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**Real Estate Contractual Forms Advisory Committee**  
**Room 121A, 1400 E. Washington Avenue, Madison**  
**Contact: Yolanda McGowan \* 608-266-2112**  
**March 20, 2012**

*The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a description of the actions and deliberations of the Board.*

**FULL BOARD MEETING**  
**10:00 A.M.**

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda** (1-2)
- B. Approval of Minutes** – February 14, 2012 (3-14)
- C. Secretary Matters
- D. Executive Director Matters
- E. Review and Revise Commercial Offer to Purchase (WB-24)**
  - 1) Current Form (9-1-00 Version) (15-18)
  - 2) WRA Memo with Proposed Changes (19-24)
  - 3) Draft WB-24 with WRA Proposed Changes (25-30)
  - 4) Sample Form (31-32)
- F. Review and Revise Exclusive Listing Contract for Lease or Rental of Real Property (WB-37)**
  - 1) Current Form (10-1-01 Version) (33-36)
  - 2) WRA Memo with Proposed Changes (37-40)
  - 3) Draft WB-37 with WRA Proposed Changes (41-46)
- G. Priority of Remaining Forms**
  - 1) Time Share Issues
  - 2) WB-35 Simultaneous Exchange Agreement
  - 3) WB-6 Business Listing Contract
  - 4) WB-16 Business with Real Estate – Offer to Purchase
  - 5) WB-17 Business without Real Estate – Offer to Purchase

H. Next Meeting Date: May 1, 2012

**ADJOURNMENT**

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**REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE  
MEETING MINUTES  
FEBRUARY 14, 2012**

**Present:** Stephen Beers, Casey Clickner, Debra Conrad, Scott Minter, Kim Moermond, Michael Sewell, Richard Petershack, Gary Tritz, Michael Gordon, Peter Sveum and Cori Lamont (joined the meeting at 10:20 a.m.)

**Not Present:** John Flor, Jonathan Sayas, John Drzewiecki and Steven Lillestrand

**Guests:** Tracy Rucka

**Staff:** Denise Aviles, Executive Director; Yolanda McGowan, Legal Counsel; Michelle Solem, Bureau Assistant; and other Department staff

Stephen Beers, Committee Chair, called the meeting to order at 10:10 a.m. A quorum of 10 members was confirmed.

**ADOPTION OF AGENDA**

**MOTION:** Richard Petershack moved, seconded by Scott Minter, to adopt the agenda as published. Motion carried unanimously.

**APPROVAL OF MINUTES**

**MOTION:** Richard Petershack moved, seconded by Gary Tritz, to approve the minutes of July 13, 2011, as published. Motion carried unanimously.

**BOARD DISCUSSION**

**REVIEW FINAL FARM OFFER TO PURCHASE (WB-12) AS APPROVED BY THE REAL ESTATE EXAMINING BOARD (REEB) ON NOVEMBER 16, 2011**

Yolanda McGowan noted that the review of this form was for informational purposes only. The REEB had approved this form at the November so no action was necessary.

**REVIEW AND REVISE COMMERCIAL OFFER TO PURCHASE (WB-15)**

The Committee reviewed recommended changes that were submitted by the Wisconsin Realtors Association and also discussed comments that appeared in "Wisconsin Lawyer" and made changes to the WB-15 based on that discussion.

**MOTION:** Peter Sveum moved, seconded by Richard Petershack, to approve the WB-15 as to substance with a 3/1/12 optional use date and a 7/1/12 mandatory use date and to recommend final approval to the Real Estate Examining Board. Motion carried unanimously.

**REVIEW AND REVISE OPTION TO PURCHASE WB-24)**

The Committee will discuss this item at the next meeting.

**PRIORITIZE COMPLETION OF REMAINING FORMS**

The Committee discussed the remaining forms and indicated that the forms should be completed in the following order:

- |          |              |          |
|----------|--------------|----------|
| 1. WB-24 | 4. Timeshare | 7. WB-35 |
| 2. WB-37 | 5. WB-16     |          |
| 3. WB-6  | 6. WWB-17    |          |

**ADJOURNMENT**

**MOTION:** Peter Sveum moved, seconded by Richard Petershack, to adjourn the meeting at 1:35 p.m. Motion carried unanimously.

**WB-15 COMMERCIAL OFFER TO PURCHASE**

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1 LICENSEE DRAFTING THIS OFFER ON \_\_\_\_\_ [DATE] IS (AGENT OF BUYER) (AGENT OF  
2 SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) ~~STRIKE THOSE NOT APPLICABLE~~

3 **GENERAL PROVISIONS** The Buyer, \_\_\_\_\_  
4 \_\_\_\_\_, offers to purchase the Property known as [Street Address] \_\_\_\_\_  
5 \_\_\_\_\_ in the \_\_\_\_\_ of  
6 \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin (Insert additional  
7 description, if any, at lines xxx-xxx or attach as an addendum per line xxx), on the following terms:

8 ■ **PURCHASE PRICE:** \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

9 ■ **EARNEST MONEY** of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ \_\_\_\_\_ will be mailed, or  
10 commercially or personally delivered within \_\_\_\_\_ days of acceptance to listing broker or \_\_\_\_\_  
11 \_\_\_\_\_.

12 ■ **THE BALANCE OF PURCHASE PRICE** will be paid in cash or equivalent at closing unless otherwise provided below.

13 ■ **INCLUDED IN PURCHASE PRICE:** Seller is including in the purchase price the Property, all Fixtures on the Property on the date of this Offer  
14 not excluded at lines XX-XX, and the following additional items: \_\_\_\_\_  
15 \_\_\_\_\_

16 \_\_\_\_\_

17 \_\_\_\_\_

18 All personal property included in purchase price will be transferred by bill of sale or \_\_\_\_\_

19 \_\_\_\_\_

20 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_

21 \_\_\_\_\_

22 \_\_\_\_\_

23 **CAUTION: Identify trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines xxx-xxx) to be excluded**  
24 **by Seller or which are rented and will continue to be owned by the lessor.**

25 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included/excluded.**

26 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical copies of the Offer.

27 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines running from**  
28 **acceptance provide adequate time for both binding acceptance and performance.**

29 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before  
30 \_\_\_\_\_ Seller may keep the Property on the market and accept

31 secondary offers after binding acceptance of this Offer.

32 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

33 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX (  ) ARE PART OF THIS OFFER ONLY IF  
34 THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A" OR ARE LEFT BLANK.

35 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and written notices to a  
36 Party shall be effective only when accomplished by one of the methods specified at lines xx-xx.

37 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at line XX or XX.

38 Seller's recipient for delivery (optional): \_\_\_\_\_

39 Buyer's recipient for delivery (optional): \_\_\_\_\_

40  (2) **Fax:** fax transmission of the document or written notice to the following telephone number:  
41 Seller: ( \_\_\_\_\_ ) Buyer: ( \_\_\_\_\_ )

42  (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a commercial delivery  
43 service, addressed either to the Party, or to the Party's recipient for delivery if named at line XX or XX, for delivery to the Party's delivery address  
44 at line XX or XX.

45  (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to the Party's  
46 recipient for delivery if named at line XX or XX, for delivery to the Party's delivery address at line XX or XX.

47 Delivery address for Seller: \_\_\_\_\_

48 Delivery address for Buyer: \_\_\_\_\_

49  (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line XX or XX. If this is a  
50 consumer transaction where the property being purchased or the sale proceeds are used primarily for personal, family or household purposes,  
51 each consumer providing an e-mail address below has first consented electronically to the use of electronic documents, e-mail delivery and  
52 electronic signatures in the transaction, as required by federal law.

53 E-Mail address for Seller (optional): \_\_\_\_\_

54 E-Mail address for Buyer (optional): \_\_\_\_\_

55 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller constitutes personal delivery  
56 to, or Actual Receipt by, all Buyers or Sellers.

57 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge  
58 of Conditions Affecting the Property or Transaction (lines xxx-xxx) other than those identified in Seller's disclosure report dated  
59 and Real Estate Condition Report, if applicable, dated \_\_\_\_\_, which was/were received by Buyer prior to Buyer  
60 signing this Offer and which is/are made a part of this offer by reference COMPLETE DATE OR STRIKE AS APPLICABLE and  
61 \_\_\_\_\_

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62 \_\_\_\_\_  
63 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT**

64 **CAUTION:** If the property includes 1-4 dwelling units, a Wis. Stat. § 709.03 Real Estate Condition Report may, containing the disclosures  
65 provided in Wis. Stat. § 709.03 may be required, in addition to the seller disclosure report, also be required. Excluded from this  
66 requirement are sales of property that has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain  
67 court-appointed fiduciaries, (for example, personal representatives who have never occupied the Property). Buyer may have rescission  
68 rights per Wis. Stat. § 709.05.

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69 **CLOSING** This transaction is to be closed no later than \_\_\_\_\_  
70 \_\_\_\_\_ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

71 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values: real estate taxes,  
72 rents, prepaid insurance (if assumed), private and municipal charges, property owners association assessments, fuel and \_\_\_\_\_  
73 \_\_\_\_\_.

74 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

75 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

76 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

77  The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are defined as  
78 general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE APPLIES IF NO BOX IS CHECKED)

79  Current assessment times current mill rate (current means as of the date of closing)

80  Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year, or current year if  
81 known, multiplied by current mill rate (current means as of the date of closing)

82  \_\_\_\_\_.

83 **CAUTION:** Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be substantially  
84 different than the amount used for proration especially in transactions involving new construction, extensive rehabilitation, remodeling  
85 or area-wide re-assessment. Buyer is encouraged to contact the local assessor regarding possible tax changes.

86  Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the actual tax bill for  
87 the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of receipt, forward a copy of the bill  
88 to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax  
89 bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real  
90 estate brokers in this transaction.

91 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines XXX-  
92 XXX or XXX-XXX or in an addendum attached per line XXX. At time of Buyer's occupancy, Property shall be in broom swept condition and free of  
93 all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent.  
94 Occupancy shall be given subject to tenant's rights, if any.

95 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under said lease(s)  
96 and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) STRIKE ONE lease(s), if any,  
97 are \_\_\_\_\_

98 \_\_\_\_\_ Insert additional terms, if any, at lines XXX-XXX or XXX-XXX or attach as an addendum per line XXX.

99  **ESTOPPEL LETTERS:** Seller shall deliver to Buyer no later than \_\_\_ days before closing, estoppel letters dated within \_\_\_ days before  
100 closing, from each non-residential tenant, confirming the lease term, rent installment amounts, amount of security deposit; and disclosing any  
101 defaults, claims or litigation with regard to the lease or tenancy.

102 **RENTAL WEATHERIZATION** This transaction (is) (is not) STRIKE ONE exempt from Wisconsin Rental Weatherization Standards (Wis. Admin.  
103 Code Ch. SPS 367). If not exempt, (Buyer) (Seller) STRIKE ONE ("Buyer" if neither is stricken) shall be responsible for compliance, including all  
104 costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at  
105 closing. **REAL ESTATE CONDITION REPORT CAUTION:** Wis. Stat. §709.02 requires owners of property which includes 1-4 dwelling units to  
106 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been inhabited, sales  
107 exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal representative who have never  
108 occupied the Property). Buyer may have rescission rights. Caution: if the property includes 1-4 dwelling units, a Wis. Stat. §709.03 Real Estate  
109 Condition Report may, in addition to the seller disclosure report, also be required. Caution: if this was to remain in or be removed.

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110 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of  
111 closing; (5) contingency deadlines STRIKE AS APPLICABLE and all other dates and Deadlines in this Offer except: \_\_\_\_\_ If  
112 \_\_\_\_\_

113 "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the



172  Other \_\_\_\_\_  
173 \_\_\_\_\_  
174 \_\_\_\_\_

175 Additional items which may be added include, but are not limited to: building, construction or component warranties, previous environmental site  
176 assessments, surveys, title commitments and policies, maintenance agreements, other contracts relating to the Property, existing permits and  
177 licenses, recent financial operating statements, ~~rent rolls~~, current and future rental agreements, notices of termination and non-renewal, and  
178 assessment notices.

179 All documents Seller delivers to Buyer shall be true, accurate, current and complete. Buyer shall keep all such documents confidential and  
180 disclose them to third parties only to the extent necessary to implement other provisions of this Offer. Buyer shall return all documents (originals  
181 and any reproductions) to Seller if this Offer is terminated. ~~This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of the  
182 earlier of receipt of the final document to be delivered or the deadline for delivery of the documents, delivers to Seller a written notice indicating  
183 that this contingency has not been satisfied. The notice shall identify which document(s) have not been timely delivered or do not meet the  
184 standard set forth for the document(s). Upon delivery of Buyer's notice, this Offer shall be null and void.~~

185 ■ CONTINGENCY SATISFACTION: This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of the earlier of receipt of  
186 the final document to be delivered or the deadline for delivery of the documents, delivers to Seller a written notice indicating that this contingency  
187 has not been satisfied. ~~The Such notice notice shall identify which document(s) have not been timely delivered or do not meet the standard set  
188 forth for the document(s). The notice shall identify which document(s) have not been timely delivered or do not meet the standard set forth for  
189 the document(s). Upon delivery of Buyer's such notice, this Offer shall be null and void.~~

#### 190 **DEFINITIONS**

191 ■ **ACTUAL RECEIPT:** "Actual receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or written notice  
192 physically in the Party's possession, regardless of the method of delivery.

193 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are defined to include:

- 194 a. Defects in structural components, e.g. roof, foundation, basement or other walls.
- 195 b. Defects in mechanical systems, e.g. HVAC, electrical, plumbing, septic, well, fire safety, security or lighting.
- 196 c. Underground or above ground storage tanks presently or previously on the Property for storage of flammable or combustible liquids,  
197 including but not limited to gasoline and heating oil.
- 198 d. Defect or contamination caused by unsafe concentrations of, or unsafe conditions relating to, lead paint, asbestos, radon, radium in water  
199 supplies, mold, pesticides or other potentially hazardous or toxic substances on the premises.
- 200 e. Production of or spillage of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 201 f. Zoning or building code violations, any land division involving the Property for which required state or local permits had not been obtained,  
202 nonconforming structures or uses, conservation easements, rights-of-way.
- 203 g. Special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has the authority to impose  
204 assessments against the real property located within the district.
- 205 h. Proposed, planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property  
206 or the present use of the Property.
- 207 i. Federal, state or local regulations requiring repairs, alterations or corrections of an existing condition.
- 208 j. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 209 k. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 210 l. Near airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring property.
- 211 m. Portion of the Property in a floodplain, wetland or shoreland zoning area under local, state or federal regulations.
- 212 n. Property is subject to a mitigation plan required under administrative rules of the Department of Natural Resources related to county  
213 shoreland zoning ordinances, which obligates the owner of the Property to establish or maintain certain measures related to shoreland  
214 conditions and which is enforceable by the county.
- 215 o. Encroachments; easements, other than recorded utility easements; access restrictions; covenants, conditions and restrictions; shared  
216 fences, walls, wells, driveways, signage or other shared usages; or leased parking.
- 217 p. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.
- 218 q. Structure on the Property designated as a historic building, any part of the Property located in a historic district, or burial sites or  
219 archeological artifacts on the Property.
- 220 r. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion charge or the payment  
221 of a use-value conversion charge has been deferred.
- 222 s. All or part of the Property is subject to, enrolled in or in violation of a certified farmland preservation zoning district or a farmland preservation  
223 agreement, or a Forest Crop, Managed Forest (see disclosure requirements in Wis. Stat. § 710.12), Conservation Reserve or comparable  
224 program.
- 225 t. A pier is attached to the Property that is not in compliance with state or local pier regulations.
- 226 u. Government investigation or private assessment/audit (of environmental matters) conducted.
- 227 t. Other Defects affecting the Property.

228 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the event  
229 occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a specific number  
230 of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the  
231 President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific  
232 number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24

233 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as closing, expire at  
234 midnight of that day.

235 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair  
236 the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect  
237 the expected normal life of the premises.

238 (Definitions Continued on page X)

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251

**IF LINE xxx IS NOT MARKED OR IS MARKED N/A LINES xxx-xxx APPLY.**

252  **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_  
253 [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within \_\_\_\_\_ days of acceptance of this  
254 Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years,  
255 amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_. Monthly  
256 payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance  
257 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination fee in an amount  
258 not to exceed \_\_\_\_\_% of the loan. If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall  
259 be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to  
260 maintain the term and amortization stated above.

261 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE xxx or xxx.**

262  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.  
263  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_%. The initial interest rate shall be  
264 fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_% per year. The maximum  
265 interest rate during the mortgage term shall not exceed \_\_\_\_\_%. Monthly payments of principal and interest may be adjusted to  
266 reflect interest changes.

267 **If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines xxx-xxx or xxx-xxx  
268 or in an addendum attached per line xxx.**

269 **NOTE: If purchase is conditioned on buyer obtaining financing for operations or development consider adding a contingency for that  
270 purpose.**

271 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a mortgage loan, and to  
272 provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described in this Offer or another loan acceptable to  
273 Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline at line xxx. **Buyer and Seller agree that  
274 delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if,  
275 after review of the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall  
276 accompany the loan commitment. -Delivery shall not satisfy this contingency if accompanied by a notice of unacceptability.**

277 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide the loan. BUYER,  
278 BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN COMMITMENT TO SELLER OR SELLER'S  
279 AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

280 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this Offer if Seller delivers a  
281 written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan commitment.

282 ■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable  
283 loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies of lender(s)' rejection  
284 letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then have 10 days to deliver to Buyer  
285 written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and  
286 effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller  
287 to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

288 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party in control of Buyer's  
289 funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification, sufficient funds to close. If such written  
290 verification is not provided, Seller has the right to terminate this Offer by delivering written notice to Buyer. Buyer may or may not obtain mortgage  
291 financing but does not need the protection of a financing contingency. Seller agrees to allow Buyer's appraiser access to the Property for

292 purposes of an appraisal. Buyer understands and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this  
293 Offer is subject to an appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

294 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised at Buyer's  
295 expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date of this Offer  
296 indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This contingency shall be deemed  
297 satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller a copy of the appraisal report which indicates that the appraised value  
298 is not equal to or greater than the agreed upon purchase price, accompanied by a written notice of termination.

