



VIRTUAL/TELECONFERENCE MEETING

REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE

Room 121A, 1400 East Washington Avenue, Madison

Contact: Brittany Lewin (608) 266-2112

November 20, 2014

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 record of the actions and deliberations of the Board.

AGENDA

9:30 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. **Adoption of Agenda (1)**
- B. **Approval of Minutes from September 24, 2014 (2)**
- C. **Administrative Updates**
 - 1) Staff Updates
 - 2) 2015 Meeting Dates
 - a) Thursday, March 19, 2015
 - b) Thursday, May 21, 2015
 - c) Thursday, July 23, 2015
 - d) Thursday, September 24, 2015
 - e) Thursday, November 19, 2015
- D. **WB-35 Simultaneous Exchange Agreement (3-16)**
 - 1) WRA Memo with Proposed Changes **(3-5)**
 - 2) WB-35 as Modified by Committee on September 24, 2014 **(6-16)**
- E. New Business
- F. Public Comments

ADJOURNMENT

**REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE
MEETING MINUTES
September 24, 2014**

PRESENT: Stephen Beers, Debra Conrad, Casey Clickner, Michael Gordon, Cori Lamont, Kim Moermond, Richard Petershack, Jonathan Sayas, Gary Tritz, Thomas Weber

EXCUSED: John Drzewiecki, Scott Minter, Michael Sewell, Peter Sveum

STAFF: Brittany Lewin, Executive Director; Karen Rude-Evans, Bureau Assistant

CALL TO ORDER

Stephen Beers, Chair, called the meeting to order at 9:35 a.m. A quorum of ten (10) members was confirmed.

ADOPTION OF AGENDA

MOTION: Casey Clickner moved, seconded by Michael Gordon, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Debra Conrad moved, seconded by Richard Petershack, to approve the minutes of July 23, 2014 as published. Motion carried unanimously.

WB-6, WB-16 AND WB-17

MOTION: Richard Petershack moved, seconded by Debra Conrad, to recommend the Real Estate Examining Board adopt the final revisions to WB-6, WB-16 and WB-17 discussed in today's meeting and appoint Stephen Beers to report the revisions and recommendations to the Real Estate Examining Board. Motion carried unanimously.

ADJOURNMENT

MOTION: Richard Petershack moved, seconded by Cori Lamont, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 1:33 p.m.

REVISIONS TO WB-35 SIMULTANEOUS EXCHANGE AGREEMENT

To: DSPS Real Estate Contractual Forms Advisory Committee
From: WRA Forms Committee
Date: September 8, 2014
RE: **WB-35 Simultaneous Exchange Agreement**

The starting point for this discussion is the 2000 WB-35 Simultaneous Exchange Agreement. This may be viewed on the DSPS web site at <http://dsps.wi.gov/Documents/Credentialing%20Forms/Business%20Application%20Forms/WB-35.pdf>. This memo relating to the WB-35 and the accompanying drafts discusses a proposed draft of the WB-35 that is built primarily using the provisions from the current WB-35 draft and making modifications as is appropriate using provisions from the commercial and business offers. Some of the proposed modifications were made in response to the commentary from Mark Balisterri, who appeared at a prior meeting of this Committee. Mark Balisterri and the rest of the Wisconsin Exchange Club primarily use the WB-35 in a commercial context.

Mark Balisterri and J.R. Siewert, a WRA member who uses the WB-35 more in residential settings, both joined the WRA Forms Committee in a prior meeting to review the revised draft of the WB-35 and their comments and additional input was incorporated into the documents accompanying this memo. We will work with the draft is labeled WB-35WordProp1SampleSept (gives an idea of what the form would look like with the changes accepted) which shows new discussion items and recent changes in tracking.

WB-35 Draft

Looking at the WB-35WordProp1SampleAug:

- ◆ **RECAP:** Lines 4-9, General Provisions identifying First Party and Second Party: the type of the entity and state or organization was added at lines 4 and 7, and additional blank lines were also added, such that these are like the WB-16 and WB-17
- ◆ **RECAP:** Lines 63-64, Personal Delivery/Actual Receipt: this section is new to the WB-35. It is the same as the corresponding section in the offers with appropriate adjustments to terminology (First Party and Second Party instead of Buyer and Seller). It is being modified, as is the WB-16 and WB-17, to remove the word “personal” because it is intended to apply to all authorized methods of delivery and not just personal delivery.
- ◆ **RECAP:** Lines 122-180, Financing Contingency: the Financing Contingency was reworked to first insert the Financing Contingency provisions from the other offers and then to have separate information for the **First Party as Grantee** (lines 125-133) and the **Second Party as Grantee** (lines 134-142) and then a section of common provisions under **Provisions applicable to each Grantee** (lines 143-151). This is followed by the other familiar Financing Contingency subsections with appropriate adjustments to terminology (Grantee and Grantor instead of Buyer and Seller).

The Financing Unavailability subsection on lines 166-173 was modified as with the WB-16 and WB-17 to offer to offer a choice as to whether the seller would have the opportunity to seller finance. The default is “shall not” because the Committee felt that although seller financing is used widely in some markets the majority practice was to not utilize this option. Also the reference to the Agreement were

changed to refer to the Financing Contingency to make sure there was no confusion since there is also a land contract financing contingency in the WB-35.

