

# NEW CONSTRUCTION PURCHASE AGREEMENT

## For use in North Dakota only

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Page 1

Date: \_\_\_\_\_ MLS#: \_\_\_\_\_  
This agreement made and entered into by and between \_\_\_\_\_ Thomsen Homes, LLC, Seller,  
also known as "Builder" and \_\_\_\_\_, also known as "Buyer".

**TERMS AND CONDITIONS:** Subject to terms and conditions of this Agreement, Builder agrees to sell and convey to Buyer, and

Buyer agrees to purchase the property at: Street Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Legally described as \_\_\_\_\_.

Builder has this day agreed to sell all included real estate to buyer for the sum of \_\_\_\_\_

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for the real property as improved by construction and

the personal property, if any, chosen by Buyer and provided by Builder. Buyer agrees to pay \$ \_\_\_\_\_ 1,000

earnest money.

**Earnest money shall be (check one):**

☒ released to Builder immediately and all earnest money released to Builder ☐ is ☒ is not refundable, except as specified herein

☐ delivered to the listing broker

☐ delivered to \_\_\_\_\_

within two (2) business days after the Final Acceptance Date of this Purchase Agreement. If earnest money is not released to

Builder, the earnest money shall be deposited in the trust account of the earnest money holder as specified above within one (1)

business day of receipt of the earnest money or Final Acceptance Date of this Purchase Agreement, whichever is later. Said earnest

money is part payment for the purchase of property described above. Additional ~~Earnest Money~~ of \$ \_\_\_\_\_ 4,000, to

be deposited and/or released as follows: \_\_\_\_\_ released to Builder **cash deposit**

Buyer agrees to ☐ pay in cash ☒ finance remaining balance. If financing, see Mortgage Financing section. Construction financing

shall be the responsibility of the ☒ Builder ☐ Buyer. If construction financing is the responsibility of the Buyer, progress

payments shall be made by the Buyer to the Builder for work completed as follows: \_\_\_\_\_ NA

## SALE OF BUYER'S PROPERTY

This Purchase Agreement ☐ is (see attached Addendum) ☐ is not subject to a Contingency Addendum for the sale of the Buyer's  
Property. This Purchase Agreement ☐ is ☐ is not contingent on the successful closing of Buyers property located at \_\_\_\_\_,

which is currently under contract.

The closing of Buyer's property, if any, may still affect Buyer's ability to obtain financing, if financing is applicable.

**COMPLETION, CLOSING, POSSESSION:** The new home will be constructed and ready for occupancy on \_\_\_\_\_

which shall be the date of closing, subject to delays in the progress of construction due to strikes, lockouts, fire, unusual delay in  
transportation, unavoidable casualties, inclement weather or any cause beyond Builder's control in the completion of the new home.

Builder shall deliver possession of the property immediately following closing unless otherwise specified. If for any other reason

closing is delayed by Buyer or Builder, either party shall have the option of assessing costs as follows:

\_\_\_\_\_ Per TH Guidelines document

**Builder agrees to remove all debris and all personal property not included herein from the property by possession date.**

**FINAL INSPECTIONS:** The Builder will obtain a Certificate of Occupancy prior to closing. The Buyer has a right to walk through the

property prior to closing with the Builder or Builder's representative and to hire, at Buyer's expense, an independent inspector. The Buyer

agrees to pay for final inspection(s) as required by the Lender or Appraiser. Any additional inspections necessary because of delays by the

Builder will be paid for by the Builder. Additional inspections required due to changes requested by the Buyer will be paid for by the Buyer.

INITIAL: BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

43 ADDRESS: \_\_\_\_\_ Page 2

44 **LABOR AND MATERIALS:** Builder agrees to furnish labor and materials for the construction of a home in substantial  
45 conformance with plans and specifications furnished by ☒ **Builder** ☐ **Buyer** ☐ **Other** \_\_\_\_\_,  
46 a copy of which is attached or is to be approved in writing by the Buyer prior to the start of construction. If plans are provided by  
47 Buyer, Buyer will indemnify, defend and hold harmless Brokers/Agents from any claims or liability relating to any alleged copyright  
48 infringements or violations of intellectual property rights related to the plans. This includes attorney's fees and costs.

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

52 **COVENANTS, CONDITIONS, RESTRICTIONS:** Builder ☒ **has** ☐ **has not** delivered copies of all covenants, conditions, and  
53 restrictions pertaining to the property. If "**has**", Buyer acknowledges receipt and acceptance of said documents. If "**has not**", offer is  
54 contingent upon Buyer's receipt and acceptance of said documents.

