

VACANT LAND DISCLOSURE STATEMENT

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1. Date 4/24/06

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THE INFORMATION DISCLOSED IS GIVEN TO BEST OF SELLER'S KNOWLEDGE.

NOTICE: This disclosure is not a warranty or a guaranty of any kind by Seller(s) or licensee(s) representing or assisting any party(ies) in the transaction.

INSTRUCTIONS TO BUYER: Buyers are encouraged to thoroughly inspect the property personally or have it inspected by a third party, and to inquire about any specific areas of concern. NOTE: If Seller answers "NO" to any of the questions listed below, it does not necessarily mean that it does not exist on the property. "NO" may mean that Seller is unaware that it exists on the property.

INSTRUCTIONS TO SELLER: (1) Complete this form yourself. (2) Consult prior disclosure statement(s) and/or inspection report(s) when completing this form. (3) Describe conditions affecting the property to the best of your knowledge. (4) Attach additional pages with your signature if additional space is required. (5) Answer all questions. (6) If any items do not apply, write "NA" (not applicable).

Property located at MAYO CREEK, MAYO CREEK 1ST ADDITION, MAYO CREEK EAST
City of PEQUOT LAKES, County of CASS, State of MN

A. GENERAL INFORMATION

- (1) When did you acquire the property?
(2) Type of title evidence: Abstract [X] Registered (Torrens) [ ]
Location of Abstract: CYGNETURE TITLE, BAXTER
Is there an existing Owner's Title Insurance Policy? Yes [X] No [ ]
(3) Has the land been surveyed? Year surveyed: 2005 Yes [X] No [ ]
(4) What company/person performed the survey? WIDBETH SMITH, NOLTING
Name: DONN RASMUSSEN Address: BAXTER MN Phone: 218-829-
(5) Is this platted land? If "Yes," has the plat been recorded? do you have a certificate of survey in your possession? If "Yes," Who completed the survey? WSN When? 2005
(6) Are you aware of any property markers on the property? If "Yes," give details: EACH CORNER IS MONUMENTED
(7) Are there encroachments?
(8) Are there easements, other than utility or drainage easements?
(9) Is the property located in a designated flood plain?
(10) Has there ever been a flood or other disaster at the property?
(11) Are you in possession of prior vacant land disclosure statement(s)? (If "Yes," please attach)
(12) Comments:

B. USE RESTRICTIONS AND FINANCING

- (1) To your knowledge, do any of the following types of covenants, conditions, reservations or restrictions affect the land?
(a) Subdivision or other recorded covenants, conditions or restrictions? Yes [X] No [ ]
(b) Association requirements or restrictions? Yes [ ] No [X]
(c) A right of first refusal to purchase? Yes [ ] No [X]
(d) Reservations? Yes [ ] No [X]
(e) Department of Natural Resources? Yes [ ] No [X]
(f) Watershed? Yes [ ] No [X]
(g) Local municipality? Yes [X] No [ ]
(2) If any of the above questions [B(1)] are answered "Yes," list which written copies of these covenants, conditions, reservations or restrictions you have: MAYO CREEK ABUTS THE PROPERTY ON THE EAST FOR LOTS 12-18 BLOCK 3, MAYO CREEK 1ST ADDITION
(3) Have you ever received notice from any person or authority as to any breach of any of these covenants, conditions, reservations or restrictions? Yes [ ] No [X]
If "Yes," describe:
(4) To your knowledge, is this property approved for FHA financing? Yes [ ] No [X]

C. CONDITION OF THE PROPERTY To your knowledge

- (1) Are there any structures, improvements, emblements or personal property included in the sale? Yes [ ] No [X]
If "Yes," list all items:
Are there any problems or defects with any of the above items? Yes [ ] No [ ]
If "Yes," describe all problems and defects:
(2) Were there any previous structures on the property? Yes [ ] No [X]
(3) Are there any buried storage tanks or buried debris or waste on the property? Yes [ ] No [X]
If "Yes," give details:
(4) Are there any hazardous or toxic substances or wastes in, on or affecting this property? Yes [ ] No [X]
If "Yes," give details:
(5) Have any soil tests been performed? When? 2005 By whom? PRATTA AFFORDABLE EXCAVATING Results? SUITABLE FOR SEPTIC SYSTEM
(6) Are there any settling or soil movement problems on or affecting this property? Yes [ ] No [X]
If "Yes," give details:

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78. **THE INFORMATION DISCLOSED IS GIVEN TO THE BEST OF SELLER'S KNOWLEDGE.**

79. Property located at \_\_\_\_\_

80. **C. CONDITION OF THE PROPERTY, CONTINUED** To your knowledge

81. (7) Are there any dead or diseased trees? Yes  No

82. If "Yes," give details: UNDEVELOPED PROPERTY WITH NORMAL DEAD TREES

84. (8) Are there any insect/animal/pest infestations? Yes  No

85. (9) Other: \_\_\_\_\_

86. **D. UTILITIES** To your knowledge

87. (1) Have any percolation tests been performed? Yes  No

88. When? 2005 By whom? PRATT AFFORDABLE EXCAVATING

89. Results? SATISFACTORY FOR SEPTIC SYSTEMS

91. (2) Are any of the following presently existing within the property?