299 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether deadlines provide**  
300 **adequate time for performance.**

301 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_  
302 \_\_\_\_\_  
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310 \_\_\_\_\_

311 **DEFINITIONS CONTINUED FROM PAGE X**

312 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or improvements so as to be  
313 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the premises,  
314 items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all: garden bulbs; plants; shrubs  
315 and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central  
316 heating and cooling units and attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings;  
317 attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground  
318 sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent foundations and docks/piers on  
319 permanent foundations. A "Fixture" does not include trade fixtures owned by tenants of the Property.

320 **CAUTION: Exclude fixtures not owned by Seller such as rented fixtures. See lines xx-xx.**

321 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines X-X.

322 **EARNEST MONEY**

323 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (Buyer's agent if Property  
324 is not listed or Seller's account if no broker is involved), until applied to the purchase price or otherwise disbursed as provided in the Offer.

325 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties or an**  
326 **attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.**

327 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from  
328 payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be  
329 disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written  
330 disbursement agreement signed by all Parties to this Offer. If said disbursement agreement has not been delivered to broker within 60 days after  
331 the date set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not  
332 represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order;  
333 or (4) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader  
334 action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to  
335 disbursement.

336 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this Offer.  
337 Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1) or (4) above, broker  
338 shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's proposed disbursement, a lawsuit  
339 may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the  
340 sale of residential property with 1-4 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting  
341 attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good  
342 faith disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing regulations concerning  
343 earnest money. See Wis. Admin. Code Ch. REEB 18.

344 **DEFAULT:** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A  
345 material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal  
346 remedies.

347 If **Buyer defaults**, Seller may:  
348 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
349 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual damages.  
350 If **Seller defaults**, Buyer may:

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351 (1) sue for specific performance; or  
352 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

353 In addition, the Parties may seek any other remedies available in law or equity.

354 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the discretion of the  
355 courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of the remedies outlined above.  
356 By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes covered by the arbitration agreement.

357 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS**  
358 **DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE**  
359 **PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE**  
360 **SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

361 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the  
362 transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of the Parties  
363 to this Offer and their successors in interest.

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369 **TITLE EVIDENCE**

370 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (trustee's deed if  
371 Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as provided herein) free and clear of all liens  
372 and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of  
373 utility and municipal services, recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing  
374 disclosed in Seller's disclosure report, and Real Estate Condition Report, if applicable, and in this Offer, general taxes levied in the year of  
375 closing and

376 \_\_\_\_\_  
377 \_\_\_\_\_ which constitutes merchantable title for purposes of this transaction. Seller shall complete and  
378 execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

379 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain**  
380 **improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making improvements to Property or a use**  
381 **other than the current use.**

382 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase price on a  
383 current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all costs of providing title evidence to Buyer.  
384 Buyer shall pay all costs of providing title evidence required by Buyer's lender.

385 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's) **STRIKE ONE** ("Seller's" if  
386 neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the effective date of the title insurance  
387 commitment and before the deed is recorded, subject to the title insurance policy exclusions and exceptions, provided the title company will issue  
388 the endorsement. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for  
389 closing (see lines XXX-XXX).

390 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance commitment is  
391 delivered to Buyer's attorney or Buyer not more than \_\_\_\_\_ days after acceptance ("15" if left blank), showing title to the Property as of a date no  
392 more than 15 days before delivery of such title evidence to be merchantable per lines xxx-xxx, subject only to liens which will be paid out of the  
393 proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

394 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title within \_\_\_\_\_  
395 days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have a reasonable time, but  
396 not exceeding \_\_\_\_\_ days ("5" if left blank), from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's  
397 election to remove the objections by the time set for closing. In the event that Seller is unable to remove said objections, Buyer may deliver to  
398 Seller written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer  
399 shall deliver written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish  
400 Seller's obligations to give merchantable title to Buyer.

401 **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior to the date of this  
402 Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.

403 **CAUTION:** Consider a special agreement if area assessments, property owner's association assessments, special charges for current  
404 services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees  
405 for public improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, municipal water,  
406 sanitary and storm water and storm sewer (including all sewer mains and hook-up/connection and interceptor charges), parks, street  
407 lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).

408 **ENVIRONMENTAL EVALUATION CONTINGENCY:** This Offer is contingent upon a qualified independent environmental consultant of  
409 Buyer's choice conducting an Environmental Site Assessment of the Property (see lines xxx to xxx), at (Buyer's) (Seller's) expense **STRIKE ONE**

410 ("Buyer's" if neither is stricken), which discloses no Defects. For the purpose of this contingency, a Defect (see lines xxx-xxx) is defined to also  
411 include a material violation of environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the  
412 presence of an underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of  
413 contaminating the Property due to future migration from other properties. Defects do not include conditions the nature and extent of which Buyer  
414 had actual knowledge or written notice before signing the Offer.

415 ■ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_ days of acceptance, delivers to  
416 Seller a copy of the Environmental Site Assessment report and a written notice listing the Defect(s) identified in the Environmental Site  
417 Assessment report to which Buyer objects (Notice of Defects).

418 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

419 ■ **RIGHT TO CURE:** Seller (shall) (shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to  
420 cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating  
421 Seller's election to cure Defects, (2) curing the Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the  
422 work done within 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written  
423 inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will  
424 not cure or (b) Seller does not timely deliver the written notice of election to cure.

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426 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total acreage or building square  
427 footage figures, provided to Buyer by Seller or by a broker, may be approximate because of rounding, formulas used or other reasons, unless  
428 verified by survey or other means.

429 **CAUTION: Buyer should verify total square footage, acreage figures, and land, building or room dimensions, if material to Buyer's**  
430 **decision to purchase.**

431 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer  
432 shall have the right to walk through the Property to determine that there has been no significant change in the condition of the Property, except for  
433 ordinary wear and tear and changes approved by Buyer, and that any defects Seller has agreed to cure have been repaired in the manner agreed  
434 to by the Parties.

435 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of closing or occupancy of  
436 Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the Property  
437 is damaged in an amount of not more than five percent (5%) of the selling price, Seller shall be obligated to repair the Property and restore it to  
438 the same condition that it was on the day of this Offer. No later than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and  
439 restoration. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at  
440 option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating  
441 to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However,  
442 if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring the  
443 Property.

444 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons registered with the  
445 registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org> or by telephone at (608) 240-  
446 5830.

447 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the Offer to Buyer's  
448 lender, appraisers, title insurance companies and any other settlement service providers for the transaction as defined by the Real Estate  
449 Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple listing service sold databases; and (iii) provide  
450 active listing, pending sale, closed sale and financing concession information and data, and related information regarding seller contributions,  
451 incentives or assistance, and third party gifts, to appraisers researching comparable sales, market conditions and listings, upon inquiry.

452 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of this Offer. An  
453 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than testing for  
454 leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as  
455 the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other analysis of these  
456 materials. Seller agrees to allow Buyer's inspectors, testers, appraisers and qualified third parties reasonable access to the Property upon  
457 advance notice, if necessary to satisfy the contingencies in this Offer. Buyer and licensees may be present at all inspections and testing. Except  
458 as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

459 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to**  
460 **determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the**  
461 **contingency.**

462 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed  
463 to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections  
464 or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

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**INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines xxx-xxx). This Offer is contingent upon a qualified independent inspector(s) conducting an inspection(s) of the Property which discloses no Defects. This Offer is further contingent upon a qualified independent inspector or qualified independent third party performing an inspection of \_\_\_\_\_ (list any Property feature(s) to be separately inspected, e.g., dumpsite, etc.) which discloses no Defects. Buyer shall order the inspection (s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting from an authorized inspection performed provided they occur prior to the deadline specified at line xxx. Each inspection shall be performed by a qualified independent inspector or qualified independent third party.

**CAUTION: Buyer should provide sufficient time for the primary inspection and/or any specialized inspection(s), as well as any follow-up inspection(s).**

For the purpose of this contingency, Defects (see lines xxx-xxx) do not include conditions the nature and extent of which Buyer had actual knowledge or written notice before signing the Offer.

■ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Buyer, within \_\_\_ days of acceptance, delivers to Seller a copy of the inspection report(s) and a written notice listing the Defect(s) identified in the inspection report(s) to which Buyer objects (Notice of Defects).

**CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**

■ **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

**CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's property located at \_\_\_\_\_, no later than \_\_\_\_\_. If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a written waiver of the Closing of Buyer's Property Contingency and \_\_\_\_\_

[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)] within \_\_\_ hours of Buyer's Actual Receipt of said notice, this Offer shall be null and void.

~~**SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_\_ days after acceptance of this Offer. All other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.~~

**ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Offer.

**ADDITIONAL PROVISIONS/CONTINGENCIES**

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536 This Offer was drafted by [Licensee and Firm] \_\_\_\_\_  
537 \_\_\_\_\_ on \_\_\_\_\_.

538 Buyer Entity Name (if any): \_\_\_\_\_

539 (x) \_\_\_\_\_  
540 Buyer's/Authorized Signature▲ Print Name/Title Here▶ \_\_\_\_\_ Date▲ \_\_\_\_\_

541 (x) \_\_\_\_\_  
542 Buyer's/Authorized Signature▲ Print Name/Title Here▶ \_\_\_\_\_ Date▲ \_\_\_\_\_

543 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line XX of the above Offer.

544 \_\_\_\_\_ Broker (By) \_\_\_\_\_

545 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE  
546 CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND  
547 CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

548 Seller Entity Name (if any): \_\_\_\_\_

549 (x) \_\_\_\_\_  
550 Seller's/Authorized Signature▲ Print Name/Title Here▶ \_\_\_\_\_ Date▲ \_\_\_\_\_

551 (x) \_\_\_\_\_  
552 Seller's/Authorized Signature▲ Print Name/Title Here▶ \_\_\_\_\_ Date▲ \_\_\_\_\_

553 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_  
554 \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

555 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_  
556 Seller Initials▲ Date▲ Seller Initials▲ Date▲

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**WB-24 OPTION TO PURCHASE**

1 **BROKER DRAFTING THIS OPTION ON** \_\_\_\_\_ **[DATE] IS AGENT OF (SELLER) (BUYER)(DUAL AGENT)** **STRIKE TWO**  
2 The Seller, \_\_\_\_\_, hereby grants to Buyer,  
3 \_\_\_\_\_, an option to purchase (Option) the Property  
4 known as [Street Address] \_\_\_\_\_ in the  
5 \_\_\_\_\_ of \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin,  
6 (if this Option is to be recorded, insert legal description at lines xxx-xxx or attach as an addendum per line xxx) on the following terms:  
7 **DEADLINE FOR GRANT OF OPTION** This Option is void unless a copy of the Option which has been signed by or on behalf of  
8 all Owners is delivered to Buyer on or before \_\_\_\_\_ (Time is of the Essence).  
9 **OPTION TERMS** An option fee of \$ \_\_\_\_\_ will be paid by Buyer within \_\_\_\_\_ days of the granting of this Option, and  
10 shall not be refundable if the Option is not exercised. If the Option is exercised, \$ \_\_\_\_\_ of the option fee shall be a credit  
11 against the purchase price at closing. This Option may only be exercised by delivering written notice to Seller no later than  
12 midnight \_\_\_\_\_. Buyer may sign and deliver the notice at lines xxx-xxx, or may deliver any other written notice  
13 which specifically indicates an intent to exercise this Option. This Option shall be extended until \_\_\_\_\_, upon  
14 payment of \$ \_\_\_\_\_ in cash or equivalent to Seller on or before \_\_\_\_\_, as an option extension  
15 fee which shall not be refundable if this Option is not exercised. If this Option is exercised, \$ \_\_\_\_\_ of the option extension  
16 fee shall be a credit against the purchase price at closing. The option fee and option extension fee shall be (paid directly to Seller)  
17 (held in listing broker's trust account until \_\_\_\_\_)  
18 \_\_\_\_\_) **STRIKE ONE**  
19 This Option, or a separate instrument evidencing this Option, (may) (may not) **STRIKE ONE** be recorded. **CAUTION: FAILURE TO**  
20 **RECORD MAY GIVE PERSONS WITH SUBSEQUENT INTERESTS IN THE PROPERTY PRIORITY OVER THIS OPTION.**  
21 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:  
22 ■ **PURCHASE PRICE:** \_\_\_\_\_  
23 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) will be paid in cash or equivalent at closing unless otherwise provided below.  
24 ■ **ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE:** Seller shall include in the purchase price and transfer, free and clear of  
25 encumbrances, all fixtures, as defined at lines xx-xx and as may be on the Property on the date of this Option, unless excluded at lines  
26 xx-xx, and the following additional items: \_\_\_\_\_  
27 \_\_\_\_\_  
28 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_  
29 \_\_\_\_\_  
30 ■ **CONVEYANCE OF TITLE: Upon payment of the purchase prices, Seller shall convey the Property by warranty deed (or**  
31 **other conveyance as provided herein)** free and clear of all liens and encumbrances, except: municipal and zoning ordinances and  
32 agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
33 restrictions and covenants, general taxes levied in the year of closing and \_\_\_\_\_  
34 \_\_\_\_\_ (provided none  
35 of the foregoing prohibit present use of Property), which constitutes merchantable title for purposes of this transaction. Seller  
36 further agrees to complete and execute the documents necessary to record the conveyance.  
37 **PLACE OF CLOSING** This transaction is to be closed at the place designated by Buyer's mortgagee or \_\_\_\_\_  
38 \_\_\_\_\_ within \_\_\_\_\_ days after the exercise of the Option, unless another date or place is agreed to in writing.  
39 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in the Option  
40 (lines xxx-xxx or in an addendum per line xxx). Occupancy shall be given subject to tenant's rights, if any. **Caution: Consider**  
41 **an agreement which addresses responsibility for clearing the Property of personal property and debris, if applicable.**  
42 **LEASED PROPERTY** if property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under the  
43 lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written)(oral) **STRIKE ONE**  
44 Lease(s), if any, are \_\_\_\_\_.  
45 **CLOSING PRORATIONS** The following items shall be prorated at closing: real estate taxes, rents, private and municipal charges,  
46 property owner's association assessments, fuel and \_\_\_\_\_  
47 \_\_\_\_\_. Any income, taxes or expenses shall accrue to Seller, and be prorated, through the day prior to closing. Net  
48 General real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known, otherwise on the net  
49 general real estate taxes for the preceding year) (\_\_\_\_\_  
50 \_\_\_\_\_). **STRIKE AND COMPLETE AS APPLICABLE**  
51 **CAUTION: If proration on the basis of net general real estate taxes is not acceptable (for example, completed/pending**  
52 **reassessment, changing mill rate, lottery credits), insert estimated annual tax or other formula for proration.**  
53 **ZONING** Seller represents that the property is zoned \_\_\_\_\_.  
54 **REPRESENTATIONS REGARDING PROPERTY AND TRANSACTION** Seller represents to Buyer that as of the date Seller grants this  
55 Option Seller has no notice or knowledge of conditions affecting the Property or transaction (as defined at lines xx-xx) other than those  
56 identified in Seller's property condition report, dated \_\_\_\_\_, which was received by Buyer prior to Buyer signing  
57 this Option **COMPLETE DATE OR STRIKE AS APPLICABLE** and \_\_\_\_\_  
58 \_\_\_\_\_

59 Seller agrees to notify Buyer of any condition affecting that Property or transaction which is materially inconsistent with the above  
60 representations, which arises after this Option is granted, but prior to exercise of this Option. Buyer shall have reasonable access to the  
61 Property, upon reasonable notice, from the time this Option is granted until the time for closing, for the purpose of inspecting and testing  
62 the Property to the extent reasonably necessary to fulfill the inspection and testing provisions of this Option. (see lines 110-124).  
63 A "condition affecting the Property or transaction" is defined as follows:

- 64 (a) Planned or commenced public improvements which may result in special assessments or otherwise materially affect the  
65 Property or the present use of the property;
- 66 (b) Completed or pending reassessment of the Property for property tax purposes;
- 67 (c) Government agency or court order requiring repair, alteration or correction of any existing condition;
- 68 (d) Any land division involving the subject Property, for which required state or local approvals had not been obtained;
- 69 (e) Any portion of the Property being in a 100 year floodplain, a wetland or a shoreland zoning area under local, state or federal laws;
- 70 (f) Conditions constituting a significant health or safety hazard for occupants of Property; **Note: Possible LBP Disclosure Requirement.**
- 71 (g) Underground or aboveground storage tanks on the Property for storage of flammable or combustible liquids including but not  
72 limited to gasoline and heating oil which are currently or which were previously located on the Property; **NOTE: Wis. Adm.**  
73 **Code, Chapter Comm 10 contains registration and operation rules for such underground and aboveground storage tanks.**
- 74 (h) Material violations of environmental laws or other laws or agreements regulating the use of the Property;
- 75 (i) High voltage electric (100KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;
- 76 (j) Any portion of the Property being subject to , or in violation of, a Farmland Preservation Agreement under a County Farmland Preservation  
77 Plan or enrolled in, or in violation of, a Forest Crop, Woodland Tax, Managed Forest, Conservation Reserve or comparable program;
- 78 (k) Boundary disputes or material violation of fence laws (Wis. Stats. Chapter 90) which require the erection and maintenance of legal  
79 fences between adjoining properties where one or both of the properties is used and occupied for farming or grazing purposes;
- 80 (l) Wells on the Property required to be abandoned under state regulations (Wis. Adm Code NR 112.26) but which are not abandoned;
- 81 (m) Cisterns or septic tanks on the Property which are currently not servicing the Property;
- 82 (n) Subsoil conditions which would significantly increase the cost of building on the property including, but not limited to, subsurface  
83 foundations, organic or non-organic fill, dumpsites or containers on Property which contained or currently contain toxic or hazardous  
84 materials, high groundwater, soil conditions (e.g. low load bearing capacity) or excessive rocks or rock formations on the Property;
- 85 (o) A lack of legal vehicular access to the Property from public roads;
- 86 (p) Prior reimbursement for correction action costs under the Agricultural Chemical Cleanup Program (Wis. Stats. §94.73
- 87 (q) Other conditions or occurrences which would reduce the value of the Property to a reasonable person with knowledge of the  
88 nature and scope of the condition or occurrence.