55 **BUILDER CONTRIBUTION (not to exceed maximum amount allowed by Lender):** Builder shall pay \$ \_\_\_\_\_  
56 and Buyer may use it at their discretion towards points, buy-down fees, prepaid expenses or costs of closing. If Buyer does not use  
57 all of the above stated Builder contributions, the excess amount may be applied to a reduction of the loan amount or sales price, if  
58 allowed by Lender.

59 **MORTGAGE FINANCING:**

60 The Purchase Agreement ☐ **IS** ☐ **IS NOT** subject to the mortgage financing provisions below.

61 If **IS**, complete the **MORTGAGE FINANCING** section below.

62 Buyer shall apply for and secure, at Buyer's expense, a:

63 ☐ **CONVENTIONAL**

64 ☐ **DEPARTMENT OF VETERAN'S AFFAIRS ("DVA") GUARANTEED**

65 ☐ **FEDERAL HOUSING ADMINISTRATION ("FHA") INSURED**

66 ☐ **UNITED STATES DEPARTMENT OF AGRICULTURE ("USDA") RURAL DEVELOPMENT**

67 ☐ **OTHER** \_\_\_\_\_

68 Mortgage estimated to be   tbd   % of the sale price amortized monthly over a period of not more than \_\_\_\_\_ years with  
69 an initial mortgage interest rate of no more than   best avail   % per year with 0 discount points (0.5 if required by financing program),  
70 plus Private Mortgage Insurance, if applicable.

71 **MORTGAGE APPLICATION:** The mortgage application is to be made within **five business days** after the final acceptance date  
72 of this Purchase Agreement. Buyer agrees to use best efforts to secure a commitment for such financing and to execute all documents  
73 required to consummate said financing. If Buyer cannot secure a commitment for such mortgage, this agreement shall become null  
74 and void; Buyer and Builder agree to sign a Cancellation of Purchase Agreement and earnest money shall be ☐ **refunded to Buyer**  
75 ☒ **forfeited to Builder**.

76 **LOCKING OF MORTGAGE INTEREST RATE ("RATE"):** The Rate shall be locked with the lender(s) by Buyer:  
77 *(Check one)*

78 ☐ **WITHIN FIVE (5) BUSINESS DAYS OF FINAL ACCEPTANCE DATE OF THIS PURCHASE AGREEMENT; OR**

79 ☒ **AT ANY TIME PRIOR TO CLOSING OR AS REQUIRED BY LENDER(S).**

80 **APPRAISAL:** If the property appraises for less than the purchase price, Buyer shall have the privilege and option of (a) proceeding  
81 with consummation of the contract without regard to the amount of the appraised valuation, (b) re-negotiating or (c) canceling the  
82 Purchase Agreement. If Buyer chooses to cancel, Buyer and Builder agree to sign a Cancellation of Purchase Agreement and earnest  
83 money ☐ **refunded to Buyer** ☒ **forfeited to Builder**.

84 **LENDER COMMITMENT WORK ORDERS:** Nothing in this Purchase Agreement shall be construed as a warranty that Builder  
85 will make repairs required by the Lender commitment. However, Builder agrees to pay up to \$       0       to make repairs  
86 as required by the Lender commitment. If the Lender commitment is subject to any work orders for which the cost of making said  
87 repairs shall exceed this amount, Builder shall have the following options: (A) make the necessary repairs; or (B) negotiate the cost  
88 of making said repairs with Buyer; or (C) with Buyer's consent, declare the Purchase Agreement null and void and sign a Cancellation  
89 of Purchase Agreement and earnest money paid shall be ☐ **refunded to Buyer** ☒ **forfeited to Builder**.

90 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

91 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

93 **PERSONAL PROPERTY:** We, the undersigned, do hereby certify that the personal property included in the Purchase Agreement  
 94 is remaining with the property; however, it is not considered in the purchase price.

95 **CONVENTIONAL MORTGAGE**

96 **PRIVATE MORTGAGE INSURANCE (PMI):** PMI may be required by the lending institution. Buyer agrees to pay all  
 97 subsequent years' mortgage insurance premiums as required by the lending institution. The said PMI may vary based on the  
 98 mortgage amount, unless paid in cash at closing.

99 **FHA MORTGAGE**

100 **MORTGAGE INSURANCE PREMIUM:** Pursuant to Federal Regulations, a one time Mortgage Insurance Premium must be  
 101 paid to FHA at the closing of this transaction. The said MIP may vary based on loan and will increase the mortgage amount unless  
 102 paid in cash at closing.