◆ Lines 263-268, Title Evidence: This subsection was modified to remove the blanks and simply refer to the Fair Market Value section at lines 210-223 where the value may be stated and the concept is explained, etc..

◆ Lines 312-316, Cooperation with “Like Kind” Exchange: In explaining this provision, one of the WRA *Legal Updates* from 2000 indicates: “It is also possible that a property transferred or received in a simultaneous exchange is used as a step in a Starker exchange – thus the section for Cooperation with “Like Kind” Exchange has been included on page 4 of the 2000 exchange agreement. This use, however, will be unusual.” As a result, the word “subsequent” (“potential” a better word?) has been inserted in this language to make it clear that the exchange documented in the Agreement is not a tax-deferred “Starker” exchange, rather that a property received in the exchange transaction may be used in a later Starker exchange. **Mark Balisterri indicated that this provision is possibly confusing and rarely used in his practice – it has been deleted in tracking in the draft.**

◆ Lines 318-403, Definition of Conditions Affecting the Property or Transaction: At the suggestion of the WRA Forms Committee, this definition is a combination of the Real Estate Condition Report items and the Vacant Land Disclosure Report items plus the conditions from the commercial offer. A lot of the additional length comes from the VLDR. **Suggestions for trimming this down? Does this mean there should be a separate disclosure report for exchanges? The DSPS Real Estate Contractual Forms Advisory Committee requested that we ask the WB-35 practitioners about this provision and whether it may be more efficient to instead have a provision referring to the attached condition reports, which would mean they would need to have a condition report for each property available when the agreement was drafted. Mark Balisterri indicated that he would not favor the idea of having separate condition reports for each property because it could get cumbersome for multiple property transactions. Remember that not all of these properties would necessarily be listed.**

◆ Condominium provisions: The DSPS Real Estate Contractual Forms Advisory Committee requested that we ask the WB-35 practitioners whether it would be useful/beneficial to have a section of condominium provisions in the WB-35. For instance it might say Property One is/is not a condominium and Property Two is/is not a condominium and thus the provisions on lines xxx-xxx apply. An alternate proposal would be for the WRA to create a condominium addendum that could potentially be used with the WB-35 and other offers, (commercial condos, vacant land condos, etc.) **Mark Balisterri indicated that, “If the ‘provisions at lines xxx-xxx’ section could be kept to a few lines, it may be a benefit to incorporate the Property One is/is not a condominium and Property Two is/is not a condominium reference. My thought is that we have some space on page ten which could allow for this language without adding more pages.”** The draft shows proposed condo provisions, based on the WB-14 with some modifications, in tracking, on lines 317-373. **If the provisions lined out in the draft are removed, this should fit within 10 pages but that may not hold once formatting is done.**

◆ Lines 527-529, Broker’s Compensation: The language here has been modified slightly. It apparently is intended to satisfy Wis. Admin. Code § REEB 24.05(1)(a) which provides: “Compensation. (a) A licensee acting as an agent in a real estate or business opportunity transaction may not accept any fee or compensation related to the transaction from any person, other than the licensee's client, principal broker, or broker-employer without prior written consent from all parties to the transaction.” The language in the WB-35 allows brokers essentially to receive compensation from either party. The DSPS Committee **believes this should continue to appear in the WB-35.**

◆ Lines 550-574, Inspection Contingency: The 2000 WB-35 has a combination Environmental Evaluation/Inspection Contingency that has been split out in the WB-35 as was done in the business offers. There is a subsection for Contingency Satisfaction and Right to Cure. At the beginning of the contingency it now indicates that the parties should “CHECK AS APPLICABLE” in recognition that each party may wish to have an inspection. This may help eliminate the need to have a second Inspection Contingency repeated in an addendum. **The blank line for component inspections was reworked to include separate blank lines for Property One and Property Two.**

◆ Lines 518-546, Document Review Contingency: This contingency was expanded a bit by adding the language from the commercial offer. At the beginning of the contingency it now indicates that the parties should “CHECK AS APPLICABLE” in recognition that each party may wish to have a document review. This may help eliminate the need to have a second Document Review Contingency repeated in an addendum. **The DSPS Committee suggested that there be two columns of check boxes – see the draft for the general idea. Mark Balistierra suggested: “This Agreement is contingent upon Grantor delivering the following checked items to Grantee no later than ____ days from acceptance.” This is shown in the draft in tracking.**

◆ Lines 604-613, Tax Qualification Contingency: This largely remains as it appears in the 2000 exchange agreement. **The DSPS Committee suggested that there be separate lines to name the respective tax advisors and separate deadlines. See the changes in the draft.**

◆ Lines 549-567, Additional Provisions, Addenda, Contract Warning: These provisions remain as they appear in the 2000 WB-35. The exchange practitioners would like to have as many blank lines here – and in other provisions – as possible.