89 ■ **PROPERTY DIMENSIONS AND SURVEYS:** Buyer acknowledges that any land dimensions, total square footage/acreage  
90 Figures, or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of  
91 Rounding or other reasons, unless verified by survey or other means. **CAUTION: Buyer should verify land dimensions, total**  
92 **Square footage/acreage figures or allocation of acreage information if material to Buyer's decision to purchase.**

93 ■ **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING:** Seller shall maintain the Property until the earlier of  
94 Closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear and  
95 tear. If, prior to closing, the Property is damaged in an amount of not more than five **per cent** (5%) of the purchase price, Seller shall be  
96 obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised. If the damage is greater  
97 than 5% of the purchase price, Seller shall promptly notify Buyer in writing of the damage and this Option may be rescinded by Buyer and  
98 all Option fees paid by Buyer shall be immediately returned to Buyer. Should Buyer elect to exercise this Option despite such damage,  
99 Seller shall either repair the Property and restore it to the same condition that it was on the day of exercise of this Option, except for  
100 Ordinary wear and tear or Buyer shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit  
101 towards the purchase price equal to the amount of Seller's deductible on such policy.

102 ■ **BUYER DUE DILIGENCE:** Prior to exercising this Option Buyer may need to perform certain inspections, investigations and testing.  
103 Buyer is only authorized to do those inspections, investigations and tests which are authorized at lines xxx-xxx or lines xxx-xxx. In  
104 Addition to these inspections, investigations and tests, Buyer may need to obtain financing, approvals or other information, including  
105 but limited to building permits, zoning variances, Architectural Control Committee approvals, review of condominium documents,  
106 review of business records, estimates for utility hook-up expenses, special assessments, charges for installation of roads or utilities, etc.  
107 **WARNING:** If Buyer contemplates developing Property or a use other than the current use, there are a variety of issues which should  
108 be addressed in order to determine the feasibility of development of, or a particular use for, a property. Buyer is solely  
109 responsible for all expenses relating to financing, inspections, investigations, testing, approvals, permits, estimates, etc.

110 ■ **INSPECTIONS:** An "inspection" is defined as an observation of the Property which does not include testing of the Property, other than  
111 Testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. Seller agrees to allow Buyer's inspectors  
112 Reasonable access to the Property upon reasonable notice for those inspections authorized at lines xxx-xxx. Buyer agrees to  
113 promptly restore the Property to its original condition after Buyer's inspections are completed, unless otherwise agreed in this Option.

114 ■ **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the  
115 Property. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and  
116 The laboratory or other analysis of these materials. Seller agrees to allow Buyer's testers reasonable access to the Property upon  
117 Reasonable notice for those tests authorized at lines xxx-xxx. Note: The authorization for testing should specify the areas of the  
118 Property to be tested, the purpose of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's  
119 Testing and any other material terms of the authorization. Unless otherwise agreed, Buyer shall return the Property to its original  
120 Condition following testing. **Seller acknowledges that certain inspections or tests may detect environmental pollution**  
121 **Which may be required to be reported to the Wisconsin Department of Natural Resources.**

122 ■ **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer  
123 shall have the right to inspect the Property to determine that there has been no significant change in the condition of the Property,  
124 except for changes approved by Buyer.

125 ■ **CONDOMINIUM DISCLOSURES:** If the Property is a Condominium, Seller agrees to provide Buyer, at Seller's cost (see  
126 Wisconsin Statutes §703.20(2)), complete, current copies of the disclosure materials (organization and operational documents, plans, financial

127 Statements, and in the case of a conversion condominium property information) as required by Wisconsin Statutes §703.33 no later than 15  
128 Days prior to closing and any amendment to these materials promptly after its adoption (except as limited for small residential  
129 Condominiums per Wisconsin Statutes §703.365). These materials are available at cost from the condominium association. As provided in  
130 Wisconsin Statutes §703.33(4), Buyer may, within five business days after receipt of these documents, including any material modification  
131 Thereto, rescind this Option by written notice mailed or delivered to Seller, the date of mailing or actual delivery being the effective date of notice.

132 **TITLE EVIDENCE**

133 ■ **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
134 Purchase price on a current ALTA form issued by an issuer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE  
135 EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**  
136 ■ **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall  
137 Acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days  
138 before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject  
139 only to liens which will be paid out of the proceeds of losing and standard title insurance requirements and exceptions, as  
140 appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR  
141 TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED BETWEEN THE EFFECTIVE DATE  
142 OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED.**

143 ■ **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by  
144 the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and  
145 the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer  
146 shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be  
147 extended accordingly. If Buyer does not waive the objections, this Option shall be null and void. Providing title evidence acceptable for  
148 closing does not extinguish Seller's obligations to give merchantable title to Buyer.

149 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, for work actually commenced or levied prior to the date this Option is exercised  
150 shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer. **CAUTION: Consider a special  
151 agreement if area assessments, property owner's association assessments, or other expenses are contemplated. "Other expenses"  
152 are one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb,  
153 gutter, street, sidewalk, sanitary and storm water and storm sewer (including all sewer mains and hook-up/connection and interceptor  
154 charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)© & (f).**

155 **DELIVERY/RECEIPT**

156 Unless otherwise stated in this Option, any signed document transmitted by facsimile machine (fax) shall be treated in all manner and respects  
157 as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original signature. Personal  
158 delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller. Once  
159 received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may  
160 not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. **The delivery  
161 provisions in this Option may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 203-209).** Buyer  
162 and Seller authorize the agents of Buyer and Seller to distribute copies of the Option to Buyer's lender, appraisers, title insurance companies  
163 and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

164 **DATES AND DEADLINES**

165 Deadlines expressed as a number of "days" from an event, such as exercise of this Option, are calculated by excluding the day the  
166 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as  
167 a specific number of "business days" exclude Saturdays, Sundays, any legal holiday under Wisconsin or Federal law, and other  
168 day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day.  
169 Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from  
170 the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or  
171 as the day of a specific event, such as closing, expire at midnight of that day.

172 **FIXTURES** A "fixture" is defined as an item of property which is physically attached to or so closely associated with land  
173 or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items  
174 not easily removable without damage to the Property, items specifically adapted to the Property, and items customarily  
175 treated as fixtures.

176 **ENTIRE CONTRACT** This Option, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding  
177 the transaction. All prior negotiations and discussions have been merged into this Option. This agreement binds and inures to the  
178 benefit of the Parties to this Option and their successors in interest.

179 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions  
180 of the terms of purchase after exercise of this Option. A material failure to perform any obligation under the terms of purchase after  
181 exercise this Option is a default which may subject the defaulting party to liability for damages or other legal remedies.

182 If **Buyer defaults** under the terms of purchase after exercise of this Option, Seller may:  
183 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
184 (2) terminate the Option purchase agreement and have the option to sue for actual damages.

185 If **Seller defaults**, under the terms of purchase after exercise of this Option, Buyer may:  
186 (1) sue for specific performance; or  
187 (2) terminate the purchase agreement and sue for actual damages.

188 In addition, the Parties may seek any other remedies available in law or equity.

189 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
190 discretion of the courts. If either Party defaults, the Parties may renegotiate the terms of purchase or seek nonjudicial dispute resolution  
191 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those  
192 disputes covered by the arbitration agreement.

193 **RENTAL WEATHERIZATION** Unless otherwise agreed Buyer shall be responsible for compliance with Rental Weatherization Standards  
194 (Wis. Admin. Code Ch. Comm. 67), if applicable.

195 Property Address: \_\_\_\_\_

196 **AUTHORIZATION FOR INSPECTIONS AND TESTS** Buyer is authorized to conduct the following inspections and tests (see lines xxx-xxx)

197 INSPECTIONS: \_\_\_\_\_

198 \_\_\_\_\_

199 TESTS: \_\_\_\_\_

200 \_\_\_\_\_

201 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Option, delivery of documents and written notices to a Party shall be effective only when accomplished by one of the methods specified at lines xx-xx.

203 (1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepared or charged to an account with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines xxx or xxx (if any), for delivery to the Party's delivery address at lines xxx or xxx.

206 Seller's recipient for delivery (optional): \_\_\_\_\_

207 Seller's delivery address: \_\_\_\_\_

208 Buyer's recipient for delivery (optional): \_\_\_\_\_

209 Buyer's delivery address: \_\_\_\_\_

210 (2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines xxx or xxx.

211 (3) By fax transmission of the document or written notice to the following telephone number:

212 Buyer: (\_\_\_\_\_) \_\_\_\_\_ Seller: (\_\_\_\_\_) \_\_\_\_\_

213 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to payment of option fees and extension fee and all other dates and deadlines in the Option except: \_\_\_\_\_

215 applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

217 This Option (is)(is not) **STRIKE ONE** assignable. This Property (is) (is not) **STRIKE ONE** homestead property.

218 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_

219 \_\_\_\_\_

220 \_\_\_\_\_

221 \_\_\_\_\_

222 \_\_\_\_\_

223 \_\_\_\_\_

224 \_\_\_\_\_

225  **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Option.

226 **IF GRANTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS OPTION AND ALL ATTACHMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OPTION BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OPTION OR HOW TITLE SHOULD BE TAKEN AT CLOSING IF THE OPTION IS EXERCISED. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

231 This Option was drafted on \_\_\_\_\_ [date] by [Licensee and Firm] \_\_\_\_\_

232 (x) \_\_\_\_\_

233 Buyer's Signature ▲ Print Name Here ► \_\_\_\_\_ Social Security No. of FEIN (Optional) ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

234 (x) \_\_\_\_\_

235 Buyer's Signature ▲ Print Name Here ► \_\_\_\_\_ Social Security No. of FEIN (Optional) ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

236 **SELLER GRANTS THIS OPTION. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OPTION SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. THE UNDERSIGNED HEREBY AGREES TO CONVEY THE ABOVE-MENTIONED PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OPTION.**

240 (x) \_\_\_\_\_

241 Seller's Signature ▲ Print Name Here ► \_\_\_\_\_ Social Security No. of FEIN (Optional) ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

242 (x) \_\_\_\_\_

243 Seller's Signature ▲ Print Name Here ► \_\_\_\_\_ Social Security No. of FEIN (Optional) ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

244 This Option was presented to Seller by \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

245 THIS OPTION IS REJECTED \_\_\_\_\_ This Option is countered [See attached counter] \_\_\_\_\_

246 Seller Initials ▲ Date ▲ \_\_\_\_\_ Seller Initials ▲ Date ▲ \_\_\_\_\_

247 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines xxx-xxx) Buyer exercises the Option to Purchase.

248 (x) \_\_\_\_\_ x) \_\_\_\_\_

249 Buyer's Signature ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_ Buyer's Signature ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

## REVISIONS TO WB-24 OPTION TO PURCHASE OFFER

To: DRL Real Estate Contractual Forms Advisory Committee  
From: WRA Forms Committee  
Date: June 30, 2011  
RE: **WB-24 Option to Purchase**

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Any line references are to the accompanying WB-24 Option to Purchase highlighted draft labeled “WB24\_6 28 11.” This draft of the WB-24 Option to Purchase gives an initial look at some of the possible modifications that might be made to update the WB-24 in its current format. But first a little of the history of the WB-24 and its transformation and evolution over the years.

An option to purchase is an exclusive, continuing promise to sell – the seller agrees to essentially place the property on hold for the option holder during the option period. The seller agrees to sell the property to the option holder if the option holder exercises the option, in writing, by the stated deadline. If the option is timely exercised, then a purchase contract is created. An option is a contractual right given by the property owner to another person to buy the property at a stated price at a stated time. During the option period the seller cannot sell the property to anyone else. The buyer, on the other hand, is not bound to take the property or pay for it – the buyer may take it or leave it. The buyer will typically conduct inspections, investigations, check zoning and other applicable ordinances, determine financing availability, etc. before providing notice that the option is exercised. Because the buyer usually pays consideration – the option fee – in return for the seller “holding” the property, the seller cannot withdraw or terminate the option.

### Option Legal Principles

1. Time is of the essence. The general rule for options is that time is of the essence, regardless of whether or not that is stated specifically in the contract itself. Most importantly, the buyer must exercise the option by the stated deadline: if this is done, it becomes a purchase contract. If the deadline passes without the buyer exercising the option, the option expires without further notice or declaration that the buyer’s rights have been forfeited.
2. Option fee nonrefundable. If the buyer pays a cash option fee and fails to exercise the option by the deadline that typically means that the buyer has forfeited the fee.
3. Not a right of first refusal. A person with a right of first refusal is not entitled to buy the property and cannot compel the seller to sell simply by delivering a written notice. The terms of an option are stated within the option while a right of first refusal provides rights to match the terms of another’s offer.

The 1989 WB-24 Option to Purchase form contained the terms and conditions typically found in an offer to purchase. These terms and conditions automatically went into effect when the option is exercised. The 2000 version of the WB-24 Option to Purchase is also in this style.

### 1995 WB-24 Option to Purchase

The 1995 Option to Purchase form, however, took a different approach (see sample copy). The 1995 form was a one-page contract to which the drafter attached a completed offer to purchase form as an addendum. The attached offer contained all of the terms and conditions which went into effect if the option was exercised. The 1995 form also included a page of instructions for the use of the form.

The 1995 option started out with a caution directly underneath the form title reminding the parties and drafting licensees that a completed offer to purchase must be attached to the option. The terms of the attached offer become the terms and conditions of the option if the option is exercised. The attached offer is an addendum which is automatically incorporated by reference on lines 43-44. There were instructions on the back of the form (but not an official part of the form).

The 1995 version indicated:

1. The status of the drafting licensee,
2. Gave the property description
3. Stated the option terms: (a) the option fee amount, (b) the option fee deadline, (c) the amount of the fee applied to the purchase price if the option was exercised, (d) the buyer's deadline for exercising the option, and (e) specified delivery methods.
4. Provided a notice section that may be used by the buyer as the notice.
5. An extension may be granted upon payment of an extension fee and notice from the buyer to the seller by the stated deadline
6. Who should hold the extension fee and any extension fee (seller or listing broker) and when and to whom the funds should be disbursed
7. To not record, record the WB-24 or record a separate document (warning that failure to record allows others to secure priority over the option rights) (to record need legal description, tax parcel number, notarized signature of seller and standard format per Wisconsin law requirements).
8. Parties could choose if option would be assignable – freely or conditionally
9. Designated if property was homestead
10. Property condition representations (“Conditions Affecting The Property Or Transaction” as defined in the attached offer)
11. Buyer has right to inspect and test (presumption that all inspections and testing and other contingencies will have been completed to the buyer's satisfaction before exercising the option).
12. Note indicates that separate authorization to test should be added separately and should specify parameters and limitations
13. Time is of the essence
14. Delivery methods as state in attached completed offer
15. Deadlines in the attached offer running from the date of acceptance instead run from the date the buyer exercises the option.

With respect to the attached offer, it was necessary to modify many provisions and the instructions on the back alerted the drafter with regard to many of these. The premise would be that deadlines stated in the offer as running from acceptance will run from the date that the option is exercised (such as additional earnest money deadline), and that there will be no contingencies: inspections, testing, financing, rezoning, etc. would be expected to have been handled by the buyer prior to the buyer's exercise of the option. It was suggested to cross out the property condition representations because it duplicated the option, cross out “binding acceptance” from the time is of the essence provision, as well as the Acceptance, Delivery and Related Provisions sections because there is no acceptance (already happens with the option). It was suggested to express closing as 30 days after exercise of the option because all that would be left would be title work and preparing for closing. It is suggested to cross off the inspection, financing and financing unavailable provisions because these functions were to have been handled prior to exercise of the option, and “N/A” should be inserted in the boxes for other contingencies. In other words, the offer is modified to become an addendum to the WB-24.

#### **2000 WB-24 Option to Purchase**

By popular demand, the need to complete an offer to purchase form and attach it as an addendum to the Option to Purchase was eliminated in the 2000 WB-24 option form, which returned to the prior format where various standard offer to purchase provisions are included within the body of the WB-24 form

itself. The concept of taking an offer to purchase and crossing out provisions to create an addendum had proved to be problematic for some. It was quite a change from filling the offer out as licensees are trained to do.

#### WB-24 Draft

The accompanying draft is based on the format of the 2000 option to purchase. While taking advantage of the various different offer types and transforming them into addendum seems attractive as a way to customize the option and create an option that is consistent with the corresponding offer variety, there was extensive concern that this may not work well for all licensees in practice.

The attached draft was discussed in general, big-pictures terms and there was no extensive review of specific language in most instances. Rather this draft attempts to capture a sample lay-out and flow without wordsmithing each particular provision at this point in the process. Much of the language used in the draft (highlighted in yellow) came from the residential offer. Below are some discussion points.

- ◆ Draft line 7: “if this Option is to be recorded, insert legal description at lines xxx-xxx or attach as an addendum per line xx.” Should this option continue to be offered? Is it very likely anyone would record the entire option contract?
- ◆ Additional Earnest Money? Should there be lines for the buyer to pay earnest money once the option is exercised?
- ◆ Draft line 20: “This Option, or a separate instrument evidencing this Option, (may)(may not) STRIKE ONE be recorded.” Should this be modified to say: “This  Option, or  a separate instrument evidencing this Option [SELECT ONE], (may)(may not) [STRIKE ONE]-be recorded.”
- ◆ Draft lines 98-114, Real Estate Condition Report and Property Condition Representations: Should the RECR explanation be used or could an abbreviated version be substituted in since there is no way of knowing whether the property in any given option is residential. Also this provision, whether the whole paragraph or a pared-down version should be modified to reference acceptance of the Option rather than a contract of sale – the deadline for providing the RECR in an option situation is 10 days after acceptance of the option contract, that is, 10 days after the seller grants the option (see lines 328-330 of the draft).

**REAL ESTATE CONDITION REPORT** If this Property includes 1-4 dwelling units, Seller must provide Buyer with a Wis. Stat. § 709.03 Real Estate Condition Report. Excluded from this requirement are sales of property that has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example, personal representatives who have never occupied the Property). A prospective Buyer may have rescission rights with regard to the Real Estate Condition Report.

