 \_\_\_\_\_

113 **THIS SALE EXCLUDES:**  
 114 The following property: \_\_\_\_\_  
 115 \_\_\_\_\_

116 **LABOR AND MATERIALS:** Builder(s) agrees to furnish labor and materials for the construction in substantial  
 117 conformance with plans and specifications furnished by  **Builder(s)**  **Buyer(s)**  **Other** \_\_\_\_\_, a copy  
 118 of which is attached or is to be approved in writing by Buyer(s) prior to the start of construction. If plans are provided by  
 119 Buyer(s), Buyer(s) will indemnify, defend and hold harmless Broker(s)/Agent(s) from any claims or liability relating to any  
 120 alleged copyright infringements or violations of intellectual property rights related to the plans. This includes attorney's  
 121 fees and costs.

122 **CHANGES IN SPECIFICATIONS:** Any significant changes in the plans and specifications must be approved in writing  
 123 by both parties, by change order, any increase or decrease in the purchase price caused by such change. Unless otherwise  
 124 agreed in writing, any such increase or decrease shall be reflected as an adjustment in cash at  **execution of the**  
 125 **change order**  **closing.**

126 **SALE OF BUYER'S PROPERTY:** (Check one)  
 127  This Purchase Agreement is subject to the sale of Buyer's property. If checked, see attached SALE OF BUYER'S  
 128 PROPERTY CONTINGENCY ADDENDUM.  
 129  This Purchase Agreement is contingent upon the successful closing of Buyer's property which is currently under  
 130 contract and located at:

131 Street Address: \_\_\_\_\_  
 132 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ County: \_\_\_\_\_

133 scheduled to close on \_\_\_\_\_. If Buyer's property does not close by the closing date specified in  
 134 this Purchase Agreement, Builder(s), at Builder's option, shall have the right to terminate this Purchase Agreement, by  
 135 written notice delivered after the date set forth on Line 133. If written notice is given by Builder(s), Buyer(s) agrees, within  
 136 two (2) calendar days of receipt of notice of termination from Builder(s), to sign and deliver to Builder(s) a  
 137 CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to  **Builder(s)**  **Buyer(s)**;  
 138 provided, a refusal by Buyer(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit  
 139 the effect of Builder's decision to terminate the Purchase Agreement.

140  Buyer(s) represents that Buyer(s) has the financial ability to perform on this Purchase Agreement without the sale or  
 141 closing of any property.

142 **CLOSING AND POSSESSION:**  
 143 Closing is to be on or before \_\_\_\_\_.

144 The construction will be ready for occupancy, subject to delays in the progress of construction due to strikes, lockouts, fire,  
 145 unusual delay in transportation, unavoidable casualties, inclement weather or any cause beyond Builder's control in the  
 146 completion of the construction. Builder(s) shall deliver possession of the Property immediately following closing unless  
 147 otherwise specified. If for any other reason closing is delayed by Buyer(s) or Builder(s), either party shall have the option  
 148 of assessing costs as follows: \_\_\_\_\_

Buyer(s) Initials \_\_\_\_\_ Builder(s) Initials \_\_\_\_\_

149 **FINAL WALK THROUGH:** Builder(s) will provide to Buyer(s) a Certificate of Occupancy prior to closing. Buyer(s) has  
 150 a right to walk through the Property prior to closing with Builder(s) or Builder's representative and to hire, at Buyer's  
 151 expense, an independent inspector. Buyer(s) agrees to pay for final inspection(s) required by the Lender or Appraiser.  
 152 Any additional inspections necessary because of delays by Builder(s) will be paid for by Builder(s). Additional inspections  
 153 required due to changes requested by Buyer(s) will be paid for by Buyer(s).

154 **REAL ESTATE TAX AND SPECIAL ASSESSMENT NOTICE:** If Builder(s) has received any such notice regarding  
 155 any new improvement project from any assessing authorities prior to closing, Builder(s) must immediately notify Buyer(s)  
 156 of the notice. Builder(s) and Buyer(s) may then agree in writing, before the date of closing, to the payment terms of the  
 157 notified assessments. In the absence of such an agreement, Buyer(s) shall have the right to terminate this Purchase  
 158 Agreement, by written notice delivered to Builder(s). If such written notice is given, Builder(s) agrees within two (2)  
 159 calendar days of receipt of notice of termination to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE  
 160 AGREEMENT with release of earnest money, if any, to  Builder(s)  Buyer(s); provided, a refusal by Builder(s) to  
 161 sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Buyer's decision to  
 162 terminate the Purchase Agreement. Following closing, Buyer(s) shall pay all real estate taxes and any unpaid special  
 163 assessments payable therewith and thereafter, for which payment is not otherwise provided. It is understood future  
 164 general taxes and special assessments are only estimates.