103 **FHA AMENDATORY CLAUSE:** "It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser  
 104 shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money  
 105 deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by  
 106 the Federal Housing Commissioner, Department of Veterans Affairs, or a direct endorsement lender, setting forth the appraised value  
 107 of the property of not less than \$ Final Purchase Price. The purchaser shall have the privilege and option of proceeding  
 108 with the consummation of the contract without regard to the amount of the appraised valuation. THE APPRAISED VALUATION  
 109 IS ARRIVED AT TO DETERMINE THE MAXIMUM MORTGAGE THE DEPARTMENT OF HOUSING AND URBAN  
 110 DEVELOPMENT WILL INSURE. HUD DOES NOT WARRANT THE VALUE NOR THE CONDITION OF THE PROPERTY.  
 111 THE PURCHASER SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND THE CONDITION OF THE  
 112 PROPERTY ARE ACCEPTABLE."

113 **FHA REAL ESTATE CERTIFICATION:** We, the undersigned, hereby certify that the terms of the contract for the purchase of  
 114 the above referenced property are true to the best of our knowledge and belief, and that any other agreement(s) entered into in  
 115 connection with this transaction is (are) attached to the sale contract.

116 **WARNING: Section 1010 of Title 18, U.S.C., Federal Housing Administration transactions provides: "Whoever for the**  
 117 **purpose of influencing in any way the action of such Administration...makes, passes, utters, or publishes any statement,**  
 118 **knowing same to be false, shall be fined not more than \$5,000.00 or imprisoned not more than two years or both."**

119 \_\_\_\_\_  
 120 Buyer Signature Date Builder Signature Date

121 \_\_\_\_\_  
 122 Buyer Signature Date Builder Signature Date

123 \_\_\_\_\_  
 124 Broker/ Selling Agent Date Broker/ Listing Agent Date

125 **PERSONAL PROPERTY ADDENDUM:** We, the undersigned, do hereby certify that the personal property included in the  
 126 Purchase Agreement is remaining with the property; however, it is not considered in the purchase price.

127 \_\_\_\_\_  
 128 Buyer Signature Date Builder Signature Date

129 \_\_\_\_\_  
 130 Buyer Signature Date Builder Signature Date

131 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

132 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

133 ADDRESS: \_\_\_\_\_ Page 4

134 **VA GUARANTEED MORTGAGE**

135 **LENDER PROCESSING FEES:** Builder agrees to pay the VA Commitment Fee and the VA Closing Fee, if applicable, which  
136 the lender cannot charge to Buyer, not to exceed \$ \_\_\_\_\_ 0 \_\_\_\_\_. This amount is in addition to Builder's Contributions to  
137 Buyer's Costs, if applicable.

138 **DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE:** "It is expressly agreed that, notwithstanding any other provisions  
139 of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the  
140 purchase of the Property described herein, if the contract purchase price or cost exceeds the reasonable value of the Property established  
141 by the Department of Veterans' Affairs. The purchaser shall, however, have the privilege and option of proceeding with the  
142 consummation of this contract without regard to the amount of reasonable value established by the Department of Veteran's Affairs."

143 **REAL ESTATE TAXES, SPECIAL ASSESSMENTS & FEES**

144 **REAL ESTATE TAXES:** Seller shall pay on the date of closing all real estate taxes due and payable in all prior years  
145 including all penalties and interest. Based upon ☒ gross ☐ discounted <sup>actual</sup>~~estimated~~ taxes for the year 20 22 from the  
146 Assessor to be paid as follows: At closing, Builder to pay (check one) ☐ none of ☐ all ☐ prorated to the date of closing ☒  
147 prorated to the date \_\_\_\_\_ contract \_\_\_\_\_ the real estate taxes based on the year specified above. In the event the closing  
148 date is changed, the real estate taxes paid, if prorated to the date of closing, shall be adjusted to the new closing date.

149 **SPECIAL ASSESSMENTS SHALL BE PAID AS FOLLOWS:**

150 **ANNUAL INSTALLMENTS:** ☐ There are none ☐ Buyer shall assume ☐ Builder shall pay on the date of closing  
151 ☒ Buyer and Builder shall prorate as of 1/1/2023 all installments of special assessments due  
152 and payable for the year of closing. (All per public record)

153 **UNCERTIFIED (balance unpaid + interest):** ☐ There are none ☒ Buyer shall assume approximately \$ \_\_\_\_\_,  
154 as of the date of contract. ☐ Builder shall pay uncertified special assessments on the date of closing in the amount of  
155 \$ \_\_\_\_\_ plus interest.