- ◆ Draft lines 107-113, Property Condition Representations:

**PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date Seller grants this Option Seller has no notice or knowledge of **Defects** (lines xxx-xxx) other than those identified in *Seller's Real Estate Condition Report or Seller's property condition report* dated \_\_\_\_\_, which was received by Buyer prior to Buyer signing this Option and which is made a part of this Option by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and \_\_\_\_\_

**INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION OR DISCLOSURE REPORT**  
Seller agrees to notify Buyer of any **Defect** which is materially inconsistent with the above representations, which arises after this Option is granted, but prior to exercise of this Option. **Buyer shall have reasonable access to the Property, upon reasonable notice, from the time this Option is granted until the time for closing, for the purpose of inspecting and testing the Property to the extent reasonably necessary to fulfill the inspection and testing provisions of this Option. (See lines xxx-xxx). Make this last sentence the**

introduction to the authorization for inspections and tests (at line 295 of this draft)? It does repeat the thought shown on lines 264-265 so perhaps some further modification is appropriate.

- ◆ Draft lines 131-140, Definition of “Fixture:” Should the residential definition be used (which is in the Draft) or the more generic one from the 2000 option (shown below)?

A “fixture” is defined as an item of property which is physically attached to or so closely associated with land or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items specifically adapted to the Property, and items customarily treated as fixtures.

- ◆ Draft lines 158-171, Property Development Warning/ Buyer Due Diligence: This is a combination of the Buyer Due Diligence provision from the 2000 WB-24 Option and the Property Development Warning provision from the WB-13 Vacant Land Offer.

- ◆ Draft lines 172-185, Condominium Disclosures: This is an updated version of the language from the 2000 Option, modified to coincide with the information from the WB-14 Condominium Offer.:

**CONDOMINIUM DISCLOSURES:** If the Property is a Condominium, Seller agrees to provide Buyer, at Seller’s cost (see ~~Wisconsin Stat. § 703.20(2)~~), complete, current copies of the disclosure materials (organization and operational documents, plans, financial statements, ~~the executive summary~~ and, in the case of a conversion, condominium property information) as required by ~~Wisconsin Stat. § 703.33~~ within 10 days of acceptance of this Option, but no later than 15 days prior to closing and any amendment to these materials promptly after its adoption (except as limited for small residential condominiums per ~~Wisconsin Stat. § 703.365~~). These materials are available at cost from the condominium association. As provided in ~~Wisconsin Stat. § 703.33(4)~~, Buyer may, within five business days after receipt of these documents, including any material modification thereto, rescind this Option by written notice ~~mailed or~~ delivered to Seller, ~~the date of mailing or actual delivery being the effective date of notice. If the disclosure materials are delivered to Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer’s receipt of the disclosure materials, either rescind the Offer or request any missing documents. Seller has 5 business days following receipt of Buyer’s request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the earlier of Buyer’s receipt of requested missing documents or the deadline for Seller’s delivery of the documents [Wis. Stat. § 703.33(4)(b)]. The Parties agree that the 5 business days begin, as applicable, upon: (1) Buyer’s Actual Receipt of the disclosure materials or requested missing documents or (2) upon the deadline for Seller’s delivery of the documents. See page 4 of the WB-14 Residential Condominium Offer to Purchase for additional information.~~

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Portions in **gray** are questionable and might be best removed.

- ◆ Draft lines 187-189, Conveyance of Title: Language adjustment? “**CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by warranty deed or condominium deed or trustee’s deed if Seller is a trust, personal representative’s deed if Seller is an estate or other conveyance as provided herein),**”

- ◆ Draft lines 209-218, Provision of Merchantable Title and Title Not Acceptable for Closing: The draft uses the WB-11 language but should this be the WB-13 language such that title is delivered within \_\_\_ days after Buyer’s exercise of the Option (see below in aqua)? Or should the Buyer be able to receive the title commitment before exercising the Option?

**PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance commitment is delivered to Buyer’s attorney or Buyer not more than \_\_\_ days after acceptance (“15” if left blank), showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 418-427, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title within \_\_\_\_ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller shall have a reasonable time, but not exceeding \_\_\_\_ days ("5" if left blank) from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. In the event that Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver written notice of termination and this Offer shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

◆ Draft lines 260-299, Inspections and Testing and Authorization for Inspections and Tests: Ideally these sections should appear together. The language in lines 232-246 apparently would need to be adjusted to eliminate references to contingencies. Lines 375-377 might be improved if there were prompts with examples of the specificity that would be best when completing these lines.

**INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies authorization are included as a part of in this Option. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies perform the activities authorized in this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.

**NOTE: Any contingency authorization for testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.**

Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

**AUTHORIZATION FOR INSPECTIONS AND TESTS** Buyer is authorized to conduct the following inspections and tests (see lines xxx-xxx)

INSPECTIONS (e.g., home inspection, components such as basement, roof, etc.): \_\_\_\_\_

TESTS (e.g., radon test of lowest living level, no more than 10 soil borings at location X to determine POWTS suitability, LBP risk assessment of home, etc.): \_\_\_\_\_

◆ Draft lines 300-306, Time is of the Essence: This language represents a blending of the language from the 2000 Option and the language from the residential and other updated offers.

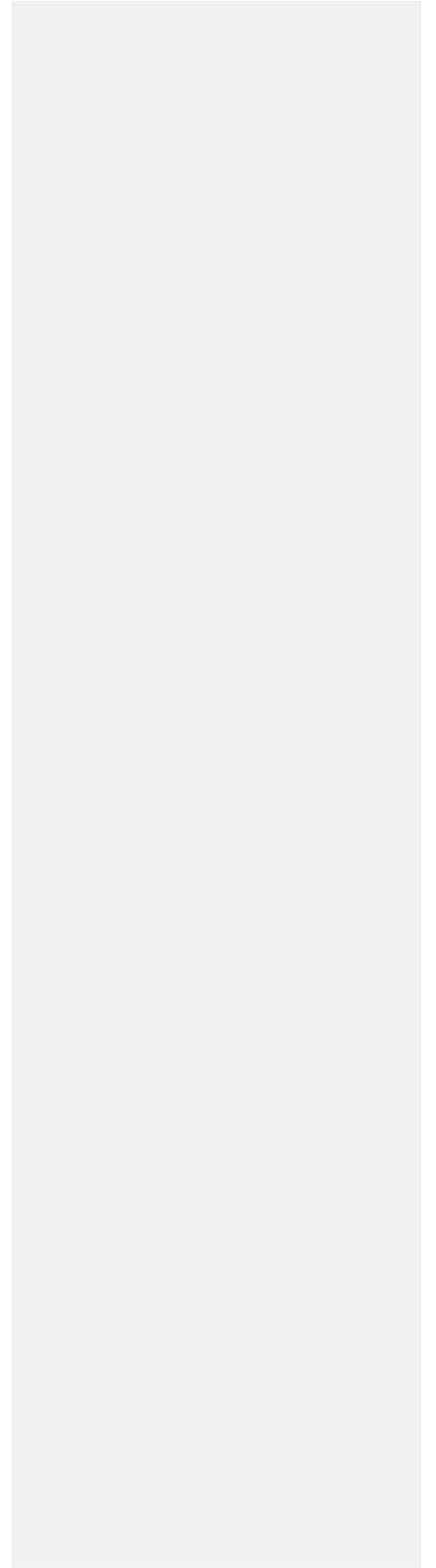
◆ Possible Lease-Option Language: "Concurrent with the granting of this Option, the Seller and Buyer have entered into a lease or rental agreement for the Property with a term running from \_\_\_\_ through \_\_\_\_.

- In the event that this Option is timely exercised, \$\_\_\_\_ of each monthly rent payment of \$\_\_\_\_ shall be applied to the purchase price while the balance shall be deemed solely rent that is kept by Seller.
- Buyer may not exercise this Option unless Buyer is current with all rent payments and is not otherwise in default under the terms of the lease or rental agreement.

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Modifications to this language? Other ideas regarding a lease/option?

WB24RevisionsDRL7-13-11



**WB-24 OPTION TO PURCHASE**

1 **LICENSEE DRAFTING THIS OPTION ON** \_\_\_\_\_ **[DATE] IS (AGENT OF BUYER)**  
2 **(AGENT OF SELLER/LISTING BROKER) (AGENT OF BUYER AND SELLER) ~~STRIKE THOSE NOT APPLICABLE~~**

3 The Seller, \_\_\_\_\_, hereby grants to Buyer,  
4 \_\_\_\_\_, an option to purchase (Option) the Property  
5 known as [Street Address] \_\_\_\_\_ in the  
6 \_\_\_\_\_ of \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin, (if  
7 this Option is to be recorded, insert legal description at lines xxx-xxx or attach as an addendum per line xx) on the following terms:

8 **DEADLINE FOR GRANT OF OPTION** This Option is void unless a copy of the Option which has been signed by or on behalf of all  
9 Owners is delivered to Buyer on or before \_\_\_\_\_ (Time is of the Essence).

10 **OPTION TERMS** An option fee of \$ \_\_\_\_\_ will be paid by Buyer within \_\_\_\_\_ days of the granting of this Option, and  
11 shall not be refundable if the Option is not exercised. If the Option is exercised, \$ \_\_\_\_\_ of the option fee shall be a credit  
12 against the purchase price at closing. This Option may only be exercised by delivering written notice to Seller no later than midnight  
13 \_\_\_\_\_. Buyer may sign and deliver the notice at lines xxx-xxx, or may deliver any other written notice which  
14 specifically indicates an intent to exercise this Option. This Option shall be extended until \_\_\_\_\_, upon  
15 payment of \$ \_\_\_\_\_ in cash or equivalent to Seller on or before \_\_\_\_\_, as an option  
16 extension fee which shall not be refundable if this Option is not exercised. If this Option is exercised, \$ \_\_\_\_\_ of the  
17 option extension fee shall be a credit against the purchase price at closing. The option fee and option extension fee shall be (paid directly to  
18 Seller) (held in listing broker's trust account until \_\_\_\_\_)

19 \_\_\_\_\_) ~~STRIKE ONE~~  
20 This Option, or a separate instrument evidencing this Option, (may)(may not) ~~STRIKE ONE~~ be recorded.

21 **CAUTION: Failure to record may give persons with subsequent interests in the property priority over this option.**

22 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:

23 ■ **PURCHASE PRICE:** \_\_\_\_\_  
24 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) will be paid in cash or equivalent at closing unless otherwise provided below.

25 ■ **INCLUDED IN PURCHASE PRICE:** Seller is including in the purchase price the Property, all Fixtures on the Property on the date  
26 of this Option not excluded at lines xx-xx, and the following additional items: \_\_\_\_\_

27 \_\_\_\_\_  
28 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_

29 \_\_\_\_\_  
30 **CAUTION: Identify Fixtures that are on the Property (see lines xxx-xxx) to be excluded by Seller or which are rented and will**  
31 **continue to be owned by the lessor.**

32 **NOTE: The terms of this Option, not the listing contract or marketing materials, determine what items are**  
33 **included/excluded.**

34 **OPTIONAL PROVISIONS** TERMS OF THIS OPTION THAT ARE PRECEDED BY AN OPEN BOX (  ) ARE PART OF THIS  
35 OPTION ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OPTION IF MARKED "N/A" OR  
36 ARE LEFT BLANK.

37 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Option, delivery of documents and written  
38 notices to a Party shall be effective only when accomplished by one of the methods specified at lines xx-xx.

39 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at  
40 line xx or xx.

41 Seller's recipient for delivery (optional): \_\_\_\_\_  
42 Buyer's recipient for delivery (optional): \_\_\_\_\_

43  (2) **Fax:** fax transmission of the document or written notice to the following telephone number:  
44 Seller: (\_\_\_\_\_) \_\_\_\_\_ Buyer: (\_\_\_\_\_) \_\_\_\_\_

45  (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a commercial  
46 delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 38 or 39, for delivery to the  
47 Party's delivery address at line xx or xx.

48  (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to  
49 the Party's recipient for delivery if named at line xx or xx, for delivery to the Party's delivery address at line xx or xx.  
50 Delivery address for Seller: \_\_\_\_\_  
51 Delivery address for Buyer: \_\_\_\_\_

52  (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line xx or  
53 xx. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for personal, family

54 or household purposes, each consumer providing an e-mail address below has first consented electronically to the use of electronic  
55 documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

56 E-Mail address for Seller (optional): \_\_\_\_\_

57 E-Mail address for Buyer (optional): \_\_\_\_\_

58 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller  
59 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

60 **CLOSING** This transaction is to be closed no later than \_\_\_\_\_  
61 \_\_\_\_\_ at the place selected by Seller, unless otherwise agreed by the Parties in writing.

62 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values: real  
63 estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association assessments, fuel  
64 and \_\_\_\_\_.

65 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

66 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

67 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

68  The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are  
69 defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE APPLIES IF NO  
70 BOX IS CHECKED)

71  Current assessment times current mill rate (current means as of the date of closing)

72  Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year, or  
73 current year if known, multiplied by current mill rate (current means as of the date of closing)

74  \_\_\_\_\_

75 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**  
76 **substantially different than the amount used for proration especially in transactions involving new construction, extensive**  
77 **rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor regarding**  
78 **possible tax changes.**

79  Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the  
80 actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of  
81 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within  
82 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of  
83 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

84 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option  
85 at lines xxx-xxx or xxx-xxx or in an addendum attached per line xxx. At time of Buyer's occupancy, Property shall be in broom swept  
86 condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer  
87 or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

88 **Caution: Consider an agreement which addresses responsibility for clearing the Property of personal property and debris, if**  
89 **applicable.**

90 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights under the  
91 lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written) (oral) **STRIKE ONE**  
92 lease(s), if any, are \_\_\_\_\_.

93 Insert additional terms, if any, at lines xxx-xxx or xxx-xxx or attach as an addendum per line xxx.

94 **RENTAL WEATHERIZATION** Unless otherwise agreed Buyer shall be responsible for compliance with Rental Weatherization  
95 Standards (Wis. Admin. Code Ch. Comm. 67), if applicable.

96 **ZONING** Seller represents that the property is zoned \_\_\_\_\_.

97 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to provide  
98 Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been inhabited,  
99 sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal  
100 representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The law provides: "§  
101 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the contract of sale . . . , to  
102 the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer who does not receive a report within  
103 the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of sale . . . by delivering a written  
104 notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if a Real Estate Condition  
105 Report disclosing defects is furnished before expiration of the 10 days, but after the Option is submitted to Seller. Buyer should  
106 review the report form or consult with an attorney for additional information regarding rescission rights.

107 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date Seller grants this Option Seller has no  
108 notice or knowledge of Conditions Affecting the Property or Transaction (lines xxx-xxx) other than those identified in *Seller's Real*  
109 *Estate Condition Report or Seller's property condition report* dated \_\_\_\_\_, which was received  
110 by Buyer prior to Buyer signing this Option and which is made a part of this Option by reference **COMPLETE DATE OR STRIKE**

111 **AS APPLICABLE** and \_\_\_\_\_

112 \_\_\_\_\_

113 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT** Seller agrees to notify Buyer of any condition

114 affecting the Property or transaction which is materially inconsistent with the above representations, which arises after this Option is  
115 granted, but prior to exercise of this Option. Buyer shall have reasonable access to the Property, upon reasonable notice, from the  
116 time this Option is granted until the time for closing, for the purpose of inspecting and testing the Property to the extent reasonably  
117 necessary to fulfill the inspection and testing provisions of this Option. (See lines xxx-xxx).

118 **DEFINITIONS**

119 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or written  
120 notice physically in the Party's possession, regardless of the method of delivery.

121 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the  
122 day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines  
123 expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal  
124 law, and any other day designated by the President such that the postal service does not receive registered mail or make regular  
125 deliveries on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a  
126 notice, are calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific  
127 day of the calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

128 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would  
129 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would  
130 significantly shorten or adversely affect the expected normal life of the premises.

131 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or improvements so  
132 as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage  
133 to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all:  
134 garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and  
135 traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and treatment systems;  
136 sump pumps; attached or fitted floor coverings; awnings; attached antennas; garage door openers and remote controls; installed  
137 security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances;  
138 ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations.

139 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water conditioning  
140 systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines xx-xx.**

141 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines x-x.

142 **PROPERTY DIMENSIONS AND SURVEYS CAUTION: Buyer should verify total square footage formula, total square  
143 footage/acreage figures, and land, building or room dimensions, if material.**

144 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's  
145 agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change in the condition  
146 of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects Seller has agreed to cure  
147 have been repaired in the manner agreed to by the Parties.

148 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of  
149 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Option, except for ordinary wear  
150 and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price, Seller shall  
151 be obligated to repair the Property and restore it to the same condition that it was on the day of this Option. No later than closing,  
152 Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum, Seller shall  
153 promptly notify Buyer in writing of the damage and this Option may be canceled at option of Buyer. Should Buyer elect to carry out  
154 this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Property,  
155 plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale is  
156 financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring the  
157 Property.

158 **PROPERTY DEVELOPMENT WARNING BUYER DUE DILIGENCE:** Prior to exercising this Option Buyer may need to perform certain  
159 inspections, investigations and testing. Buyer is only authorized to do those inspections, investigations and tests which are authorized at  
160 lines xxx-xxx or lines xxx-xxx. In addition to these inspections, investigations and tests, Buyer may need to obtain financing, approvals or  
161 other information, including but not limited to building permits, zoning variances, Architectural Control Committee approvals, review of  
162 condominium documents, review of business records, estimates for utility hook-up expenses, special assessments, charges for installation  
163 of roads or utilities, etc. If Buyer contemplates developing Property for a use other than the current use, there are a variety of issues  
164 which should be addressed to ensure the development or new use is feasible. Municipal and zoning ordinances, recorded building  
165 and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed.  
166 Building permits, zoning variances, Architectural Control Committee approvals, estimates for utility hook-up expenses, special  
167 assessments, changes for installation of roads or utilities, environmental audits, subsoil tests, or other development related fees may  
168 need to be obtained or verified in order to determine the feasibility of development of, or a particular use for, a property..