165 **Buyer(s) should make an independent inquiry regarding taxes and special assessments.**

166 **Buyer(s) should be aware that there may be preferential property tax treatment(s) or tax abatement(s) on**  
 167 **this Property which may affect the tax proration.**

168 **No representations have been made concerning the amount of subsequent real estate taxes or special assessments.**

169 **REAL ESTATE TAXES:** Builder(s) shall pay on the date of closing all real estate taxes due and payable in all prior years  
 170 including all penalties and interest. The  Gross  5% Discounted annual real estate taxes to be paid for the year of  
 171 closing shall be prorated as of the date of closing or \_\_\_\_\_ between Buyer(s) and Builder(s) based upon  
 172 the most current certified tax information available, if estimated tax amounts are not available in writing,  
 173 or \_\_\_\_\_.

174 **SPECIAL ASSESSMENTS:** Builder(s) shall pay on the date of closing all special assessments due and payable in all  
 175 prior years including all penalties and interest.

176 **Annual installments** to be paid for the year of closing shall be  Prorated as of the date of closing  Assumed by  
 177 Buyer(s)  Paid by Builder(s) or  Other \_\_\_\_\_.

178 **Remaining Balance** (Balance unpaid including interest):  Buyer(s) shall assume remaining balance as of the date  
 179 closing; and any future assessments.  Builder(s) shall pay remaining balance on the date of closing.  
 180  Other \_\_\_\_\_.

181 **Work In Progress/Pending/Proposed (Including interest):** If applicable, Buyer(s) shall assume the balance of work  
 182 in progress, pending or proposed.

183 **PRO-RATA ADJUSTMENTS:** All charges for water, sewer, electricity, natural gas, homeowner's  
 184 association/condominium dues and rents shall be prorated between the parties as of the closing date. Builder(s) to transfer  
 185 security deposit and interest, if any, on leases to Buyer(s) at closing.

186 **SIGHT UNSEEN CONDITION:** Buyer(s) intends to purchase Property sight unseen:  Yes  No If "Yes," see  
 187 attached SIGHT UNSEEN ADDENDUM.

188 **INSPECTIONS AND INVESTIGATIONS:** Buyer(s) is advised by Broker(s)/Agent(s) to obtain inspections and  
 189 investigations as allowed in the Contingencies section. Buyer(s) acknowledges that Buyer(s) should make inquiries and  
 190 consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning  
 191 the use of the Property and the surrounding areas under applicable building, zoning, fire, health, and safety codes, and for  
 192 evaluation of potential hazards. Buyer(s) shall keep the Property free and clear of liens, shall indemnify and hold Builder(s)  
 193 harmless from all liability, claims, demands, damages, and costs, and shall be responsible for repair of all damages arising  
 194 from the inspections. Buyer(s) waives any claim for an item warranted by Builder(s) if Buyer(s) becomes aware of such  
 195 claim during the Inspection Period and does not notify Builder(s) in writing of such. Buyer(s) specifically releases, holds  
 196 harmless, and indemnifies Broker(s) from any liability for any defects in the Property. If Buyer(s) requests repairs,  
 197 Buyer(s) shall provide Builder(s) and Broker(s) upon receipt, at no cost, copies of referenced reports, if any, concerning the  
 198 Property obtained by Buyer(s).

199 All inspections and/or tests shall be done by inspector(s) or tester(s) of Buyer's choice, at Buyer's sole expense. Inspector(s)  
 200 or tester(s) should be qualified to do the inspections and/or tests. If a home inspector is used in North Dakota, the home  
 201 inspector must be registered through the State of North Dakota. The qualifications of other inspector(s) or tester(s) must

Buyer(s) Initials \_\_\_\_\_ Builder(s) Initials \_\_\_\_\_

202 be evidenced by any applicable license or professional designation. Buyer(s) shall not have the right to do intrusive testing  
 203 without the prior written authorization of Builder(s). For purposes of this form, "intrusive testing" shall mean any testing,  
 204 inspection or investigation that changes the Property from its original condition or otherwise damages the Property.  
 205 Inspections and/or tests may include but are not limited to the following: electrical system, plumbing system, central  
 206 cooling system, central heating system, ceilings, floors, basement, foundation, walls, windows, exterior, roof, radon, mold,  
 207 and asbestos.  
 208 Builder(s) will provide access to attic(s) and crawlspace(s).