156 **WORK IN PROGRESS/PENDING/PROPOSED:** ☐ There are none ☒ Buyer shall assume approximately  
157 (All per public record) \$ \_\_\_\_\_ ☐ Builder shall pay on the date of closing special assessments in progress, pending and/or proposed as  
158 of the date of contract up to \$ \_\_\_\_\_.

159 **TAX AND SPECIAL ASSESSMENT NOTICE:** As of the date of this Purchase Agreement, Builder ☐ has ☒ has not received  
160 a notice regarding any new improvement project from any assessing authorities, the costs of which project may be assessed against  
161 the property. Buyer is aware there may be new public improvement projects, the costs of which may be assessed against the property.  
162 Builder agrees to immediately notify Buyer of any such notice received between the date of this Agreement and the date of closing.  
163 Builder and Buyer may then agree in writing, on or before the date of closing, to the payment terms of the notified assessments. In  
164 the absence of such an agreement, parties will agree to immediately sign a Cancellation of Purchase Agreement directing all earnest  
165 money paid hereunder to be refunded to Buyer. Following closing, Buyer shall pay all real estate taxes and any unpaid special  
166 assessments payable therewith and thereafter, for which payment is not otherwise provided. It is understood future general taxes  
167 and special assessments are only estimates.  
168 **Buyer is aware that there may be a tax abatement on this property which may affect the tax proration.**  
169 **No representations have been made concerning the amount of subsequent real estate taxes or special assessments.**

170 **PRO-RATA ADJUSTMENTS:** Homeowner association dues, rents, and all charges for water, sewer, electricity, propane,  
171 oil and natural gas shall be prorated between the parties as of \_\_\_\_\_ closing \_\_\_\_\_.

172 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

173 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

175 INSPECTIONS

176 Buyer is aware of the availability of property inspections. Buyer ☐ elects ☐ declines to have a property inspection(s) performed  
 177 at Buyer's expense. This Purchase Agreement ☐ is ☐ is not contingent upon any inspections and/or tests of the property obtained  
 178 by Buyer to determine its condition, including any non-intrusive testing or any intrusive testing as allowed pursuant to this Purchase  
 179 Agreement.

180 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) or  
 181 tester(s) should be qualified to do the inspections and/or tests, as evidenced by a license or professional designation. If a North  
 182 Dakota inspector, state registration is required. Buyer shall satisfy Buyer as to the qualifications of the inspector(s) or tester(s).  
 183 Buyer shall not have the right to do intrusive testing without the prior written authorization of Builder. For purposes of this form,  
 184 "intrusive testing" shall mean any testing, inspection or investigation that changes the property from its original condition or  
 185 otherwise damages the property. **Inspections and/or tests may include but are not limited to the following: electrical system,**  
 186 **plumbing system, central cooling system, central heating system, ceilings, floors, basement, foundation, walls, windows,**  
 187 **exterior, roof, radon, mold and asbestos.**

188 Builder will provide access to attic(s) and crawlspace(s).

189 **For purposes of this Contingency, "Calendar Days" shall end at 11:59 p.m., and include Saturdays, Sundays, and state and**  
 190 **federal holidays.**

191 **If structure is already completed, all inspections, tests, and resulting negotiations, if any, shall be done within \_\_\_\_\_ Calendar Days,**  
 192 **beginning with the day after the final acceptance of the Purchase Agreement. If structure is to be built, all inspections, tests, and**  
 193 **resulting negotiations, if any, shall be done within \_\_\_\_\_ Calendar Days prior to closing.**

194 **Buyer shall have these options following inspection(s):**

195 **Negotiation-** If Buyer identifies any defects pertaining to the property resulting from the inspections and/or tests and intends  
 196 to negotiate the identified defects with Builder, then Buyer shall notify Builder, in writing, describing the defects and proposed  
 197 remedy. If Buyer & Builder have not agreed in writing to a remedy of the identified defects within the timeframe specified on  
 198 line 191 or 193 (whichever is applicable), this Purchase Agreement shall be in full force and effect.

199 **And/or:**

200 **Waiver-** Notwithstanding any provision to the contrary or any notice given, Buyer may unilaterally waive any defects,  
 201 providing that Buyer notifies Builder of waiver in writing, within the time specified on Line 191 or 193 (whichever is  
 202 applicable).