169 ~~WARNING: If Buyer contemplates developing Property or a use other than the current use, there are a variety of issues which should be  
170 addressed in order to determine the feasibility of development of, or a particular use for, a property. Buyer is solely responsible for all  
171 expenses relating to financing, inspections, investigations, testing, approvals, permits, estimates, etc.~~

172 ■ **CONDOMINIUM DISCLOSURE:** If the Property is a Condominium, Seller agrees to provide Buyer, at Seller's cost (see Wis. Stat.  
173 § 703.20(2)), complete, current copies of the disclosure materials (organization and operational documents, plans, financial  
174 statements, the executive summary and, in the case of a conversion, condominium property information) as required by Wis. Stat. §

175 703.33 within 10 days of acceptance of this Option, but no later than 15 days prior to closing and any amendment to these materials  
176 promptly after it's adoption (except as limited for small residential condominiums per Wis. Stat. § 703.365). These materials are  
177 available at cost from the condominium association. As provided in Wis. Stat. § 703.33(4), Buyer may, within five business days  
178 after receipt of these documents, including any material modification thereto, rescind this Option by written notice delivered to Seller.  
179 If the disclosure materials are delivered to Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5  
180 business days of Buyer's receipt of the disclosure materials, either rescind the Option or request any missing documents. Seller has  
181 5 business days following receipt of Buyer's request for missing documents to deliver the requested documents. Buyer may rescind  
182 the sale within 5 business days of the earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery  
183 of the documents [Wis. Stat. § 703.33(4)(b)]. **The Parties agree that the 5 business days begin, as applicable, upon: (1) Buyer's**  
184 **Actual Receipt of the disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of**  
185 **the documents.** See page 4 of the WB-14 Residential Condominium Option to Purchase for additional information.

186 **TITLE EVIDENCE**

187 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed or  
188 condominium deed (or trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other  
189 conveyance as provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and  
190 agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
191 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate Condition  
192 Report and in this Option, general taxes levied in the year of closing and \_\_\_\_\_

193 \_\_\_\_\_  
194 \_\_\_\_\_  
195 \_\_\_\_\_  
196 \_\_\_\_\_ which constitutes merchantable title for purposes of this transaction. Seller shall complete  
197 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

198 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may**  
199 **prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making**  
200 **improvements to Property or a use other than the current use.**

201 ■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
202 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all costs of  
203 providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's lender.

204 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's) ~~STRIKE~~  
205 ~~ONE~~ ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the effective  
206 date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy exclusions and  
207 exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap coverage is not available,  
208 Buyer may give written notice that title is not acceptable for closing (see lines xxx-xxx).

209 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance  
210 commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title to the Property as of  
211 a date no more than 15 days before delivery of such title evidence to be merchantable per lines xxx-xxx, subject only to liens which  
212 will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate. **WB13?**

213 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to  
214 title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the  
215 objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said  
216 objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for  
217 closing shall be extended accordingly. If Buyer does not waive the objections, this Option shall be null and void. Providing title  
218 evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer. **WB13?**

219 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior to the  
220 date of this Option is exercised shall be paid by Seller no later than closing. All other special assessments shall be paid by  
221 Buyer.

222 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special charges**  
223 **for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are one-time charges**  
224 **or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter,**  
225 **street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all sewer mains and hook-**  
226 **up/connection and interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as**  
227 **defined in Wis. Stat. § 66.0617(1)(f).**

228 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the Option  
229 to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as defined by  
230 the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple listing service sold  
231 databases; and (iii) provide active listing, pending sale, closed sale and financing concession information and data, and related  
232 information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers researching comparable sales,  
233 market conditions and listings, upon inquiry.

234 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of  
235 this Option. A material failure to perform any obligation under this Option is a default which may subject the defaulting party to liability  
236 for damages or other legal remedies.

237 If Buyer defaults, Seller may:

- 238 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 239 (2) terminate the Option and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual  
240 damages.

241 If Seller defaults, Buyer may:

- 242 (1) sue for specific performance; or
- 243 (2) terminate the Option and request the return of the earnest money, sue for actual damages, or both.

244 In addition, the Parties may seek any other remedies available in law or equity.

245 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
246 discretion of the courts. If either Party defaults, the Parties may renegotiate the Option or seek nonjudicial dispute resolution instead  
247 of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those  
248 disputes covered by the arbitration agreement.

249 **NOTE: IF ACCEPTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**  
250 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE**  
251 **OPTION BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS**  
252 **UNDER THIS OPTION OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF**  
253 **LEGAL ADVICE IS NEEDED.**

254 **ENTIRE CONTRACT** This Option, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding  
255 the transaction. All prior negotiations and discussions have been merged into this Option. This agreement binds and inures to the  
256 benefit of the Parties to this Option and their successors in interest.

257 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons registered  
258 with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org> or by  
259 telephone at (608) 240-5830.

260 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific authorizations is included in this Option. An  
261 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than  
262 testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.  
263 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the  
264 laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers and appraisers reasonable access  
265 to the Property upon advance notice, if necessary to perform the activities authorized in this Option. Buyer and licensees may be  
266 present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to  
267 conduct testing of the Property.

268 **NOTE: Any authorization for testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to**  
269 **determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of the**  
270 **contingency.**

271 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed unless  
272 otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller. Seller  
273 acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the  
274 Wisconsin Department of Natural Resources.

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295 **AUTHORIZATION FOR INSPECTIONS AND TESTS** Buyer is authorized to conduct the following inspections and tests (see lines xxx-xxx)  
296 INSPECTIONS: \_\_\_\_\_

297 \_\_\_\_\_  
298 TESTS: \_\_\_\_\_

299 \_\_\_\_\_

300 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) option fees; (2) extension fees; (3) earnest money payment(s); (4)  
301 occupancy; (5) date of closing; **STRIKE AS APPLICABLE** and all other dates and Deadlines in this Option except: \_\_\_\_\_

302 \_\_\_\_\_  
303 \_\_\_\_\_

304 \_\_\_\_\_. If "Time is of the Essence" applies to a date or Deadline, failure to perform by the exact date or Deadline is a breach of  
305 contract. If "Time is of the Essence" does not apply to a date or Deadline, then performance within a reasonable time of the date or  
306 Deadline is allowed before a breach occurs.

307 This Option (is)(is not) **STRIKE ONE** assignable. This Property (is) (is not) **STRIKE ONE** homestead property.

308  **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Option.

309 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_

310 \_\_\_\_\_  
311 \_\_\_\_\_

312 \_\_\_\_\_  
313 \_\_\_\_\_

314 \_\_\_\_\_  
315 \_\_\_\_\_

316 \_\_\_\_\_

317 **IF GRANTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS OPTION**  
318 **AND ALL ATTACHMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE**  
319 **OPTION BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS**  
320 **OPTION OR HOW TITLE SHOULD BE TAKEN AT CLOSING IF THE OPTION IS EXERCISED. AN ATTORNEY SHOULD BE**  
321 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

322 This Option was drafted by [Licensee and Firm] \_\_\_\_\_

323 \_\_\_\_\_ on \_\_\_\_\_.

324 (x) \_\_\_\_\_

325 Buyer's Signature ▲ Print Name Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

326 (x) \_\_\_\_\_

327 Buyer's Signature ▲ Print Name Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

328 **SELLER GRANTS THIS OPTION. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OPTION**  
329 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE**  
330 **TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OPTION.**

331 x) \_\_\_\_\_

332 Seller's Signature ▲ Print Name Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

333 (x) \_\_\_\_\_

334 Seller's Signature ▲ Print Name Here ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

335 This Option was presented to Seller by [Licensee and Firm] \_\_\_\_\_

336 \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

337 This Option is rejected \_\_\_\_\_ This Option is countered [See attached counter] \_\_\_\_\_

338 Seller Initials ▲ Date ▲ \_\_\_\_\_ Seller Initials ▲ Date ▲ \_\_\_\_\_

339 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines xxx-xxx) Buyer exercises the Option to Purchase.

340 (x) \_\_\_\_\_ x) \_\_\_\_\_

341 Buyer's Signature ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_ Buyer's Signature ▲ \_\_\_\_\_ Date ▲ \_\_\_\_\_

WB-24 OPTION TO PURCHASE

CAUTION: A COMPLETED OFFER MUST BE ATTACHED TO THIS OPTION. SEE THE REVERSE SIDE FOR INSTRUCTIONS.

1 THE BROKER DRAFTING THIS OPTION ON \_\_\_\_\_ [DATE] IS THE AGENT OF (SELLER) (BUYER) ~~STRIKE AS APPLICABLE~~  
2 The Seller, \_\_\_\_\_ hereby grants to Buyer,

3 \_\_\_\_\_ an option to purchase the Property  
4 known as [Street Address] \_\_\_\_\_ in the  
5 of \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin. (Insert legal description at  
6 lines 39 to 42 or attach per lines 43 to 44, if this Option is to be recorded. See lines 73 to 82 for further instructions.) on the terms  
7 set forth in the attached Offer to Purchase, which is incorporated fully into this Option, and on the following terms:

8 ■ **OPTION TERMS:** An option fee of \$ \_\_\_\_\_ will be paid by Buyer within \_\_\_\_\_ days of the granting of this Option, and shall  
9 not be refundable if this Option is not exercised. If this Option is exercised, \$ \_\_\_\_\_ of the option fee shall be a credit  
10 against the purchase price at closing. This Option may only be exercised by delivering written notice to Seller no later than midnight  
11 \_\_\_\_\_, \_\_\_\_\_ Buyer may sign and deliver the notice per lines 66 to 68 or may deliver any other written  
12 notice which specifically indicates an intent to exercise this Option. This Option shall be extended until \_\_\_\_\_,  
13 \_\_\_\_\_, upon payment of \$ \_\_\_\_\_ in cash or equivalent to Seller on or before  
14 \_\_\_\_\_, \_\_\_\_\_, as an option extension fee which shall not be refundable if this Option is not exercised.  
15 If this Option is exercised, \$ \_\_\_\_\_ of the option extension fee shall be a credit against the purchase price at  
16 closing. The option fee and option extension fee shall be (paid directly to Seller)(held in listing broker's trust account until  
17 \_\_\_\_\_) ~~STRIKE ONE~~.

18 This option, or a separate instrument evidencing this Option, (may)(may not) ~~STRIKE ONE~~ be recorded. CAUTION: FAILURE TO  
19 RECORD MAY ALLOW SUBSEQUENT LIEN HOLDERS OR PURCHASERS PRIORITY OVER THIS OPTION.

20 This Option (is)(is not) ~~STRIKE ONE~~ assignable. This Property (is) (is not) ~~STRIKE ONE~~ homestead property.

21 ■ **PROPERTY CONDITION REPRESENTATIONS:** Seller represents to Buyer that as of the date Seller grants this Option,  
22 Seller has no notice or knowledge of conditions affecting the Property or transaction (as defined in the attached Offer) other than  
23 those identified in Seller's property condition report dated \_\_\_\_\_ which was received by Buyer prior to Buyer signing this Option  
24 ~~COMPLETE DATE OR STRIKE AS APPLICABLE~~ and \_\_\_\_\_

25 \_\_\_\_\_ The effective date of any representation regarding conditions affecting the  
26 Property or transaction in the attached Offer to Purchase shall be the date of the granting of this Option. Seller agrees to notify  
27 Buyer of any condition affecting the Property or transaction which is materially inconsistent with the above representations and  
28 which arises after the granting of this Option, but prior to the exercise of this Option. Buyer and Buyer's inspector(s) shall have  
29 reasonable access to the Property, upon reasonable notice, from the time of the granting of this Option until the time of the exercise  
30 of this Option, for the purpose of inspecting the Property (See lines 92 to 95). NOTE: IF TESTING OF THE PROPERTY IS TO BE  
31 PERFORMED, AN AGREEMENT AUTHORIZING THE TESTING SHOULD BE PROVIDED AT LINES 39 - 42 OR IN AN  
32 ADDENDA PER LINES 43 - 44. (SEE LINES 96 TO 106 FOR MORE INFORMATION REGARDING TESTING).

33 ■ **TIME IS OF THE ESSENCE** as to: payment of option and extension fees, exercise of this Option and all other dates and  
34 deadlines in this Option except: \_\_\_\_\_

35 ■ **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES:** Unless otherwise stated in this Option, delivery of documents  
36 and written notices to a party to this Option is effective only when accomplished in any of the ways set forth in the attached Offer.

37 ■ **DEADLINES:** All deadlines in the attached Offer to Purchase which run from the date of acceptance of the attached Offer to  
38 Purchase shall run from the date of the exercise of this Option.

39 ■ **ADDITIONAL PROVISIONS:** \_\_\_\_\_  
40 \_\_\_\_\_  
41 \_\_\_\_\_  
42 \_\_\_\_\_

43 ■ **ADDENDA:** The attached Offer to Purchase and \_\_\_\_\_  
44 \_\_\_\_\_ is/are made part of this Option.

45 IF GRANTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS OPTION AND  
46 ALL ATTACHMENTS CAREFULLY. BROKER MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THIS OPTION BUT IS  
47 PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OPTION OR HOW TITLE  
48 SHOULD BE TAKEN AT CLOSING IF THIS OPTION IS EXERCISED. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS  
49 NEEDED.

50 (x) \_\_\_\_\_  
51 (Buyer's Signature) ▲ Print Name here: ► \_\_\_\_\_ (Social Security No.) \_\_\_\_\_ (Date)

52 (x) \_\_\_\_\_  
53 (Buyer's Signature) ▲ Print Name here: ► \_\_\_\_\_ (Social Security No.) \_\_\_\_\_ (Date)

54 SELLER GRANTS THIS OPTION. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OPTION SURVIVE CLOSING  
55 AND THE CONVEYANCE OF THE PROPERTY. THE UNDERSIGNED HEREBY AGREES TO CONVEY THE ABOVE-MENTIONED PROPERTY  
56 ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OPTION.

57 (x) \_\_\_\_\_  
58 (Seller's Signature) ▲ Print Name here: ► \_\_\_\_\_ (Social Security No.) \_\_\_\_\_ (Date)

59 (x) \_\_\_\_\_  
60 (Seller's Signature) ▲ Print Name here: ► \_\_\_\_\_ (Social Security No.) \_\_\_\_\_ (Date)

61 This Option was drafted by (x) \_\_\_\_\_  
62 \_\_\_\_\_ Signature ▲ \_\_\_\_\_ Print Name ▲ \_\_\_\_\_ Firm ▲

63 This Option was presented to Seller by \_\_\_\_\_ or \_\_\_\_\_, 19 \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

64 THIS OPTION IS REJECTED \_\_\_\_\_ THIS OPTION IS COUNTERED [See attached counter] \_\_\_\_\_  
65 \_\_\_\_\_ (Seller Initials) \_\_\_\_\_ (Date) \_\_\_\_\_ (Seller Initials) \_\_\_\_\_ (Date)

66 ■ **NOTICE OF EXERCISE OF OPTION.** By signing below and delivering this notice per lines 35 to 36, Buyer exercises this Option to Purchase.

67 \_\_\_\_\_  
68 Buyer's signature | \_\_\_\_\_ Date | Buyer's Signature | \_\_\_\_\_ Date |

SAMPLE FORM • SAMPLE FORM

69 ■ **INSTRUCTIONS FOR COMPLETION OF OPTION AND ATTACHED OFFER TO PURCHASE**

70 The following instructions for completion of this Option and the attached Offer to Purchase are not a part of the Option.  
71 The instructions have been provided to assist real estate licensees who are completing this Option and attached Offer to  
72 Purchase forms pursuant to the provisions of Wisconsin Administrative Code § RL 16.04 .

73 ■ **REQUIREMENTS FOR RECORDING**

74 If this Option is to be recorded, a complete legal description should be inserted at lines 39 to 42 or attached and referenced  
75 as an addenda at lines 43 to 44. In many counties a Tax Parcel Identification Number (PIN) is required to be included  
76 with the legal description. The signatures of Sellers will need to be acknowledged or authenticated. Other requirements  
77 for recording this Option may exist under local or state law. Contact the Register of Deeds for the county in which the  
78 Property is located for more information regarding these recording requirements. As an alternative to recording this Option  
79 and the attached Offer to Purchase, a separate recordable instrument may be recorded to evidence that this Option to  
80 purchase the Property has been granted to Buyer. The Parties should consult with legal counsel regarding the content  
81 and preparation of the separate instrument. **Caution: The Parties should agree upon which Party's attorney will**  
82 **prepare the instrument and which Party will be responsible for the costs of preparation.**

83 ■ **COMPLETING DEADLINES**

84 Because an Offer to Purchase attached as an addenda to an Option will not be "accepted" as a separate document by  
85 the Seller, all deadlines in the Offer to Purchase running from the date of acceptance of the attached Offer to Purchase  
86 will be deemed to run from the date of the exercise of this Option (see lines 37 to 38). **CAUTION: REVIEW ALL**  
87 **DEADLINES IN THIS OPTION AND ATTACHED OFFER TO PURCHASE TO INSURE THE DEADLINES COMPLY WITH**  
88 **THE INTENT OF THE PARTIES.**

89 ■ **EFFECTIVE DATE OF SELLER REPRESENTATIONS AND INSPECTIONS**

90 Unless otherwise agreed, this Option provides that the representations regarding conditions affecting the Property or  
91 transaction set forth in this Option and in the attached Offer are being made as of the date of granting of this Option (See  
92 lines 21 to 32). To supplement these representations, which are based on Seller's notice or knowledge of these conditions  
93 on the date of granting of this Option, Buyer may conduct inspections of the property prior to exercise of this Option (see  
94 lines 28 to 32). **Caution: Seller should consult with legal counsel before agreeing to make warranties or**  
95 **representations based on Seller's knowledge of the Property's condition at the time of the exercise of this Option.**

96 ■ **TESTING**

97 **Caution: This Option provides Buyer with the right to conduct inspections of the Property but does not give Buyer**  
98 **the right to conduct testing of the Property unless the parties have otherwise agreed.** Buyer should determine what  
99 tests will be required to be completed prior to the exercise of this Option and include in this Option an agreement giving  
100 Buyer the right to conduct the testing. The testing agreement may be inserted at lines 39 to 42 or may be attached in an  
101 addendum per line 43 to 44. The agreement should authorize the testing to be done, identify the purpose of the testing,  
102 state any limitations on Buyer's testing and specify any other material terms of the agreement (e.g. Buyer's obligation  
103 to return the Property to its original condition). Examples of tests done in real estate transactions may include, but are  
104 not limited to: soils testing for approval of septic systems, testing for lead-based paint, testing well water for bacteriological  
105 contamination, soil testing to determine adequacy for planned development, etc. Certain testing contingencies may be  
106 found in the WB-12 Farm Offer to Purchase and the WB-13 Vacant Land Offer to Purchase.

