DISCLOSURE STATEMENT: SELLER'S DISCLOSURE ALTERNATIVES

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1. Date _____

2. Page 1 of _____ pages: RECORDS AND
3. REPORTS, IF ANY, ARE ATTACHED AND MADE A
4. PART OF THIS DISCLOSURE

5. Property located at _____,

6. City of _____, County of _____,

7. State of Minnesota, Zip Code _____ ("Property").

8. **NOTICE:** Sellers of residential property, with limited exceptions, are obligated to satisfy the requirements of MN Statutes
9. 513.52 through 513.60. **To comply with the statute, Seller must provide either a written disclosure to the**
10. **prospective Buyer (see *Disclosure Statement: Seller's Property Disclosure Statement*) or satisfy one of the**
11. **following two options.** Disclosures made here, if any, are not a warranty or guarantee of any kind by Seller or
12. licensee(s) representing or assisting any party in this transaction and are not a substitute for any inspections or
13. warranties the party(ies) may wish to obtain.

14. ***(Select <u>one</u> option only.)***

15. **1)** ☐ **QUALIFIED THIRD-PARTY INSPECTION:** Seller shall provide to prospective Buyer a written report that
16. discloses material information relating to the real Property that has been prepared by a qualified third party.
17. "Qualified third party" means a federal, state, or local governmental agency, or any person whom Seller or
18. prospective Buyer reasonably believes has the expertise necessary to meet the industry standards of practice
19. for the type of inspection or investigation that has been conducted by the third party in order to prepare the
20. written report.

21. **Seller shall disclose to prospective Buyer material facts known by Seller that contradict any information**
22. **that is included in a written report, or material facts known by Seller that are not included in the**
23. **report.**

24. The inspection report was prepared by _____

25. _____, and dated _____.

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.
37. Seller 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.
42. Seller is 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.**

48. Property located at _____.

49. **OTHER REQUIRED DISCLOSURES:**

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

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

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

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

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

63. **B. PRIVATE WELL DISCLOSURE:** (A well disclosure and Certificate are required by MN Statute 103I.235.)
64. *(Check appropriate box(es).)*
65. ☐ Seller does not know of any wells on the above-described real Property.
66. ☐ There are one or more wells located on the above-described real Property. *(See Disclosure Statement: Well.)*
67. ☐ This Property is in a Special Well Construction Area.
68. ☐ There are wells serving the above-described Property that are not located on the Property.

69. Comments:

70. _____

71. _____

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

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

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

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

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89. Property located at _____.

90. **D. METHAMPHETAMINE PRODUCTION DISCLOSURE:**
91. (A methamphetamine production disclosure is required by MN Statute 152.0275, Subd. 2 (m).)
92. ☐ Seller is not aware of any methamphetamine production that has occurred on the Property.
93. ☐ Seller is aware that methamphetamine production has occurred on the Property.
94. *(See Disclosure Statement: Methamphetamine Production.)*

95. **E. RADON DISCLOSURE:**
96. (The following Seller disclosure satisfies MN Statute 144.496.)

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

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

106. **RADON IN REAL ESTATE:** By signing this Statement, Buyer hereby acknowledges receipt of the Minnesota
107. Department of Health's publication entitled ***Radon in Real Estate Transactions***, which is attached hereto and
108. can be found at www.health.state.mn.us/communities/environment/air/radon/radonre.html.

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

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

116. (a) Radon test(s) ☐ **HAVE** ☐ **HAVE NOT** occurred on the Property.
----------(Check one.)----------

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

119. _____

120. _____

121. _____

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

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

125. _____

126. _____

127. _____

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

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133. Property located at _____.

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

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

141. Examples of exterior moisture sources may be
142. • improper flashing around windows and doors,
143. • improper grading,
144. • flooding,
145. • roof leaks.

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

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

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

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

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

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173. Property located at _____.

174. **J. SELLER'S STATEMENT:**

175. *(To be signed at time of listing.)*

176. Seller(s) hereby authorizes any licensee(s) representing or assisting any party(ies) in this transaction to provide
177. a copy of this Disclosure Statement to any person or entity in connection with any actual or anticipated sale of the
178. Property. A seller may provide this Disclosure Statement to a real estate licensee representing or assisting a
179. prospective buyer. The Disclosure Statement provided to the real estate licensee representing or assisting a
180. prospective buyer is considered to have been provided to the prospective buyer. If this Disclosure Statement is
181. provided to the real estate licensee representing or assisting the prospective buyer, the real estate licensee must
182. provide a copy to the prospective buyer.