92. (a) Connection to public water? Yes  No

93. (b) Connection to public sewer? Yes  No

94. (c) Connection to private water system off property? Yes  No

95. (d) Connection to electric utility? TO THE PROPERTY LINE Yes  No

96. (3) Private Sewer System Disclosure: (A Private Sewer System Disclosure is required by MN Statute 115.55.)  
97. (Check appropriate box.)

98.  Seller does not know of a private sewer system on or serving the above-described real property.

99.  There is a private sewer system on or serving the above-described real property. See Private Sewer System Disclosure.

100.  There is an abandoned private sewer system on the above-described real property. See Private Sewer System Disclosure.

101. (4) Private Well Disclosure: (A Well Disclosure Statement and Certificate are required by MN Statute 1031.235.)  
102. (Check appropriate box.)

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

104.  Seller certifies there are one or more wells located on the above-described real property. See Well Disclosure Statement.

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

106. To your knowledge, is this property in a Special Well Construction Area? Yes  No

107. (5) Are any of the following existing at the boundary of the property?

108. (a) Public water system access? Yes  No

109. (b) Private water system access? Yes  No

110. (c) Electric service access? Yes  No

111. **E. PREFERENTIAL PROPERTY TAX TREATMENT**

112. Is the property subject to any preferential property tax status or any other credits affecting the property, which would terminate upon  
113. the sale of the property? (e.g., Green Acres, CRP, RIM) Yes  No

114. If "Yes," please explain: \_\_\_\_\_  
115. \_\_\_\_\_

116. **F. METHAMPHETAMINE PRODUCTION DISCLOSURE**

117. (A Methamphetamine Production Disclosure is required by MN Statute 152.0275, Subd. 2 (m).)

118.  Seller is not aware of any methamphetamine production that has occurred on the Property.

119.  Seller is aware that methamphetamine production has occurred on the Property.

120. See Methamphetamine Disclosure Statement.

121. **G. CEMETERY ACT**

122. MN Statute 307.08 prohibits any damage or illegal molestation of human remains, burials or cemeteries. A person who intentionally,  
123. willfully and knowingly destroys, mutilates, injures, disturbs or removes human skeletal remains or human burial grounds is guilty of a  
124. felony.

125. To your knowledge, are you aware of any human remains, burials or cemeteries located on the property? Yes  No

126. If "Yes," please explain: \_\_\_\_\_  
127. \_\_\_\_\_

128. All unidentified human remains or burials found outside of platted, recorded or identified cemeteries and in contexts which indicate  
129. antiquity greater than 50 years shall be dealt with according to the provisions of MN Statute 307.08, Subd. 7.

130. **LISTING BROKER AND LICENSEES MAKE NO REPRESENTATIONS AND ARE**  
131. **NOT RESPONSIBLE FOR ANY CONDITIONS EXISTING IN THE PROPERTY.**

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133. H. **OTHER MATTERS**

134. (1) To your knowledge, are there any landfills or waste disposal sites within two (2) miles of the property? Yes  No

135. If "Yes," state their locations: \_\_\_\_\_

136. \_\_\_\_\_  
137. (2) To your knowledge, is there anything else that may materially and adversely affect the property?  
138. E.g., including but not limited to, pending claims or litigation, notice from any governmental authority of violation of any law or  
139. regulation, proposed zoning changes, street changes, threat of condemnation? Yes  No

140. If "Yes," give details: \_\_\_\_\_

141. \_\_\_\_\_

142. I. **SELLER'S STATEMENT: (to be signed at time of listing)**

143. Seller(s) hereby states the condition of the property to be as stated above and authorizes any licensee(s) representing or assisting any  
144. party(ies) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated  
145. sale of the property.

146. Close - Converse LLP 4/24/06  
[Signature] \_\_\_\_\_ (Date) \_\_\_\_\_ (Date)  
(Seller) (Date) (Seller) (Date)

147. J. **BUYER'S ACKNOWLEDGMENT: (to be signed at time of purchase agreement)**

148. I/We, the Buyer(s) of the property, acknowledge receipt of the Vacant Land Disclosure Statement and agree that no  
149. representations regarding the condition of the property have been made other than those made above.

150. \_\_\_\_\_  
(Buyer) (Date) (Buyer) (Date)

151. K. **SELLER'S ACKNOWLEDGMENT: (to be signed at time of purchase agreement)**

152. **AS OF THE DATE BELOW, I/we, the Seller(s) of the property, state that the condition of the property is the same, except**  
153. **for changes as indicated below.**

154. \_\_\_\_\_

155. \_\_\_\_\_

156. \_\_\_\_\_  
(Seller) (Date) (Seller) (Date)

157. ORIGINAL COPY TO LISTING BROKER; COPIES TO SELLER, BUYER, SELLING BROKER