

BUSINESS DISCLOSURE REPORT

BUSINESS NAME: Elcho Ice Cream Shoppe
BUSINESS OWNER: Bonnie J. Retza

THIS DISCLOSURE REPORT CONCERNS THE REAL ESTATE INTEREST AND/OR THE BUSINESS ASSETS LOCATED AT N11163 U.S. 45

IN THE _____ (CITY) (VILLAGE) (TOWN) OF Elcho, COUNTY
OF Langlade STATE OF WISCONSIN. THIS REPORT IS A DISCLOSURE OF THE
CONDITION OF THAT PROPERTY AS OF 12 _____ (MONTH) 30 _____ (DAY) 2022 _____ (YEAR).

When listing a property Wis. Admin. Code § REEB 24.07(1)(b) requires licensees to inspect real estate improved by structures and vacant land and to "make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property. The licensee shall request the seller provide a written response to the licensee's inquiry." This Business Disclosure Report helps the licensee fulfill this license law duty.

This is not a warranty of any kind by the owner or any agents representing any party in this transaction and is not a substitute for any inspections, testing or warranties the parties may wish to obtain. This is an optional disclosure report, not required by Wis. Stat. Ch. 709, that gives the business owner selling real estate and/or assets the opportunity to make disclosures and comment on the condition of the property.

NOTICE TO PARTIES REGARDING ADVICE OR INSPECTIONS

Real estate licensees may not provide advice or opinions concerning whether or not an item is a defect for the purposes of this report or concerning the legal rights or obligations of parties to a transaction. The parties may wish to obtain professional advice or inspections of the property and to include appropriate provisions in a contract between them with respect to any advice, inspections, defects, or warranties.

A. OWNER'S INFORMATION

A1. In this form, "aware" means the "owner(s)" have notice or knowledge. "Property" refers to the business real estate and/or business assets, or any part thereof, as applicable (Property).

A2. In this form, "defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed, or replaced would significantly shorten or adversely affect the expected normal life of the premises. "Deficiency" means an imperfection that materially impairs the worth or utility of an asset other than real estate; makes such asset unusable or significantly harmful; or substantially prevents such asset from functioning or operating as designed or intended.

A3. In this form, "owner" means the person or persons, entity, or organization that owns the above-described Property.

A4. The owner represents that to the best of the owner's knowledge, the responses to the following questions have been accurately checked as "yes," "no," or "not applicable (N/A)" to the Property being sold. If the owner responds to any question with "yes," the owner shall provide an explanation of the reason why the response to the question is "yes" in the area provided following each group of questions.

A5. The owner discloses the following information with the knowledge that, even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the Property. The owner hereby authorizes the owner's agents and the agents of any prospective buyer to provide a copy of this report, and to disclose any information in the report, to any person in connection with any actual or anticipated sale of the Property.

B. STRUCTURAL AND MECHANICAL

- B1. Are you aware of defects in the roof? New 2019
B2. Are you aware of defects in the electrical system (including fire safety, security and lighting)?
B3. Are you aware of defects or deficiencies in part of the plumbing system?
B4. Are you aware of defects or deficiencies in the heating and air conditioning system
(including the air filters and humidifiers)? Furnace hardly used.
New air cond.

YES	NO	N/A
☐	☒	☐
☐	☒	☐
☐	☒	☐
☐	☒	☐

- newer basement, x might need support rods*
- B5. Are you aware of defects in the basement or foundation (including cracks, seepage, and bulges)? YES ☐ NO ☐ N/A ☐
- B6. Are you aware of defects or deficiencies in any structure or structural component or system on the Property (including walls)? YES ☐ NO ☒ N/A ☐
- B7. Are you aware of defects or deficiencies in mechanical equipment or systems included in the sale? YES ☐ NO ☒ N/A ☐
- B8. Are you aware of rented items located on the Property or items affixed to or closely associated with the Property? YES ☐ NO ☒ N/A ☐
- B9. Explanation of "yes" responses

