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Real Estate Contractual Forms Advisory Committee
Room 121A, 1400 E. Washington Avenue, Madison
Contact: Mojgan Hall * 608-266-2112
July 30, 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 – 3:00

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda** (1-2)
- B. Approval of Minutes – June 12, 2012** (3-10)
- C. Secretary Matters
- D. Executive Director Matters
- E. Review and Revise Option to Purchase (WB-24)**
 - 1) WRA Memo with Proposed Changes (11-14)
 - 2) WB-24 with changes to date (15-22)
 - 3) Draft WB-24 with WRA Proposed Changes (23-30)
- F. Review and Revise Exclusive Listing Contract for Lease or Rental of Real Property (WB-37)**
 - 1) WRA Memo with Proposed Changes (31-40)
 - 2) Current Form (41-44)
- G. Review and Revise Business Listing Contract (WB-6)** (Red Folder)
- H. Priority of Remaining Forms**
 - 1) WB-16 Business with Real Estate – Offer to Purchase
 - 2) WB-17 Business without Real Estate – Offer to Purchase
 - 3) Time Share Issues
 - 4) WB-35 Simultaneous Exchange Agreement
- I. Next Meeting Date: September 18, 2012

ADJOURNMENT

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**REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE
MEETING MINUTES
JUNE 12, 2012**

Present: Stephen Beers, Debra Conrad, Michael Gordon, Kim Moermond, Jonathan Sayas, Michael Sewell, Peter Sveum and Gary Tritz (arrived at 10:35)

Not Present: Casey Clickner, John Drzewiecki, John Flor, Cori Lamont, Steven Lillestrand, Scott Minter and Richard Petershack

Staff: Mojgan Hall, Executive Director; Yolanda McGowan, Legal Counsel; Michelle Solem, Bureau Assistant; and other Department staff

Stephen Beers, Board Chair, called the meeting to order at 10:30 a.m. A quorum of 8 members was confirmed.

ADOPTION OF AGENDA

MOTION: Peter Sveum moved, seconded by Mike Gordon, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Peter Sveum moved, seconded by Deb Conrad, to approve the minutes of May 1, 2012, as published. Motion carried unanimously.

EXECUTIVE DIRECTOR MATTERS

Mojgan Hall introduced herself to the Committee as the new executive director. Mojgan indicated that the meeting dates for the rest of the year are as follows:

July 30
September 18
October 29
December 4

The committee also discussed increasing the time from 10:00 – 3:00.

COMMITTEE DISCUSSION

The Committee reviewed and revised WB-24.

ADJOURNMENT

MOTION: Peter Sveum moved, seconded by Mike Gordon, to adjourn the meeting at 2:10 p.m. Motion carried unanimously.

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 (Optionor), _____
4 _____, hereby grants to the Buyer (Optionee), _____
5 _____, an option to purchase (Option) the Property known as [Street Address]
6 _____ in the _____
7 of _____, County of _____, Wisconsin, on the following terms:

8 **DEADLINE FOR GRANT OF OPTION** This Option is binding upon both Parties only if a copy of the Option, or separate but identical
9 copies, is/are signed by all Sellers and delivered to Buyer on or before _____ (Time is of the Essence).

10 **OPTION TERMS**

11 ■ INITIAL OPTION TERM: A nonrefundable option fee of \$ _____ will be paid by Buyer to Seller within _____ days
12 of the later of i) granting of this Option, or ii) the deadline for execution of a lease if line xxx of this Option is checked and shall not be
13 refundable. This Option may only be exercised if Buyer delivers written notice to Seller no later than midnight on
14 _____ unless extended below.

15 ■ EXTENDED OPTION TERM: The Deadline to exercise this Option shall be extended until midnight on _____,
16 upon payment of \$ _____ to Seller on or before _____, as an option extension fee
17 which shall not be refundable.

18 ■ EXERCISE: To exercise this Option, Buyer must sign and deliver (i) the notice at lines xxx-xxx, or (ii) any other written notice
19 which states that Buyer exercises this Option. If the Option is exercised, \$ _____ of the option fee and
20 \$ _____ of the option extension fee, if any, shall be a credit against the purchase price at closing. Buyer may sign and deliver the
21 notice at lines xxx-xxx, or may deliver any other written notice which specifically exercises this Option.

22 **CAUTION: If the option fees are to be held in paid into listing broker's trust account or to by a third party, specify in Additional**
23 **Provisions at lines xxx-xxx or in a separate agreement attached per line xxx.**

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

25 ■ PURCHASE PRICE:
26 _____ Dollars (\$) will be paid in cash or equivalent at closing unless otherwise provided below.

27 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the date
28 of this Option not excluded at lines xx-xx, and the following additional items: _____
29 _____.

30 ■ NOT INCLUDED IN PURCHASE PRICE: _____
31 _____.

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

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

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

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

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

43 Seller's recipient for delivery (optional): _____

44 Buyer's recipient for delivery (optional): _____

45 (2) **Fax:** fax transmission of the document or written notice to the following telephone number:
46 Seller: (_____) _____ Buyer: (_____) _____

47 (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a commercial
48 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
49 Party's delivery address at line xx or xx.

50 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to
51 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.

52 Delivery address for Seller: _____

53 Delivery address for Buyer: _____

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

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

58 E-Mail address for Seller (optional): _____

59 E-Mail address for Buyer (optional): _____

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

62 **CLOSING** This transaction is to be closed (within _____ days after the exercise of this Option) (no later
63 than _____) **STRIKE AND COMPLETE AS APPLICABLE** at the place selected by Seller,
64 unless otherwise agreed by the Parties in writing.

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

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

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

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

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

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

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

77 _____.

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

82 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
83 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
84 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
85 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
86 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

87 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option
88 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
89 condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer
90 or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

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

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

97 **RENTAL WEATHERIZATION** Unless otherwise agreed, Buyer shall be responsible for compliance with Rental Weatherization
98 Standards (Wis. Admin. Code Ch. SPS 367), if applicable.

99 **ZONING** Seller represents that the property is zoned _____.

100 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that, as of the date Seller grants this Option, Seller has no notice or
101 knowledge of any Defects (lines xxx-xxx) other than those identified in Seller's disclosure report dated _____ and, if
102 applicable, Real Estate Condition Report dated _____, and, if applicable, Vacant Land Disclosure Report dated _____
103 which was/were received by Buyer prior to Buyer signing this Option and which is/are made a part of this Option by reference **COMPLETE**

104 **DATES OR STRIKE AS APPLICABLE** and _____

105 _____

106 _____

107 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S)**

108 **CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §**
109 **709.03 may be required. If the Property does not include any buildings, a Vacant Land Disclosure Report containing the disclosures**
110 **provided in Wis. Stat. § 709.033 may be required. Excluded from these requirements are sales of property with 1-4 dwelling units that**
111 **has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example,**
112 **personal representatives who have never occupied the Property). The buyer may have certain rescission rights per Wis. Stat. § 709.05 if**
113 **Seller does not furnish such report(s) within 10 days after Seller grants this Option or if a report disclosing Defects is furnished before**
114 **expiration of those 10 days, but after the Option is submitted to Seller. Buyer should review the report form or consult with an attorney**
115 **for additional information regarding rescission rights.**

116 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of subsequent to date of after Seller's granting of,
117 but prior to date of Buyer's exercise of this Option, which is materially inconsistent with the above representations. For purposes of
118 this provision (lines xxx-xxx), Defect does not include structural, mechanical or other conditions of which the Buyer has actual
119 knowledge or written notice or which Buyer discovers prior to the exercise date of this Option.

120 **DEFINITIONS**

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

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

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

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

142 **CAUTION: Exclude any Fixtures to be retained by Seller or which are not owned by Seller, such as rented fixtures (e.g.,**
143 **water softener or other water conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on**
144 **lines xx-xx.**

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

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

149 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building or**
150 **room dimensions, if material.**

151 **BUYER'S WALK-THROUGHS** Within 3 days of the earlier of i) the Deadline for Buyer's exercise of this Option; or ii) the Buyer's
152 exercise of this Option; and again within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer
153 shall have the right to walk through the Property to determine that there has been no significant change in the condition of the
154 Property, except for ordinary wear and tear and changes approved by Buyer, and that any Defects Seller has agreed to cure have
155 been repaired in the manner agreed to by the Parties.

156 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of
157 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear
158 and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the purchase price, Seller
159 shall be obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised. No later
160 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum,
161 Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer
162 elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage
163 to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if
164 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
165 restoring the Property.

166 **CONDOMINIUM UNITS**

167 **CAUTION: If this Option involves a residential condominium unit, Buyer should obtain and review the condominium**
168 **disclosure documents before entering into this Option. See lines (xxx-xxx)**

169 If the Property is a residential condominium unit, Seller must comply with the following:

170 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Buyer exercising
171 this Option, but no later than 15 days prior to closing, current and accurate copies of the Condominium disclosure materials required
172 by Wis. Stat. § 703.33. The condominium disclosure materials include a copy of the following and any amendments to any of these
173 [except as may be limited for small condominiums with no more than 12 units per Wis. Stat. § 703.365(1)(b) and (8)]: (a) proposed or
174 existing declaration, bylaws and any rules or regulations, and an index of the contents; (b) proposed or existing articles of
175 incorporation of the association, if it is or is to be incorporated; (c) proposed or existing management contract, employment contract
176 or other contract affecting the use, maintenance or access of all or part of the condominium; (d) projected annual operating budget

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177 for the condominium including reasonable details concerning the estimated monthly payments by the purchaser for assessments and
178 other monthly charges; (e) leases to which unit owners or the association will be a party; (f) general description of any contemplated
179 expansion of condominium including each stage of expansion and the maximum number of units that can be added to the
180 condominium; (g) Unit floor plan showing location of common elements and other facilities available to unit owners; (h) the executive
181 summary.