209 **CONTINGENCIES:**

210 The enforceability of this Purchase Agreement is subject to the satisfaction of Inspection and Documentation Contingencies  
 211 which are initialed below by both parties.

212 Buyer(s) shall have the option to negotiate defects, waive the contingency, or terminate the Purchase Agreement upon the  
 213 completion of each contingency. If Buyer(s) fails to complete contingencies and/or notify Builder(s) of cancellation by 11:59  
 214 PM on the date stated in the Contingency Deadline column, the contingency shall be deemed removed and the Purchase  
 215 Agreement shall be in full force and effect.

216 If such written notice is given by the party who has the right to give notice, the party receiving the notice agrees, within  
 217 two (2) calendar days of receipt of notice of termination, to sign and deliver to the terminating party a CANCELLATION  
 218 OF PURCHASE AGREEMENT with return of earnest money, if any, to Buyer(s); provided, a refusal by the party receiving  
 219 the notice to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the  
 220 terminating party's decision to terminate the Purchase Agreement.

221 **INSPECTION CONTINGENCIES**

222 All inspections, tests, and resulting negotiations, if any, must be completed by the Contingency Deadline.

Buyer(s) and Builder(s) Must Initial All Applicable Contingencies	Buyer(s) Initials	Builder(s) Initials	Contingency Deadline
<b>1. Inspections:</b> Buyer(s) to complete such inspections, as may be desired by Buyer(s). Builder(s) agrees to make the Property available for inspections and, at Builder's expense, to have all utilities on, including any propane, at the time of inspections; however, if this box is checked <input type="checkbox"/> , utilities can be turned off. If Buyer(s) does not approve the results of the inspections, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>2. Septic System/Sewer Inspections:</b> <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) shall pay to have a Septic System/Sewer inspection performed. For the inspections to be performed, <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) shall pay to have the septic tank pumped. If Buyer(s) does not approve the results of the septic system/sewer inspections, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>3. Water Quality Test:</b> <input type="checkbox"/> Seller(s) <input type="checkbox"/> Buyer(s) shall obtain a water quality test, and the cost of the test shall be paid by <input type="checkbox"/> Seller(s) <input type="checkbox"/> Buyer(s) <input type="checkbox"/> Split equally. If Buyer(s) does not approve the results of the water quality test, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>4. Soil Tests:</b> Buyer(s) to obtain soil tests and percolation tests at <input type="checkbox"/> Buyer's expense <input type="checkbox"/> Builder's expense. If Buyer(s) does not approve the test results, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>5. Flood Plain:</b> Buyer(s) to obtain flood plain verification. If Buyer(s) does not approve the results of the flood plain verification, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>6. Restrictions and Covenants:</b> Buyer(s) to review any government and/or private use restrictions and restrictive covenants. If Buyer(s) does not approve the use restrictions or covenants, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>7. Property Dimensions:</b> Buyer(s) to verify property lines, acres, square footage etc. If Buyer(s) does not approve the findings, Buyer(s) has the option to terminate this Purchase Agreement.			

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

Buyer(s) and Builder(s) Must Initial All Applicable Contingencies	Buyer(s) Initials	Builder(s) Initials	Contingency Deadline
<b>8. Plans and Permits:</b> Buyer(s) to obtain all necessary plans and permits for one or more of the following purposes: building plans and specifications, proposed subdivision development plans, rezoning or use permits, approval of building plans and/or specification in accordance with any recorded subdivision covenants, and approval of the architectural control committee. If Buyer(s) does not obtain or approve said plans and permits, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>9. Survey:</b> Buyer(s) to obtain a survey of the Property, conducted at <input type="checkbox"/> Buyer's expense <input type="checkbox"/> Builder's expense <input type="checkbox"/> Split equally. If Buyer(s) does not approve the results of the survey, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>10. Registered Sex Offenders: MEGAN'S LAW DISCLOSURE: If Buyer(s) desires to obtain information regarding persons required to register as sexual offenders under North Dakota Law, Buyer(s) must contact the ND Attorney General's office or access the Attorney General's website at <a href="http://www.sexoffender.nd.gov/">http://www.sexoffender.nd.gov/</a>.</b> Buyer(s) to investigate the possibility of the presence of registered sex offenders in the vicinity of the Property. If Buyer(s) does not approve the findings regarding registered sex offenders, Buyer(s) has the option to terminate this Purchase Agreement.			