107 ■ **CONTINGENCIES**

108 Contingencies in an Offer to Purchase are generally conditions which must be fulfilled before the Buyer agrees to be bound  
109 to the Offer to Purchase. Because an Option is ordinarily drafted with the presumption that Buyer will have fulfilled all  
110 conditions prior to exercise of the Option, Offers to Purchase attached to Options do not typically contain contingencies.  
111 **CAUTION: IF THE OFFER TO PURCHASE FORM ATTACHED TO THIS OPTION CONTAINS PREPRINTED**  
112 **CONTINGENCIES, THEY SHOULD, UNLESS THE PARTIES OTHERWISE AGREE, BE MARKED AS "NOT**  
113 **APPLICABLE" OR BE STRUCK FROM THE ATTACHED OFFER TO PURCHASE.**

114 ■ **ACCEPTANCE PROVISIONS IN OFFER TO PURCHASE**

115 Because the attached Offer to Purchase will not be "accepted" as a separate document, all "acceptance" provisions in the  
116 should be deleted from the Offer to Purchase. The area for the signatures of Buyer and Seller may be modified to be used  
117 as an area for the initials of Buyer and Seller to acknowledge receipt of a copy of the Offer to Purchase which has been  
118 attached to this Option..

**WB-37 EXCLUSIVE LISTING CONTRACT FOR LEASE OF REAL PROPERTY**

Mandatory for use as an exclusive listing contract for lease of residential property - Do not use as a property management agreement or listing for sale.

1 Owner gives Broker the exclusive right to negotiate a lease or leases of the property located in the \_\_\_\_\_ of  
2 \_\_\_\_\_ County of \_\_\_\_\_, Wisconsin, further described as: \_\_\_\_\_  
3 \_\_\_\_\_

4 \_\_\_\_\_ ("Premises" which shall mean the entire property or a particular rental unit as appropriate)  
5 under the terms of this Listing **STRIKE AND COMPLETE AS APPLICABLE**. Insert additional description at lines at lines 142-149 or in an  
6 addendum per line 150. Identify proposed lease terms at lines 10-14. Note: Specify additional lease terms/marketing instructions in  
7 additional provisions at lines 142-149 or in an addendum. Consider addressing inclusions (furniture, appliances, equipment, designated  
8 parking and storage areas, etc.), marketing terms (potential owner repairs, build-outs, credits, etc.) and restrictions on tenant's use and  
9 occupancy. Also see lines 31-33 regarding repairs and build-outs owner agrees to complete under this Listing.

10	UNIT NO.	RENT	SECURITY DEP.	OTHER LEASE TERMS/CURRENT STATUS OF UNIT
11	1.	\$	\$	
12	2.	\$	\$	
13	3.	\$	\$	
14	4.	\$	\$	

15 **BROKER'S DUTIES** In consideration for Owner's agreements herein, Owner authorizes Broker and Broker agrees to use reasonable  
16 efforts to negotiate leases of the Premises and to perform the following services: solicit, review and verify applications, qualify and approve  
17 prospective tenants, receive and hold deposits, execute leases on behalf of Owner, and collect rents (**STRIKE ALL DUTIES BROKER**  
18 **DOES NOT ACCEPT**), and in addition Broker shall provide the following services: \_\_\_\_\_  
19 \_\_\_\_\_. Note: This is not a property management agreement and this Listing  
20 does not obligate Broker to perform any property management duties, including maintenance, unless specified at lines 18-19 or 142-150.

21 **OWNER'S OBLIGATIONS** Owner agrees to make available to Broker copies of all existing data, records, documents, building rules  
22 and regulations, and other materials required in connection with the lease of the Premises, to provide or approve a lease and other forms for  
23 Broker's use, to allow Broker to show the Premises at reasonable times and upon reasonable advance notice as may be allowed by law, to  
24 allow Broker to advertise including placing signage upon the Premises, to cooperate with Broker in Broker's actions under this Listing and to  
25 immediately provide to Broker the names of any prospective tenants. **STRIKE ANY ITEMS NOT APPLICABLE**

26 **OWNERS WARRANTIES, COVENANTS AND REPRESENTATIONS** Owner warrants and represents that any materials and  
27 information given to Broker by Owner are true, accurate and correct and that the lease and other forms provided to Broker by Owner comply  
28 with all applicable laws. Owner has made no rent concessions or other agreements affecting the Premises. Owner shall immediately notify  
29 Broker in writing of any material change in the information provided to Broker. Owner agrees to hold Broker harmless from loss by reason of  
30 Broker's use of these materials, forms and information, including the payment of reasonable attorney fees in the event of any suit against  
31 Broker arising out of the use of these materials, forms and information. Owner agrees to make the following repairs and build-outs to the  
32 Premises: \_\_\_\_\_

33 \_\_\_\_\_ **STRIKE ANY ITEMS NOT APPLICABLE**

- 34 Owner represents to Broker that Owner has no notice or knowledge of any of the following conditions affecting the Premises:
- 35 (a) Uncorrected building or housing code violations;
  - 36 (b) A lack of hot or cold running water;
  - 37 (c) Plumbing or sewage disposal facilities that are not in good operating condition;
  - 38 (d) Heating facilities serving any rental unit that are not in safe operating condition, or are not capable of maintaining a  
39 temperature, measured in occupied areas at the approximate center of the room, midway between floor and ceiling, of at least 670 F (190  
40 C) during all seasons of the year that the rental unit is occupied;
  - 41 (e) A lack of electrical service, or electrical wiring, outlets, fixtures or other components of the electrical system that are not in safe operating  
42 condition;
  - 43 (f) Any structural or other conditions in the Premises which constitute a substantial hazard to the health or safety of the tenant(s), or create  
44 an unreasonable risk of personal injury as a result of any reasonably foreseeable use of the Premises other than negligent use or abuse of  
45 the Premises by tenant(s);
  - 46 (g) Other conditions or occurrences which would significantly reduce the value of the leasehold interest to a reasonable person with  
47 knowledge of the nature and scope of the condition or occurrence. **EXCEPTIONS TO REPRESENTATIONS STATED IN LINES 34-**  
48 **47:** \_\_\_\_\_

49 Owner agrees to promptly inform Broker of any information that would modify the above representations during the term of this Listing.

50 **BROKER'S COMMISSION** If a lease or a rental agreement is entered into as to the Premises, Owner agrees to pay Broker a  
51 commission in the amount of \_\_\_\_\_  
52 which shall be due and payable \_\_\_\_\_.

53 **TERMINATION FEE** If this Listing is terminated because of a sale, exchange or other transfer of legal or equitable title to the Premises,  
54 Owner agrees to pay Broker a termination fee in the amount of \_\_\_\_\_  
55 \_\_\_\_\_ which shall be reduced by any commissions paid to Broker in connection with the purchase, sale or option.

## 56 **EXTENSION OF LISTING**

57 The Listing term is extended for a period of one year as to any tenant who personally or through any person acting for such tenant either  
58 negotiated regarding the lease of the Premises or submitted a written letter of intent or lease during the term of this Listing (protected  
59 tenant). If the extension is based on negotiation, the extension shall be effective only if the tenant's name is delivered to Owner, in writing, no  
60 later than three days after the expiration of the Listing, unless Owner was directly involved in discussions of the potential terms upon which  
61 tenant might acquire a leasehold interest in the Premises. The requirement of this Listing to deliver the tenant's name in order to make the  
62 extension of the Listing term effective also may be fulfilled as follows: 1) If the Listing is effective only as to certain individuals who are  
63 identified in the Listing, the identification of the individuals in the Listing shall fulfill the delivery of the tenant's name requirement and 2) if the  
64 tenant has requested that the tenant's identity remain confidential, delivery of a notice identifying the broker with whom the tenant negotiated  
65 and the date(s) of any showings or other negotiations shall fulfill the delivery of the tenant's name requirement. "Negotiated" for the purpose  
66 of this paragraph means to discuss the potential terms upon which tenant might acquire a leasehold interest in the Premises or to attend an  
67 individual showing of the Premises. "Submitted" for the purposes of this paragraph means that a written letter of intent or lease has been  
68 delivered to Owner or Broker.

69 **ATTORNEY FEES** Should litigation arise between the Parties in connection with this Agreement, the prevailing Party shall have the right  
70 to reasonable attorney's fees.

71 **FAIR HOUSING** Owner and Broker agree that they will not illegally discriminate against any prospective tenant or purchaser on account  
72 of race, color, sexual orientation as defined in Wisconsin Statutes, 111.32(13m), disability, religion, national origin, sex or marital status of  
73 the person maintaining a household, lawful source of income, age, ancestry, familial status or in any other manner prohibited by federal,  
74 state or local fair housing laws or other applicable law or regulation.

## 75 **AGENCY DISCLOSURE PROVISIONS**

76 ■ **AGENCY DISCLOSURE AND CONSENT TO MULTIPLE REPRESENTATION:** Wisconsin Statute 452.135(2) requires Broker to  
77 disclose that Owner is Broker's client. Broker's duties to Owner can be found at lines 98-107. Broker's duties to all parties can be found at  
78 lines 81-97. The confidentiality rights of all parties can be found at lines 120-127. See lines 128-131 for information regarding identification of  
79 confidential and non-confidential information at lines 132-135. If a multiple representation relationship is consented to and does occur, both  
80 parties will be Broker's clients.

81 ■ **DUTIES OWED TO ALL PARTIES:** Wisconsin Statute 452.133(1) states that in providing brokerage services to a party to a transaction  
82 (including both clients and customers), a broker shall do all of the following:

83 (a) Provide brokerage services to all parties to the transaction honestly, fairly and in good faith.

84 (b) Diligently exercise reasonable skill and care in providing brokerage services to all parties.

85 (c) Disclose to each party all material adverse facts that the broker knows and that the party does not know or cannot discover through  
86 reasonably vigilant observation, unless the disclosure of a material adverse fact is prohibited by law.

87 (d) Keep confidential any information given to the broker in confidence, or any information obtained by the broker that he or she knows a  
88 reasonable party would want to be kept confidential, unless the information must be disclosed under par. (c) or Wisconsin Statute 452.23  
89 (information contradicting third party inspection or investigation reports), or is otherwise required by law to be disclosed or the party whose  
90 interests may be adversely affected by the disclosure specifically authorizes the disclosure of particular confidential information. A broker  
91 shall continue to keep the information confidential after the transaction is complete and after the broker is no longer providing brokerage  
92 services to the party.

93 (e) Provide accurate information about market conditions that affect a transaction, to any party who requests the information, within a  
94 reasonable time of the party's request, unless disclosure of the information is prohibited by law.

95 (f) Account for all property of the parties coming into the possession of a broker within a reasonable time of receipt.

96 (g) When negotiating on behalf of a party, present contract proposals in an objective and unbiased manner and disclose the advantages and  
97 disadvantages of the proposals.

98 ■ **DUTIES OWED TO CLIENTS ONLY:**

99 Wisconsin Statute 452.133(2) states that in addition to his or her duties under lines 81-97, a broker providing brokerage services to his or  
100 her client shall do all of the following:

101 (a) Loyally represent the client's interests by placing the client's interests ahead of the interests of any other party, unless loyalty to a client  
102 violates the broker's duties under lines 81-97 or Wis. Stat. 452.137(2) (duties to all clients in multiple representation situations).

103 (b) Disclose to the client all information known by the broker that is material to the transaction and that is not known by the  
104 client or discoverable by the client through reasonably vigilant observation, except for confidential information (see lines 87-92) and other  
105 information, the disclosure of which is prohibited by law.

106 (c) Fulfill any obligation required by the agency agreement, and any order of the client that is within the scope of the agency agreement, that  
107 are not inconsistent with another duty that the broker has under Wisconsin Statute Chapter 452 or any other law.

108 ■ **MULTIPLE REPRESENTATION (DUAL AGENCY):** Wisconsin Statute 452.137 states that Broker may represent both parties in the  
109 same transaction only with the written consent of both parties. A multiple representation relationship would exist if Broker is the tenant's  
110 agent for a tenant seeking to acquire an interest in the Premises. In a multiple representation relationship, Broker will provide the marketing  
111 and other services agreed upon in this Listing. Broker will continue to provide information and advice to both parties, but is not allowed to  
112 place the interests of either party ahead of the other in negotiations. During negotiations, Broker will prepare approved forms to accomplish  
113 the intent of the party making the proposal. Broker will present the proposal in an objective and unbiased

114 manner, disclosing the proposal's advantages and disadvantages. Broker shall not disclose confidential information of either party unless  
115 required by law. **(NOTE: Wisconsin Administrative Code section RL 24.07 requires disclosure of adverse material facts to all  
116 interested parties)**. If Owner consents to the multiple representation relationship, Owner is indicating that Owner understands Broker's  
117 duties to all parties to a transaction (see lines 81-97) and Broker's duties to a client (see lines 98-107) and that if a multiple representation  
118 relationship arises, Broker will owe the same duties to tenant that Broker owes to Owner. (See lines 98-107.)

119 **OWNER (DOES)(DOES NOT) STRIKE ONE CONSENT TO A MULTIPLE REPRESENTATION RELATIONSHIP (DUAL AGENCY).**

120 **■ CONFIDENTIALITY NOTICE:**

121 A BROKER IS REQUIRED TO MAINTAIN THE CONFIDENTIALITY OF ALL INFORMATION GIVEN TO THE BROKER IN  
122 CONFIDENCE AND OF ALL INFORMATION OBTAINED BY THE BROKER THAT HE OR SHE KNOWS A REASONABLE PARTY  
123 WOULD WANT TO BE KEPT CONFIDENTIAL, UNLESS THE INFORMATION IS REQUIRED TO BE DISCLOSED BY LAW. THE  
124 FOLLOWING INFORMATION IS REQUIRED TO BE DISCLOSED BY LAW:

125 1) MATERIAL ADVERSE FACTS AS DEFINED IN 452.01(5g) OF THE WISCONSIN STATUTES.

126 2) ANY FACTS KNOWN BY THE BROKER THAT CONTRADICT ANY INFORMATION INCLUDED IN A WRITTEN INSPECTION  
127 REPORT ON THE PROPERTY OR REAL ESTATE THAT IS THE SUBJECT OF THE TRANSACTION.

128 TO ENSURE THAT THE BROKER IS AWARE OF WHAT SPECIFIC INFORMATION YOU CONSIDER CONFIDENTIAL, YOU MAY  
129 LIST THAT INFORMATION AT LINES 132-133. AT A LATER TIME, YOU ALSO MAY PROVIDE THE BROKER WITH OTHER WRITTEN  
130 NOTIFICATION OF WHAT INFORMATION YOU CONSIDER TO BE CONFIDENTIAL. YOU MAY IDENTIFY INFORMATION WHICH MIGHT  
131 OTHERWISE BE CONSIDERED CONFIDENTIAL (SUCH AS OWNER'S MOTIVATION TO LEASE) AS NON-CONFIDENTIAL AT LINES 134-135.

132 **■ CONFIDENTIAL INFORMATION:** \_\_\_\_\_

133 \_\_\_\_\_

134 **■ NON-CONFIDENTIAL INFORMATION:** \_\_\_\_\_

135 \_\_\_\_\_

136 **EXCLUSIONS** All persons whose lease or rental would earn a prior listing broker a commission under a prior listing contract are  
137 excluded from this Listing to the extent of the prior broker's legal rights, unless otherwise agreed to in writing. Within one week of this  
138 Listing, Owner agrees to deliver to Broker a list of all persons whose lease or rental would earn another broker a commission under a prior  
139 listing contract. CAUTION: Contact previous listing broker if the identity of potential protected persons from previous  
140 listings is uncertain. The following other persons are excluded from this Listing until \_\_\_\_\_ **INSERT DATE** :

141 \_\_\_\_\_

142 **ADDITIONAL PROVISIONS** \_\_\_\_\_

143 \_\_\_\_\_

144 \_\_\_\_\_

145 \_\_\_\_\_

146 \_\_\_\_\_

147 \_\_\_\_\_

148 \_\_\_\_\_

149 \_\_\_\_\_

150 **ADDENEDA** The attached \_\_\_\_\_ is/are made part of this Listing.

151 **CAUTION: IF SIGNED, THIS LISTING CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BROKERS MAY PROVIDE A**  
152 **GENERAL EXPLANATION OF THE PROVISIONS OF THIS LISTING OR OTHER REAL ESTATE CONTRACTS, BUT ARE**  
153 **PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS LISTING OR ANY**  
154 **OTHER REAL ESTATE CONTRACT. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED. OWNER SHOULD**  
155 **CONSULT OTHER EXPERTS AS APPROPRIATE, FOR EXAMPLE, APPRAISERS, TAX ADVISORS, OR INSPECTORS IF SERVICES**  
156 **BEYOND BROKER'S MARKETING SERVICES ARE REQUIRED.**

157 **TERM OF THE LISTING** FROM THE \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_, UP TO  
158 AND INCLUDING MIDNIGHT OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

159 NOTE: A LEASE OR PROCUREMENT OF A TENANT FOR A PORTION OF THE PREMISES DOES NOT TERMINATE THE LISTING  
160 AS TO ANY REMAINING PART OF THE PREMISES INCLUDED IN THE LIST PRICE, INCLUDING PERSONAL PROPERTY AND  
161 EQUIPMENT.