WB35RevisionsDSPS9-24-14

Approved by the Real Estate Examining Board
x-x-xx Optional Use Date
x-x-xx Mandatory Use Date

WB-35 SIMULTANEOUS EXCHANGE AGREEMENT

1 LICENSEE DRAFTING THIS AGREEMENT ON _____ [DATE] IS THE AGENT OF (FIRST PARTY) (SECOND
2 PARTY) (BOTH PARTIES) [STRIKE TWO] **CAUTION: NOT TO BE USED FOR "STARKER" EXCHANGES.**

3 [GENERAL PROVISIONS] First Party and Second Party agree to exchange Property One for Property Two. As used in this Agreement:
4 First Party is (if entity, include type and state of organization) _____

7 Second Party is (if entity, include type and state of organization) _____

10 Property One is _____

12 Property Two is _____

14 As to Property One, First Party is Grantor and Second Party is Grantee. As to Property Two, Second Party is Grantor and First Party is
15 Grantee. Unless otherwise indicated, the words "Property," "Grantor," and "Grantee" shall apply separately to both aspects of the
16 transaction (See lines xxx-xxx).

17 ■ ADDITIONAL CONSIDERATION: At closing First Party Second Party shall pay the Other Party cash in the amount of \$ _____

18 ■ OTHER CONSIDERATION: At closing First Party Second Party shall: _____

20 **Note: If assuming mortgage(s), consider terms and balance of mortgage, lender approval, etc.**

21 ■ FIXTURES AND OTHER PROPERTY: Included with the real property exchanged under this Agreement are all fixtures (See lines 263-
22 266) as may be on the Property on the date of this Agreement, unless excluded at lines 22-25, and the following additional items:

23 Property One: _____

25 Property Two: _____

27 All personal property will be transferred by Bill of Sale, free and clear of all liens and encumbrances, subject to tenants' rights.

28 ■ ITEMS NOT INCLUDED IN THIS AGREEMENT: **CAUTION: Address rented fixtures or trade fixtures owned by tenants, if applicable.**

29 Property One: _____

30 Property Two: _____

31 **NOTE: Attach a schedule to identify additional included or excluded personal or other property, as needed.**

32 [TIME IS OF THE ESSENCE] "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing;
33 (5) contingency Deadlines [STRIKE AS APPLICABLE] and all other dates and Deadlines in this Offer except: _____

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

37 [ACCEPTANCE] Acceptance occurs when all Grantors and Grantees have signed one copy of the Agreement, or separate but identical
38 copies of the Agreement.

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

41 [BINDING ACCEPTANCE] This Agreement will only be binding if a copy of the Agreement, which has been signed by or on behalf of each
42 Party (NOTE: each Party, or an authorized agent, must sign for this Agreement to be valid), has been delivered to both Parties on or before
43 _____.

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

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

47 First Party's recipient for delivery (optional): _____

48 Second Party's recipient for delivery (optional): _____

49 (2) Fax: fax transmission of the document or written notice to the following telephone number:

50 First Party: (_____) _____ Second Party: (_____) _____

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

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

55 Delivery address for First Party: _____

56 Delivery address for Second Party: _____

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

Formatted: Font: (Default) Arial Narrow, 10 pt

Formatted: Font: Arial Narrow, 10 pt

59 consumer providing an e-mail address below has first consented electronically to the use of electronic documents, e-mail delivery and electronic
60 signatures in the transaction, as required by federal law.

61 E-Mail address for First Party: _____

62 E-Mail address for Second Party: _____

63 **[PERSONAL DELIVERY/ACTUAL RECEIPT]** ~~Personal Delivery~~ to, or Actual Receipt by, any named First Party or Second Party
64 constitutes ~~personal~~ delivery to, or Actual Receipt by, all First Parties or Second Parties.

65 **[LEASED PROPERTY]** If Property is currently leased and leases extend beyond closing, Grantor shall assign Grantor's rights under the
66 lease(s) and credit all security deposits and prepaid rents thereunder to Grantee at closing. The terms of the (written) (oral) **[STRIKE ONE]**
67 lease(s), if any, are _____

68 _____

69 **[PROPERTY CONDITION PROVISIONS]**

70 **■PROPERTY CONDITION REPRESENTATIONS:** Grantor represents to Grantee that as of the date of Grantor's signing of this Agreement
71 Grantor has no notice or knowledge of Conditions Affecting the Property or Transaction (lines xxx-xxx) other than those identified in
72 Grantor's disclosure report (Property One report dated _____, Property Two report dated _____) which was
73 received by Grantee prior to Grantee signing this Agreement **[COMPLETE DATES OR STRIKE AS APPLICABLE]**, and the following:
74 Property One: _____

75 _____

76 Property Two: _____

77 _____

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

79 **CAUTION: If Assets include 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §**
80 **709.03 may be required. If Assets include Real Estate without any buildings, a Vacant Land Disclosure Report containing the**
81 **disclosures provided in Wis. Stat. § 709.033 may be required. Buyer may have rescission rights per Wis. Stat. § 709.05. A**
82 **commercial or business disclosure report for commercial/business Real Estate may be used as well as business disclosure**
83 **report(s) regarding Assets other than real estate. More than one report may be used.**