182 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days of receipt of all the
183 required disclosure documents, rescind this Option by written notice delivered to Seller. If the disclosure materials are delivered to
184 Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the
185 disclosure materials, either rescind the Option or request any missing documents. Seller has 5 business days following receipt of
186 Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the
187 earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. §
188 703.33(4)(b)]. **The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the**
189 **disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of the documents.**

190 **NOTE: BUYER SHOULD READ ALL DOCUMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF**
191 **THE PROVISIONS OF THE DOCUMENTS BUT ARE PROHIBITED BY LAW FROM GIVING LEGAL ADVICE OR OPINIONS.**

192 ■ **ADDITIONAL CONDOMINIUM ISSUES:** In addition to the disclosure materials required by Wis. Stat. § 703.33, Buyer may wish to consider
193 reviewing other condominium materials as may be available, such as copies of: the condominium association's financial statements for the
194 last two years, the minutes of the last 3 Unit owners' meetings, the minutes of condominium board meetings during the 12 months prior to
195 acceptance, information about contemplated or pending condominium special assessments, the association's certificate of insurance, a
196 statement from the association indicating the balance of reserve accounts controlled by the association, a statement from the association of
197 the amount of any unpaid assessments on the unit (per Wis. Stat. § 703.165), any common element inspection reports (e.g. roof, swimming
198 pool, elevator and parking garage inspections, etc.), any pending litigation involving the association and the declaration, bylaws, budget and/or
199 most recent financial statement of any master association or additional association the unit may be part of. Not all of these materials may exist
200 or be available from the condominium association.

201 ■ **OPTION FEES NOT A DEPOSIT:** The Parties agree that if this Option is for a residential condominium unit, the option fee and any
202 option extension fee are not a deposit subject to return under Wis. Stats. § 703.33(4)(c).

203 **TITLE EVIDENCE**

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

210 _____
211 _____

212 _____ which constitutes merchantable title for purposes of this transaction. Seller shall complete
213 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.
214 The Parties agree that Seller shall not rezone the Property or create any additional liens or encumbrance on title after Seller grants
215 this Option without Buyer's written consent except for liens and encumbrances that will be removed at closing.

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

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

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

227 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
228 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
229 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
230 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
231 exceptions, as appropriate.

232 **CAUTION: Buyer should consider obtaining an update of the title commitment prior to exercising this Option.**

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

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

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

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

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

259 If Buyer defaults, Seller may:

260 (1) sue for specific performance ~~if Buyer has exercised this and request the earnest money as partial payment of the purchase~~
261 ~~price~~Option; or

262 (2) terminate the Option and ~~have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual~~
263 ~~damages.~~

264 If Seller defaults, Buyer may:

265 (1) sue for specific performance; or

266 (2) terminate the Option and ~~request the return of the earnest money,~~ sue for actual damages, ~~or both.~~

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

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

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

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

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

283 ~~**BUYER DUE DILIGENCE:** Prior to the granting or exercising of this option, Buyer may wish to perform certain~~
284 ~~authorized inspections, investigations and testing for the Property. In addition, Buyer may need to review or obtain~~
285 ~~documents relevant to financing approval, appraisals, or general due diligence for the transaction, including but not~~
286 ~~limited to: business records, condominium documents, maps or other information, Municipal and zoning ordinances,~~
287 ~~recorded building and use restrictions, covenants and easements of record, as they may prohibit or restrict certain uses~~
288 ~~and improvements for the Property. Buyer may also need to obtain or verify certain permits, zoning variances, other~~
289 ~~governmental or private approvals, environmental audits and subsoil tests, required road improvements, utility hook-up~~
290 ~~and installation costs, or other development related costs and fees, in order to fully determine the feasibility of any~~
291 ~~proposed or planned development of the Property. Buyer should provide for any contingencies for review and approval~~
292 ~~of the above due diligence items under the additional contingencies per lines xxx-xxx or in a separate addendum per~~
293 ~~lines xxx-xxx. Seller agrees to cooperate with Buyer as necessary, without any out-of-pocket costs to seller, to~~
294 ~~complete any due diligence contingencies or any authorized investigations, testing and inspections as provided for in the~~
295 ~~Option to Purchase.~~

296 ~~**BUYER DUE DILIGENCE:** Prior to exercising this Option, Buyer may wish to review all condominium disclosures, if any, and perform~~
297 ~~certain inspections, investigations and testing. In addition, Buyer may need to obtain financing, appraisals, approvals, maps or other~~
298 ~~information, and review business records. Municipal and zoning ordinances, recorded building and use restrictions, covenants and~~
299 ~~easements may prohibit certain improvements or uses and therefore should be reviewed. Building permits, zoning variances,~~

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300 Architectural Control Committee approvals, environmental audits, subsoil tests, and estimates for utility hook-up expenses, special
301 assessments, charges for installation of roads or utilities, or other development related fees may need to be obtained or verified in
302 order to determine the feasibility of development of, or a particular use for, the Property. Seller agrees to cooperate with Buyer as
303 necessary, without any out-of-pocket costs to Seller, in such authorized investigations, testing and inspections and for purposes
304 of obtaining financing.

305 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific authorizations are included in this Option. An
306 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than
307 testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.
308 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the
309 laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers, appraisers and qualified third
310 parties reasonable access to the Property upon advance notice, if necessary to perform the activities authorized in this Option. Buyer
311 and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does
312 not authorize Buyer to conduct testing of the Property. Buyer agrees to promptly restore the Property to its original condition after
313 Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all
314 inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution
315 which may be required to be reported to the Wisconsin Department of Natural Resources.

316 **AUTHORIZATION FOR APPRAISAL, INSPECTIONS AND TESTS** Buyer is authorized to have the Property appraised by a licensed or
317 certified appraiser and to conduct the following inspections and tests (see lines xxx-xxx) prior to Buyer's exercise of this Option. Any
318 inspection(s) and test(s) shall be performed by a qualified independent inspector or expert, or an independent qualified third party.
319 Inspections and testing shall be conducted pursuant to government or industry protocols and standards, as applicable.
320 List inspections/INSPECTIONS: (e.g., home, roof, foundation, septic) here:
321 _____
322 _____

323 List tests/TESTS: (e.g., radon, lead-based paint, well water) here:
324 _____
325 _____

326 =

327 Describe additional inspections and tests, if any, at lines xxx-xxx or attach as an addendum per line xxx.

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

330 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) payment of option fees; (2) payment of extension fees; (3) earnest
331 money payment(s); (4) Seller's grant of this Option; (54) Buyer's exercise of this Option; (65) occupancy; (76) date of closing;
332 (STRIKE AS APPLICABLE) and all other dates and Deadlines in this Option
333 except: _____
334 _____

335 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 contract. If
336 "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
337 allowed before a breach occurs.

338 **RECORDING OF OPTION** Buyer (may)(may not) **STRIKE ONE** record this Option at Buyer's expense.
339 Buyer (may)(may not) **STRIKE ONE** ("may" if neither is stricken) record a separate instrument evidencing this Option at Buyer's
340 expense.
341 _____

342 If this Option or a separate instrument evidencing this Option is to be recorded, insert legal description at lines xxx-xxx or attach as
343 an addendum per line xxx. If recording, the parties agree to provide authenticated or acknowledged signatures as may be required.
344 **CAUTION: Failure to record may give persons with subsequent interests in the Property priority over this Option.**

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

346 **LEASE-OPTION PROVISIONS**

347 Concurrent with the granting of the Option, Seller and Buyer have entered into a written lease for the Property.
348 Concurrent with the granting of this Option, This Option, is contingent upon Seller and Buyer, within _____ days
349 from date of acceptance of this Option, have entered into a written lease for the Property with minimum a terms
350 which shall include: term from _____ to _____, and with an initial rent of
351 \$ _____ per month or this Option shall be null and void.

352 In the event that this Option is timely exercised, \$ _____ of each monthly rent payment of \$ _____
353 shall be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller.
354 **NOTE: Lenders may not recognize a credit for rent paid under a lease.**
355 Buyer may not exercise this Option unless Buyer is current with all rent payments and is not otherwise in default under the
356 terms of the lease.
357 Any material breach of the lease by Buyer shall also constitute a default under this Option.

358 **ADDENDA:** The attached _____ is/are made part of this Option.

359 **ADDITIONAL PROVISIONS** _____
360 _____
361 _____
362 _____

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363 _____
364 _____
365 _____
366 _____
367 _____
368 _____

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

374 This Option was drafted by [Licensee and Firm] _____
375 _____ on _____.

376 Buyer Entity Name (if any): _____

377 (x) _____
378 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

379 (x) _____
380 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

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

384 Seller Entity Name (if any): _____

385 (x) _____
386 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

387 (x) _____
388 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

389 This Option was presented to Seller by [Licensee and Firm] _____
390 _____ on _____ at _____ a.m./p.m.

391 This Option is rejected _____ This Option is countered [See attached counter] _____
392 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

393 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines xxx-xxx) to Seller, Buyer hereby exercises this
394 Option to Purchase.

395 Buyer Entity Name (if any): _____

396 (x) _____
397 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

398 (x) _____
399 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

REVISIONS TO WB-24 OPTION TO PURCHASE

To: DSPS Real Estate Contractual Forms Advisory Committee
From: WRA Forms Committee
Date: July 11, 2012
RE: **WB-24 Option to Purchase**

The Wisconsin REALTORS® Association's Forms Committee reviewed the changes made by the DSPS Real Estate Contractual Forms Advisory Committee at its last meeting on June 12, as shown in the accompanying WB-24 Option to Purchase draft labeled "WB-24_REFC 20120612." This draft of the WB-24 Option to Purchase is the draft where it was left at the end of the June 12 meeting and is in tracking [note this is not the formatted WB-24]. In reviewing these changes, the WRA Committee commented on a few provisions.