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

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

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

194. _____ _____ _____ _____
(Seller) (Date) (Seller) (Date)

195. **K. BUYER'S ACKNOWLEDGEMENT:**

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

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

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

203. _____ _____ _____ _____
(Buyer) (Date) (Buyer) (Date)

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

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Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless, odorless and tasteless **radioactive gas** that can seep into homes from the soil. When inhaled, its radioactive particles can damage the lungs. Long-term exposure to radon can lead to **lung cancer**. About 21,000 lung cancer deaths each year in the United States are caused by radon.

The only way to know how much radon gas has entered the home is to conduct a radon test. MDH estimates 2 in 5 homes exceed the 4.0 pCi/L (picocuries per liter) action level. Whether a home is old or new, **any home can have high levels of radon**.

The purpose of this publication is to educate and inform potential home buyers of the risks of radon exposure, and how to test for and reduce radon as part of real estate transactions.

Disclosure Requirements

Effective January 1, 2014, the Minnesota Radon Awareness Act requires specific disclosure and education be provided to potential home buyers during residential real estate transactions in Minnesota. **Before signing a purchase agreement to sell or transfer residential real property**, the seller shall provide this publication and shall disclose in writing to the buyer:

1. whether a radon test or tests have occurred on the property
2. the most current records and reports pertaining to radon concentrations within the dwelling
3. a description of any radon levels, mitigation, or remediation
4. information on the radon mitigation system, if a system was installed
5. a radon warning statement

Radon Facts

How dangerous is radon? Radon is the number one cause of lung cancer in non-smokers, and the second leading cause overall. Your risk for lung cancer increases with higher levels of radon, prolonged exposure, and whether or not you are a current smoker or former smoker.

Where is your greatest exposure to radon? For most Minnesotans, your greatest exposure is at home where radon can concentrate indoors.

What is the recommended action based on my results? If the average radon in the home is at or above 4.0 pCi/L, the home's radon level should be reduced. Also, consider mitigating if radon levels are between 2.0 pCi/L and 3.9 pCi/L. Any amount of radon, even below the recommended action level, carries some risk.

Radon Warning Statement

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

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

DEPARTMENT OF HEALTH

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Radon Testing

Any test lasting less than three months requires **closed-house conditions**. This means keep all windows and doors closed, except for normal entry and exit.

Before testing: Begin closed-house conditions at least 12 hours before the start of the radon test.

During testing: Maintain closed-house conditions during the entire duration of the short-term test. Operate home heating or cooling systems normally during the test.

Where should the test be conducted? Any radon test conducted for a real estate transaction needs to be placed in the lowest livable area of the home suitable for occupancy. This is typically in the basement, whether finished or unfinished.

Place the test kit:

- twenty inches to six feet above the floor
- at least three feet from exterior walls
- four inches away from other objects
- in a location where it won't be disturbed
- not in enclosed areas or areas of high heat or humidity

How are radon tests conducted in real estate transactions?

There are special protocols for radon testing in real estate transactions. Here are the two most common.

Continuous Radon Monitor

This test is completed by a licensed radon measurement professional with a calibrated CRM for a minimum of 48 hours. The data is analyzed to ensure a valid test. A report is generated by the measurement professional.

Simultaneous Short-Term Testing

Two short-term test kits are used at the same time, placed 4 inches apart, for a minimum of 48 hours. Test kits are sent to the lab for analysis. The lab generates a report. The two test results are averaged to get the radon level.

All radon tests should be conducted by a licensed professional. This ensures the test was conducted properly, in the correct location, and under appropriate building conditions. A list of these licensed radon measurement professionals can be found at MDH's Radon web site.

Radon Mitigation

When elevated levels of radon are found, they can be easily reduced by a nationally certified and MDH-listed radon mitigation professional.

Radon mitigation is the process or system used to reduce radon concentrations in the breathing zones of occupied buildings. The goal of a radon mitigation system is to reduce the indoor radon levels to below the action level. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system is often able to reduce the annual average radon level to below 2.0 pCi/L. The cost of a radon mitigation system averages $1,200 to $2,500.

After a radon mitigation system is installed perform an independent short-term test to ensure the reduction system is effective. Operate the radon system during the entire test. This short-term test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

Radon Information on the Web:
www.health.state.mn.us/radon

Last Updated 1/2019

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