203 **Or:**

204 **Cancellation-** Notwithstanding any other provision of this Purchase Agreement, Buyer may, based on the inspections and/or  
 205 tests, declare this Purchase Agreement cancelled by delivering a signed Cancellation of Purchase Agreement to Builder within  
 206 the time specified on line 191 or 193 (whichever is applicable). Builder shall immediately sign the Cancellation of Purchase  
 207 Agreement confirming said cancellation and directing all earnest money paid hereunder to be ☐ refunded to Buyer  
 208 ☒ forfeited to Builder.

209 If Buyer fails to have the inspections and/or tests performed within the time specified on Line 191 or 193 (whichever is applicable)  
 210 above, or does not notify Builder of Buyer's decision within said timeframe, then this contingency shall be deemed removed and the  
 211 Purchase Agreement shall be in full force and effect.

212 Any inspection and/or test required by FHA, VA, or any other governmental unit shall be done and paid for in accordance with the  
 213 applicable regulations and are not part of this Inspection Contingency Addendum.

214 Builder agrees to make the property reasonably available for said inspections and/or tests. Builder ☒ shall ☐ shall not have the  
 215 right to continue to offer the property for sale and accept back-up offers only until this Inspection Contingency is removed.

216 ADDITIONAL PROVISIONS

217 **DEED/MARKETABLE TITLE:** Upon performance by Buyer, Builder shall deliver a ☒ **Warranty Deed** ☐ **other deed** joined  
 218 in by spouse, if any, conveying marketable title, subject to: (A) building and zoning laws, ordinances, state and federal regulations;  
 219 (B) restrictions relating to use or improvement of the property; (C) reservation of any mineral rights by the state; (D) utility and  
 220 drainage easements which do not interfere with existing improvements; (E) rights of tenants as  
 221 follows \_\_\_\_\_.

222 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

223 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_



225 **TITLE AND EXAMINATION:** Builder, at Builder's expense, shall furnish an abstract of title, or a registered property abstract,  
 226 certified to date. If, after examination, Builder's title is not insurable or free of defects and cannot be made so within sixty days after  
 227 notice containing a written statement of defects is delivered to Builder, then said earnest money shall be refunded to Buyer, and Buyer  
 228 and Builder agree to sign a Cancellation of Purchase Agreement. However, Buyer may waive defects and elect to purchase. *Buyer,*  
 229 *at Buyer's option, may agree to accept an Owner's Title Policy in the full amount of the purchase price in lieu of an abstract of title*  
 230 *if the property is subject to a master abstract or if no abstract of title is in Builder's possession or control.* If Buyer is to receive such  
 231 policy, Builder shall pay the entire premium for such policy if no lender's policy is obtained, and only the additional cost of obtaining  
 232 a simultaneously issued owner's policy if a lender's policy is obtained. Buyer shall pay the premium for the lender's policy.

233 **BUILDER WARRANTIES:**  
 234 (a) that buildings are, or will be, constructed entirely within the boundary lines of the property;  
 235 (b) there is a right of access to the property from a public right of way;  
 236 (c) that Builder has not received any notice from any governmental authority as to violation of law, ordinance, or regulation  
 237 for a condition that remains uncorrected;  
 238 (d) that prior to closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished  
 239 within the 90 days immediately preceding the closing in connection with construction, alteration, or repair of any structure on,  
 240 or improvement to, the property;  
 241 (e) if property is subject to restrictive covenants, Builder has not received any notice from any person or authority as to a breach  
 242 of the covenants which remains uncorrected. Any notices received by Builder will be provided to Buyer immediately.  
 243 All Builder warranties in Lines 228-236 shall survive the delivery of the deed or contract for deed.

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

247 **INSURANCE:** Builder agrees to carry public liability, builder's risk, fire and extended coverage during construction. Buyer agrees  
 248 to obtain insurance coverage satisfactory to their lender upon closing.

249 **RISK OF LOSS:** If there is any loss or damage to the property between the date hereof and the date of closing for any reason,  
 250 including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Builder. If the property is destroyed or  
 251 substantially damaged before the closing date, this Purchase Agreement is canceled, at Buyer's option, by written notice to Builder.  
 252 If Buyer cancels this Purchase Agreement, Buyer and Builder shall immediately sign a Cancellation of Purchase Agreement  
 253 confirming said cancellation and directing all earnest money paid hereunder to be refunded to Buyer.

254 **ENVIRONMENTAL CONCERNS:** To the best of Builder's knowledge, there are no hazardous substances or underground  
 255 storage tanks unless otherwise noted in Purchase Agreement.