223 **DOCUMENTATION CONTINGENCIES**

224 If Builder(s) is obligated to provide documents to Buyer(s), the Contingency Deadline for that contingency shall be  
 225 extended, if needed, so that Buyer(s) has five (5) calendar days following receipt of all such documents within which to  
 226 deliver a resolution or notice of termination.

Buyer(s) and Builder(s) Must Initial All Applicable Contingencies	Buyer(s) Initials	Builder(s) Initials	Contingency Deadline
<b>1. Builder's Disclosure:</b> Builder(s) shall provide <input type="checkbox"/> SELLER'S PROPERTY DISCLOSURE <input type="checkbox"/> VACANT LAND DISCLOSURE. If Buyer(s) does not approve the disclosure(s), Buyer(s) has the option to terminate this Purchase Agreement.			
<b>2. Lead-Based Paint Disclosure:</b> Builder(s) to provide LEAD-BASED PAINT DISCLOSURE (for properties built prior to 1978 only). If Buyer(s) does not approve LEAD-BASED PAINT DISCLOSURE, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>3. Radon Disclosure:</b> Builder(s) to provide RADON DISCLOSURE. If Buyer(s) does not approve RADON DISCLOSURE, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>4. Homeowner's Association/Condo Disclosure:</b> Builder(s) to provide HOA/CONDO ASSOCIATION DISCLOSURE and required documentation. If Buyer(s) does not approve HOA/CONDO ASSOCIATION DISCLOSURE and other required documentation, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>5. Insurance Claims Loss History:</b> <input type="checkbox"/> Builder(s) shall provide <input type="checkbox"/> Buyer(s) shall obtain insurance claims loss history report. (Note: Reports may be limited to ownership period and/or by insurance company.) If Buyer(s) does not approve claims loss history report and/or cannot obtain insurance coverage, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>6. Insurance Adjuster's Report:</b> Builder(s) to provide copies of any insurance adjuster's reports for insurance claims during Builder's ownership, if any. (Note: Reports may be limited to ownership period and/or by insurance company.) If Buyer(s) does not approve insurance adjuster's reports, Buyer(s) has the option to terminate this Purchase Agreement.			
<b>7. Leases:</b> Builder(s) to provide copies of all current leases to Buyer(s). If Buyer(s) does not approve the leases, Buyer(s) has the option to terminate this Purchase Agreement.			

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

227 **APPRAISAL:**

228 This Purchase Agreement  is  is not contingent upon an appraisal.

229 If the Purchase Agreement is not contingent upon an appraisal, it is understood an appraisal may still be completed and  
230 Buyer(s) will be solely responsible for bringing any cash needed if the value is less than the agreed upon purchase price  
231 and/or to cover any appraisal required work order expenses.

232 **APPRAISAL VALUE:** If the Purchase Agreement is contingent upon an appraisal and the Property appraises for less  
233 than the purchase price, Buyer(s) shall have the option of (a) proceeding with consummation of the Purchase Agreement  
234 without regard to the amount of the appraised valuation; or (b) re-negotiating; or (c) declaring this Purchase Agreement  
235 terminated by written notice to Builder(s). If such written notice is given, Builder(s) agrees, within two (2) calendar days  
236 of receipt of notice of termination to sign and deliver to Buyer a CANCELLATION OF PURCHASE AGREEMENT with  
237 release of earnest money, if any, to  Builder(s)  Buyer(s); provided, a refusal by Builder(s) to sign and deliver the  
238 CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Buyer's decision to terminate the Purchase  
239 Agreement.

240 **APPRAISAL WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty that Builder(s)  
241 will make repairs required by the appraisal work order. Builder(s) shall have the following options: (a) make the necessary  
242 repairs; or (b) negotiate the cost of making said repairs with Buyer(s); or (c) refuse to make any repairs. At which time  
243 Buyer(s) shall have the option of declaring this Purchase Agreement terminated by written notice to Builder(s). If such  
244 written notice is given, Builder(s) agrees, within two (2) calendar days of receipt of notice of termination, to sign and deliver  
245 to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to  Builder(s)  
246  Buyer(s); provided, a refusal by Builder(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT  
247 shall not limit the effect of Buyer's decision to terminate the Purchase Agreement.

248 **APPRAISAL RE-INSPECTION:** Re-inspection fee(s), if any, shall be paid by  
249  Buyer(s)  Builder(s)  Split Equally  N/A.