84 **■PROPERTY DIMENSIONS AND SURVEYS:** Each Party acknowledges that any land, building or room dimensions, or total acreage or
85 building square footage figures, provided to that Party by the Other Party or by a broker may be approximate because of rounding,
86 formulas used or other reasons, unless verified by survey or other means. **CAUTION: Each Party should verify total square footage or**
87 **acreage figures and land, building or room dimensions, if material to the Party's decision to purchase.**

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

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

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

103 **■PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Grantor shall maintain the Property until the earlier of closing or
104 occupancy by Grantee in materially the same condition as of the date of acceptance of this Agreement, except for ordinary wear and tear.
105 If, prior to the earlier of closing or occupancy by Grantee, the Property is damaged in an amount of not more than five per cent (5%) of the
106 selling price, Grantor shall be obligated to repair the Property and restore it to the same condition that it was in on the day of this
107 Agreement. No later than closing, Grantor shall provide Grantee with lien waivers for all lienable repairs and restoration. If the damage shall
108 exceed such sum, Grantor shall promptly notify Grantee in writing of the damage and this Agreement may be canceled at the option of the
109 Grantee. Should Grantee elect to carry out this Agreement despite such damage, Grantee shall be entitled to any insurance proceeds, if
110 any, relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Grantor's deductible on such
111 policy, if any. However, if this sale is financed by a land contract or a mortgage to Grantor, any insurance proceeds shall be held in trust for
112 the sole purpose of restoring the Property.

113 **■PRE-CLOSING WALK-THROUGH:** At a reasonable time, preapproved by Grantor or Grantor's agent, within 3 days prior to closing,
114 Grantee shall have the right to walk through the Property to determine that there has been no significant change in the condition of the
115 Property, except for ordinary wear and tear and changes approved by Grantee, and that any Defects Grantor has agreed to cure have
116 been repaired in the manner agreed to by the Parties.

117 **[OCCUPANCY]** Occupancy of the entire Property shall be given to Grantee at time of closing unless otherwise provided in this Agreement
118 at lines xxx-xxx or in an addendum per line xxx. At time of Grantee's occupancy, Property shall be in broom swept condition and free of all
119 debris and personal property except for personal property belonging to current tenants, or that sold to Grantee or left with Grantee's
120 consent. Occupancy shall be given subject to tenant's rights, if any. **CAUTION: Consider an agreement which addresses responsibility**
121 **for removal of personal property and debris prior to occupancy, if applicable.**

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

123 **FINANCING CONTINGENCY:** This Offer is contingent upon Grantee being able to obtain the following described financing within
124 _____ days of acceptance of this Offer:

125 **First Party as Grantee:** a written _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage
 126 loan commitment in an amount of not less than \$ _____ for a term of not less than _____ years, amortized
 127 over not less than _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____. Buyer agrees to
 128 pay discount points and/or loan origination fee in an amount not to exceed _____% of the loan.

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

130 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____%.
 131 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____%. The initial interest rate
 132 shall be fixed for _____ months, at which time the interest rate may be increased not more than _____% per year.
 133 The maximum interest rate during the mortgage term shall not exceed _____%.

134 **Second Party as Grantee:** a written _____ [INSERT LOAN PROGRAM OR SOURCE] first
 135 mortgage loan commitment in an amount of not less than \$ _____ for a term of not less than _____ years,
 136 amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____. Buyer
 137 agrees to pay discount points and/or loan origination fee in an amount not to exceed _____% of the loan.

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

139 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____%.
 140 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____%. The initial interest rate
 141 shall be fixed for _____ months, at which time the interest rate may be increased not more than _____% per year.
 142 The maximum interest rate during the mortgage term shall not exceed _____%.

143 **Provisions applicable to each Grantee:** Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard
 144 insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium. If the purchase
 145 price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the
 146 purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization
 147 stated above. Monthly payments of principal and interest may be adjusted to reflect any interest changes.

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

150 **NOTE: If this exchange is conditioned on a Grantee obtaining financing for operations or development consider adding a**
 151 **contingency for that purpose.**

152 **■ GRANTEE'S LOAN COMMITMENT:** Grantee agrees to pay all customary loan and closing costs, to promptly apply for a mortgage loan,
 153 and to provide evidence of application promptly upon request of Grantor. If Grantee qualifies for the loan described in this Agreement or
 154 another loan acceptable to Grantee, Grantee agrees to deliver to Grantor a copy of the written loan commitment no later than the deadline
 155 at line 229. **Grantee and Grantor agree that delivery of a copy of any written loan commitment to Grantor (even if subject to**
 156 **conditions) shall satisfy Grantee's financing contingency if, after review of the loan commitment, Grantee has directed, in writing,**
 157 **delivery of the loan commitment. Grantor's written direction shall accompany the loan commitment. Delivery shall not satisfy this**
 158 **contingency if accompanied by a notice of unacceptability.**

159 **CAUTION: The delivered commitment may contain conditions Grantee must yet satisfy to obligate the lender to provide the loan.**
 160 **GRANTEE, GRANTEE'S LENDER AND AGENTS OF GRANTEE OR GRANTOR SHALL NOT DELIVER A LOAN COMMITMENT TO**
 161 **GRANTOR OR GRANTOR'S AGENT WITHOUT GRANTEE'S PRIOR WRITTEN APPROVAL OR UNLESS ACCOMPANIED BY A**
 162 **NOTICE OF UNACCEPTABILITY.**

163 **■ GRANTOR TERMINATION RIGHTS:** If Grantee does not make timely delivery of said commitment; Grantor may terminate this
 164 Agreement if Grantor delivers a written notice of termination to Grantee prior to Grantor's Actual Receipt of a copy of Grantee's written loan
 165 commitment.