256 **ARBITRATION:** Optional and voluntary residential real property arbitration may be an option if a dispute arises out of this real  
 257 estate transaction. This option must be agreed to by all parties. If you are interested, information may be obtained from licensee.

258 **FINAL ACCEPTANCE:** Buyer understands and agrees that this Purchase Agreement is subject to acceptance by Builder in writing.  
 259 To be binding, this Purchase Agreement must be fully executed by both parties and a copy must be delivered.

260 **OFFER CONFIDENTIALITY:** Buyer is aware that Purchase Agreements generally are not confidential and in some cases  
 261 Builder, in dealing with multiple offers, could make other buyers aware of the existence and contents of this Purchase Agreement.  
 262 Buyer is aware that Buyer could make this offer contingent upon confidentiality prior to commencing negotiations with the Builder.

263 **DISCLOSURE OF SALE TERMS:** Buyer and Builder understand that the RMLS and members of the Fargo-Moorhead Area  
 264 Association of REALTORS® will be notified as to the price and terms of sale, upon closing.

265 **DEFAULT:** If Buyer defaults in any of the agreements herein, Builder may terminate this Purchase Agreement and payments made  
 266 hereunder may be retained by Builder to apply to damages (which Buyer agrees equals or exceeds that amount). This provision shall  
 267 not deprive either Buyer or Builder of the right to recover damages for a breach of this Agreement or of the right of specific  
 268 performance of this Agreement, provided this Purchase Agreement is not terminated, and further provided, as to specific  
 269 performance, such action is commenced within six months after such right of action arises.

270 **TIME OF ESSENCE:** Time is of the essence in this Purchase Agreement. This means that all deadlines are intended to be strict  
 271 and absolute.

272 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_  
 273 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

275 **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (“FIRPTA”):** As a general rule, 26 U.S. Code § 1445 (hereinafter  
 276 “FIRPTA”) requires a transferee (Buyer) of a United States real property interest to withhold a tax from the proceeds of any  
 277 disposition of the real property interest if the transferor (Builder) is a foreign person (any person other than a United States person),  
 278 unless an exception to the FIRPTA withholding requirements applies. Exemptions from the general rule are set forth in the FIRPTA.  
 279 **Due to the complexity of the FIRPTA, both the Buyer and the Builder are advised to seek appropriate legal and tax advice**  
 280 **regarding FIRPTA compliance, since failure to adhere to the FIRPTA withholding rules could result in legal liability to both**  
 281 **the Buyer and Builder and their agents or qualified substitutes.**

282 Builder hereby represents and warrants that Builder ☐ is ☒ is not a foreign person, as defined by the FIRPTA. This representation  
 283 of the Builder shall survive closing. Builder’s agents and Buyer’s agents, and any qualified substitute, as those terms are defined by  
 284 the FIRPTA, may rely upon this representation.

285 If the Builder represents that it is a foreign person, the Buyer may be subject to income tax withholding requirements, and the Buyer  
 286 could be personally liable for failing to withhold a tax from the proceeds of the real estate disposition, if none of the enumerated  
 287 exemptions to the FIRPTA apply to the transaction. If the Builder represents that it is a foreign person, but that one of the exemptions  
 288 to the FIRPTA apply, Buyer may require Builder to provide specific documentation as prescribed by the FIRPTA to verify, under  
 289 penalty of perjury, that one of the exemptions to the FIRPTA withholding requirements applies to the transaction. If the Builder  
 290 represents that it is not a foreign person, the Buyer, or its agents or qualified substitutes, may require the Builder to provide specific  
 291 documentation as prescribed by the FIRPTA to verify, under penalty of perjury, that the Builder is not a foreign person. On or before  
 292 closing, the Buyer and Builder agree to complete, execute and deliver any affidavit, instrument, or statement which may reasonably  
 293 be required to comply with FIRPTA requirements.

294 **ELECTRONIC SIGNATURES:** The parties agree the electronic signature of any party on any document related to this transaction  
 295 constitutes a valid, binding signature.

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

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

301 **LIENS:** Liens filed within ninety (90) days of completion of work on the property maintain priority. Liens may be filed after that  
 302 90-day period.

303 **SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS:** Builder reserves the right to select and supervise all subcontractors  
 304 performing work under this Agreement. All subcontractor billings and payments shall be handled by the Builder. Buyer agrees not  
 305 to interfere with or issue instructions to work forces, nor to contract for additional work with contractors or subcontractors except  
 306 with Builder’s written permission, if permission is granted.