250 **MATERIAL FACTS:** Builder(s) acknowledges a duty to disclose all material facts about which Builder(s) is aware and  
251 which could adversely and significantly affect Buyer's use and enjoyment of the Property.

252 **NOTICE AND OPPORTUNITY TO REPAIR:** North Dakota law requires that Builder(s) provide a "Notice and  
253 Opportunity to Repair" to Buyer(s) at the time of closing (N.D. Cent. Code § 43-07-26). This notice requires that Buyer(s)  
254 must give Builder(s) written notice of any defect within six months of discovery to give Builder(s) an opportunity to correct  
255 the defect if it is under warranty.

256 **SOLE WARRANTY:** Builder(s) provides a limited warranty that the constructed improvements to the Property will be  
257 free from defects in workmanship and materials for a period of one (1) year from the date of closing.

258 **DEED/MARKETABLE TITLE:**

259 Upon performance by Buyer(s), Builder(s) shall deliver a  Warranty Deed  Other \_\_\_\_\_  
260 conveying marketable title, subject to:

- 261 (a) Building and zoning laws, ordinances, state and federal regulations;
- 262 (b) Restrictions relating to use or improvement of the Property;
- 263 (c) Prior reservation of any mineral rights;
- 264 (d) Easements of record;
- 265 (e) Minerals: In accordance with North Dakota Century Code, unless specifically excluded, Minerals Transfer  
266 with the surface estate, or  Builder(s) reserves mineral rights presently owned by Builder(s).  
267 Buyer(s) and Builder(s) are advised to seek independent legal counsel, prior to the final acceptance of this  
268 Purchase Agreement;
- 269 (f) Rights of Tenants as follows (unless specified, not subject to tenancies): \_\_\_\_\_  
270 \_\_\_\_\_  
271 \_\_\_\_\_

272 **TITLE AND EXAMINATION:** Builder(s), at Builder's expense, shall furnish an abstract of title certified to a current  
273 date, compiled pursuant to the ND/LTA Abstracting Standards Manual OR a current ALTA Standard Coverage Owner's  
274 title commitment. If, after examination, Builder's title is not insurable or free of defects and cannot be made so by closing,  
275 Buyer(s), at Buyer's option, shall have the right to terminate this Purchase Agreement by written notice to Builder(s). If  
276 such written notice is given, Builder(s) agrees, within two (2) calendar days of receipt of notice of termination, to sign and  
277 deliver to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to  
278  Builder(s)  Buyer(s); provided, a refusal by Builder(s) to sign and deliver the CANCELLATION OF PURCHASE  
279 AGREEMENT shall not limit the effect of Buyer's decision to terminate the Purchase Agreement. However, Buyer(s) may  
280 waive defects and elect to purchase.

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

281 Builder(s) to pay Abstracting or Searching Fees.

282 Buyer(s) to pay Attorney's Title Examination Fee and Lender Policy of Title Insurance, as applicable.

283 The Owner's Policy of Title Insurance, when an abstract is not available, shall be paid by

284  Builder(s)  Buyer(s)  Split equally  N/A

285 Settlement Company Fee is to be divided equally by Builder(s) and Buyer(s) (if using the same Settlement Company)  
286 unless not allowed by Lender.

287 **BUILDER(s) WARRANTIES:**

- 288 (a) that buildings are, or will be, constructed entirely within the boundary lines of the Property;
- 289 (b) there is a right of legal access to the Property;
- 290 (c) that Builder(s) has not received any notice from any governmental authority as to violation of law, ordinance, or
- 291 regulation for a condition that remains uncorrected;
- 292 (d) that prior to closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools
- 293 furnished within the 90 days immediately preceding the closing in connection with construction, alteration, or
- 294 repair of any structure on, or improvement to, the Property;
- 295 (e) if Property is subject to restrictive covenants, Builder(s) has not received any notice from any person or authority
- 296 as to a breach of the covenants which remains uncorrected. Any notices received by Builder(s) will be provided to
- 297 Buyer(s) immediately.
- 298 (f) to the best of Builder's knowledge, there are no hazardous substances or underground tanks unless otherwise
- 299 noted in this Purchase Agreement.
- 300 (g) Builder(s) warrants that all appliances, heating, air conditioning, wiring and plumbing systems used and located
- 301 on the Property will be in working order on the date of closing, except as disclosed by Builder(s).
- 302 (h) Builder(s) warrants that the Property is/will be directly connected to:
- 303 City Sewer:  Yes  No  Private;
- 304 City Water:  Yes  No;
- 305 Well:  Yes  No;
- 306 Rural Water:  Yes  No. If rural, will membership be transferred?  Yes  No  N/A

307 The above Builder(s) Warranties shall survive the delivery of the deed or contract for deed.

308 **SUBDIVISION OF LAND:** If this sale constitutes or requires a subdivision of land owned by Builder(s), Builder(s) shall  
309 pay all subdivision expenses and obtain all necessary governmental approvals. Builder(s) warrants the legal description  
310 of the real property to be conveyed has been or will be approved for recording as the date of closing.