166 **■ FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this ~~Offer Financing Contingency~~ (and Grantee has
 167 not already delivered an acceptable loan commitment for other financing to Grantor), Grantee shall promptly deliver written notice to
 168 Grantor of same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named
 169 in this ~~Financing Contingency Agreement, Grantor (shall) (shall not) STRIKE ONE ("shall not" if neither is stricken) Grantor shall then have~~
 170 10 days to deliver to Grantee written notice of Grantor's decision to finance this transaction on the same terms set forth in this ~~Financing~~
 171 ~~Contingency Agreement~~, and this Agreement shall remain in full force and effect, with the time for closing extended accordingly. If Grantor's
 172 notice is not timely given, this Agreement shall be null and void. Grantee authorizes Grantor to obtain any credit information reasonably
 173 appropriate to determine Grantee's credit worthiness for Grantor financing.

174 **■ IF THIS AGREEMENT IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party in
 175 control of Grantee's funds shall provide Grantor with reasonable written verification that Grantee has, at the time of verification, sufficient
 176 funds to close. If such written verification is not provided, Grantor has the right to terminate this Agreement by delivering written notice to
 177 Grantee. Grantee may or may not obtain mortgage financing but does not need the protection of a financing contingency. Grantor agrees
 178 to allow Grantee's appraiser access to the Property for purposes of an appraisal. Grantee understands and agrees that this Agreement is
 179 not subject to the appraisal meeting any particular value, unless this Agreement is subject to an appraisal contingency, nor does the right of
 180 access for an appraisal constitute a financing contingency.

181 **APPRAISAL CONTINGENCY:** **First Party as Grantee** **Second Party as Grantee [CHECK ONE OR BOTH AS**
 182 **APPLICABLE]:** This Agreement is contingent upon the Grantee or Grantee's lender having the Property appraised at Grantee's expense
 183 by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the date of this Agreement
 184 indicating an appraised value for the Property equal to or greater than the Fair Market Value (see lines xxx-xxx). This contingency shall be
 185 deemed satisfied unless Grantee, within _____ days of acceptance, delivers to Grantor a copy of the appraisal report which
 186 indicates that the appraised value is not equal to or greater than Fair Market Value, accompanied by a written notice of termination.

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

189 **LAND CONTRACT FINANCING:** **First Party as Grantee** **Second Party as Grantee [CHECK ONE OR BOTH AS**
 190 **APPLICABLE]** Both Parties agree to execute a State Bar of Wisconsin Form 11 Land Contract, the terms of which are incorporated into
 191 this Agreement by reference. Prior to execution of the land contract Grantor shall provide the same evidence of merchantable title as
 192 required below and written proof, at or before execution, that the total underlying indebtedness, if any, is not in excess of the proposed

193 balance of the land contract, that the payments on the land contract are sufficient to meet all of the obligations of Grantor on the underlying
 194 indebtedness, and that all creditors whose consent is required have consented to the land contract sale. Grantor may terminate this
 195 Agreement if creditor approval cannot be obtained. Grantor may terminate this Agreement if Grantee does not provide a written credit
 196 report which indicates that Grantee is credit worthy based upon reasonable underwriting standards within 15 days of acceptance. Grantee
 197 shall pay all costs of obtaining creditor approval and the credit report.

198 **First Party as Grantee:** \$ _____ shall be paid at closing (in addition to earnest money) interest rate following
 199 payment default shall be _____%, the default period shall be _____ days for payments and _____ days for performance of any other
 200 obligations. Interest shall be calculated on a prepaid postpaid [CHECK ONE] basis. The first payment shall be due _____
 201 _____. Any amount may be prepaid on principal without penalty at any time. If the term of the land contract is shorter than the
 202 amortization period, a balloon payment will be due at the end of the term of the land contract. Grantee Grantor [CHECK ONE] shall
 203 be responsible for the preparation of the land contract, including all costs of preparation.

204 **Second Party as Grantee:** \$ _____ shall be paid at closing (in addition to earnest money) interest rate following
 205 payment default shall be _____%, the default period shall be _____ days for payments and _____ days for performance of any other
 206 obligations. Interest shall be calculated on a prepaid postpaid [CHECK ONE] basis. The first payment shall be due _____
 207 _____. Any amount may be prepaid on principal without penalty at any time. If the term of the land contract is shorter than the
 208 amortization period, a balloon payment will be due at the end of the term of the land contract. Grantee Grantor [CHECK ONE] shall
 209 be responsible for the preparation of the land contract, including all costs of preparation.