◆ Default section: The DSPS Committee modified these provisions to read:

If Buyer defaults, Seller may:

- (1) sue for specific performance if Buyer has exercised this Option; or
- (2) terminate the Option and sue for actual damages.

If Seller defaults, Buyer may:

- (1) sue for specific performance; or
- (2) terminate the Option and sue for actual damages.

The WRA Committee discussed the scenario where the buyer breaches before the buyer has exercised the option, possibly a situation where there has been a material breach under the lease in a lease/option. The seller should have the ability to terminate without having to sue for damages. The same would be true with the buyer's choices upon a seller default. Thus, the small clarifications shown below are recommended:

If Buyer defaults, Seller may:

- (1) sue for specific performance if Buyer has exercised this Option; or
- (2) terminate the Option and **may** sue for actual damages.

If Seller defaults, Buyer may:

- (1) sue for specific performance; or
- (2) terminate the Option and **may** sue for actual damages.

Another way to alleviate these concerns, following the pattern of the provision in the 2000 option, may be to state:

If Buyer defaults, Seller may:

- (1) sue for specific performance if Buyer has exercised this Option; or
- (2) terminate the Option and **have the option to** sue for actual damages.

If Seller defaults, Buyer may:

- (1) sue for specific performance; or
- (2) terminate the Option and **have the option to** sue for actual damages.

◆ Buyer Due Diligence: The WRA Committee did not have the provision kindly prepared by Jon Sayas at the time of its meeting. That provision states:

BUYER DUE DILIGENCE: Prior to the granting or exercising of this option, Buyer may wish to perform certain authorized inspections, investigations and testing for the Property. In addition, Buyer may need to review or obtain documents relevant to financing approval, appraisals, or general due diligence for the transaction, including but not limited to; business records, condominium documents, maps or other information, Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements of record, as they may prohibit or restrict certain uses and improvements for the Property. Buyer may also need to obtain or verify certain permits, zoning variances, other governmental or private approvals, environmental audits and subsoil tests, required road improvements, utility hook-up and installation costs, or other development related costs and fees, in order to fully determine the feasibility of any proposed or planned development of the Property. Buyer should provide for any contingencies for review and approval of the above due diligence items under the additional contingencies per lines xxx-xxx or in a separate addendum per lines xxx-xxx. Seller agrees to cooperate with Buyer as necessary, without any out-of-pocket costs to seller, to complete any due diligence contingencies or any authorized investigations, testing and inspections as provided for in the Option to Purchase.

The following are some suggested edits and comments from WRA staff:

BUYER DUE DILIGENCE: Prior to the granting or exercising of this ~~option~~Option, Buyer may wish to perform certain authorized inspections, investigations and testing for the Property. -In addition, Buyer may need to review or obtain documents relevant to financing approval, appraisals, or general due diligence for the transaction, including but not limited to; business records, condominium documents, maps or other information, ~~m~~Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements of record, as they may prohibit or restrict certain uses and improvements for the Property. Buyer may also need to obtain or verify certain permits, zoning variances, other governmental or private approvals, environmental audits and subsoil tests, required road improvements, utility hook-up and installation costs, or other development related costs and fees, in order to fully determine the feasibility of any proposed or planned development of the Property. Buyer should provide for any **contingencies** for review and approval of the above due diligence items under the additional **contingencies** per lines xxx-xxx or in a separate addendum per lines xxx-xxx. Seller agrees to cooperate with Buyer as necessary, without any out-of-pocket costs to seller, to complete any due diligence **contingencies** or any authorized investigations, testing and inspections as provided for in the Option to Purchase.

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It is not clear why this refers to contingencies when one of the features of an option is for the buyer to satisfy him or herself as to these issues before exercising the option. Might it refer to "investigations, testing and inspections" instead? If there are contingencies would it then be like an offer? Or should it refer to both "investigations, testing and inspections" and to contingencies?

Different last sentence: Seller agrees to cooperate with Buyer as necessary, without any out-of-pocket costs to Seller, in such investigations, testing and inspections.

◆ Lease-Option Language: Below is what the DSPS Committee drafted at the last meeting:

LEASE-OPTION PROVISIONS

- Concurrent with the granting of the Option, Seller and Buyer have entered into a written **lease** for the Property.
- This Option is contingent upon Seller and Buyer, within _____ days from **date of acceptance** of this Option, entering into a written **lease** for the Property with minimum terms which shall include: term from _____ to _____, and with an initial rent of \$ _____ per month or this Option shall be null and void.
- 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 retained by Seller.

NOTE: Lenders may not recognize a credit for rent paid under a lease.

- Buyer may not exercise this Option unless Buyer is current with all rent.
- Any material breach of the **lease** by Buyer shall also constitute a default under this Option.

Comments and questions:

1. Should the references to “lease” say “rental agreement” instead? A lease is for a definite period of time whereas a rental agreement may be a periodic tenancy like a month-to-month tenancy?
2. The reference to the “date of acceptance” should instead refer to “the granting of” because there is no acceptance in an option like there is in an offer.
3. The WRA Committee discussed the fact that an option is a unilateral document and that technically it would not be necessary for the buyer to sign – only the seller need sign (the buyer pays the option fee and signs to exercise the option and then it becomes similar to an accepted offer. In the format used in the current WB-24 (2000) and in the draft, the buyer is proposing an option that would be desirable/acceptable to the buyer and the buyer is signing it, presumably because that is similar to drafting an offer which is familiar to licensees. It also confirms for licensees that the buyer agrees with the terms, and it confirms that for the seller too. Then it is up to the seller to decide whether to grant the option. The seller grants the option by signing and delivering the WB-24. This seems to have worked in the past and it is not apparent why there would be a need to change that now.
4. This does raise the question of whether DEADLINE FOR GRANT OF OPTION on lines 8-9 should be modified or removed.

Idea: For example, going back to wording used in the 2000 WB-24: **“DEADLINE FOR GRANT OF OPTION** This Option is ~~binding upon both Parties only if void unless~~ a copy of the Option, or separate but identical copies, is/are signed by all Sellers and delivered to Buyer on or before _____ (Time is of the Essence).”

5. Also do the spaces near the end for the seller to reject or counter the option still make sense? Having the seller initial to reject does create a record that the seller considered and rejected the buyer’s proposal. The seller could counter the WB-24 but it might be better done using another WB-24 because a WB-44 Counter-Offer would require several modifications to the language and is not the best fit.

Idea: “This Option is rejected _____ This Option is countered ~~{See attached counter}~~ _____”

WB24RevisionsDSPS7-30-12

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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 (Optionor), _____
4 _____, hereby grants to the Buyer (Optionee), _____
5 _____, an option to purchase (Option) the Property known as [Street Address]
6 _____ in the _____
7 of _____, County of _____, Wisconsin, on the following terms:

8 **DEADLINE FOR GRANT OF OPTION** This Option is binding upon both Parties only if a copy of the Option, or separate but identical
9 copies, is/are signed by all Sellers and delivered to Buyer on or before _____ (Time is of the Essence).

10 **OPTION TERMS**

11 ■ INITIAL OPTION TERM: A nonrefundable option fee of \$ _____ will be paid by Buyer to Seller within _____ days of
12 the later of i) granting of this Option, or ii) the deadline for execution of a lease if line xxx of this Option is checked. This Option may only be
13 exercised if Buyer delivers written notice to Seller no later than midnight on _____ unless extended below.

14 ■ EXTENDED OPTION TERM: The Deadline to exercise this Option shall be extended until midnight on _____,
15 upon payment of \$ _____ to Seller on or before _____, as an option extension fee
16 which shall not be refundable.

17 ■ EXERCISE: To exercise this Option, Buyer must sign and deliver (i) the notice at lines xxx-xxx, or (ii) any other written notice
18 which states that Buyer exercises this Option. If the Option is exercised, \$ _____ of the option fee and
19 \$ _____ of the option extension fee, if any, shall be a credit against the purchase price at closing.

20 **CAUTION: If the option fees are to be paid into listing broker's trust account or to a third party, specify in Additional Provisions at
21 lines xxx-xxx or in a separate agreement attached per line xxx.**

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 trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines xxx-xxx) to
31 be excluded by Seller or which are rented and will 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 (within _____ days after the exercise of this Option) (no later
61 than _____) **STRIKE AND COMPLETE AS APPLICABLE** at the place selected by Seller,
62 unless otherwise agreed by the Parties in writing.

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

66 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**
67 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.
68 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

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

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

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

75 _____.

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

80 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
81 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
82 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
83 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
84 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

85 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option
86 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
87 condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer
88 or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

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

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

95 **RENTAL WEATHERIZATION** Unless otherwise agreed, Buyer shall be responsible for compliance with Rental Weatherization
96 Standards (Wis. Admin. Code Ch. SPS 367), if applicable.

97 **ZONING** Seller represents that the property is zoned _____.

98 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that, as of the date Seller grants this Option, Seller has no notice or
99 knowledge of any Defects (lines xxx-xxx) other than those identified in Seller's disclosure report dated _____ and, if
100 applicable, Real Estate Condition Report dated _____, and, if applicable, Vacant Land Disclosure Report dated _____,
101 which was/were received by Buyer prior to Buyer signing this Option and which is/are made a part of this Option by reference **COMPLETE**
102 **DATES OR STRIKE AS APPLICABLE** and _____

103 _____

104 _____

105 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S).**

106 **CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §**
107 **709.03 may be required. If the Property does not include any buildings, a Vacant Land Disclosure Report containing the disclosures**
108 **provided in Wis. Stat. § 709.033 may be required. Excluded from these requirements are sales of property with 1-4 dwelling units that**
109 **has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example,**
110 **personal representatives who have never occupied the Property). The buyer may have certain rescission rights per Wis. Stat. § 709.05 if**
111 **Seller does not furnish such report(s) within 10 days after Seller grants this Option or if a report disclosing Defects is furnished before**
112 **expiration of those 10 days, but after the Option is submitted to Seller. Buyer should review the report form or consult with an attorney**
113 **for additional information regarding rescission rights.**

114 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of after Seller's granting of, but prior to Buyer's
115 exercise of this Option, which is materially inconsistent with the above representations. For purposes of this provision (lines xxx-xxx),

116 Defect does not include structural, mechanical or other conditions of which the Buyer has actual knowledge or written notice or which
117 Buyer discovers prior to the exercise of this Option.