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

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

317 **BUILDER’S RADON DISCLOSURE STATEMENT FOR EXISTING NEW CONSTRUCTION**

318 **Radon Warning Statement:** Homes in the area may have radon gas levels that exceed EPA standards. If you have concerns about  
 319 radon, you may want to consider having the property inspected before entering into a contract to purchase or making the inspection  
 320 a condition of your purchase. For additional information, visit the EPA website: [www.epa.gov/radon](http://www.epa.gov/radon)

321 Has the property been tested for radon? ☐ Yes explain ☒ No

322 Are you aware of any radon concentrations in the property? ☐ Yes explain ☒ No

323 **If yes, attach the most current records and reports pertaining to radon concentrations, mitigation or remediation. If a mitigation**  
 324 **system has been installed, include the system description and documents.**

325 INITIAL: BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

326 BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

328 **BUILDER'S RADON DISCLOSURE STATEMENT FOR NEW CONSTRUCTION TO BE BUILT**  
 329 During the construction process there are various options to mitigate the risk of exposure to radon gas from entering the home.  
 330 Radon-resistant construction combines common building techniques and materials to seal entry points and route the gases outdoors,  
 331 helping to prevent radon from entering the home. If buyer has concerns regarding radon gas, buyer should consult the builder.

332 **AGENCY**

333 **NOTICE OF AGENCY REPRESENTATION: This notice does not satisfy statutory Agency Disclosure requirements.**  
 334 \_\_\_\_\_ is ☒ **Buyer's Agent** ☐ **Builder's Agent** ☐ **Dual Agent** ☐ **Non-Agent**  
 335 Selling Licensee -----check one-----  
 336 \_\_\_\_\_  
 337 Selling Brokerage  
 338 Nate Anderson - DR is ☒ **Builder's Agent** ☐ **Buyer's Agent** ☐ **Dual Agent** ☐ **Non-Agent**  
 339 Listing Licensee -----check one-----  
 340 Thomsen Homes  
 341 Listing Brokerage

342 **DUAL AGENCY REPRESENTATION:**

343 ☒ Dual Agency representation **does not** apply in this transaction. **Skip lines 346-361.**

344 ☐ Dual Agency representation **does** apply in this transaction.  
 345 Broker represents both the Builder(s) and the Buyer(s) of the property involved in this transaction, which creates dual agency. This  
 346 means that Broker and its salespersons owe fiduciary duties to both Builder(s) and Buyer(s). Because the parties may have  
 347 conflicting interests, Broker and its salespersons are prohibited from advocating exclusively for either party. Broker cannot act as a  
 348 Dual Agent in this transaction without the consent of both Builder(s) and Buyer(s). Builder(s) and Buyer(s) acknowledge that:  
 349 (1) confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will remain  
 350 confidential unless Builder(s) or Buyer(s) instructs Broker in writing to disclose this information. Other information will be  
 351 shared;  
 352 (2) Broker and its salespersons will not represent the interest of either party to the detriment of the other; and  
 353 (3) within the limits of dual agency, Broker and the salespersons will work diligently to facilitate the mechanics of the sale.  
 354 With the knowledge and understanding of the explanation above, Builder(s) and Buyer(s) authorize and instruct Broker and its  
 355 salespersons to act as dual agents in this transaction.

356 \_\_\_\_\_ Date \_\_\_\_\_ Builder \_\_\_\_\_ Date \_\_\_\_\_  
 357 Buyer \_\_\_\_\_ Date \_\_\_\_\_ Builder \_\_\_\_\_ Date \_\_\_\_\_  
 358 \_\_\_\_\_ Date \_\_\_\_\_ Builder \_\_\_\_\_ Date \_\_\_\_\_  
 359 Buyer \_\_\_\_\_ Date \_\_\_\_\_ Builder \_\_\_\_\_ Date \_\_\_\_\_

360 **APPOINTED AGENCY:** Appointed Agency ☐ **does** ☒ **does not** apply. If Broker has adopted an appointed agency policy, dual  
 361 agency will not apply.