162 Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

163 (x) \_\_\_\_\_

164 Owner's Signature ▲ Print Name Here: ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

165 (x) \_\_\_\_\_

166 Owner's Signature ▲ Print Name Here: ► \_\_\_\_\_ Date ▲ \_\_\_\_\_

167 \_\_\_\_\_

168 Owner's Address ▲ \_\_\_\_\_ Phone # ▲ \_\_\_\_\_ Fax # ▲ \_\_\_\_\_

169 (x) \_\_\_\_\_

170 Agent for Broker ▲ Print Name Here: ► \_\_\_\_\_ Broker/Firm Name ▲ \_\_\_\_\_

171 \_\_\_\_\_

172 Broker/Firm Address ▲ \_\_\_\_\_ Phone # ▲ \_\_\_\_\_ Fax # ▲ \_\_\_\_\_

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**REVISIONS TO WB-37 EXCLUSIVE LISTING CONTRACT  
FOR LEASE OF REAL PROPERTY**

To: DSPS Real Estate Contractual Forms Advisory Committee

From: WRA Forms Committee

Date: March 8, 2012

RE: **WB-37 Exclusive Listing Contract for Lease of Real Property**

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Any line references are to the accompanying WB-37 Exclusive Listing Contract for Lease of Real Property highlighted draft labeled “WB-37 Lease Listing WB1terms3812.” This draft of the WB-37 gives an initial look at some of the possible modifications that might be made to update the WB-37 in its current format.

The WB-37 Exclusive Listing Contract for Lease of Real Property is used when a property owner hires a real estate broker to lease the owner’s property. This Department-approved form is mandatory with respect to the lease of residential property. Use of the WB-37 is optional, however, for lease listings in commercial or industrial property settings. A WB-37 Exclusive Listing Contract for Lease of Real Property authorizes a broker to advertise a rental property, get it rented and handle the rental funds (security deposit and rents).

In the past there was a WRA Exclusive Listing Contract for Lease of Commercial Property designed for commercial rentals and available only on ZipForm.

**WB-37 Draft**

The 2001 version of the WB-37 Exclusive Listing Contract for Lease of Real Property form contained many of the terms and conditions typically found in a listing contract at that time.

The attached draft attempts to capture a sample lay-out and flow of an updated lease listing incorporating language from the 2008 residential listing and proposing other modifications (highlighted in yellow). Below are some discussion points.

With respect to the terminology used in the WB-37, we should keep in mind the following:

**Wis. Stat. § 704.01 Definitions.** In this chapter, unless the context indicates otherwise:

(1) “Lease” means an agreement, whether oral or written, for transfer of possession of real property, or both real and personal property, for a definite period of time. A lease is for a definite period of time if it has a fixed commencement date and a fixed expiration date or if the commencement and expiration can be ascertained by reference to some event, such as completion of a building. A lease is included within this chapter even though it may also be treated as a conveyance under ch. 706. An agreement for transfer of possession of only personal property is not a lease.

(2) “Periodic tenant” means a tenant who holds possession without a valid lease and pays rent on a periodic basis. It includes a tenant from day-to-day, week-to-week, month-to-month, year-to-year or other recurring interval of time, the period being determined by the intent of the parties under the circumstances, with the interval between rent-paying dates normally evidencing that intent.

(3) “Premises” mean the property covered by the lease, including not only the realty and fixtures, but also any personal property furnished with the realty.

(3m) “Rental agreement” means an oral or written agreement between a landlord and tenant, for the rental or lease of a specific dwelling unit or premises, in which the landlord and tenant agree on the essential terms of the tenancy, such as rent. “Rental agreement” includes a lease. “Rental agreement” does not include an agreement to enter into a rental agreement in the future.

(4) “Tenancy” includes a tenancy under a lease, a periodic tenancy or a tenancy at will.

(5) “Tenant at will” means any tenant holding with the permission of the tenant’s landlord without a valid lease and under circumstances not involving periodic payment of rent; but a person holding possession of real property under a contract of purchase or an employment contract is not a tenant under this chapter.

The use of the term “lease” in the current WB-37 seems to be too narrow and the WB-37 draft instead uses the term “rental agreement” that is much more broad and inclusive of both leases and periodic tenancies such as a month-to-month. Accordingly, a definition of Rental Agreement and of Lease from the statutes was placed at lines 222-225 and 242-244 of the draft.

◆ Title and language beneath: the committee suggests renaming the form as the “WB-37 Exclusive Listing for Lease or Rental of Real Property” to encompass the idea that an owner may benefit from a written agreement for a month-to-month tenancy when the owners intent is, for instance, to rent the home until market improves and can be sold. The term lease would preclude that.

As far as the language beneath, this indicates that the WB-37 is a mandatory form for licensees entering a listing to rent or lease residential property. Should that continue to be the case? Should the language here be different and say this is optional for non-residential or commercial properties?

◆ Draft line 1, Broker’s Authority: the Committee thought it best to make this more the other listings in terms of the authority given. For example, the WB-1 Residential Listing contract states that the “Seller gives Broker the exclusive right to sell the Property on the following terms.” Similarly, the committee believes that the WB-37 should state that the “Owner gives Broker the exclusive right to rent or lease the property located ...”

◆ Draft line 5, STRIKE AND COMPLETE AS APPLICABLE box: The Committee was uncertain why that it there, what it relates to and if it could be removed.

◆ Draft lines 5-9, Unit and Rental Terms: some changes in the language were made to make it apply to rental agreements and not just leases and to make it clear that there should be a list of units and terms if the Premises encompasses more than one rental unit.

◆ Draft lines 15-21, Broker’s Duties: The terminology in draft was modified to refer to written rental agreements instead of leases. The broker is authorized to use reasonable efforts to rent the premises as well as to negotiate rental agreements because situations may arise where the owner and the tenant enter into an agreement on their own or the tenant simply just starts renting without a written agreement. While real estate licensees are to have agreements in writing per Wis. Admin. Code § REEB 24.08, they also are allowed to negotiate agreements that the parties or their attorneys put into writing per Wis. Admin. Code § REEB 16.04(3) since there are no Department-approved lease or rental agreement forms.

◆ Draft lines 22-27, Owner’s Obligations: proposed language changes to refer to written rental agreements instead of leases, and added elaboration regarding prospective tenants known to the Owner – the draft says the Owner must give the Broker the prospects’ names and contact information in writing.

**NOTE:** The WRA Committee only got part way through the issues in this memo. We have labeled many of the following items as **DISCUSSED** or **NOT DISCUSSED**.

◆ Draft lines 28-54, Owner’s Warranties, Covenants and Representations: proposed language adds “unless indicated at lines xxx ....” On lines 37-38 of the draft. The items listed on lines 39-49 are issues the landlord must disclose to a prospective tenant before entering into a rental agreement or accepting any earnest money or security deposit, per Wis. Admin. Code § ATCP 134.04(2) ([https://docs.legis.wisconsin.gov/code/admin\\_code/atcp/134.pdf](https://docs.legis.wisconsin.gov/code/admin_code/atcp/134.pdf)). This suggests that the Broker is going to be making these disclosures for the Owner. Should this list also include an item regarding knowledge, records, etc. regarding LBP such that an Addendum L can be prepared? Any other needed information? **NOT DISCUSSED**

The Committee suggests that item (a) at line 38 be modified to say, “Uncorrected code violations” instead of “uncorrected building or housing code violations” which language appears in Wis. Admin. Code § ATCP 134.04(2). “Uncorrected code violations” is clearly much broader and would include fire code violations and other ordinance violations as well as building and housing code violations. **DISCUSSED**

The warning on lines 53-54 was also added in this draft. **NOT DISCUSSED**

◆ Draft lines 55-61, Cooperation, Access to Premises or Proposal Presentation: proposed language fashioned after the similar section in the WB-1. This section contemplates that there may be cooperation with other brokers who are working with tenant prospects. This would seem to make sense given that the Metro MLS is going to start listing rentals, as well as for any time this form might be used in a commercial setting. Also it is believed that Wis. Admin. Code § REEB 24.13 will soon be amended to specifically apply to rentals as well as sales. Your thoughts? **NOT DISCUSSED**

◆ Draft lines 62-67, Exclusions; draft lines 86-90, Extension of Listing; and draft lines 221-231, Protected Tenant: This is fashioned after the Exclusions and Extension of Listing sections and Protected Buyer definition in the WB-1 residential listing contract. Does this seem to be workable and does it make sense? Is it worth having? Other ideas? Note that the existing Extension of Listing section in the WB-37 is shown on lines 89-100 but is lined out. Within the Protected Tenant definition the concerns with Premises containing more than one rental unit is evident. **NOT DISCUSSED**

◆ Draft lines 68-73, Broker’s Commission: Proposed language changes to refer to written rental agreements instead of leases, and refers to rental units within the Premises being rented should the Premises contain more than one rental unit.

In addition, the WRA Committee thought that this provision should be more like the WB-1 listing contract. Line 42 of the WB-1 provides that a commission is earned if, “Seller sells or accepts an offer which creates an enforceable contract for the sale or all or any part of the Property.” Hence the draft at lines 68-69 indicates that if, “Owner rents or enters into a rental agreement as to the Premises or as to a rental unit constituting a part of the Premises.” **DISCUSSED**

The WRA Committee also discussed that commission should be due if the Broker “procured” a tenant. The language for “procuring a buyer” was used as a basis for the language added to the Commission section as item (b), but the WRA Committee has not reviewed this language to see if it captures the concepts they discussed. A definition of “procure” was inserted in the draft at lines 226-229, but it is not certain if this accomplishes what the WRA Committee had in mind. **NOT REVIEWED**

◆ Draft lines 74-75, Compensation to Others: The co-broke commission provision was added, which will make sense if homes for rent are listed in the MLS or cooperative compensation is offered elsewhere. **NOT DISCUSSED**

◆ Draft lines 80-87, Termination of Listing: this again is modeled after the WB-1 residential listing contract and seems like a good fit as well as providing consistency for licensees. Should language be

added to echo the statement in the Termination Fee section that “the Parties agree that this Listing shall terminate upon the sale, exchange or other transfer of legal or equitable title to the Premises.” Comments?

◆ Draft lines 105-106, Attorney Fees Removed: for the sake of consistency with the other listing contracts. Or should this be different?

◆ Draft lines 107-109, Fair Housing: should this be qualified to say it only applies to prospective residential tenants or should we leave as it was? Could use the heading of Non-Discrimination as is done in the WB-5 commercial listing and leave the language as it is.

◆ Draft lines 110-193, Broker Disclosure to Client and Associated Material: much of this is required by Wis. Stat. § 452.133(2). The rest is related definitions and other helpful information that appears in the listing contracts for sales.

◆ Draft lines 194-244, Definitions: these also come from the sales listing contracts, but have been slightly modified for use in the WB-37. Believe the “Procure” definition can be dropped because that term is not used in the draft, at least as it now reads. “Fixtures” is another term that does not appear in the WB-37 draft and may not be needed. Likewise “Property” does not seem to be necessary as long as the definition of Premises at the beginning of the WB-37 is sufficient – or would having a definition of “Premises” be helpful? Protected Tenant was already discussed above, leaving Deadlines-Days and Delivery.

For the Delivery section to function properly, the draft adds the signature and information lines from the WB-1. The draft is also modified to authorize email delivery.

◆ Draft lines 265-266, Note: It would seem that something like this is needed so long as Premises may contain multiple rental units. Not sure if the reference to personal property and equipment is necessary. Your thoughts?

WB37RevisionsDSPS3-20-12

**WB-37 EXCLUSIVE LISTING CONTRACT FOR LEASE OR RENTAL OF REAL PROPERTY**

Mandatory for use as an exclusive listing contract for lease or rental of residential property.

Do not use as a property management agreement or listing for sale.

1 Owner gives Broker the exclusive right to rent or lease the property located in the \_\_\_\_\_ of  
2 \_\_\_\_\_ County of \_\_\_\_\_, Wisconsin, further described as: \_\_\_\_\_

3 \_\_\_\_\_  
4 \_\_\_\_\_ ("Premises" which shall mean the entire property or a particular rental unit, as appropriate) under the terms of this  
5 Listing ~~STRIKE AND COMPLETE AS APPLICABLE~~. Insert additional description at lines xxx-xxx or in an addendum per line xxx. Identify all  
6 rental units included in this Listing (thereby excluding other units) and specify proposed lease and rental terms, and marketing instructions, if  
7 any, at lines xx-xx or lines xxx-xxx or attach as an addendum per line xxx. Consider addressing inclusions (furniture, appliances,  
8 equipment, designated parking and storage areas, etc.), marketing terms (potential Owner repairs, build-outs, credits, etc.) and restrictions  
9 on tenant's use and occupancy. Also see lines xx-xx regarding repairs and build-outs. Owner agrees to complete under this Listing.

UNIT NO.	RENT	SECURITY DEP.	OTHER RENTAL TERMS/CURRENT STATUS OF UNIT
1.	\$	\$	
2.	\$	\$	
3.	\$	\$	
4.	\$	\$	

15 **BROKER'S DUTIES** In consideration for Owner's agreements herein, Owner authorizes Broker and Broker agrees to use reasonable  
16 efforts to rent the Premises, to negotiate rental agreements of the Premises and to perform the following services: solicit, review and verify  
17 tenant applications, qualify and approve prospective tenants, receive and hold deposits, execute written rental agreements on behalf of  
18 Owner, and collect rents [~~STRIKE ALL DUTIES BROKER DOES NOT ACCEPT~~], and, in addition, Broker shall provide the following  
19 services: \_\_\_\_\_

20 **Note:** This is not a property management agreement and this Listing does not obligate Broker to perform any property management duties,  
21 including maintenance, unless specified at lines xx-xx or xxx-xxx.

22 **OWNER'S OBLIGATIONS** Owner agrees to make available to Broker copies of all existing data, records, documents, rules and  
23 regulations, and other materials required in connection with the renting of the Premises, to provide or approve lease or rental agreement and  
24 related forms for Broker's use, to allow Broker to show the Premises at reasonable times and upon reasonable advance notice as may be  
25 allowed by law, to allow Broker to advertise including placing signage upon the Premises, to cooperate with Broker in Broker's actions under  
26 this Listing and to immediately provide to Broker the names of any prospective tenants known to Owner or who contact Owner, and their  
27 contact information, in writing. ~~STRIKE ANY ITEMS NOT APPLICABLE~~

28 **OWNER'S WARRANTIES, COVENANTS AND REPRESENTATIONS** Owner warrants and represents that any materials and  
29 information given to Broker by Owner are true, accurate and correct and that the rental agreement and other forms provided to Broker by  
30 Owner comply with all applicable laws. Owner has made no rent concessions or other agreements affecting the Premises. Owner shall  
31 immediately notify Broker in writing of any material change in the information provided to Broker. Owner agrees to hold Broker harmless  
32 from loss by reason of Broker's use of these materials, forms and information, including the payment of reasonable attorney fees in the  
33 event of any suit against Broker arising out of the use of these materials, forms and information. Owner agrees to make the following repairs  
34 and build-outs to the Premises: \_\_\_\_\_

35 \_\_\_\_\_ ~~STRIKE ANY ITEMS NOT APPLICABLE~~

36 Owner represents to Broker that Owner has no notice or knowledge of any of the following conditions affecting the Premises unless  
37 indicated at lines xxx-xxx or in an attached addendum per line xxx:

- 38 (a) Uncorrected building or housing code violations;
- 39 (b) A lack of hot or cold running water;
- 40 (c) Plumbing or sewage disposal facilities that are not in good operating condition;
- 41 (d) Heating facilities serving any rental unit that are not in safe operating condition, or are not capable of maintaining a  
42 temperature, measured in occupied areas at the approximate center of the room, midway between floor and ceiling, of at least 67° F (19° C)  
43 during all seasons of the year that the rental unit is occupied;
- 44 (e) A lack of electrical service, or electrical wiring, outlets, fixtures or other components of the electrical system that are not in safe operating  
45 condition;
- 46 (f) Any structural or other conditions in the Premises which constitute a substantial hazard to the health or safety of the tenant(s), or create  
47 an unreasonable risk of personal injury as a result of any reasonably foreseeable use of the Premises other than negligent use or abuse of  
48 the Premises by tenant(s);
- 49 (g) Other conditions or occurrences which would significantly reduce the value of the leasehold interest to a reasonable person with  
50 knowledge of the nature and scope of the condition or occurrence. EXCEPTIONS TO REPRESENTATIONS STATED IN LINES xx-  
51 xx: \_\_\_\_\_

52 Owner agrees to promptly inform Broker of any information that would modify the above representations during the term of this Listing.  
53 **WARNING: IF OWNER REPRESENTATIONS ARE INCORRECT OR INCOMPLETE, OWNER MAY BE LIABLE FOR DAMAGES  
54 AND COSTS.**

55 **COOPERATION, ACCESS TO PREMISES OR PROPOSAL PRESENTATION:** The parties agree that Broker will work and cooperate  
56 with other brokers in marketing the Premises, including brokers from other firms acting as subagents (agents from other companies  
57 engaged by Broker - See lines xxx-xxx) and brokers representing tenants. Cooperation includes providing access to the Premises for

58 showing purposes and presenting rental agreement proposals from these brokers to Owner. Note any brokers with whom Broker shall not  
59 cooperate, any brokers or tenants who shall not be allowed to attend showings, and the specific terms of proposed rental agreements which  
60 should not be submitted to Owner: \_\_\_\_\_

61 \_\_\_\_\_ CAUTION: Limiting Broker's cooperation with other brokers may reduce the marketability of the Premises.

62 ■ **EXCLUSIONS:** All persons who may acquire an interest in the Premises as a Protected Tenant under a prior listing contract are excluded  
63 from this Listing to the extent of the prior broker's legal rights, unless otherwise agreed to in writing. Within seven days of the date of this  
64 Listing, Owner agrees to deliver to Broker a written list of all such prospective tenants. The following other tenants are excluded from this  
65 Listing until \_\_\_\_\_ [INSERT DATE]: \_\_\_\_\_

66 These other tenants are no longer excluded from this Listing after the specified date unless, on or before the specified date, Owner has  
67 either entered into a written rental agreement with the tenants or rented the Premises to the tenants.