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 or adversely affect the use of the Property.

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. A "Fixture" does not
139 include trade fixtures owned by tenants of the Property.

140 **CAUTION: Exclude any Fixtures to be retained by Seller or which are not owned by Seller, such as rented fixtures (e.g.,**
141 **water softener or other water conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on**
142 **lines xx-xx.**

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

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

147 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building or**
148 **room dimensions, if material.**

149 **BUYER'S WALK-THROUGHS** Within 3 days of the earlier of i) the Deadline for Buyer's exercise of this Option; or ii) the Buyer's
150 exercise of this Option; and again within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer
151 shall have the right to walk through the Property to determine that there has been no significant change in the condition of the
152 Property, except for ordinary wear and tear and changes approved by Buyer, and that any Defects Seller has agreed to cure have
153 been repaired in the manner agreed to by the Parties.

154 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of
155 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear
156 and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the **purchase** price, Seller
157 shall be obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised. No later
158 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum,
159 Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer
160 elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage
161 to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if
162 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
163 restoring the Property.

164 **CONDOMINIUM UNITS**

165 **CAUTION: If this Option involves a condominium unit, Buyer should obtain and review the condominium disclosure**
166 **documents before entering into this Option. See lines (xxx-xxx)**

167 If the Property is a residential condominium unit, Seller must comply with the following:

168 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Buyer exercising
169 this Option, but no later than 15 days prior to closing, current and accurate copies of the Condominium disclosure materials required
170 by Wis. Stat. § 703.33. The condominium disclosure materials include a copy of the following and any amendments to any of these
171 [except as may be limited for small condominiums with no more than 12 units per Wis. Stat. § 703.365(1)(b) and (8)]: (a) proposed or
172 existing declaration, bylaws and any rules or regulations, and an index of the contents; (b) proposed or existing articles of
173 incorporation of the association, if it is or is to be incorporated; (c) proposed or existing management contract, employment contract
174 or other contract affecting the use, maintenance or access of all or part of the condominium; (d) projected annual operating budget
175 for the condominium including reasonable details concerning the estimated monthly payments by the purchaser for assessments and
176 other monthly charges; (e) leases to which unit owners or the association will be a party; (f) general description of any contemplated

177 expansion of condominium including each stage of expansion and the maximum number of units that can be added to the
178 condominium; (g) Unit floor plan showing location of common elements and other facilities available to unit owners; (h) the executive
179 summary.

180 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days of receipt of all the
181 required disclosure documents, rescind this Option by written notice delivered to Seller. If the disclosure materials are delivered to
182 Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the
183 disclosure materials, either rescind the Option or request any missing documents. Seller has 5 business days following receipt of
184 Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the
185 earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. §
186 703.33(4)(b)]. **The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the**
187 **disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of the documents.**

188 **NOTE: BUYER SHOULD READ ALL DOCUMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF**
189 **THE PROVISIONS OF THE DOCUMENTS BUT ARE PROHIBITED BY LAW FROM GIVING LEGAL ADVICE OR OPINIONS.**

190 ■ **ADDITIONAL CONDOMINIUM ISSUES:** In addition to the disclosure materials required by Wis. Stat. § 703.33, Buyer may wish to consider
191 reviewing other condominium materials as may be available, such as copies of: the condominium association's financial statements for the
192 last two years, the minutes of the last 3 Unit owners' meetings, the minutes of condominium board meetings during the 12 months prior to
193 acceptance, information about contemplated or pending condominium special assessments, the association's certificate of insurance, a
194 statement from the association indicating the balance of reserve accounts controlled by the association, a statement from the association of
195 the amount of any unpaid assessments on the unit (per Wis. Stat. § 703.165), any common element inspection reports (e.g. roof, swimming
196 pool, elevator and parking garage inspections, etc.), any pending litigation involving the association and the declaration, bylaws, budget and/or
197 most recent financial statement of any master association or additional association the unit may be part of. Not all of these materials may exist
198 or be available from the condominium association.

199 ■ **OPTION FEES NOT A DEPOSIT:** The Parties agree that if this Option is for a residential condominium unit, the option fee and any
200 option extension fee are not a deposit subject to return under Wis. Stat. § 703.33(4)(c).

201 **TITLE EVIDENCE**

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

210 _____ which constitutes merchantable title for purposes of this transaction. Seller shall complete
211 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.
212 The Parties agree that Seller shall not rezone the Property or create any additional liens or encumbrance on title after Seller grants
213 this Option without Buyer's written consent except for liens and encumbrances that will be removed at closing.

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

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

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

225 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
226 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
227 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
228 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
229 exceptions, as appropriate.

230 **CAUTION: Buyer should consider obtaining an update of the title commitment prior to exercising this Option.**

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

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

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

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

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

257 If Buyer defaults, Seller may:

258 (1) sue for specific performance if Buyer has exercised this Option; or

259 (2) terminate the Option and sue for actual damages.

260 If Seller defaults, Buyer may:

261 (1) sue for specific performance; or

262 (2) terminate the Option and sue for actual damages.

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

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

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

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

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

279 **BUYER DUE DILIGENCE:** Prior to the granting or exercising of this option, Buyer may wish to perform certain
280 authorized inspections, investigations and testing for the Property. In addition, Buyer may need to review or obtain
281 documents relevant to financing approval, appraisals, or general due diligence for the transaction, including but not
282 limited to; business records, condominium documents, maps or other information, Municipal and zoning ordinances,
283 recorded building and use restrictions, covenants and easements of record, as they may prohibit or restrict certain uses
284 and improvements for the Property. Buyer may also need to obtain or verify certain permits, zoning variances, other
285 governmental or private approvals, environmental audits and subsoil tests, required road improvements, utility hook-up
286 and installation costs, or other development related costs and fees, in order to fully determine the feasibility of any
287 proposed or planned development of the Property. Buyer should provide for any contingencies for review and approval
288 of the above due diligence items under the additional contingencies per lines xxx-xxx or in a separate addendum per
289 lines xxx-xxx. Seller agrees to cooperate with Buyer as necessary, without any out-of-pocket costs to seller, to
290 complete any due diligence contingencies or any authorized investigations, testing and inspections as provided for in the
291 Option to Purchase.

292 Seller agrees to cooperate with Buyer as necessary, without any costs to Seller, in such authorized investigations, testing and
293 inspections and for purposes of obtaining financing.

294 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific authorizations are included in this Option. An
295 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than
296 testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.
297 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the

298 laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers, appraisers and qualified third
299 parties reasonable access to the Property upon advance notice, if necessary to perform the activities authorized in this Option. Buyer
300 and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does
301 not authorize Buyer to conduct testing of the Property. Buyer agrees to promptly restore the Property to its original condition after
302 Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all
303 inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution
304 which may be required to be reported to the Wisconsin Department of Natural Resources.

305 **AUTHORIZATION FOR APPRAISAL, INSPECTIONS AND TESTS** Buyer is authorized to have the Property appraised by a licensed or
306 certified appraiser and to conduct the following inspections and tests (see lines xxx-xxx) prior to Buyer's exercise of this Option. Any
307 inspection(s) and test(s) shall be performed by a qualified independent inspector or expert, or an independent qualified third party.
308 Inspections and testing shall be conducted pursuant to government or industry protocols and standards, as applicable.

309 List inspections (e.g., home, roof, foundation, septic) here: _____

310 _____

311 List tests (e.g., radon, lead-based paint, well water) here: _____

312 _____

313 Describe additional inspections and tests, if any, at lines xxx-xxx or attach as an addendum per line xxx.

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

316 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) payment of option fees; (2) payment of extension fees; (3) Seller's
317 grant of this Option; (4) Buyer's exercise of this Option; (5) occupancy; (6) date of closing; ~~(STRIKE AS APPLICABLE)~~ and all other
318 dates and Deadlines in this Option except: _____

319 _____

320 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 contract. If
321 "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
322 allowed before a breach occurs.

323 **RECORDING OF OPTION** Buyer (may)(may not) ~~STRIKE ONE~~ record this Option at Buyer's expense.

324 Buyer (may)(may not) ~~STRIKE ONE~~ ("may" if neither is stricken) record a separate instrument evidencing this Option at Buyer's
325 expense.

326 If this Option or a separate instrument evidencing this Option is to be recorded, insert legal description at lines xxx-xxx or attach as
327 an addendum per line xxx. If recording, the parties agree to provide authenticated or acknowledged signatures as may be required.

328 **CAUTION: Failure to record may give persons with subsequent interests in the Property priority over this Option.**

329 **LEASE-OPTION PROVISIONS**

330 Concurrent with the granting of the Option, Seller and Buyer have entered into a written lease for the Property.

331 This Option is contingent upon Seller and Buyer, within _____ days from date of acceptance of this Option, entering
332 into a written lease for the Property with minimum terms which shall include: term from _____ to
333 _____, and with an initial rent of \$_____ per month or this Option shall be null and void.

334 In the event that this Option is timely exercised, \$_____ of each monthly rent payment of \$_____ shall
335 be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller.

336 **NOTE: Lenders may not recognize a credit for rent paid under a lease.**

337 Buyer may not exercise this Option unless Buyer is current with all rent .

338 Any material breach of the lease by Buyer shall also constitute a default under this Option.

339 **ADDENDA:** The attached _____ is/are made part of this Option.

