

Rinke-Noonan

Attorneys at Law

300 US Bank Plaza Building
1015 West St. Germain St. P.O. Box 1497
St. Cloud, MN 56302-1497
320 251-6700

E-mail sbrown@Rnoon.com

Web Page: <http://www.rnoon.com>

Memorandum

To: Residential Contractors
From: Stefanie L. Brown
Re: Legislative Changes Regarding Warranties
Date: August 25, 2009

As we previously informed you, new legislation HF0420/SF0776 was filed with the Minnesota Secretary of State on May 16, 2009. This legislation requires that the existing statutory residential construction warranties must now be made as express warranties to be provided as part of the construction contract. Effective August 1, 2009, all warranties included in Minnesota Statutes Section 327A.01-.08 must be provided in writing to the owner/customer ("Customer") when a construction contract is signed.

It is our understanding that the Builders Association of Minnesota ("BAM"), has advised builders to seek the advice of legal counsel with regard to the changes to Minn. Stat. Section 327A. Revisions to Minnesota Statutes 327A.02, Subd. 4, 327A.03, and 327A.05 were passed by the Legislature; however, these three sections were later vetoed by the Governor. Revisions to Minnesota Statutes Section 327A.04, 327A.06, 327A.07 and 327A.08 were adopted by the Legislature and signed by the Governor. While these revisions are now law and must be complied with as of August 1, 2009, they have not been published by the Minnesota Revisor's office.

Enclosed is the revised Addendum containing the original language for the above-referenced statutes, as well as the updated language for Minnesota Statutes 327A.04, 327A.06, 327A.07 and 327A.08, which was passed through HF0420/SF0776.

As a reminder and pursuant to the legislation, these warranties must be provided to the Customer as part of the construction contract. Your options for complying with the Act are to either amend your contracts to specifically include the language of 327A.01-.08, or to provide each customer with an addendum to the contract to be incorporated and executed as part of the contract. This legislation applies to all contracts entered into on or after August 1, 2009.

Please note that the enclosed Addendum should replace the previous Addendums we provided you regarding Minnesota Statutes 327A.01-08.

If you have any questions regarding your contract or would like to discuss whether or not your business is properly protected by your existing contracts, please do not hesitate to contact me.

If you would like this Addendum emailed to you in Microsoft Word or Adobe PDF, please contact my paralegal, Ruth Johnson, at rjohnson@rnoon.com, and she will email you a copy of the document.



Stefanie L. Brown

Enclosure