

CHAPTER 500 — S.F.No. 2125

An act relating to real property; providing that covenants, conditions, restrictions or extensions thereof annexed to a grant, devise or conveyance of land that are or become nominal shall not operate as a basis of forfeiture; providing for the modification and extension of contracts for deed; providing dates for applicable laws relating to termination of contracts; removing a time limitation on the duration of covenants, conditions and restrictions; amending Minnesota Statutes 1980, Sections 500.20, Subdivision 1; 559.21, Subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 508; repealing Minnesota Statutes 1980, Section 500.20, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 500.20, Subdivision 1, is amended to read:

Subdivision 1. **NOMINAL CONDITIONS AND LIMITATIONS.**

When any covenants, conditions, restrictions or extensions thereof annexed to a grant, devise or conveyance of land are, or shall become, merely nominal, and of no actual and substantial benefit to the party or parties to whom or in whose favor they are to be performed, they may be wholly disregarded; and a failure to perform the same shall in no case operate as a basis of forfeiture of the lands subject thereto.

Sec. 2. **[559.205] CONTRACTS FOR DEED; MODIFICATION.**

Notwithstanding any law to the contrary, a renegotiated contract for deed or an agreement modifying the terms of a contract for deed which was valid at its inception shall not be construed as creating a mortgage or an equitable mortgage. This section does not modify any other requirements relating to contracts for deed.

Sec. 3. Minnesota Statutes 1980, Section 559.21, Subdivision 1, is amended to read:

Subdivision 1. **DEFAULT; TERMINATION.** When default is made in the conditions of any contract for the conveyance of real estate or any interest ~~therein~~ in it executed after August 1, 1976, and prior to May 1, 1980, whereby the vendor has a right to terminate ~~the same~~ it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest ~~thereon~~ on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 45 days after service of the notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest ~~thereon~~ on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 60 days after service of the notice if the

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purchaser has paid 50 percent, or more, of the purchase price, exclusive of interest ~~thereon~~ on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; provided, however, that no amount is required to be paid for attorneys' fees as provided hereunder, unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 4. Minnesota Statutes 1980, Section 559.21, is amended by adding a subdivision to read:

Subd. 1a. DEFAULT; TERMINATION. When default is made in the conditions of any contract for the conveyance of real estate or any interest in it, executed on or prior to August 1, 1976, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate 30 days after the service of the notice unless prior thereto the purchaser complies with the conditions and pays the costs of service, together with an amount to apply on attorneys' fees actually expended or incurred, of \$50 when the amount in default is less than \$500, and of \$100 when the amount in default is \$500 or more; provided, however, that no amount shall be required to be paid for attorneys' fees as provided hereunder, unless some part of the conditions of default shall have existed at least 45 days prior to the date of service of the notice. The notice must be given notwithstanding any provisions in the contract to the contrary, and shall be served within the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person making it, made before an authorized officer having a seal, and within the state by an affidavit or by the return of the sheriff of any county.

Sec. 5. **REPEALER.**

Minnesota Statutes 1980, Section 500.20, Subdivision 2, is repealed.

Sec. 6. **EFFECTIVE DATE.**

Section 2 is curative and is effective the day after final enactment as to all modifications and renegotiations occurring before, on, or after that date.

Approved March 19, 1982

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