340 **ADDITIONAL PROVISIONS** _____

341 _____

342 _____

343 _____

344 _____

345 _____

346 _____

347 _____

348 _____

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

354 This Option was drafted by [Licensee and Firm] _____

355 _____ on _____

356 Buyer Entity Name (if any): _____

357 (x) _____

358 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲
359 (x) _____
360 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲
361 **SELLER GRANTS THIS OPTION. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OPTION**
362 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE**
363 **TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OPTION.**
364 Seller Entity Name (if any): _____
365 (x) _____
366 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲
367 (x) _____
368 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲
369 This Option was presented to Seller by [Licensee and Firm] _____
370 _____ on _____ at _____ a.m./p.m.
371 This Option is rejected _____ This Option is countered [See attached counter] _____
372 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲
373 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines xxx-xxx) to Seller, Buyer hereby exercises this
374 Option to Purchase.
375 Buyer Entity Name (if any): _____
376 (x) _____
377 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲
378 (x) _____
379 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

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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 (Optionor), _____
4 _____, hereby grants to the Buyer (Optionee), _____
5 _____, an option to purchase (Option) the Property known as [Street Address]
6 _____ in the _____
7 of _____, County of _____, Wisconsin, on the following terms:

8 **DEADLINE FOR GRANT OF OPTION** This Option is binding upon both Parties only if a copy of the Option, or separate but identical
9 copies, is/are signed by all Sellers and delivered to Buyer on or before _____ (Time is of the Essence).

10 **OPTION TERMS**

11 ■ INITIAL OPTION TERM: An nonrefundable option fee of \$ _____ will be paid by Buyer to Seller within _____ days
12 of the later of i) granting of this Option, or ii) the deadline for execution of a lease if line xxx of this Option is checked and shall not be
13 refundable. This Option may only be exercised if Buyer delivers written notice to Seller no later than midnight on
14 _____ unless extended below.

15 ■ EXTENDED OPTION TERM: The Deadline to exercise this Option shall be extended until midnight on _____,
16 upon payment of \$ _____ to Seller on or before _____, as an option extension fee
17 which shall not be refundable.

18 ■ EXERCISE: To exercise this Option, Buyer must sign and deliver (i) the notice at lines xxx-xxx, or (ii) any other written notice
19 which states that Buyer exercises this Option. If the Option is exercised, \$ _____ of the option fee and
20 \$ _____ of the option extension fee, if any, shall be a credit against the purchase price at closing. Buyer may sign and deliver the
21 notice at lines xxx-xxx, or may deliver any other written notice which specifically exercises this Option.

22 **CAUTION: If the option fees are to be held in paid into listing broker's trust account or to by a third party, specify in Additional**
23 **Provisions at lines xxx-xxx or in a separate agreement attached per line xxx.**

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

25 ■ PURCHASE PRICE: _____
26 _____ Dollars (\$) will be paid in cash or equivalent at closing unless otherwise provided below.

27 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the date
28 of this Option not excluded at lines xx-xx, and the following additional items: _____
29 _____.

30 ■ NOT INCLUDED IN PURCHASE PRICE: _____
31 _____.

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

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

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

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

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

43 Seller's recipient for delivery (optional): _____

44 Buyer's recipient for delivery (optional): _____

45 (2) Fax: fax transmission of the document or written notice to the following telephone number:
46 Seller: (_____) _____ Buyer: (_____) _____

47 (3) Commercial Delivery: depositing the document or written notice fees prepaid or charged to an account with a commercial
48 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
49 Party's delivery address at line xx or xx.

50 (4) U.S. Mail: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to
51 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.

52 Delivery address for Seller: _____

53 Delivery address for Buyer: _____

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

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

58 E-Mail address for Seller (optional): _____

59 E-Mail address for Buyer (optional): _____

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

62 **CLOSING** This transaction is to be closed (within _____ days after the exercise of this Option) (no later
63 than _____) **STRIKE AND COMPLETE AS APPLICABLE** at the place selected by Seller,
64 unless otherwise agreed by the Parties in writing.

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

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

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

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

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

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

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

77 _____

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

82 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
83 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
84 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
85 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
86 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

87 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option
88 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
89 condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer
90 or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

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

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

97 **RENTAL WEATHERIZATION** Unless otherwise agreed, Buyer shall be responsible for compliance with Rental Weatherization
98 Standards (Wis. Admin. Code Ch. SPS 367), if applicable.

99 **ZONING** Seller represents that the property is zoned _____.

100 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that, as of the date Seller grants this Option, Seller has no notice or
101 knowledge of any Defects (lines xxx-xxx) other than those identified in Seller's disclosure report dated _____ and, if
102 applicable, Real Estate Condition Report dated _____, and, if applicable, Vacant Land Disclosure Report dated _____
103 which was/were received by Buyer prior to Buyer signing this Option and which is/are made a part of this Option by reference **COMPLETE**

104 **DATES OR STRIKE AS APPLICABLE** and _____

105 _____

106 _____

107 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S)**

108 **CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §**
109 **709.03 may be required. If the Property does not include any buildings, a Vacant Land Disclosure Report containing the disclosures**
110 **provided in Wis. Stat. § 709.033 may be required. Excluded from these requirements are sales of property with 1-4 dwelling units that**
111 **has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example,**
112 **personal representatives who have never occupied the Property). The buyer may have certain rescission rights per Wis. Stat. § 709.05 if**
113 **Seller does not furnish such report(s) within 10 days after Seller grants this Option or if a report disclosing Defects is furnished before**
114 **expiration of those 10 days, but after the Option is submitted to Seller. Buyer should review the report form or consult with an attorney**
115 **for additional information regarding rescission rights.**

116 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of subsequent to date of after Seller's granting of,
117 but prior to date of Buyer's exercise of this Option, which is materially inconsistent with the above representations. For purposes of
118 this provision (lines xxx-xxx), Defect does not include structural, mechanical or other conditions of which the Buyer has actual
119 knowledge or written notice or which Buyer discovers prior to the exercise date of this Option.

120 **DEFINITIONS**

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

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

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

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

142 **CAUTION: Exclude any Fixtures to be retained by Seller or which are not owned by Seller, such as rented fixtures (e.g.,**
143 **water softener or other water conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on**
144 **lines xx-xx.**

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

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

149 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building or**
150 **room dimensions, if material.**

151 **BUYER'S WALK-THROUGHS** Within 3 days of the earlier of i) the Deadline for Buyer's exercise of this Option; or ii) the Buyer's
152 exercise of this Option; and again within 3 days prior to closing, at a reasonable time pre-approved by Seller or Seller's agent, Buyer
153 shall have the right to walk through the Property to determine that there has been no significant change in the condition of the
154 Property, except for ordinary wear and tear and changes approved by Buyer, and that any Defects Seller has agreed to cure have
155 been repaired in the manner agreed to by the Parties.

156 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of
157 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear
158 and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the purchase price, Seller
159 shall be obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised. No later
160 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum,
161 Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer
162 elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage
163 to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if
164 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
165 restoring the Property.

166 **CONDOMINIUM UNITS**

167 **CAUTION: If this Option involves a residential condominium unit, Buyer should obtain and review the condominium**
168 **disclosure documents before entering into this Option. See lines (xxx-xxx)**

169 If the Property is a residential condominium unit, Seller must comply with the following:

170 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Buyer exercising
171 this Option, but no later than 15 days prior to closing, current and accurate copies of the Condominium disclosure materials required
172 by Wis. Stat. § 703.33. The condominium disclosure materials include a copy of the following and any amendments to any of these
173 [except as may be limited for small condominiums with no more than 12 units per Wis. Stat. § 703.365(1)(b) and (8)]: (a) proposed or
174 existing declaration, bylaws and any rules or regulations, and an index of the contents; (b) proposed or existing articles of
175 incorporation of the association, if it is or is to be incorporated; (c) proposed or existing management contract, employment contract
176 or other contract affecting the use, maintenance or access of all or part of the condominium; (d) projected annual operating budget

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177 for the condominium including reasonable details concerning the estimated monthly payments by the purchaser for assessments and
178 other monthly charges; (e) leases to which unit owners or the association will be a party; (f) general description of any contemplated
179 expansion of condominium including each stage of expansion and the maximum number of units that can be added to the
180 condominium; (g) Unit floor plan showing location of common elements and other facilities available to unit owners; (h) the executive
181 summary.

182 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days of receipt of all the
183 required disclosure documents, rescind this Option by written notice delivered to Seller. If the disclosure materials are delivered to
184 Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the
185 disclosure materials, either rescind the Option or request any missing documents. Seller has 5 business days following receipt of
186 Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the
187 earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. §
188 703.33(4)(b)]. **The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the**
189 **disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of the documents.**

190 **NOTE: BUYER SHOULD READ ALL DOCUMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF**
191 **THE PROVISIONS OF THE DOCUMENTS BUT ARE PROHIBITED BY LAW FROM GIVING LEGAL ADVICE OR OPINIONS.**

192 ■ **ADDITIONAL CONDOMINIUM ISSUES:** In addition to the disclosure materials required by Wis. Stat. § 703.33, Buyer may wish to consider
193 reviewing other condominium materials as may be available, such as copies of: the condominium association's financial statements for the
194 last two years, the minutes of the last 3 Unit owners' meetings, the minutes of condominium board meetings during the 12 months prior to
195 acceptance, information about contemplated or pending condominium special assessments, the association's certificate of insurance, a
196 statement from the association indicating the balance of reserve accounts controlled by the association, a statement from the association of
197 the amount of any unpaid assessments on the unit (per Wis. Stat. § 703.165), any common element inspection reports (e.g. roof, swimming
198 pool, elevator and parking garage inspections, etc.), any pending litigation involving the association and the declaration, bylaws, budget and/or
199 most recent financial statement of any master association or additional association the unit may be part of. Not all of these materials may exist
200 or be available from the condominium association.

