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DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES

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1. Date 7/20/2017
2. Page 1 of 5 pages: RECORDS AND
3. REPORTS, IF ANY, ARE ATTACHED AND MADE A
4. PART OF THIS DISCLOSURE

5. Property located at 128 Park Avenue,
6. City of International Falls, County of Koochiching, State of Minnesota.
7. **NOTICE:** Sellers of residential property, with limited exceptions, are obligated to satisfy the requirements of MN Statutes
8. 513.52 through 513.60. **To comply with the statute, Seller must provide either a written disclosure to the**
9. **prospective Buyer (see *Disclosure Statement: Seller's Property Disclosure Statement*) or satisfy one of the**
10. **following two options.** Disclosures made here, if any, are not a warranty or guarantee of any kind by Seller or
11. licensee(s) representing or assisting any party in this transaction and are not a substitute for any inspections or
12. warranties the party(ies) may wish to obtain.
13. ***(Select one option only.)***
14. **1)** ☐ **QUALIFIED THIRD-PARTY INSPECTION:** Seller shall provide to prospective Buyer a written report that
15. discloses material information relating to the real property that has been prepared by a qualified third party.
16. "Qualified third party" means a federal, state, or local governmental agency, or any person whom Seller or
17. prospective Buyer reasonably believes has the expertise necessary to meet the industry standards of practice
18. for the type of inspection or investigation that has been conducted by the third party in order to prepare the
19. written report.
20. **Seller shall disclose to prospective Buyer material facts known by Seller that contradict any information**
21. **that is included in a written report, or material facts known by Seller that are not included in the**
22. **report.**
23. The inspection report was prepared by _____
24. _____,
25. and dated _____, 20 _____.
26. Seller discloses to Buyer the following material facts known by Seller that contradict any information included
27. in the above referenced inspection report.
28. _____
29. _____
30. _____
31. Seller discloses to Buyer the following material facts known by Seller that are not included in the above
32. referenced inspection report.
33. _____
34. _____
35. _____
36. **2)** ☑ **WAIVER:** The written disclosure required may be waived if Seller and prospective Buyer agree in writing. Seller
37. and Buyer hereby waive the written disclosure required under MN Statutes 513.52 through 513.60.
38. **NOTE:** If both Seller and prospective Buyer agree, in writing, to waive the written disclosure required under
39. MN Statutes 513.52 through 513.60, Seller is not obligated to disclose ANY material facts of which Seller
40. is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property or any
41. intended use of the property, other than those disclosure requirements created by any other law. Seller is
42. not obligated to update Buyer on any changes made to material facts of which Seller is aware that could
43. adversely and significantly affect the Buyer's use or enjoyment of the property or any intended use of the
44. property that occur, other than those disclosure requirements created by any other law.
45. **Waiver of the disclosure required under MN Statutes 513.52 through 513.60 does not waive, limit, or**
46. **abridge any obligation for Seller disclosure created by any other law.**

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Property located at 128 Park Avenue International Falls MN 56649.

OTHER REQUIRED DISCLOSURES:

NOTE: In addition to electing one of the above alternatives to the material fact disclosure, Minnesota law also requires sellers to provide other disclosures to prospective buyers, such as those disclosures listed below. Additionally, there may be other required disclosures by federal, state, local, or other governmental entities that are not listed below.

A. SUBSURFACE SEWAGE TREATMENT SYSTEM DISCLOSURE: (A subsurface sewage treatment system disclosure is required by MN Statute 115.55.) *(Check appropriate box.)*

Seller certifies that Seller ☐ **DOES** ☑ **DOES NOT** know of a subsurface sewage treatment system on or serving
(Check one.)
the above-described real property. (If answer is **DOES**, and the system does not require a state permit, see *Disclosure Statement: Subsurface Sewage Treatment System.*)

☐ There is a subsurface sewage treatment system on or serving the above-described real property. *(See Disclosure Statement: Subsurface Sewage Treatment System.)*

☐ There is an abandoned subsurface sewage treatment system on the above-described real property. *(See Disclosure Statement: Subsurface Sewage Treatment System.)*

B. PRIVATE WELL DISCLOSURE: (A well disclosure and Certificate are required by MN Statute 103I.235.) *(Check appropriate box.)*

☑ Seller certifies that Seller does not know of any wells on the above-described real property.

☐ Seller certifies there are one or more wells located on the above-described real property. *(See Disclosure Statement: Well.)*

Are there any wells serving the above-described property that are not located on the property? ☐ Yes ☑ No

To your knowledge, is the property in a Special Well Construction Area? ☐ Yes ☑ No

Comments: _____

_____

C. VALUATION EXCLUSION DISCLOSURE: (Required by MN Statute 273.11, Subd. 18)

There ☐ **IS** ☒ **IS NOT** an exclusion from market value for home improvements on this property. Any valuation
(Check one.)
exclusion shall terminate upon sale of the property, and the property's estimated market value for property tax purposes shall increase. If a valuation exclusion exists, Buyers are encouraged to look into the resulting tax consequences.