311 **INSURANCE:** Builder(s) agrees to carry public liability, Builder's risk, fire and extended coverage during construction.  
312 Buyer(s) agrees to obtain insurance coverage satisfactory to Buyer's lender upon closing.

313 **AGENCY DISCLOSURE:**

314 \_\_\_\_\_ of \_\_\_\_\_  
315 Agent Printed Name Brokerage Firm  
316 Is representing:  Buyer(s)  Builder(s)  Both Parties  Neither Party

317 \_\_\_\_\_ of \_\_\_\_\_  
318 Agent Printed Name Brokerage Firm  
319 Is representing:  Buyer(s)  Builder(s)  Both Parties  Neither Party

320 **APPOINTED AGENCY REPRESENTATION:**

321 Appointed Agency  does  does not apply.

322 **DUAL AGENCY REPRESENTATION (SIGN ONLY IF APPLICABLE):**

323 Broker represents both Builder(s) and Buyer(s) of the Property involved in this transaction, which creates Dual Agency.  
324 This means that Broker and Agent(s) owe fiduciary duties to both Builder(s) and Buyer(s). Because the parties may have  
325 conflicting interests, Broker and its Agent(s) are prohibited from advocating exclusively for either party. Broker cannot  
326 act as a Dual Agent in this transaction without consent of both Builder(s) and Buyer(s). Builder(s) and Buyer(s)  
327 acknowledge that:

- 328 a) Confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
- 329 remain confidential unless Builder(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
- 330 information will be shared.

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

331 b) Broker and its Agent(s) will not represent the interest of either party to the detriment of the other; and  
 332 c) within the limits of Dual Agency, Broker and its Agent(s) will work diligently to facilitate the mechanics of the  
 333 sale. With the knowledge and understanding of the explanation above, Builder(s) and Buyer(s) authorize and  
 334 instruct Broker and its Agent(s) to act as Dual Agent(s) in this transaction.

335 \_\_\_\_\_  
 336 Buyer Signature Date Builder Signature Date

337 \_\_\_\_\_  
 338 Buyer Signature Date Builder Signature Date

339 **RISK OF LOSS:** If there is any loss or damage to the Property between the date hereof and the date of closing for any  
 340 reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Builder(s). If the Property is  
 341 destroyed or substantially damaged before the closing date, this Purchase Agreement may be terminated at Buyer's option,  
 342 by written notice to Builder(s). If such written notice is given, Builder(s) agrees, within two (2) calendar days of receipt of  
 343 notice of termination, to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release of  
 344 earnest money, if any, to  Builder(s)  Buyer(s); provided, a refusal by Builder(s) to sign and deliver the  
 345 CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Buyer's decision to terminate the Purchase  
 346 Agreement.

347 **HOMEOWNER'S ASSOCIATION:** Is the Property subject to a Homeowner's Association?  Yes  No If "Yes," see  
 348 HOA/CONDO ASSOCIATION DISCLOSURE, as required by law.

349 Builder(s) agrees that any notices received by Builder(s) prior to closing will be forwarded to Buyer(s) immediately.

350 **DEBRIS/PERSONAL PROPERTY:** Unless otherwise agreed to in writing, prior to possession, Builder(s) agrees to  
 351 remove all debris and all personal property, not herein included. If Builder(s) fails to remove all debris and all personal  
 352 property, then Buyer(s) shall have the right to remove and dispose of all such remaining property, and Builder(s) shall be  
 353 responsible to reimburse Buyer(s) for all expenses incurred in such removal and disposal.

354 **LINKED DEVICES:** Builder(s) warrants that Builder(s) shall permanently disconnect or discontinue Builder's access or  
 355 service to any device or system on or serving the Property that is connected or controlled wirelessly, via internet protocol  
 356 ("IP") to a router or gateway or directly to the cloud no later than delivery of possession as specified in this Purchase  
 357 Agreement.