C. BUSINESS AND COMMERCIAL CONCERNS

- C1. Are you aware of any violation of federal, state or local regulations, ordinances, laws or rules; any government agency or court orders requiring repair, alteration or correction of any existing condition; or any potential, threatened or pending claims against the business or its agents or materially affecting the assets? YES ☐ NO ☒ N/A ☐
- C2. Are you aware of a material violation of the Americans with Disabilities Act (ADA) or other state or local laws requiring minimum accessibility for persons with disabilities? YES ☐ NO ☒ N/A ☐
NOTE: A building owner's or tenant's obligations under the ADA may vary dependent upon the financial or other capabilities of the building owner or tenant.
- C3. Are you aware of any material defects or deficiencies in any of the equipment, appliances, business fixtures, fixtures, tools, furniture or other business personal property included in the transaction? YES ☐ NO ☒ N/A ☐
- C4. Are you aware of any encumbrances on the business, all integral parts thereof, or the assets, except as stated in any schedule attached to this report? YES ☐ NO ☒ N/A ☐
- C5. Are you aware of any litigation, condemnation action, government proceeding or investigation in progress, threatened or in prospect against or related to the business or assets? YES ☐ NO ☒ N/A ☐
- C6. Are you aware of any right granted to underlying lien holder(s) to accelerate the debtor's obligation by reason of the transfer of ownership of business or assets, or any permission to transfer being required and not obtained? YES ☐ NO ☒ N/A ☐
- C7. Are you aware of any unpaid business taxes such as: income; sales; payroll; Social Security; unemployment; or any other employer/employee taxes due and payable or accrued; or any past due debts? YES ☐ NO ☒ N/A ☐
- C8. Are you aware of any material failure of the financial statements, or schedules to the financial statements, to present the true and correct condition of the business as of the date of the statements and schedules or a material change in the financial condition or operations of the business since the date of the last financial statements and schedules provided by owner, except for changes in the ordinary course of business which are not in the aggregate materially adverse? YES ☐ NO ☒ N/A ☐
- C9. Are you aware of any unresolved insurance claims, outstanding lease or contract agreements, back wages, due or claimed, product liability exposure, unpaid insurance premiums, unfair labor practice claims, unpaid past due debts? YES ☐ NO ☒ N/A ☐
- C10. Are you aware of any other defects affecting the real estate, deficiencies affecting the assets, or conditions or occurrences which would significantly reduce the value of the business or assets to a reasonable person with knowledge of the nature and scope of the condition or occurrence? YES ☐ NO ☒ N/A ☐
- C11. Explanation of "yes" responses

D. TAXES, SPECIAL ASSESSMENTS, PERMITS, ETC.

- D1. Have you received notice of property tax increases, other than normal annual increases, or are you aware of a completed or pending reassessment of the Property? YES ☐ NO ☒ N/A ☐

- | | YES | NO | N/A |
|--|--------------------------|-------------------------------------|--------------------------|
| D2. Are you aware that remodeling was done that may increase the Property's assessed value? | ☐ | ☒ | ☐ |
| D3. Are you aware of pending special assessments? | ☐ | ☒ | ☐ |
| D4. Are you aware the Property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district? | ☐ | ☒ | ☐ |
| D5. Are you aware of any proposed, planned or commenced construction of a public project or public improvements that may result in special assessments, or materially affect the business or Property or the use of the Property? <i>getting a front sidewalk</i> | ☐ | ☐ | ☐ |
| D6. Are you aware of any construction, remodeling, replacements, or repairs affecting the Property's structure or mechanical systems that were done or additions to this Property made during your period of ownership without the required permits and approvals? | ☐ | ☒ | ☐ |
| D7. Are you aware of any land division involving the Property for which a required state or local permit was not obtained? | ☐ | ☒ | ☐ |
| D8. Explanation of "yes" responses | | | |