210 **[FAIR MARKET VALUE] Note: Fair Market Value must be determined prior to completion of the transfer fee return per Wis. Stat. § 77.22.**

211 *Fair Market Value information may also be needed to determine if the transaction qualifies for a particular tax treatment and with regard to*
 212 *appraised values, financing, insurance and title insurance amounts per lines xxx-xxx. Fair Market Value is defined in Wis. Stat. § 77.21 as:*
 213 *"The estimated price the property would bring in an open market and under the then prevailing market conditions in a sale between a*
 214 *willing seller and a willing buyer, both conversant with the property and at prevailing general price levels." If Fair Market Value is available*
 215 *on the date of this agreement, state the Fair Market Value of the Properties:*

216 Property One: \$ _____ Property Two: \$ _____

217 If Fair Market Values are not stated in this Agreement, the Parties shall agree on the Fair Market Values of the Properties, in writing, no
 218 later than _____ days before closing ("10" if left blank). If the Parties cannot agree on Fair Market Values by the deadline either Party
 219 may, within 5 days following the deadline, deliver written notice to terminate this Agreement and any earnest money shall be returned to
 220 Grantee. If no notice is delivered by either party within such 5 day period the Parties agree to proceed to closing and separately establish
 221 Fair Market Value.

222 **CAUTION: Failure of the parties to agree on Fair Market Values prior to closing may have tax implications. The Parties should**
 223 **consult accountants, legal counsel or other appropriate experts, as necessary.**

224 **[RENTAL WEATHERIZATION]** For each Property containing dwelling units, identify whether the transfer of the Property is or is not exempt
 225 from Wisconsin Rental Weatherization Standards (Wis. Admin. Code, Ch. SPS 367). For each Property which is not exempt, identify which
 226 Party will be responsible for compliance, including costs of compliance:

227 **Property One:** (is)/(is not) [STRIKE ONE] exempt. **Property Two:** (is)/(is not) [STRIKE ONE] exempt. Party responsible for cost of
 228 Compliance: **Property One:** (First Party) (Second Party) [STRIKE ONE] **Property Two:** (First Party) (Second Party) [STRIKE ONE] If
 229 Grantor is responsible for compliance, Grantor shall provide a Certificate of Compliance at closing.

230 **[CLOSING]** This transaction is to be closed at _____
 231 no later than _____, ~~unless otherwise agreed by the Parties in writing.~~

232 **ESCROW CLOSING:** The escrow agent shall be _____.

233 Escrow fees shall be the responsibility of: (First Party) (Second Party) (Shared equally) [STRIKE TWO]. Each Party shall deposit with the
 234 escrow agent all funds and documents necessary to complete the exchange according to the terms of this Agreement. The escrow agent
 235 shall disburse the closing funds and record/file the documents promptly upon verification that, per the most current records available for
 236 review, the condition of title has not changed from the condition of title shown in the title commitment provided per lines xxx-xxx, other than
 237 liens to be paid out of closing proceeds and other changes agreed to by the Parties.

238 **[CLOSING PRORATIONS]** The following items, if applicable, shall be prorated at closing, based upon date of closing values: real estate
 239 taxes, rents, prepaid insurance (if transferred), private and municipal charges, property owners association assessments, fuel, other prepaid
 240 amounts for items being transferred to Grantee, and _____.

241 _____ [STRIKE AND COMPLETE AS APPLICABLE]

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

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

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

245 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes are defined as
 246 general property taxes after state tax credits and lottery credits are deducted) (Note: this choice applies if no box is checked)

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

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

250 Other: _____

251 **CAUTION: If Property has not been fully assessed for tax purposes (for example, recent land division or completed/pending**
 252 **reassessment) or if proration on the basis of net general real estate taxes is not acceptable (for example, changing mill rate), insert**
 253 **estimated annual tax or other basis for proration. Grantee is informed that the actual real estate taxes for the year of closing and**
 254 **subsequent years may be substantially different than the amount used for proration especially in transactions involving new**
 255 **construction, extensive rehabilitation, remodeling or area-wide re-assessment. Grantee is encouraged to contact the local**
 256 **assessor regarding possible tax changes.**

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

262 **[TITLE EVIDENCE]**

263 ■ **FORM OF TITLE EVIDENCE:** Grantor shall give evidence of title in the form of an owner's policy of title insurance on a current ALTA form
264 issued by an insurer licensed to write title insurance in Wisconsin. Grantor shall pay all costs of providing title evidence to Grantee. Grantee
265 shall pay all costs of providing title evidence required by Grantee's lender. The policies shall be in the amount of (the Property's Fair Market
266 Value as defined at lines 148-155xxx-xxx.) (Property One: \$

267 _____
268 Property Two: \$ _____ [STRIKE AND COMPLETE AS APPLICABLE]

269 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Grantor shall convey the Property by warranty deed (trustee's
270 deed if Grantor is a trust, personal representative's deed if Grantor is an estate or other conveyance as provided herein) free and
271 clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for
272 the distribution of utility and municipal services, recorded building and use restrictions and covenants, tenant's rights, general taxes levied in
273 the year of closing and _____

274 _____ (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title
275 for purposes of this transaction. Grantor further agrees to complete and execute the documents necessary to record the conveyance at
276 Grantor's cost and pay the Wisconsin Real Estate Transfer Fee.