201 ■ **OPTION FEES NOT A DEPOSIT:** The Parties agree that if this Option is for a residential condominium unit, the option fee and any
202 option extension fee are not a deposit subject to return under Wis. Stats. § 703.33(4)(c).

203 **TITLE EVIDENCE**

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

210 _____
211 _____

212 _____ which constitutes merchantable title for purposes of this transaction. Seller shall complete
213 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.
214 The Parties agree that Seller shall not rezone the Property or create any additional liens or encumbrance on title after Seller grants
215 this Option without Buyer's written consent except for liens and encumbrances that will be removed at closing.

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

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

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

227 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
228 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
229 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
230 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
231 exceptions, as appropriate.

232 **CAUTION: Buyer should consider obtaining an update of the title commitment prior to exercising this Option.**

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

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

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

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

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

259 If Buyer defaults, Seller may:

260 (1) sue for specific performance if Buyer has exercised this and request the earnest money as partial payment of the purchase
261 price; or

262 (2) terminate the Option and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual
263 damages.

264 If Seller defaults, Buyer may:

265 (1) sue for specific performance; or

266 (2) terminate the Option and request the return of the earnest money, sue for actual damages, or both.

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

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

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

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

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

283 **BUYER DUE DILIGENCE:** Prior to exercising this Option, Buyer may wish to review all condominium disclosures, if any, and perform
284 certain inspections, investigations and testing. In addition, Buyer may need to obtain financing, appraisals, approvals, maps or other
285 information, and review business records. Municipal and zoning ordinances, recorded building and use restrictions, covenants and
286 easements may prohibit certain improvements or uses and therefore should be reviewed. Building permits, zoning variances,
287 Architectural Control Committee approvals, environmental audits, subsoil tests, and estimates for utility hook-up expenses, special
288 assessments, charges for installation of roads or utilities, or other development-related fees may need to be obtained or verified in
289 order to determine the feasibility of development of, or a particular use for, the Property. Info from Attorney Savas Seller agrees to
290 cooperate with Buyer as necessary, without any out-of-pocket costs to Seller, in such authorized investigations, testing and
291 inspections and for purposes of obtaining financing.

292 **[INSPECTIONS AND TESTING]** Buyer may only conduct inspections or tests if specific authorizations are included in this Option. An
293 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than
294 testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.
295 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the
296 laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers, appraisers and qualified third
297 parties reasonable access to the Property upon advance notice, if necessary to perform the activities authorized in this Option. Buyer
298 and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's authorization for inspections does
299 not authorize Buyer to conduct testing of the Property. Buyer agrees to promptly restore the Property to its original condition after
300 Buyer's inspections and testing are completed unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all

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301 inspection and testing reports to Seller. Seller acknowledges that certain inspections or tests may detect environmental pollution
302 which may be required to be reported to the Wisconsin Department of Natural Resources.

303 **AUTHORIZATION FOR APPRAISAL, INSPECTIONS AND TESTS** Buyer is authorized to have the Property appraised by a licensed or
304 certified appraiser and to conduct the following inspections and tests (see lines xxx-xxx) prior to Buyer's exercise of this Option. Any
305 inspection(s) and test(s) shall be performed by a qualified independent inspector or expert, or an independent qualified third party.
306 Inspections and testing shall be conducted pursuant to government or industry protocols and standards, as applicable.
307 List inspections/INSPECTIONS: (e.g., home, roof, foundation, septic) here:

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309 List tests/TESTS: (e.g., radon, lead-based paint, well water) here:

310 Describe additional inspections and tests, if any, at lines xxx-xxx or attach as an addendum per line xxx.

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

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313 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) payment of option fees; (2) payment of extension fees; (3) earnest
314 money payment(s); (4) Seller's grant of this Option; (54) Buyer's exercise of this Option; (65) occupancy; (76) date of closing;
315 (STRIKE AS APPLICABLE) and all other dates and Deadlines in this Option
316 except:

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321 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 contract. If
322 "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
323 allowed before a breach occurs.

324 **RECORDING OF OPTION** Buyer (may)(may not) STRIKE ONE record this Option at Buyer's expense.

325 Buyer (may)(may not) STRIKE ONE ("may" if neither is stricken) record a separate instrument evidencing this Option at Buyer's
326 expense.

327 If this Option or a separate instrument evidencing this Option is to be recorded, insert legal description at lines xxx-xxx or attach as
328 an addendum per line xxx. If recording, the parties agree to provide authenticated or acknowledged signatures as may be required.

329 **CAUTION: Failure to record may give persons with subsequent interests in the Property priority over this Option.**

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

331 **LEASE-OPTION PROVISIONS**

332 Concurrent with the granting of the Option, Seller and Buyer have entered into a written lease for the Property.

333 Concurrent with the granting of this Option This Option, is contingent upon Seller and Buyer, within _____ days
334 from date of acceptance of this Option, have entered into a written lease for the Property with minimum a terms
335 which shall include: term from _____ to _____, and with an initial rent of
336 \$ _____ per month or this Option shall be null and void.

337 In the event that this Option is timely exercised, \$ _____ of each monthly rent payment of \$ _____
338 shall be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller.

339 **NOTE: Lenders may not recognize a credit for rent paid under a lease.**

340 Buyer may not exercise this Option unless Buyer is current with all rent payments and is not otherwise in default under the
341 terms of the lease.

342 Any material breach of the lease by Buyer shall also constitute a default under this Option.

343 **ADDENDA:** The attached _____ is/are made part of this Option.

344 **ADDITIONAL PROVISIONS**

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

350 This Option was drafted by [Licensee and Firm] _____

362 _____ on _____.

363 Buyer Entity Name (if any): _____

364 (x) _____

365 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

366 (x) _____

367 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

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

371 Seller Entity Name (if any): _____

372 (x) _____

373 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

374 (x) _____

375 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

376 This Option was presented to Seller by [Licensee and Firm] _____

377 _____ on _____ at _____ a.m./p.m.

378 This Option is rejected _____ This Option is countered [See attached counter] _____

379 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

380 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines xxx-xxx) to Seller, Buyer hereby exercises this
381 Option to Purchase.

382 Buyer Entity Name (if any): _____

383 (x) _____

384 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

385 (x) _____

386 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

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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: July 12, 2012

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

Any line references are to the accompanying WB-37 Exclusive Listing Contract for Lease of Real Property highlighted draft labeled “WB-37 Lease Listing WB1 terms3812.” This draft of the WB-37 gives an initial look at some of the possible modifications (shown in tracking or yellow highlights) 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 retail, 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).

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).

With respect to the terminology used in the WB-37, please 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 223-226 and 243-245 of the draft.

◆ Title and language beneath: the WRA Committee suggests renaming the form as the “WB-37 Exclusive Listing for Lease **or Rental** of **Residential** 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 the home can be sold. The term “lease” would preclude that and would require, for instance, a lease for one year or some other specified time period.

As far as the language beneath the title, 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 **specifically say it is optional for non-residential or commercial properties**? The WRA Committee suggests that another sentence be added at the top stating:

“This form is optional for use as an exclusive listing contract for lease of commercial property and may be modified for such use.”

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The question has also come up whether there should be a DSPS lease/rental listing just for commercial deals. Note that there is presently a WRA Exclusive Listing Contract for Lease of Commercial Property available electronically. **Should this form be revised by the WRA or should there be a mandatory form for lease/rental listing of commercial and non-residential properties?**

◆ Draft line 1, Broker’s Authority: the WRA Committee thought it best to make this more like the other listings for sales 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 WRA Committee believes that the WB-37 should state that the “Owner gives Broker the exclusive right to rent or lease the property located ...” **Should this say “rent or lease” or would using only the term “rent” be clear enough?** It is the broader term but the WRA Committee believes a broker will expect to see/be more comfortable if “lease” is also mentioned. This would be a choice to make with regard to the terminology throughout the listing contract: “lease or rent,” “rent,” or “lease (as it is in the 2000 version of the WB-37 – not recommended by the WRA)?”

◆ Draft lines 5-9, Unit and Rental Terms: some changes in the language were made to make the WB-37 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 encompass more than one rental unit. If there is not enough room on the chart on lines 10-14, these lines direct the parties to use the Additional Provisions lines or attach an addendum.

◆ Broker’s Duties: The terminology in draft was modified to encompass written rental agreements in addition to leases. In the Broker’s Duties section, the Broker agrees to use reasonable efforts to “rent the Premises, to negotiate rental agreements” rather than “negotiate leases of the Premises” (2000 version). 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. “Advertise” was added to the list of tasks specifically authorized by the owner.

◆ **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. The draft also added “code violations and other documents relating to conditions affecting the Premises” to the information the owner is to provide to the broker. Should it say “code violation orders” or “code violation notices” instead? Some other suggested organizational measures, as well as the addition of language regarding LBP records, would be:

OWNER’S OBLIGATIONS Owner agrees to:

- (1) ~~M~~ake available to Broker copies of all existing data, records, documents, code violation orders and notices, records and information regarding any lead-based paint on the Premises, and other documents relating to conditions affecting the Premises;
- (2) ~~r~~ules and regulations, and other materials required in connection with the renting of the Premises, ~~t~~o provide or approve a Lease or Rental Agreement for Broker's use, and provide any rules and regulations and related forms and materials for Broker's use required in connection with the renting of the Premises;
- (3) ~~t~~o ~~A~~allow Broker to show the Premises at reasonable times and upon reasonable advance notice as may be allowed by law;
- (4) ~~t~~o ~~A~~allow Broker to advertise including placing signage upon the Premises; and
- (5) ~~t~~o ~~C~~ooperate with Broker in Broker's actions (efforts?) under this Listing and to immediately provide to Broker the names of any prospective tenants known to Owner or who contact Owner, and their contact information, in writing. [STRIKE AND COMPLETE AS APPLICABLE]

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◆ **Owner’s Warranties, Covenants and Representations:** proposed language adds in add: “unless indicated at lines xxx-xxx or in an attached addendum per line xxx, or disclosed in the documentation Owner has provided to Broker” 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). This suggests that the Broker is going to be making these disclosures for the Owner.