E. LAND USE

- | | YES | NO | N/A |
|---|--------------------------|-------------------------------------|--------------------------|
| E1. Are you aware of any zoning or building code violations with respect to the Property? | ☐ | ☒ | ☐ |
| E2. Are you aware of any zoning variance or conditional use permit regarding the Property? | ☐ | ☒ | ☐ |
| E3. Are you aware of the property or any portion of the Property being located in a 100-year floodplain, wetland, or shoreland zoning area under local, state, or federal regulations, or of flooding, standing water, or drainage or other water problems affecting the property? | ☐ | ☒ | ☐ |
| E4. Are you aware of nonconforming uses of the Property or nonconforming structures on the Property? | ☐ | ☒ | ☐ |
| E5. Are you aware of conservation easements on the Property? | ☐ | ☒ | ☐ |
| E6. Are you aware of restrictive covenants, conditions, or deed restrictions on the Property? | ☐ | ☒ | ☐ |
| E7. Are you aware of nonowners having rights to use part of the Property, including, but not limited to, rights-of-way and easements other than recorded utility easements? | ☐ | ☒ | ☐ |
| E8. Are you aware of the Property being subject to a mitigation plan, required under the Department of Natural Resources administrative rules regarding county shoreland zoning ordinances, that requires the owner to establish or maintain certain measures? | ☐ | ☒ | ☐ |
| E9. <u>Use Value.</u> | | | |
| a. Are you aware of all or part of the Property having been assessed as agricultural land under Wis. Stat. § 70.32 (2r) (use value assessment)? | ☐ | ☒ | ☐ |
| b. Are you aware of the Property having been assessed a use-value assessment conversion charge relating to this Property? (Wis. Stat. § 74.485 (2)) | ☐ | ☒ | ☐ |
| c. Are you aware of the payment of a use-value assessment conversion charge having been deferred relating to this Property? (Wis. Stat. § 74.485 (4)) | ☐ | ☒ | ☐ |
| E10. Is all or part of the Property subject to or in violation of a farmland preservation agreement? | ☐ | ☒ | ☐ |
| E11. Is all or part of the Property subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program? | ☐ | ☒ | ☐ |
| E12. Are you aware of a dam totally or partially located on the Property or ownership in a dam not located on the Property that will be transferred with the Property because it is owned collectively by members of a homeowners' association, lake district, or similar group? (If "yes," contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.) | ☐ | ☒ | ☐ |
| E13. Are you aware of boundary or lot line disputes, encroachments, or encumbrances affecting the Property? | ☐ | ☒ | ☐ |
| E14. Are you aware there is not legal access to the Property, or of any proposed road change, road work or change in road access which would materially affect the present use or access to the business or assets? <i>See D5.</i> | ☐ | ☐ | ☐ |
| E15. Are you aware of federal, state, or local regulations requiring repairs, alterations, or corrections of an existing condition or orders to correct building code violations? | ☐ | ☒ | ☐ |
| E16. Are you aware of a pier attached to the Property that is not in compliance with state or local pier regulations? See http://dnr.wi.gov/topic/waterways for more information. | ☐ | ☒ | ☐ |
| E17. Are you aware of one or more burial sites or archeological artifacts on the Property? (For information regarding the presence, preservation, and potential disturbance of burial sites, | ☐ | ☒ | ☐ |

E16. contact the Wisconsin Historical Society at www.wihist.org/burial-information or 800-342-7834).

E18. Explanation of "yes" responses

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F. ENVIRONMENTAL

- | | YES | NO | N/A |
|--|--------------------------|-------------------------------------|--------------------------|
| F1. Are you aware of the presence of unsafe levels of mold? | ☐ | ☒ | ☐ |
| F2. Are you aware of a defect or deficiency caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property or business, lead in paint, lead in soil, pesticides, medical or infectious waste, or other potentially hazardous or toxic substances on the Property, or by previous storage or disposal of such substances on the Property or premises occupied by the business? | ☐ | ☒ | ☐ |
| F3. Are you aware of the presence of asbestos or asbestos-containing materials such as vermiculite insulation on the Property? | ☐ | ☒ | ☐ |
| F4. Are you aware of the presence of or a defect or deficiency caused by unsafe concentrations of, unsafe conditions relating to, or the storage of hazardous or toxic substances on neighboring properties? | ☐ | ☒ | ☐ |
| F5. Are you aware of current or previous termites, powder post beetle, or carpenter ant infestations or defects caused by animal, reptile, or insect infestations? | ☐ | ☒ | ☐ |
| F6. Are you aware of water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead? | ☐ | ☒ | ☐ |
| F7. Are you aware of the manufacture of methamphetamine or other hazardous or toxic substances on the Property? | ☐ | ☒ | ☐ |
| F8. Are you aware of governmental investigation or private assessment/audit (of environmental matters) ever being conducted or material violations of environmental or other laws or agreements regulating the business or the use of the assets? | ☐ | ☒ | ☐ |
| F9. Are you aware of conditions constituting a significant health or safety hazard for occupants, invitees or employees of the business? | ☐ | ☒ | ☐ |
| F10. Explanation of "yes" responses | | | |