358 **DEFAULT:** If Builder's title is marketable or insurable and Buyer(s), contrary to this Purchase Agreement, fails, neglects  
 359 or refuses to complete the purchase by the closing date then, at Builder's option, either the earnest money shall be forfeited  
 360 to Builder(s) as liquidated damages, since the parties agree the calculation of damages to Builder(s) would be difficult to  
 361 ascertain with certainty and since parties further agree that the amount of liquidated damages is a reasonable attempt to  
 362 estimate damages which will be suffered by Builder(s), and this Agreement thereupon shall be of no further binding effect;  
 363 **OR** Builder(s) may demand and pursue any and all other remedies including, but not limited to, actual damages or specific  
 364 performance of this Purchase Agreement.

365 If Builder(s), contrary to this Purchase Agreement, fails, neglects, or refuses to perform as agreed, Buyer(s) may demand  
 366 and pursue any and all remedies including, but not limited to, specific performance of this Purchase Agreement.

367 If the closing of this Property has not occurred by the designated closing date, then a breach of contract has occurred.  
 368 Buyer(s) and Builder(s) shall have the following options to reconcile the breach:

- 369 1) All parties shall sign an amendment with a new agreed upon closing date.  
 370 2) All parties shall sign a CANCELLATION OF PURCHASE AGREEMENT.  
 371 3) Either party shall have the option to give written notice of termination due to the default of the Purchase  
 372 Agreement and, as applicable, to pursue other available remedies.

373 A claim of either party for specific performance, or Builder's claim to the earnest money as liquidated damages, shall be  
 374 waived, unless legal proceedings are commenced within three (3) months after scheduled date of closing or  
 375 CANCELLATION OF PURCHASE AGREEMENT or NOTICE OF TERMINATION OF PURCHASE AGREEMENT is  
 376 delivered. If Builder(s) does not deliver copies of documents evidencing Builder's commencement of legal proceedings to  
 377 claim the earnest money to Broker or to the entity who has possession of the earnest money within said three (3) month  
 378 time period, then that Broker or the entity shall be authorized to return the earnest money to Buyer(s), free of any claim  
 379 by Builder(s). Retention of earnest money in any Broker's or entity's trust account pending resolution of the default shall  
 380 not constitute an election of remedies by either party or prejudice their rights to pursue any and all other remedies  
 381 including, but not limited to, specific performance.

382 **DISCLOSURE OF SALE TERMS:** Buyer(s) and Builder(s) understand that after closing, the MLS may be notified of  
 383 the price and terms of the sale. Terms of the sale are recorded and may become public record.

Buyer(s) Initials \_\_\_\_\_ Builder(s) Initials \_\_\_\_\_

384 **LIENS:** Liens filed within ninety (90) days of completion of work on the Property maintain priority. Liens may be filed  
385 after that 90-day period.

386 **SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS:** Builder(s) reserves the right to select and supervise all  
387 subcontractors performing work under this Agreement. All subcontractor billings and payments shall be handled by  
388 Builder(s). Buyer(s) agrees not to interfere with or issue instructions to work forces, nor to contact for additional work  
389 with contractors or subcontractors except with Builder's written permission, if permission is granted.

390 **IMPORTANT HEALTH NOTICE:** Some of the building materials used in construction (or these building materials)  
391 emit formaldehyde. Eye, nose, and throat irritation, headache, nausea, and a variety of asthma-like symptoms, including  
392 shortness of breath, have been reported as a result of formaldehyde exposure. Elderly persons and young children, as well  
393 as anyone with a history of asthma, allergies or lung problems, may be at risk. Research is continuing on the possible  
394 long-term effects of exposure to formaldehyde.

395 Reduced ventilation may allow formaldehyde and other contaminants to accumulate in the indoor air. High indoor  
396 temperatures and humidity raise formaldehyde levels. When construction is to be in areas subject to extreme summer  
397 temperatures, an air-conditioning system can be used to control indoor temperature levels. Other means of controlled  
398 mechanical ventilation can be used to reduce levels of formaldehyde and other indoor air contaminants. If you have any  
399 questions regarding health effects of formaldehyde, consult your doctor or local health department.