The Committee suggested 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. It needs to be determined whether this information is being given just so that the broker can make the disclosures required by law on behalf of the owner or whether there is an additional purpose of giving the broker a somewhat broader range of information about the condition of the property to enhance the broker’s ability to do his job.

The new Wis. Stat. § 704.07(2)(bm) (<https://docs.legis.wisconsin.gov/statutes/statutes/704.pdf>) indicates that a landlord has a duty to disclose to a prospective tenant, “before entering into a rental agreement with or accepting any earnest money or security deposit from the prospective tenant, any building code or housing code violation to which all of the following apply:

1. The landlord has actual knowledge of the violation.

2. The violation affects the dwelling unit that is the subject of the prospective rental agreement or a common area of the premises.
3. The violation presents a significant threat to the prospective tenant's health or safety.
4. The violation has not been corrected."

This new statute creates a landlord disclosure obligation that is somewhat more narrow and limited than what it says in Wis. Admin. Code § ATCP 134.04(2) with regard to code violations and what it says in the WB-37. It was suggested that item (a) under the Owner's Warranties, Covenants and Representations section refer to this statute, and this has been added (highlighted in yellow).

The WRA Committee also discussed whether the owner should give copies of the code violations to the broker. There was discussion over exactly what documentation should be provided and where any requirement in that regard should be placed within the WB-37. Should it be copies of all code violations received by the owner or only current uncorrected violations or only code violations received within the last two years (or other timeframe)? Or should it be all documents relating to conditions affecting the Premises or only as enumerated in items (a)-(g)? Should this language be placed in the Owner's Warranties section or under Owner's Obligations? The WRA Committee placed language in the Owner's Obligations section and highlighted in yellow: "code violations and other documents relating to conditions affecting the Premises"

The warning on lines 53-54 (at the end of the section) was also added to the draft.

In terms of organization, this section may be easier to read and understand if it was structured something like this:

OWNER'S WARRANTIES, COVENANTS AND REPRESENTATIONS Owner warrants and represents to Broker that:

- (1) Any materials and information given to Broker by Owner are true, accurate and correct and that the Rental Agreement and other forms provided to Broker by Owner comply with all applicable laws.
- (2) Owner has made no rent concessions or other agreements affecting the Premises.
- (3) Owner shall immediately notify Broker in writing of any material change in the information provided to Broker.
- (4) Owner agrees to hold Broker harmless from loss by reason of Broker's use of these materials, forms and information, including the payment of reasonable attorney fees in the event of any suit against Broker arising out of the use of these materials, forms and information.
- (5) Owner agrees to make the following repairs and build-outs to the Premises: _____, [STRIKE AND COMPLETE AS APPLICABLE]
- (6) Owner has no notice or knowledge of any of the following conditions affecting the Premises unless indicated at lines xxx-xxx or in an attached addendum per line xxx, or disclosed in the documentation Owner has provided to Broker:
 - (a) Uncorrected ~~building or housing~~ code violations as described in Wis. Stat. § 704.07(2)(bm);
 - (b) A lack of hot or cold running water;
 - (c) Plumbing or sewage disposal facilities that are not in good operating condition;
 - (d) Heating facilities serving any rental unit that are not in safe operating condition, or are not capable of maintaining a temperature, measured in occupied areas at the approximate center of the room, midway between floor and ceiling, of at least 67° F (19° C) during all seasons of the year that the rental unit is occupied;

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- (e) A lack of electrical service, or electrical wiring, outlets, fixtures or other components of the electrical system that are not in safe operating condition;
- (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 an unreasonable risk of personal injury as a result of any reasonably foreseeable use of the Premises other than negligent use or abuse of the Premises by tenant(s);
- (g) Other conditions or occurrences which would significantly reduce the value of the Leasehold interest to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

EXCEPTIONS TO REPRESENTATIONS STATED IN LINES xx-xx: _____

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

WARNING: IF OWNER REPRESENTATIONS ARE INCORRECT OR INCOMPLETE, OWNER MAY BE LIABLE FOR DAMAGES AND COSTS.

◆ 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 other cooperative settings. Also Wis. Admin. Code § REEB 24.13 has been amended effective July 1, 2012 (https://docs.legis.wisconsin.gov/code/admin_code/reeb/24.pdf), to specifically apply to rentals as well as sales with respect to submitting proposals.

◆ Exclusions; Extension of Listing; and Protected Tenant Definition: This is fashioned after the Exclusions and Extension of Listing sections and Protected Buyer definition in the WB-1 Residential Listing Contract. Note that the existing Extension of Listing section in the WB-37 is shown on lines 95-106 but is lined out and most of this information appears instead in the Protected Tenant definition, again following the model and format of the WB-1. Within the Protected Tenant definition the concerns with Premises containing more than one rental unit is evident.

Below is the new language that has been placed in the draft and highlighted in **yellow**. As shown below, the WRA Forms Committee believes that a prospective tenant who becomes protected for one rental unit included in the WB-37 (a rental unit listed at lines 10-14 or in an addendum) should be protected for all units included in the WB-37 listing. If a tenant sees one unit the tenant should be protected for all units covered by the WB-37. See the proposed language below. There may need to be further definitions that would help clear this up and reduce the wordiness.

■ **EXCLUSIONS:** All persons who may acquire an interest in the Premises as a Protected Tenant under a prior listing contract are excluded 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 Listing, Owner agrees to deliver to Broker a written list of all such prospective tenants. The following other tenants are excluded from this Listing until _____ [INSERT DATE]: _____ These other tenants are no longer excluded from this Listing after the specified date unless, on or before the specified date, Owner has either entered into a written ~~R~~ental ~~A~~greement with the tenants or rented the Premises to the tenants.

■ **EXTENSION OF LISTING:** The Listing term is extended for a period of one year as to any Protected Tenant. Upon receipt of a written request from Owner or a broker who has listed the Premises, Broker agrees to promptly deliver to Owner a written list of those tenants known by

Broker to whom the extension period applies. Should this Listing be terminated by Owner prior to the expiration of 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 terminated.

PROTECTED TENANT: Means a tenant who personally, or through any person acting for such tenant, during the term of the Listing: 1) delivers to Owner or Broker a written rental proposal or letter of intent regarding the Premises ~~FOR A RENTAL UNIT WITHIN THE PREMISES??~~ or a rental unit included in this Listing; 2) negotiates directly with Owner by discussing with Owner the potential terms upon which tenant might acquire a leasehold ~~OR RENTAL~~ or rental interest in the Premises or a rental unit included in this Listing ~~FOR A RENTAL UNIT WITHIN THE PREMISES??~~; or 3) attends an individual showing of the Premises or a rental unit included in this Listing ~~FOR A RENTAL UNIT WITHIN THE PREMISES??~~ or discusses with Broker or cooperating brokers the potential terms upon which tenant might acquire a leasehold or rental interest in the Premises or a rental unit included in this Listing ~~FOR A RENTAL UNIT WITHIN THE PREMISES??~~, but only if 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 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 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 confidential, by delivery of a written notice identifying the broker with whom the buyer negotiated and the date(s) of any showings or other negotiations. A tenant who becomes protected with respect to one rental unit included in this Listing shall be a Protected Tenant for all rental units included in this Listing.

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◆ **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.

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 line 72 indicates that commission is earned 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."

The WRA Committee also discussed that commission should be due if the Broker "procured" a tenant. A definition of "Procure" was inserted in the draft at lines 228-231, but it is not certain if this accomplishes what the WRA Committee had in mind. The language for "procuring a buyer" from the WB-1 was used as basis for the language added to the Commission section as item (b) as a basis for discussion, but the WRA Committee believes that the "ready, willing and able" qualifier doesn't transfer well into rent transactions.

PROCURE: A tenant is procured when, during the term of the Listing, an enforceable Rental Agreement is entered into between the Owner 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 on substantially the terms specified in this Listing. A tenant is **ready, willing and able** when the tenant submitting the written Rental Agreement has the ability to complete the tenant's obligations under the written Rental Agreement. (See lines xx-xx)

Perhaps another approach would be to indicate that a tenant has been procured if the broker finds a tenant who qualifies under the owner's tenant screening standards. That would require a few modifications throughout the WB-37 as illustrated below. Note that to procure a tenant, the language below is looking

for a written Rental Agreement from a Qualified Tenant with the thought that it would be difficult to establish procurement when working with a verbal rental agreement. The “procure” provisions would serve to protect a broker who finds a qualified tenant who proposes to rent on the described terms but is turned down by the owner for some reason.

BROKER’S DUTIES In consideration for Owner's agreements herein, Owner authorizes Broker and Broker agrees to use reasonable efforts to rent the Premises, to negotiate Rental Agreements of the Premises and to perform the following services: advertise, solicit, review and verify tenant applications, qualify and approve prospective tenants in accordance with the tenant screening provided by Owner, receive and hold deposits, ...

OWNER’S OBLIGATIONS Owner agrees to:

- (1) ~~M~~make available to Broker copies of all existing data, records, documents, code violation orders and notices, records and information regarding any lead-based paint on the Premises, and other documents relating to conditions affecting the Premises;
- (2) Provide the tenant screening standards Broker should use to qualify and approve tenants;
~~(2) rules and regulations, and other materials required in connection with the renting of the Premises, to~~
- (3) ~~P~~provide or approve a Lease or Rental Agreement for Broker's use, and provide any rules and regulations and related forms and materials for Broker's use required in connection with the renting of the Premises;
- (4) ~~to A~~allow Broker to show the Premises at reasonable times and upon reasonable advance notice as may be allowed by law;
- (5) ~~to A~~allow Broker to advertise including placing signage upon the Premises; and
- (6) ~~to C~~ooperate with Broker in Broker's actions (efforts?) under this Listing and to immediately provide to Broker the names of any prospective tenants known to Owner or who contact Owner, and their contact information, in writing. [STRIKE AND COMPLETE AS APPLICABLE]

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

QUALIFIED TENANT: a tenant is qualified if the tenant meets the tenant screening standards provided by Owner.

