

SELLER'S PROPERTY CONDITION DISCLOSURE STATEMENT

(This disclosure shall be completed by the seller. This is a disclosure required by law. If you do not understand this form, seek legal advice.)

Seller Lorette J. Spencer Property Address 45449 River Drive

This Disclosure Statement concerns the real property identified above situated in the City of _____
County of Clay, State of South Dakota.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 43-4-38. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT REPRESENTING ANY PARTY IN THIS TRANSACTION AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PARTIES MAY WISH TO OBTAIN.

Seller hereby authorizes any agent representing any party in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

IF ANY MATERIAL FACT CHANGES BEFORE CONVEYANCE OF TITLE TO THIS PROPERTY, THE SELLER MUST DISCLOSE SUCH MATERIAL FACT WITH A WRITTEN AMENDMENT TO THIS DISCLOSURE STATEMENT.

I. LOT OR TITLE INFORMATION

1. When did you purchase or build the home? 1998

If the answer is yes to any of the following, please explain under additional comments or on an attached separate sheet.

2. Were there any title problems when you purchased the property? Yes ___ No

3. Are there any recorded liens or financial instruments against the property, other than a first mortgage?
Yes ___ No

4. Are there any unrecorded liens or financial instruments against the property, other than a first mortgage; or have any materials or services been provided in the past one hundred twenty days that would create a lien against the property under chapter 44-9?
Yes ___ No Unknown ___

5. Are there any easements which have been granted in connection with the property (other than normal utility easements for public water and sewer, gas and electric service, telephone service, cable television service, drainage, and sidewalks)? Yes ___ No Unknown ___

6. Are there any problems related to establishing the lot lines/boundaries? Yes ___ No Unknown ___

7. Do you have a location survey in your possession or a copy of the recorded plat? If yes, attach a copy.
Yes ___ No Unknown ___

8. Are you aware of any encroachments or shared features, from or on adjoining property (i.e. fences, driveway, sheds, outbuildings, or other improvements)? Yes ___ No

9. Are you aware of any covenants or restrictions affecting the use of the property in accordance with local law? If yes, attach a copy of the covenants and restrictions. Yes ___ No

10. Are you aware of any current or pending litigation, foreclosure, zoning, building code or restrictive covenant violation notices, mechanic's liens, judgments, special assessments, zoning changes, or changes that could affect your property? Yes ___ No

11. Is the property currently occupied by the owner? Yes ___ No

12. Does the property currently receive the owner occupied tax reduction pursuant to SDCL 10-13-39? Yes No ___ *Will be changed in the very near future*

13. Is the property currently part of a property tax freeze for any reason? Yes ___ No Unknown ___

14. Is the property leased? Yes ___ No

15. If leased, does the property use comply with local zoning laws? Yes ___ No

16. Does this property or any portion of this property receive rent? Yes ___ No
 If yes, how much \$ ___ and how often ___?
17. Do you pay any mandatory fees or special assessments to a homeowners' or condominium association?
 Yes No ___
 If yes, what are the fees or assessments? \$ 100 per ___ (i.e. annually; semi-annually, monthly)?
 Payable to whom: Food World, Treasurer - Charles Spencer For what purpose? Road maintenance
18. Are you aware if the property has ever had standing water in either the front, rear, or side yard more than forty-eight hours after heavy rain? Yes ___ No
19. Is the property located in or near a flood plain? Yes ___ No Unknown ___
20. Are wetlands located upon any part of the property? Yes ___ No Unknown ___

II. STRUCTURAL INFORMATION

If the answer is yes to any of the following, please explain under additional comments or on an attached separate sheet.

1. Are you aware of any water penetration problems in the walls, windows, doors, basement, or crawl space?
 Yes No ___
2. What water damage related repairs, if any, have been made?
 If any, when? 2/9/00! - downspout misplaced, replaced correctly
3. Are you aware if drain tile is installed on the property? Yes No ___
4. Are you aware of any interior cracked walls or floors, or cracks or defects in exterior driveways, sidewalks, patios, or other hard surface areas? Yes ___ No
 What related repairs, if any, have been made? _____
5. Are you aware of any roof leakage, past or present? Yes ___ No
 Type of roof covering: B Age: 8 months
 What roof repairs, if any, have been made, when and by whom? August 2009 - total roof gutter guard replacement by Jay Peterson
 Describe any existing unrepaired damage to the roof: none
6. Are you aware of insulation in:
 the ceiling/attic? Yes No ___ the walls? Yes No ___ the floors? Yes No ___
7. Are you aware of any pest infestation or damage, either past or present? Yes ___ No
8. Are you aware of the property having been treated for any pest infestation or damage?
 Yes ___ No If yes, who treated it and when? _____
9. Are you aware of any work upon the property which required a building, plumbing, electrical, or any other permit? Yes ___ No If yes, describe the work: _____
 Was a permit obtained? Yes ___ No Was the work approved by an inspector? Yes ___ No
10. Are you aware of any past or present damage to the property (i.e. fire, smoke, wind, floods, hail, or snow)?
 Yes No ___ If yes, describe roof replacement 2009
 Have any insurance claims been made? Yes No ___ Unknown ___
 Was an insurance payment received? Yes No ___ Unknown ___
 Has the damage been repaired? Yes No ___ If yes, describe in detail: complete new roof - August 2009
11. Are you aware of any problems with sewer blockage or backup, past or present? Yes ___ No
12. Are you aware of any drainage, leakage, or runoff from any sewer, septic tank, storage tank, or drain on the property into any adjoining lake, stream, or waterway? Yes ___ No If yes, describe in detail: _____