362 Builder warrants that the property is directly connected to: ☒ **city sewer** ☐ **city water** ☐ **rural water** ☐ **well** ☐ **none.**  
 363 This Purchase Agreement ☐ **is (attach)** ☒ **is not** subject to a Subsurface Sewage Treatment System and Well Inspection  
 364 Contingency Addendum.  
 365 **SUBSURFACE SEWAGE TREATMENT SYSTEM:** Builder ☐ **does** ☒ **does not** know of a subsurface sewage treatment  
 366 system on or serving the property. (If **does**, see Subsurface Sewage Treatment System Disclosure Statement.)  
 367 ☐ **Buyer** ☐ **Builder** agrees to provide, if required by this Purchase Agreement, governing authority, and/or lender, a licensed  
 368 inspector's subsurface sewage treatment system report or notice indicating if the system complies with applicable regulations. A  
 369 valid certificate of compliance for the system may satisfy this obligation. Builder is not obligated to upgrade, repair or replace the  
 370 subsurface sewage treatment system unless otherwise agreed to in this Purchase Agreement.  
 371 **PRIVATE WELL:** Builder ☐ **does** ☒ **does not** know of a well on or serving the property. (If **does**, and well is located on the  
 372 property, see Well Disclosure Statement.)  
 373 ☐ **Buyer** ☐ **Builder** agrees to provide a water quality test if required by this Purchase Agreement, governing authority, and/or lender.

374 **INITIAL: BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_

375 **BUILDER** \_\_\_\_\_ **DATE** \_\_\_\_\_ **BUYER** \_\_\_\_\_ **DATE** \_\_\_\_\_



376 ADDRESS: \_\_\_\_\_ Page 9

377 BUILDER HEREBY FURTHER WARRANTS THE PROPERTY AS FOLLOWS:

378 1 year Builder's warranty

379 \_\_\_\_\_

380 \_\_\_\_\_

381 \_\_\_\_\_

382 \_\_\_\_\_

383 \_\_\_\_\_

384 \_\_\_\_\_

385 \_\_\_\_\_

386 \_\_\_\_\_

387 \_\_\_\_\_

388 \_\_\_\_\_

389 \_\_\_\_\_.

390 OTHER TERMS:

391 - In the event of a low appraisal buyer agrees to pay the difference between appraised value and purchase price.

392 \_\_\_\_\_

393 - Earnest Money and Cash Deposit are non-refundable

394 \_\_\_\_\_

395 - Association dues of approx \$36/mo for Tobi Lane road snow clearing and maintenance (Common area only).

396 \_\_\_\_\_

397 \_\_\_\_\_.

398 ADDENDA: The following addenda are attached and made a part of this Purchase Agreement.

399 NOTE: Disclosures are not part of this Purchase Agreement

400 ☐ Addendum to Purchase Agreement

401 ☐ Addendum to Purchase Agreement: Sale of Buyer's Property Contingency

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

403 ENTIRE AGREEMENT: This Purchase Agreement, any accompanying exhibits, and any addenda or amendments signed by the  
404 parties shall constitute the entire agreement between Builder and Buyer and supersedes all other written or oral agreements between  
405 Builder and Buyer. This Purchase Agreement can be modified only in writing signed by Builder and Buyer. All monetary sums are  
406 deemed to be United States currency for purposes of this agreement. Buyer or Builder may be required to pay certain closing costs  
407 which may effectively reduce the proceeds from the sale or increase the cash outlay at closing.

408 INITIAL: BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

409 BUILDER \_\_\_\_\_ DATE \_\_\_\_\_ BUYER \_\_\_\_\_ DATE \_\_\_\_\_

410 ADDRESS: \_\_\_\_\_ Page 10

411 A copy of this Agreement may be delivered in person or electronically to Builder, Buyer or their Agents.

412 **BUYER:** Buyer agrees to purchase the property for the price, terms and conditions as set forth above. Buyer has reviewed and  
413 understands all pages of this Purchase Agreement.

414 \_\_\_\_\_  
415 Buyer Signature Date Buyer Signature Date  
416 \_\_\_\_\_  
417 Buyer Printed Name Buyer Printed Name

418 **BUILDER:** Builder accepts this Purchase Agreement and authorizes Listing Broker to withdraw said property from the market,  
419 unless instructed otherwise in writing. Builder has reviewed and understands all pages of this Purchase Agreement.

420 ☐ If checked, this Purchase Agreement is subject to attached Addendum to Purchase Agreement: Counteroffer.

421 All Builders must sign.

422 \_\_\_\_\_  
423 Builder Signature Date Builder Signature Date  
424 \_\_\_\_\_  
425 Builder Printed Name Builder Printed Name

426 FINAL ACCEPTANCE DATE: \_\_\_\_\_

427 This is a legally binding contract. If you desire legal or tax advice, consult the appropriate professional.

FMAAR: BUYER NCPA 10 (REV 9/2020)