◆ 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.

◆ Termination of Listing & Termination Fee: the Termination of Listing is modeled after the WB-1 Residential Listing Contract and seems like a good fit as well as providing consistency for licensees. It may make more sense to reverse the order of the Termination of Listing section and the Termination Fee sections. The WRA Committee suggests that language be added to the Termination of Listing section 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.” The WRA Committee also recommends that the Termination of Listing section indicate that the sale of part of the premises does not end the listing with regard to the remaining property (although this is also stated at the very end of the

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WB-37 so perhaps we should consider whether the duplication is overkill) and that the listing does not end simply because the property is presently rented out. The WRA Committee also recommends that the Termination Fee section be modified to indicate that the termination fee is in addition to any commissions. These recommendations are illustrated below:

■ **TERMINATION OF LISTING:** The Parties agree that this Listing shall terminate upon the sale, exchange or other transfer of legal or equitable title to the Premises. Neither Owner nor Broker has the legal right to unilaterally terminate this Listing absent a material breach of contract by the other party. Seller understands that the parties to the Listing are Owner and the Broker (firm). Agents (salespersons) for Broker (firm) do not have the authority to enter into a mutual agreement to terminate the Listing, amend the commission amount or shorten the term of this Listing, without the written consent of the agent(s)' supervising broker. Owner and 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 in writing and shall not be effective until delivered to the other Party in accordance with lines xxx-xxx. CAUTION: Early termination of this Listing may be a breach of contract, causing the terminating Party to potentially be liable for damages. A sale of part of the Premises does not terminate this Listing as to the remainder of the Premises. This Listing shall not terminate because of the Lease or rental of all or part of the Premises.

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

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- ◆ **Attorney Fees Removed:** for the sake of consistency with the other listing contracts.
- ◆ **Fair Housing:** The WRA committee recommends that the heading of Non-Discrimination be used as is done in the WB-5 commercial listing and leave the language as it is.
- ◆ **Broker Disclosure to Clients 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 WB listing contracts for sales.
- ◆ **Definitions:** these also come from the sales listing contracts, but have been slightly modified for use in the WB-37. The "Procure" definition is discussed above with some proposed revisions. "Fixtures" does not appear in the WB-37 draft and may not be needed, so the WRA Committee recommends that it be removed from the WB-37 draft. 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?

The confusion with Premises comes when the Premises is a multi-unit property and the WB-37 at times uses Premises to refer to the entire property at the address/described at the beginning of the WB-37 whereas at other times the WB-37 refers to individual units that are subject to the WB-37 and a subset of the Premises identified at the beginning of the WB-37, although the individual units are to be listed in the chart, additional provisions or an addendum. Maybe it would make some sense to define Premises as the property described on lines 1-4 and create an additional definition for Premises Unit that would refer to one of the rental units subject to the Listing and that comprises a portion of the Premises. That would help reduce the wordiness, for instance, in the Protected Tenant definition.

Protected Tenant was already discussed above, leaving Deadlines-Days and Delivery.

The definition of Delivery in the draft has been modified to authorize e-mail delivery. For this Delivery section to function properly, the draft adds the signature and information lines at the end of the WB-37 from the WB-1.

◆ Note directly above signature blocks: It would seem that something like this is needed so long as Premises may contain multiple rental units. The WRA Committee recommends that the reference to “personal property and equipment” at the end of the Note be deleted. The reference to a Lease could also be removed since Rental Agreement is defined to encompass a lease. This is likely true at other places in the WB-37 draft – the double references to rental agreement and lease were left in for now because it is not clear whether owners and brokers will readily understand or whether it is better to be some duplicative to help ensure better understanding.

WB37RevisionsDSPS7-30-12

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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
6 in an addendum per line 150. Identify proposed lease terms at lines 10-14. Note: Specify additional lease terms/marketing instructions
7 in 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.

UNIT NO.	RENT	SECURITY DEP.	OTHER LEASE 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
16 reasonable efforts to negotiate leases of the Premises and to perform the following services: solicit, review and verify applications,
17 qualify and approve prospective tenants, receive and hold deposits, execute leases on behalf of Owner, and collect rents (STRIKE ALL
18 DUTIES BROKER DOES NOT ACCEPT), and in addition Broker shall provide the following services: _____
19 _____. Note: This is not a property management agreement and this Listing does
20 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
23 for Broker's use, to allow Broker to show the Premises at reasonable times and upon reasonable advance notice as may be allowed by
24 law, to allow Broker to advertise including placing signage upon the Premises, to cooperate with Broker in Broker's actions under this
25 Listing and to 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
28 comply with all applicable laws. Owner has made no rent concessions or other agreements affecting the Premises. Owner shall
29 immediately notify Broker in writing of any material change in the information provided to Broker. Owner agrees to hold Broker
30 harmless from loss by reason of Broker's use of these materials, forms and information, including the payment of reasonable attorney
31 fees in the event of any suit against Broker arising out of the use of these materials, forms and information. Owner agrees to make the
32 following repairs and build-outs to the 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 67°F
40 (19°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
42 operating 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
44 create an unreasonable risk of personal injury as a result of any reasonably foreseeable use of the Premises other than negligent use or
45 abuse of 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
54 Premises, 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.

EXTENSION OF LISTING

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 negotiated regarding the lease of the Premises or submitted a written letter of intent or lease during the term of this Listing (protected 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 later than three days after the expiration of the Listing, unless Owner was directly involved in discussions of the potential terms upon which 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 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 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 tenant has requested that the tenant's identity remain confidential, delivery of a notice identifying the broker with whom the tenant negotiated and the date(s) of any showings or other negotiations shall fulfill the delivery of the tenant's name requirement. "Negotiated" for the purpose of this paragraph means to discuss the potential terms upon which tenant might acquire a leasehold interest in the Premises or to attend an individual showing of the Premises. "Submitted" for the purposes of this paragraph means that a written letter of intent or lease has been delivered to Owner or Broker.

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

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

AGENCY DISCLOSURE PROVISIONS

AGENCY DISCLOSURE AND CONSENT TO MULTIPLE REPRESENTATION: Wisconsin Statute 452.135(2) requires Broker to 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 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 confidential and non-confidential information at lines 132-135. If a multiple representation relationship is consented to and does occur, both parties will be Broker's clients.

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

- (a) Provide brokerage services to all parties to the transaction honestly, fairly and in good faith.
- (b) Diligently exercise reasonable skill and care in providing brokerage services to all parties.
- (c) Disclose to each party all material adverse facts that the broker knows and that the party does not know or cannot discover through reasonably vigilant observation, unless the disclosure of a material adverse fact is prohibited by law.
- (d) Keep confidential any information given to the broker in confidence, or any information obtained by the broker that he or she knows a reasonable party would want to be kept confidential, unless the information must be disclosed under par. (c) or Wisconsin Statute 452.23 (information contradicting third party inspection or investigation reports), or is otherwise required by law to be disclosed or the party whose interests may be adversely affected by the disclosure specifically authorizes the disclosure of particular confidential information. A broker shall continue to keep the information confidential after the transaction is complete and after the broker is no longer providing brokerage services to the party.
- (e) Provide accurate information about market conditions that affect a transaction, to any party who requests the information, within a reasonable time of the party's request, unless disclosure of the information is prohibited by law.
- (f) Account for all property of the parties coming into the possession of a broker within a reasonable time of receipt.
- (g) When negotiating on behalf of a party, present contract proposals in an objective and unbiased manner and disclose the advantages and disadvantages of the proposals.

DUTIES OWED TO CLIENTS ONLY:

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 her client shall do all of the following:

- (a) Loyal represent the client's interests by placing the client's interests ahead of the interests of any other party, unless loyalty to a client violates the broker's duties under lines 81-97 or Wis. Stat. 452.137(2) (duties to all clients in multiple representation situations).
- (b) Disclose to the client all information known by the broker that is material to the transaction and that is not known by the client or discoverable by the client through reasonably vigilant observation, except for confidential information (see lines 87-92) and other information, the disclosure of which is prohibited by law.
- (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 are not inconsistent with another duty that the broker has under Wisconsin Statute Chapter 452 or any other law.

MULTIPLE REPRESENTATION (DUAL AGENCY): Wisconsin Statute 452.137 states that Broker may represent both parties in the same transaction only with the written consent of both parties. A multiple representation relationship would exist if Broker is the tenant's agent for a tenant seeking to acquire an interest in the Premises. In a multiple representation relationship, Broker will provide the marketing and other services agreed upon in this Listing. Broker will continue to provide information and advice to both parties, but is not allowed to place the interests of either party ahead of the other in negotiations. During negotiations, Broker will prepare approved forms to accomplish the intent of the party making the proposal. Broker will present the proposal in an objective and unbiased manner, disclosing the proposal's advantages and disadvantages. Broker shall not disclose confidential information of either party unless required by law. **(NOTE: Wisconsin Administrative Code section RL 24.07 requires disclosure of adverse material facts to all interested parties).** If Owner consents to the multiple representation relationship, Owner is indicating that Owner understands Broker's 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 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 LIST THAT
129 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
139 prior 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 **ADDENDA** 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**
154 **OR ANY OTHER REAL ESTATE CONTRACT. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**
155 **OWNER SHOULD CONSULT OTHER EXPERTS AS APPROPRIATE, FOR EXAMPLE, APPRAISERS, TAX ADVISORS, OR**
156 **INSPECTORS IF SERVICES 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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