Additional comments: _____

_____

D. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"): Section 1445 of the Internal Revenue Code provides that a transferee ("Buyer") of a United States real property interest must be notified in writing and must withhold tax if the transferor ("Seller") is a foreign person and no exceptions from FIRPTA withholding apply.

Seller represents that Seller ☐ **IS** ☑ **IS NOT** a foreign person (i.e., a non-resident alien individual, foreign corporation,
(Check one.)
foreign partnership, foreign trust, or foreign estate) for purposes of income taxation. This representation shall survive the closing of any transaction involving the property described here.

NOTE: If the above answer is "**IS**," Buyer may be subject to income tax withholding in connection with the transaction (unless the transaction is covered by an applicable exception to FIRPTA withholding). In non-exempt transactions, Buyer may be liable for the tax if Buyer fails to withhold.
If the above answer is "**IS NOT**," Buyer may wish to obtain specific documentation from Seller ensuring Buyer is exempt from the withholding requirements as prescribed under Section 1445 of the Internal Revenue Code.

Due to the complexity and potential risks of failing to comply with FIRPTA, including Buyer's responsibility for withholding the applicable tax, Buyer and Seller should **seek appropriate legal and tax advice regarding FIRPTA compliance, as the respective licensees representing or assisting either party will be unable to assure either party whether the transaction is exempt from the FIRPTA withholding requirements.**

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97. **E. METHAMPHETAMINE PRODUCTION DISCLOSURE:**
98. (A methamphetamine production disclosure is required by MN Statute 152.0275, Subd. 2 (m).)
99. ☑ Seller is not aware of any methamphetamine production that has occurred on the property.
100. ☐ Seller is aware that methamphetamine production has occurred on the property.
101. *(See Disclosure Statement: Methamphetamine Production.)*

102. **F. RADON DISCLOSURE:**
103. (The following Seller disclosure satisfies MN Statute 144.496.)

104. **RADON WARNING STATEMENT:** The Minnesota Department of Health strongly recommends that ALL
105. homebuyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having
106. the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily
107. be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.

108. Every buyer of any interest in residential real property is notified that the property may present exposure to
109. dangerous levels of indoor radon gas that may place occupants at risk of developing radon-induced lung cancer.
110. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading
111. cause overall. The seller of any interest in residential real property is required to provide the buyer with any
112. information on radon test results of the dwelling.

113. **RADON IN REAL ESTATE:** By signing this Statement, Buyer hereby acknowledges receipt of the Minnesota
114. Department of Health's publication entitled ***Radon in Real Estate Transactions***, which is attached hereto and
115. can be found at www.health.state.mn.us/divs/eh/indoorair/radon/rnrealestateweb.pdf.

116. A seller who fails to disclose the information required under MN Statute 144.496, and is aware of material facts
117. pertaining to radon concentrations in the property, is liable to the Buyer. A buyer who is injured by a violation of MN
118. Statute 144.496 may bring a civil action and recover damages and receive other equitable relief as determined by
119. the court. Any such action must be commenced within two years after the date on which the buyer closed the
120. purchase or transfer of the real property.

121. **SELLER'S REPRESENTATIONS:** The following are representations made by Seller to the extent of Seller's actual
122. knowledge.

123. (a) Radon test(s) ☐ **HAVE** ☑ **HAVE NOT** occurred on the property.
----------(Check one.)----------

124. (b) Describe any known radon concentrations, mitigation, or remediation. **NOTE:** *Seller shall attach the most*
125. *current records and reports pertaining to radon concentration within the dwelling:*

126. _____

127. _____

128. _____

129. (c) There ☐ **IS** ☑ **IS NOT** a radon mitigation system currently installed on the property.
-------(Check one.)-------

130. If "**IS**," Seller shall disclose, if known, information regarding the radon mitigation system, including system
131. description and documentation.

132. _____

133. _____

134. _____

135. **G. NOTICE REGARDING AIRPORT ZONING REGULATIONS:** The property may be in or near an airport safety zone
136. with zoning regulations adopted by the governing body that may affect the property. Such zoning regulations are
137. filed with the county recorder in each county where the zoned area is located. If you would like to determine if such
138. zoning regulations affect the property, you should contact the county recorder where the zoned area is located.

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140. Property located at 128 Park Avenue International Falls MN 56649.

141. **H. NOTICE REGARDING CARBON MONOXIDE DETECTORS:**
142. MN Statute 299F.51 requires Carbon Monoxide Detectors to be located within ten (10) feet from all sleeping
143. rooms. Carbon Monoxide Detectors may or may not be personal property and may or may not be included in the
144. sale of the home.