III. SYSTEMS/UTILITIES INFORMATION

	None/Not Included	Working	Not Working
1. 220 Volt Service		✓	
2. Air Exchanger	✓		
3. Air Purifier	✓		
4. Attic Fan	✓		
5. Burglar Alarm & Security System	✓		
6. Ceiling Fan		✓	
7. Central Air – Electric		✓	
8. Central Air – Water Cooled		✓	
9. Cistern	✓		
10. Dishwasher		✓	
11. Disposal		✓	
12. Doorbell		✓	
13. Fireplace		✓	
14. Fireplace Insert		✓	
15. Garage Door/Opener Control(s)		✓	
16. Garage Wiring		✓	
17. Heating System		✓	
18. Hot Tub, Whirlpool, and Controls	✓		
19. Humidifier	✓		
20. Intercom	✓		
21. Light Fixtures		✓	
22. Microwave/Hood		✓	
23. Plumbing and Fixtures		✓	
24. Pool and Equipment	✓		
25. Propane Tank		✓	
26. Radon System	✓		
27. Sauna	✓		
28. Septic/Leaching Field		✓	
29. Sewer Systems/Drains	✓		
30. Smoke/Fire Alarm		✓	
31. Solar House – Heating	✓		
32. Sump Pump(s)	✓		
33. Switches and Outlets		✓	
34. Underground Sprinkler and Heads		✓	
35. Vent Fan	✓		
36. Water Heater – Electric or Gas		✓	
37. Water Purifier	✓		
38. Water Softener – Leased or Owned	✓		
39. Well and Pump	✓		
40. Wood Burning Stove		✓	

IV. HAZARDOUS CONDITIONS

Are you aware of any existing hazardous conditions of the property and are you aware of any tests having been performed?

	Existing Conditions		Tests Performed	
	Yes	No	Yes	No
1. Methane Gas		✓		
2. Lead Paint		✓		
3. Radon Gas (House)		✓		
4. Radon Gas (Well)		✓		
5. Radioactive Materials		✓		
6. Landfill, Mineshaft		✓		
7. Expansive Soil		✓		
8. Mold		✓		
9. Toxic Materials		✓		
10. Urea Formaldehyde Foam Insulations		✓		
11. Asbestos Insulation		✓		
12. Buried Fuel Tanks		✓		
13. Chemical Storage Tanks		✓		
14. Fire Retardant Treated Plywood		✓		
15. Production of Methamphetamines		✓		

If the answer is yes to any of the questions above, please explain in additional comments or on an attached separate sheet.

V. MISCELLANEOUS INFORMATION

- 1. Is the street or road located at the end of the driveway to the property public or private? Public ___ Private [x]
2. Is there a written road maintenance agreement? Yes ___ No [x]
3. When was the fireplace/wood stove/chimney flue last cleaned? 2008
4. Within the previous twelve months prior to signing this document, are you aware of any of the following occurring on the subject property?
a. A human death by homicide or suicide? Yes ___ No [x]
b. Other felony committed against the property or a person on the property? Yes ___ No [x]
5. Is the water source (select one) [x] public or ___ private?
6. If private, what is the date and result of the last water test?
7. Is the sewer system (select one) ___ public or [x] private?
8. If private, what is the date of the last time the septic tank was pumped?
9. Are there broken window panes or seals? Yes ___ No [x]
10. Are there any items attached to the property that will not be left, such as: towel bars, mirrors, swag lamps and hooks, curtain rods, window coverings, light fixtures, clothes lines, swing sets, storage sheds, ceiling fans, basketball hoops, mail boxes, etc. Yes ___ No [x]
11. Are you aware of any other material facts or problems that have not been disclosed on this form? Yes ___ No [x]

VI. ADDITIONAL COMMENTS (ATTACH ADDITIONAL PAGES IF NECESSARY)

CLOSING SECTION

The Seller hereby certifies that the information contained herein is true and correct to the best of the Seller's information, knowledge, and belief as of the date of the Seller's signature below. If any of these conditions change before conveyance of title to this property, the change will be disclosed in a written amendment to this disclosure statement.

Handwritten signature and date: Seller [Signature] Date 5-05-10

THE SELLER AND THE BUYER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO OBTAIN A TRUE REPORT AS TO THE CONDITION OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN ANY CONTRACT OF SALE AS NEGOTIATED BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO SUCH PROFESSIONAL ADVICE AND INSPECTIONS.

I/We acknowledge receipt of a copy of this statement on the date appearing beside my/our signature(s) below. Any agent representing any party to this transaction makes no representations and is not responsible for any conditions existing in the property.

Buyer Date Buyer Date