68 **BROKER'S COMMISSION** Owner agrees to pay Broker a commission in the amount of \_\_\_\_\_  
69 \_\_\_\_\_, which shall be due and payable \_\_\_\_\_ if (a)

70 Owner rents or enters into a rental agreement as to the Premises or as to a rental unit constituting a part of the Premises; or (b) a tenant is  
71 procured for the Premises or as to a rental unit constituting a part of the Premises by Broker, by Owner, or by any other person, at no less  
72 than the rent and on substantially the same terms set forth in this Listing even if Owner does not accept this tenant's offer. (See lines xxx-xxx  
73 regarding procurement.)

74 ■ **COMPENSATION TO OTHERS:** Broker offers the following commission to cooperating brokers: \_\_\_\_\_  
75 \_\_\_\_\_ (Exceptions if any): \_\_\_\_\_

76 **TERMINATION FEE** If this Listing is terminated because of a sale, exchange or other transfer of legal or equitable title to the Premises,  
77 Owner agrees to pay Broker a termination fee in the amount of \_\_\_\_\_  
78 \_\_\_\_\_, which shall be reduced by any commissions paid to Broker in connection with the Owner's sale,  
79 exchange, option, or other transfer.

Page x of x, WB-37

80 ■ **TERMINATION OF LISTING: The Parties agree that this Listing shall terminate upon the sale, exchange or other transfer of**  
81 **legal or equitable title to the Premises.** Neither Owner nor Broker has the legal right to unilaterally terminate this Listing absent a  
82 material breach of contract by the other party. Seller understands that the parties to the Listing are Owner and the Broker (firm).  
83 Agents (salespersons) for Broker (firm) do not have the authority to enter into a mutual agreement to terminate the Listing, amend the  
84 commission amount or shorten the term of this Listing, without the written consent of the agent(s)' supervising broker. Owner and  
85 Broker agree that any termination of this Listing by either party before the date stated on line xxx shall be indicated to the other Party  
86 in writing and shall not be effective until delivered to the other Party in accordance with lines xxx-xxx. CAUTION: Early termination of  
87 this Listing may be a breach of contract, causing the terminating Party to potentially be liable for damages.

88 ■ **EXTENSION OF LISTING:** The Listing term is extended for a period of one year as to any Protected Tenant. Upon receipt of a  
89 written request from Owner or a broker who has listed the Premises, Broker agrees to promptly deliver to Owner a written list of those  
90 tenants known by Broker to whom the extension period applies. Should this Listing be terminated by Owner prior to the expiration of  
91 the term stated in this Listing, this Listing shall be extended for Protected Tenants, on the same terms, for one year after the Listing is  
92 terminated.

93 The Listing term is extended for a period of one year as to any tenant who personally or through any person acting for such tenant either  
94 negotiated regarding the lease of the Premises or submitted a written letter of intent or lease during the term of this Listing (protected  
95 tenant). If the extension is based on negotiation, the extension shall be effective only if the tenant's name is delivered to Owner, in writing, no  
96 later than three days after the expiration of the Listing, unless Owner was directly involved in discussions of the potential terms upon which  
97 tenant might acquire a leasehold interest in the Premises. The requirement of this Listing to deliver the tenant's name in order to make the  
98 extension of the Listing term effective also may be fulfilled as follows: 1) If the Listing is effective only as to certain individuals who are  
99 identified in the Listing, the identification of the individuals in the Listing shall fulfill the delivery of the tenant's name requirement and 2) if the  
100 tenant has requested that the tenant's identity remain confidential, delivery of a notice identifying the broker with whom the tenant negotiated  
101 and the date(s) of any showings or other negotiations shall fulfill the delivery of the tenant's name requirement. "Negotiated" for the purpose  
102 of this paragraph means to discuss the potential terms upon which tenant might acquire a leasehold interest in the Premises or to attend an  
103 individual showing of the Premises. "Submitted" for the purposes of this paragraph means that a written letter of intent or lease has been  
104 delivered to Owner or Broker.

105 **ATTORNEY FEES** Should litigation arise between the Parties in connection with this Agreement, the prevailing Party shall have the right  
106 to reasonable attorney's fees.

107 ■ **FAIR HOUSING [NON-DISCRIMINATION]:** Owner and Broker agree that they will not discriminate against any prospective  
108 tenant on account of race, color, sex sexual orientation as defined in Wis. Stat. § 111.32 (13m), disability, religion, national  
109 origin, marital status, lawful source of income, age, ancestry, familial status, or in any other unlawful manner.

110 ■ **BROKER DISCLOSURE TO CLIENTS:**

111 **UNDER WISCONSIN LAW, A BROKER OWES CERTAIN DUTIES TO ALL PARTIES TO A TRANSACTION:**

- 112 (a) The duty to provide brokerage services to you fairly and honestly.
- 113 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 114 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless  
115 disclosure of the information is prohibited by law.
- 116 (d) The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is  
117 prohibited by law. (See Lines xxx-xxx)
- 118 (e) The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the  
119 confidential information of other parties. (See Lines xxx-xxx)
- 120 (f) The duty to safeguard trust funds and other property the broker holds.
- 121 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages  
122 and disadvantages of the proposals.

123 ■ **BECAUSE YOU HAVE ENTERED INTO AN AGENCY AGREEMENT WITH A BROKER, YOU ARE THE BROKER'S CLIENT. A**  
124 **BROKER OWES ADDITIONAL DUTIES TO A CLIENT:**

- 125 (a) The broker will provide, at your request, information and advice on real estate matters that affect your transaction, unless you  
126 release the broker from this duty.
- 127 (b) The broker must provide you with all material facts affecting the transaction, not just adverse facts.

- 128(c) The broker will fulfill the broker's obligations under the agency agreement and fulfill your lawful requests that are within the scope  
 129 of the agency agreement.
- 130 (d) The broker will negotiate for you, unless you release the broker from this duty.
- 131(e) The broker will not place the broker's interests ahead of your interests. The broker will not, unless required by law, give information or  
 132 advice to other parties who are not the broker's clients, if giving the information or advice is contrary to your interests.
- 133(f) If you become involved in a transaction in which another party is also the broker's client (a "multiple representation relationship"),  
 134 different duties may apply.
- 135 ■ **ADVERSE FACT:** An "adverse fact" means any of the following:
- 136 (a) A condition or occurrence that is generally recognized by a competent licensee as doing any of the following:
- 137 1) Significantly and adversely affecting the value of the Premises;
- 138 2) significantly reducing the structural integrity of improvements to real estate; or
- 139 3) presenting a significant health risk to occupants of the Premises.
- 140 (b) Information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a  
 141 contract or agreement made concerning the transaction.
- 142 ■ **MATERIAL ADVERSE FACT:** A "material adverse fact" means an adverse fact that a party indicates is of such significance, or  
 143 that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would  
 144 affect the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision  
 145 about the terms of such a contract or agreement.
- 146 ■ **MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY:**
- 147 ■ A multiple representation relationship exists if a broker has an agency agreement with more than one client who is a party in the  
 148 same transaction. In a multiple representation relationship, if all of the broker's clients in the transaction consent, the broker may  
 149 provide services to the clients through designated agency.
- 150 ■ Designated agency means that different salespersons employed by the broker will negotiate on behalf of you and the other client or  
 151 clients in the transaction, and the broker's duties will remain the same. Each salesperson will provide information, opinions, and  
 152 advice to the client for whom the salesperson is negotiating, to assist the client in the negotiations. Each client will be able to  
 153 receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client  
 154 advantages in the negotiations over the broker's other clients. A salesperson will not reveal any of your confidential information to  
 155 another party unless required to do so by law.
- 156 ■ If a designated agency relationship is not in effect you may authorize or reject a multiple representation relationship. If you  
 157 authorize a multiple representation relationship the broker may provide brokerage services to more than one client in a transaction  
 158 but neither the broker nor any of the broker's salespersons may assist any client with information, opinions, and advice which may  
 159 favor the interests of one client over any other client. If you do not consent to a multiple representation relationship the broker will  
 160 not be allowed to provide brokerage services to more than one client in the transaction.

Page X of X, WB-37

161 **INITIAL ONLY ONE OF THE THREE LINES BELOW:**

- 162 \_\_\_\_\_ I consent to designated agency.
- 163 \_\_\_\_\_ I consent to multiple representation relationships, but I do not consent to designated agency.
- 164 \_\_\_\_\_ I reject multiple representation relationships.

165 **NOTE: YOU MAY WITHDRAW YOUR CONSENT TO DESIGNATED AGENCY OR TO MULTIPLE REPRESENTATION**  
 166 **RELATIONSHIPS BY WRITTEN NOTICE TO THE BROKER AT ANY TIME. YOUR BROKER IS REQUIRED TO DISCLOSE TO**  
 167 **YOU IN YOUR AGENCY AGREEMENT THE COMMISSION OR FEES THAT YOU MAY OWE TO YOUR BROKER. IF YOU HAVE**  
 168 **ANY QUESTIONS ABOUT THE COMMISSION OR FEES THAT YOU MAY OWE BASED UPON THE TYPE OF AGENCY**  
 169 **RELATIONSHIP YOU SELECT WITH YOUR BROKER YOU SHOULD ASK YOUR BROKER BEFORE SIGNING THE AGENCY**  
 170 **AGREEMENT.**

171 ■ **SUBAGENCY:** The broker may, with your authorization in the agency agreement, engage other brokers who assist your broker by  
 172 providing brokerage services for your benefit. A subagent will not put the subagent's own interests ahead of your interests. A subagent will  
 173 not, unless required by law, provide advice or opinions to other parties if doing so is contrary to your interests.

174 **PLEASE REVIEW THIS INFORMATION CAREFULLY. A broker or salesperson can answer your questions about brokerage**  
 175 **services, but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home**  
 176 **inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain**  
 177 **language summary of a broker's duties to you under section 452.133 (2) of the Wisconsin statutes.**

178 ■ **CONFIDENTIALITY NOTICE TO CLIENTS:** Broker will keep confidential any information given to Broker in confidence, or any  
 179 information obtained by Broker that he or she knows a reasonable person would want to be kept confidential, unless the information  
 180 must be disclosed by law or you authorize Broker to disclose particular information. Broker shall continue to keep the information  
 181 confidential after Broker is no longer providing brokerage services to you.

182 The following information is required to be disclosed by law:

- 183 1) Material adverse facts, as defined in section 452.01(5g) of the Wisconsin statutes (lines xxx-xxx).
- 184 2) Any facts known by the Broker that contradict any information included in a written inspection report on the property or real  
 185 estate that is the subject of the transaction.

186 To ensure that the Broker is aware of what specific information you consider confidential, you may list that information below (see  
 187 lines xxx-xxx). At a later time, you may also provide the Broker with other information you consider to be confidential.

188 **CONFIDENTIAL INFORMATION:** \_\_\_\_\_  
 189 \_\_\_\_\_  
 190 \_\_\_\_\_

191 **NON-CONFIDENTIAL INFORMATION** (The following may be disclosed by Broker): \_\_\_\_\_  
 192 \_\_\_\_\_  
 193 \_\_\_\_\_

194 ■ **DEFINITIONS:**

195 **DEADLINES – DAYS:** Deadlines expressed as a number of "days" from an event are calculated by excluding the day the event occurred  
 196 and by counting subsequent calendar days.

197 **DELIVERY:** Delivery of documents or written notices related to this Listing may only be accomplished by:

- 198 1) giving the document or written notice personally to the Party;
- 199 2) depositing the document or written notice postage or fees prepaid or charged to an account in the U.S. Mail or a commercial delivery  
 200 system, addressed to the Party, at the Party's address (See lines xxx, xxx and xxx.);
- 201 3) transmitting the document or written notice to the party's fax number (See lines xxx, xx and xxx.);
- 202 4) electronically transmitting the document or written notice to the Party's e-mail address. If this is a consumer transaction where the  
 203 property being rented or leased or the rental proceeds are used primarily for personal, family or household purposes, each consumer  
 204 providing an e-mail address has first consented electronically to the use of electronic documents, e-mail delivery and electronic signatures  
 205 in the transaction, as required by federal law. (See lines xxx, xx and xxx.); or

206 5) as otherwise agreed in additional provisions on lines xxx-xxx or in an addendum to this Listing.  
207 **FIXTURES:** A "fixture" is an item of property which is physically attached to or so closely associated with land or buildings so as to be  
208 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the  
209 premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited to, all:  
210 garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and  
211 traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and treatment systems;  
212 sump pumps; attached or fitted floor coverings; awnings; attached antennas, garage door openers and remote controls; installed  
213 security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances;  
214 ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations.

215 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**  
216 **conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 11-14 and in the offer to**  
217 **purchase.**

218 **PROCURE:** A buyer is procured when, during the term of the Listing, an enforceable contract of sale is entered into between the Seller and  
219 the buyer or when a ready, willing and able buyer submits to the Seller or the Listing Broker a written offer at the price and on substantially  
220 the terms specified in this Listing. A buyer is ready, willing and able when the buyer submitting the written offer has the ability to complete  
221 the buyer's obligations under the written offer. (See lines 46-49)

222 **LEASE:** "Lease" means an agreement, whether oral or written, for transfer of possession of real property, or both real and personal  
223 property, for a definite period of time. A lease is for a definite period of time if it has a fixed commencement date and a fixed expiration date  
224 or if the commencement and expiration can be ascertained by reference to some event, such as completion of a building. An agreement for  
225 transfer of possession of only personal property is not a Lease.

226 **PROCURE:** A tenant is procured when, during the term of the Listing, an enforceable rental agreement is entered into between the Owner  
227 and the tenant or when a ready, willing and able tenant submits to the Owner or the Listing Broker a written rental agreement at the rent and  
228 on substantially the terms specified in this Listing. A tenant is ready, willing and able when the tenant submitting the written rental  
229 agreement has the ability to complete the tenant's obligations under the written rental agreement. (See lines xx-xx)

230 **PROPERTY:** Unless otherwise stated, "Property", means the real estate described at lines 2-4.

231 **PROTECTED TENANT:** Means a tenant who personally, or through any person acting for such tenant, during the term of the Listing: 1)  
232 delivers to Owner or Broker a written rental proposal or letter of intent regarding the Premises **[OR A RENTAL UNIT WITHIN THE**  
233 **PREMISES???]**; 2) negotiates directly with Owner by discussing with Owner the potential terms upon which tenant might acquire a leasehold  
234 **OR RENTAL** interest in the Premises **[OR A RENTAL UNIT WITHIN THE PREMISES???]**; or 3) attends an individual showing of the  
235 Premises **[OR A RENTAL UNIT WITHIN THE PREMISES???]** or discusses with Broker or cooperating brokers the potential terms upon  
236 which tenant might acquire a leasehold or rental interest in the Premises **[OR A RENTAL UNIT WITHIN THE PREMISES???]**, but only if  
237 Broker delivers the tenant's name to Owner, in writing, no later than three days after the expiration of the Listing. The requirement in 3), to  
238 deliver the tenant's name to Owner in writing, may be fulfilled as follows: a) If the Listing is effective only as to certain individuals who are  
239 identified in the Listing, by the identification of the individuals in the Listing; or, b) if a tenant has requested that the tenant's identity remain  
240 confidential, by delivery of a written notice identifying the broker with whom the buyer negotiated and the date(s) of any showings or other  
241 negotiations.

242 **RENTAL AGREEMENT:** "Rental Agreement" means an oral or written agreement between a landlord and tenant, for the rental or lease of a  
243 specific dwelling unit or premises, in which the landlord and tenant agree on the essential terms of the tenancy, such as rent. Rental  
244 Agreement includes a lease. Rental Agreement does not include an agreement to enter into a rental agreement in the future.

245 **ADDITIONAL PROVISIONS** \_\_\_\_\_  
246 \_\_\_\_\_  
247 \_\_\_\_\_  
248 \_\_\_\_\_  
249 \_\_\_\_\_

250 **ADDENDA** The attached \_\_\_\_\_ is/are made part of this Listing.

251 **CAUTION: IF SIGNED, THIS LISTING CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BROKERS MAY PROVIDE A**  
252 **GENERAL EXPLANATION OF THE PROVISIONS OF THIS LISTING OR OTHER REAL ESTATE CONTRACTS, BUT ARE**  
253 **PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS LISTING OR ANY**  
254 **OTHER REAL ESTATE CONTRACT. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED. OWNER SHOULD**  
255 **CONSULT OTHER EXPERTS AS APPROPRIATE, FOR EXAMPLE, APPRAISERS, TAX ADVISORS, OR INSPECTORS IF SERVICES**  
256 **BEYOND BROKER'S MARKETING SERVICES ARE REQUIRED.**

257 **■ NOTICE ABOUT SEX OFFENDER REGISTRY:** You may obtain information about the sex offender registry and persons  
258 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.widocoffenders.org>  
259 or by telephone at (608)240-5830.

260 **■ TERM OF THE CONTRACT:** From the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, up to and  
261 including midnight of the \_\_\_\_\_ day of \_\_\_\_\_.

262 **■ READING/RECEIPT: BY SIGNING BELOW, OWNER ACKNOWLEDGES RECEIPT OF A COPY OF THIS LISTING CONTRACT**  
263 **AND THAT HE/SHE HAS READ ALL FIVE?? PAGES AS WELL AS ANY ADDENDA AND ANY OTHER DOCUMENTS**  
264 **INCORPORATED INTO THE LISTING.**

265 **NOTE: a lease or rental agreement for a portion of the Premises does not terminate the listing as to any remaining part of the**  
266 **Premises included in this Listing, including personal property and equipment.**

267 (x) \_\_\_\_\_  
268 Owner's Signature ▲ Print Name Here: ▲ Date ▲

269 \_\_\_\_\_  
270 Owner's Address ▲ Owner's Phone # ▲

271 \_\_\_\_\_  
272 Owner's Fax # ▲ Owner's E-Mail Address ▲

273 (x) \_\_\_\_\_  
274 Owner's Signature ▲ Print Name Here: ▲ Date ▲

276 Owner's Address ▲

Owner's Phone # ▲

277

278 Owner's Fax # ▲

Owner's E-Mail Address ▲

279 (x)

280 Agent for Broker ▲

Print Name Here: ▲

Broker/Firm Name ▲

Date ▲

281

282 Broker/Firm Address ▲

Broker/Firm Phone # ▲

283

284 Broker/Firm Fax # ▲

Broker/Firm E-Mail Address ▲

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