145. **I. WATER INTRUSION AND MOLD GROWTH:** Studies have shown that various forms of water intrusion affect many
146. homes. Water intrusion may occur from exterior moisture entering the home and/or interior moisture leaving the
147. home.

148. Examples of exterior moisture sources may be
149. • improper flashing around windows and doors,
150. • improper grading,
151. • flooding,
152. • roof leaks.

153. Examples of interior moisture sources may be
154. • plumbing leaks,
155. • condensation (caused by indoor humidity that is too high or surfaces that are too cold),
156. • overflow from tubs, sinks, or toilets,
157. • firewood stored indoors,
158. • humidifier use,
159. • inadequate venting of kitchen and bath humidity,
160. • improper venting of clothes dryer exhaust outdoors (including electrical dryers),
161. • line-drying laundry indoors,
162. • houseplants—watering them can generate large amounts of moisture.

163. In addition to the possible structural damage water intrusion may do to the property, water intrusion may also result
164. in the growth of mold, mildew, and other fungi. Mold growth may also cause structural damage to the property.
165. Therefore, it is very important to detect and remediate water intrusion problems.

166. Fungi are present everywhere in our environment, both indoors and outdoors. Many molds are beneficial to humans.
167. However, molds have the ability to produce mycotoxins that may have a potential to cause serious health problems,
168. particularly in some immunocompromised individuals and people who have asthma or allergies to mold.

169. To complicate matters, mold growth is often difficult to detect, as it frequently grows within the wall structure. If you
170. have a concern about water intrusion or the resulting mold/mildew/fungi growth, you may want to consider having
171. the property inspected for moisture problems before entering into a purchase agreement or as a condition of your
172. purchase agreement. Such an analysis is particularly advisable if you observe staining or any musty odors on the
173. property.

174. **J. NOTICE REGARDING PREDATORY OFFENDER INFORMATION: Information regarding the predatory**
175. **offender registry and persons registered with the predatory offender registry under MN Statute 243.166**
176. **may be obtained by contacting the local law enforcement offices in the community where the property is**
177. **located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections**
178. **web site at www.corr.state.mn.us.**

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DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES

180. Property located at 128 Park Avenue International Falls MN 56649.

181. **K. SELLER'S STATEMENT:**

182. *(To be signed at time of listing.)*
183. Seller(s) hereby authorizes any licensee(s) representing or assisting any party(ies) in this transaction to provide
184. a copy of this Disclosure Statement to any person or entity in connection with any actual or anticipated sale of the
185. property. A seller may provide this Disclosure Statement to a real estate licensee representing or assisting a
186. prospective buyer. The Disclosure Statement provided to the real estate licensee representing or assisting a
187. prospective buyer is considered to have been provided to the prospective buyer. If this Disclosure Statement is
188. provided to the real estate licensee representing or assisting the prospective buyer, the real estate licensee must
189. provide a copy to the prospective buyer.

190. **QUALIFIED THIRD-PARTY INSPECTION:** If Seller has made a disclosure under the Qualified Third-Party
191. Inspection, Seller is obligated to disclose to Buyer in writing of any new or changed facts of which Seller is aware
192. that could adversely and significantly affect the Buyer's use or enjoyment of the property or any intended use of
193. the property that occur up to the time of closing. To disclose new or changed facts, please use the *Amendment to*
194. *Disclosure Statement* form.

195. **WAIVER:** If Seller and Buyer agree to waive the seller disclosure requirement, Seller is NOT obligated to disclose
196. and will NOT disclose any new or changed information regarding facts.

197. **OTHER REQUIRED DISCLOSURES (Sections A-F):** Whether Seller has elected a Qualified-Third Party Inspection
198. or Waiver, Seller is obligated to notify Buyer, in writing, of any new or changed facts regarding Other Required
199. Disclosures up to the time of closing. To disclose new or changed facts, please use the *Amendment to Seller's*
200. *Disclosure* form.

201. Bonnie Harmon 7-20-17 (Seller) (Date) Barbara Cassito 7-20-17 (Seller) (Date)
Doug Cassito 7-20-17

202. **L. BUYER'S ACKNOWLEDGEMENT:**

203. *(To be signed at time of purchase agreement.)*

204. I/We, the Buyer(s) of the property, acknowledge receipt of this *Seller's Disclosure Alternatives* form and agree to
205. the seller's disclosure option selected in this form. I/We further agree that no representations regarding facts have
206. been made, other than those made in this form. This Disclosure Statement is not a warranty or a guarantee of
207. any kind by Seller or licensee representing or assisting any party in the transaction and is not a suitable substitute
208. for any inspections or warranties the party(ies) may wish to obtain.

209. The information disclosed is given to the best of the Seller's knowledge.

210. _____ (Buyer) (Date) _____ (Buyer) (Date)

211. **LISTING BROKER AND LICENSEES MAKE NO REPRESENTATIONS HERE AND ARE**
212. **NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING ON THE PROPERTY.**

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