277 ■ **PROPERTY IMPROVEMENT, DEVELOPMENT FOR CHANGE IN USE**

278 **WARNING: If Grantee contemplates improving or developing Property, or a change in use, Grantee may need to address municipal**
279 **and zoning ordinances, recorded building and use restrictions, covenants and easements which may prohibit some improvements**
280 **or uses. The need for building permits, zoning variances, environmental audits, etc. may need to be investigated to determine**
281 **feasibility of improvements, development or use changes for Property. Contingencies for investigation of these issues may**
282 **be added to this Agreement. See lines xxx-xxx.**

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

288 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
289 commitment is delivered to Grantee's attorney or to Grantee not more than _____ days after acceptance ("15" if left blank),
290 showing title to the Property as of a date no more than _____ days before delivery ("15" if left blank) of such title evidence to
291 be merchantable per line xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance
292 requirements and exceptions, as appropriate.

293 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Grantee shall notify Grantor in writing of objections to title
294 within _____ days ("15" if left blank) after delivery of the title commitment to Grantee or Grantee's attorney. In such event, Grantor
295 shall have a reasonable time, but not exceeding _____ days ("5" if left blank) from Grantee's delivery of the notice stating title
296 objections, to deliver notice to Grantee stating Grantor's election to remove the objections by the time set for closing. In the event that
297 Grantor is unable to remove said objections, Grantee may deliver to Grantor written notice waiving the objections, and the time for closing
298 shall be extended accordingly. If Grantee does not waive the objections,

299 Grantee does not waive the objections, Grantee shall deliver written notice of termination and this Agreement shall be null and void.

300 Providing title evidence acceptable for closing does not extinguish Grantor's obligations to give merchantable title to Grantee.

301 ■ **SPECIAL ASSESSMENTS:** Special assessments, if any, levied or for work actually commenced prior to date of this Agreement shall be
302 paid by Grantor no later than closing. All other special assessments shall be paid by Grantee.

303 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special charges for**
304 **current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are one-time charges or**
305 **ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter, street,**
306 **sidewalk, municipal water, sanitary and storm water and storm sewer (including all sewer mains and hook-up/connection and**
307 **interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. §**
308 **66.0617(1)(f).**

309 **[ENTIRE AGREEMENT]** This Agreement, including any amendments, contains the entire agreement of the Parties regarding the
310 transaction. All prior negotiations and discussion have been merged into this Agreement. This Agreement binds and inures to the benefit of
311 the Parties to this Agreement and their successors in interest.

312 ~~**[COOPERATION WITH SUBSEQUENT "LIKE KIND" EXCHANGE]** Grantor understands that Grantee may elect to consummate this
313 transaction as part of a subsequent tax deferred "like kind" exchange under §4031 of the Internal Revenue Code. Grantor agrees to
314 cooperate with Grantee in such exchange. Any costs associated with the exchange portion of the transaction shall be borne by the Grantee.
315 In addition, Grantee hereby agrees to indemnify, defend, and hold Grantor harmless from and against any claim, suits, actions, damages, or
316 liabilities as may arise as a result of Grantor's cooperation with respect to the effectuation of a tax deferred "like kind" exchange.~~

317 **[CONDOMINIUM PROVISIONS]** Property One: (is)(is not) [STRIKE ONE] a condominium unit. Property Two: (is)(is not) [STRIKE ONE] a
318 condominium unit. Lines xxx-xxx apply only to Property that is condominium.

319 ~~Definitions of Association, Additional Association, Common Elements, Condominium, Declaration, Limited Common Elements, and Unit shall
320 be as stated in Wis. Stat. § 703.02. The Property exchanged under this Agreement shall include Grantor's interest in the Common Elements
321 and Limited Common Elements appurtenant to the Unit, together with and subject to the rights, interests, obligations and limitations as set
322 forth in the Condominium Declaration and plat (and all amendments thereto) and Grantor's interests in any common surplus and reserves in
323 the Condominium allocated to the Property. All unpaid delinquent assessments shall be paid by Grantor no later than closing.~~

324 ~~Property One: Storage unit number: _____ . Unit parking is _____ and parking fee is _____~~

325 ~~\$ _____ Association Fee: \$ _____ per _____~~

326 ~~Property Two: Storage unit number: _____ . Unit parking is _____ and parking fee is _____~~

327 ~~\$ _____ Association Fee: \$ _____ per _____~~

328 ■ **OTHER FEES:** The Association may charge other fees at, or subsequent to, closing which may include storage, Additional Association,
329 reserves, start-up, administrative, etc. fees. Grantee is advised to review the Condominium disclosure materials including, but not limited to,
330 current financial disclosure statements and other Condominium materials as relevant.