400 **BUILDER(S) HEREBY FURTHER WARRANTS THE PROPERTY AS FOLLOWS:**

401 \_\_\_\_\_  
402 \_\_\_\_\_  
403 \_\_\_\_\_  
404 \_\_\_\_\_  
405 \_\_\_\_\_  
406 \_\_\_\_\_  
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409 \_\_\_\_\_  
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411 **ADDITIONAL PROVISIONS:**

412 \_\_\_\_\_  
413 \_\_\_\_\_  
414 \_\_\_\_\_  
415 \_\_\_\_\_  
416 \_\_\_\_\_  
417 \_\_\_\_\_  
418 \_\_\_\_\_  
419 \_\_\_\_\_  
420 \_\_\_\_\_

421 **ENTIRE AGREEMENT:** This Purchase Agreement, any attached exhibits, and any addendums or amendments signed  
422 by the parties shall constitute the entire Purchase Agreement between Builder(s) and Buyer(s). There are no verbal or  
423 other agreements which modify or affect this Purchase Agreement. This Purchase Agreement can be modified only in  
424 writing signed by Builder(s) and Buyer(s). Buyer(s) may not assign this Purchase Agreement without Builder's written  
425 consent. This Purchase Agreement is binding on Builder's heirs and assigns. It is understood that Listing Broker(s)/Listing  
426 Agent(s) and Buyer's Broker(s)/Buyer's Agent(s) are acting as agents only in bringing Buyer(s) and Builder(s) together,  
427 that all agreement(s) to be enforced between the parties are set forth in this Purchase Agreement, and that Broker(s) and  
428 Agent(s) are not liable to either party for claimed statements or promises not in the Purchase Agreement or for the  
429 performance or non-performance of any term or promise in this Purchase Agreement between the parties.

430 **OTHER PROFESSIONAL SERVICES:** Builder(s) and Buyer(s) in this transaction acknowledge Broker(s) and Agent(s)  
431 are being retained solely as a real estate Agent(s) and not as an attorney, lender, inspector, or appraiser, or any other  
432 professional service provider. Builder(s) and Buyer(s) are advised to seek professional advice concerning any of these  
433 additional matters.

434 **ELECTRONIC SIGNATURES:** The parties agree that the electronic signatures of either party on any document relating  
435 to this transaction constitutes a valid and binding Agreement.

436 **CONTINUE TO SHOW:** Builder(s) has the right to continue to offer the Property for sale for backup offers only.

Buyer(s) Initials \_\_\_\_\_

Builder(s) Initials \_\_\_\_\_

437  **THIS IS A BACKUP OFFER.** See BACKUP OFFER ADDENDUM.

438 **FINCEN:** Is Buyer(s) an entity or trust whose purchase of the Property requires a report to the Financial Crimes  
439 Enforcement Network (FinCEN)?  **Yes**  **No** If Yes, See FINCEN REPORTING ADDENDUM.

440 **WHOLESALE:** Is any party entering into this Purchase Agreement with the intent to Wholesale?  **Yes**  **No**  
441 If Yes, see WHOLESALE ADDENDUM.

442 **FIRPTA:** Does Seller(s) represent and warrant that Seller(s) is a foreign person as defined by the Foreign Investment in  
443 Real Estate Property Tax Act (FIRPTA)?  **Yes**  **No** If Yes, see FIRPTA REPORTING ADDENDUM.

444 **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement. This means that all completion dates are  
445 intended to be strict and absolute.

446 References to time in this Purchase Agreement are based on location and time zone of Property.

447 References to “day” or “days” in this Purchase Agreement shall be construed as calendar days.

448 This Purchase Agreement shall remain available for acceptance by Builder(s), on or before \_\_\_\_\_ at  
449 \_\_\_\_\_  **AM**  **PM**, or until revoked by Buyer(s) prior to Builder’s acceptance.

450 **FINAL ACCEPTANCE:**  
451 This Agreement will be legally binding upon delivery of fully executed Purchase Agreement by both parties.

452 **Buyer(s):**  
453 Buyer(s) agrees to purchase the Property for the price, terms, and conditions as set forth above. Buyer(s) has reviewed and  
454 understands all pages of this Purchase Agreement.

455 \_\_\_\_\_  
456 Buyer Signature Date Buyer Signature Date

457 **Builder(s):**  
458 Builder(s) accepts this Purchase Agreement. Builder(s) has reviewed and understands all pages of this Purchase  
459 Agreement.

460  **If checked, this Purchase Agreement is subject to attached COUNTEROFFER ADDENDUM.**

461 Builder’s signature authorizes closing agent to obtain applicable mortgage information (i.e., mortgage balance, interest  
462 rate, payoff and/or assumption figures, etc.).

463 \_\_\_\_\_  
464 Builder Signature Date Builder Signature Date

465  **If checked and initialed, Builder(s) rejects this offer. Builder(s) Initials** \_\_\_\_\_