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G. STORAGE TANKS

- | | YES | NO | N/A |
|---|--------------------------|-------------------------------------|--------------------------|
| G1. Are you aware of underground or aboveground fuel storage tanks on or previously located on the Property or premises occupied by the business for storage of flammable, combustible or hazardous materials, including, but not limited to, gasoline and heating oil? | ☐ | ☒ | ☐ |
| G2. Are you aware of defects or deficiencies in the underground or aboveground fuel storage tanks on or previously located on the Property? | ☐ | ☒ | ☐ |
| G3. Explanation of "yes" responses | | | |

H. ADDITIONAL INFORMATION

- | | YES | NO | N/A |
|--|--------------------------|-------------------------------------|--------------------------|
| H1. Are you aware of a structure on the Property or occupied by the business that is designated as a historic building or that all or any part of the Property is in a historic district? | ☐ | ☒ | ☐ |
| H2. Are you aware of any agreements binding subsequent owners of the Property, such as a lease agreement or an extension of credit from an electric cooperative? | ☐ | ☒ | ☐ |
| H3. Are you aware of defects in a well on the Property or in a well serving the Property, including unsafe well water? | ☐ | ☒ | ☐ |
| H4. Are you aware of a joint well serving the Property including any defect related to a joint well serving the Property? | ☐ | ☒ | ☐ |
| H5. Are you aware of a septic system or other private sanitary disposal system serving the Property, defects in a septic system or other private sanitary disposal system on the Property, or any out-of-service septic system serving the Property not closed or abandoned according to applicable regulations? | ☐ | ☒ | ☐ |

- | | YES | NO | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| H6. Are you aware of an "LP" tank on the Property, including defects? (If "yes," specify in the explanation section whether the owner of the Property either owns or leases the tank.) | ☐ | ☒ | ☐ |
| H7. Are you aware of material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides? | ☐ | ☒ | ☐ |
| H8. Are you aware of nearby airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property? | ☐ | ☒ | ☐ |
| H9. Are you aware of any shared usages such as shared fences, walls, driveways, or signage, or any defect relating to the shared use? | ☐ | ☒ | ☐ |
| H10. Are you aware of leased parking? | ☐ | ☒ | ☐ |
| H11. Are you aware of other defects affecting the Property? | ☐ | ☒ | ☐ |
| H12. The owner has owned the Property for <u>32</u> years. | ☒ | ☐ | ☐ |
| H13. Explanation of "yes" responses | | | |

Note: Any sales contract provision requiring inspection of a residential dumbwaiter or elevator must be performed by a state-licensed elevator inspector.

OWNER'S CERTIFICATION

The owner certifies the information in this report is true and correct to the best of the owner's knowledge as of the date on which the owner signs this report.

Entity Name (if any): Bonnie J. Retza

Name & Title of Authorized Representative Signing for Entity: Brenda Schmidt

Authorized Signature for Entity: Bonnie J. Retza

Date 12/5/22

Owner: Bonnie J. Retza

Date 12/5/22

Owner

Date

Owner

Date

CERTIFICATION BY PERSON SUPPLYING INFORMATION

A person other than the owner certifies that the person supplied information on which the owner relied for this report and that the information is true and correct to the best of the person's knowledge as of the date on which the person signs this report.

Person _____ Items _____ Date _____

Person _____ Items _____ Date _____

BUYER'S ACKNOWLEDGEMENT

The prospective buyer acknowledges that technical knowledge such as that acquired by professional inspectors may be required to detect certain defects such as the presence of asbestos, building code violations, and floodplain status.

I acknowledge receipt of a copy of this statement.

Entity Name (if any): Bonnie J. Retza

Name & Title of Authorized Representative Signing for Entity:

Authorized Signature for Entity: Bonnie J. Retza

Date 12/5/22

Prospective buyer

Date

Prospective buyer

Date

Prospective buyer

Date