331 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Grantor agrees to provide Grantee, within 10 days of acceptance of this Agreement, but no
332 later than 15 days prior to closing, current and accurate copies of the Condominium disclosure materials required by Wis. Stat. § 703.33. The
333 Condominium disclosure materials include a copy of the following and any amendments to any of these [except as may be limited for small
334 Condominiums with no more than 12 units per Wis. Stat. § 703.365(1)(b) and (8)]:

335 (a) proposed or existing Declaration, bylaws and any rules or regulations, and an index of the contents;

336 (b) proposed or existing articles of incorporation of the Association, if it is or is to be incorporated;

- Formatted: Font: Bold
- Formatted: Not Highlight
- Formatted: Not Highlight
- Formatted: Font: Not Bold
- Formatted: Not Highlight
- Formatted: Font: Not Bold, Underline
- Formatted: Font: Not Bold
- Formatted: Font: Not Bold
- Formatted: Font: Not Bold

- 337 (c) proposed or existing management contract, employment contract or other contract affecting the use, maintenance or access of all or part
 338 of the Condominium;
 339 (d) projected annual operating budget for the Condominium including reasonable details concerning the estimated monthly payments by the
 340 purchaser for assessments and other monthly charges;
 341 (e) leases to which Unit owners or the Association will be a party;
 342 (f) general description of any contemplated expansion of Condominium including each stage of expansion and the maximum number of Units
 343 that can be added to the Condominium;
 344 (g) Unit floor plan showing location of Common Elements and other facilities available to Unit owners;
 345 (h) the executive summary.

346 If the Condominium was an occupied structure prior to the recording of the Condominium Declaration, it is a "conversion Condominium," and
 347 the "Condominium disclosure materials" for a conversion Condominium with five or more Units also include:

- 348 (1) a declarant's statement based on an independent engineer's or architect's report describing the present condition of structural,
 349 mechanical and electrical installations;
 350 (2) a statement of the useful life of the items covered in (1), unless a statement that no representations are being made is provided, and
 351 (3) a list of notices of uncured code or other municipal violations, including an estimate of the costs of curing the violations.

352 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Grantee may, within 5 business days of receipt of all the
 353 required disclosure documents, rescind this Offer by written notice delivered to Seller. If the disclosure materials are delivered to Grantee
 354 and Grantee does not receive all of the disclosure documents, Grantee may, within 5 business days of Grantee's receipt of the disclosure
 355 materials, either rescind the Offer or request any missing documents. Grantor has 5 business days following receipt of Grantee's request for
 356 missing documents to deliver the requested documents. Grantee may rescind the sale within 5 business days of the earlier of Grantee's
 357 receipt of requested missing documents or the deadline for Grantor's delivery of the documents [Wis. Stat. § 703.33(4)(b)].

358 **The Parties agree that the 5 business days begin upon the earlier of: (1) Grantee's Actual Receipt of the disclosure materials or**
 359 **requested missing documents or (2) upon the deadline for Grantor's delivery of the documents.**

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

362 ■ **ADDITIONAL CONDOMINIUM ISSUES:** In addition to review of the disclosure materials required to be provided by Wis. Stat. § 703.33,
 363 Grantee may wish to consider reviewing other Condominium materials as may be available, such as copies of: the Condominium
 364 Association's financial statements for the last two years, the minutes of the last 3 Unit owners' meetings, the minutes of Condominium board
 365 meetings during the 12 months prior to acceptance, information about contemplated or pending Condominium special assessments, the
 366 Association's certificate of insurance, a statement from the Association indicating the balance of reserve accounts controlled by the
 367 Association, a statement from the Association of the amount of any unpaid assessments on the Unit (per Wis. Stat. § 703.165), any Common
 368 Element inspection reports (e.g. roof, swimming pool, elevator and parking garage inspections, etc.), any pending litigation involving the
 369 Association and the Declaration, bylaws, budget and/or most recent financial statement of any master association or Additional Association
 370 the Unit may be part of. Contingencies for review and approval of those additional materials which may be available may be provided for in
 371 additional contingencies per lines xxx-xxx or xxx-xxx or in an addendum per line xxx. Because not all of these materials may exist or be
 372 available from the Condominium Association, Grantor may wish to verify availability prior to acceptance if the Offer is contingent upon
 373 Grantor providing these materials to Grantee.

374 **[DEFINITIONS]**

375 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** A "Condition Affecting the Property or Transaction" is defined to
 376 include, but is not limited to, the following:

- 377 a. Defects in the roof.
 378 b. Defects in the electrical system including fire safety, security or lighting.
 379 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in the sale.
 380 d. Defects in the heating, ventilation and air conditioning system (including the air filters and humidifiers).
 381 e. Defects in the well, including unsafe well water due to contaminants such as coliform, nitrates and atrazine, and out-of-service wells
 382 and cisterns required to be abandoned (Wis. Admin. Code § NR 812.26) but that are not closed/abandoned according to applicable
 383 regulations.
 384 f. Property is served by a joint well.
 385 g. Defects in the septic system or other sanitary disposal system on the Property or out-of-service septic systems not closed/abandoned
 386 according to applicable regulations.
 387 h. Underground or aboveground fuel storage tanks on or previously located on the Property for storage of flammable or combustible
 388 liquids, including, but not limited to, gasoline and heating oil. (If "yes", the owner, by law, may have to register the tanks with the
 389 Wisconsin Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the
 390 tanks are in use or not. Regulations of the Wisconsin Department of Agriculture, Trade and Consumer Protection may require the
 391 closure or removal of unused tanks.)
 392 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).
 393 j. Defects in the walls, basement or foundation (including cracks, seepage and bulges).
 394 k. The Property or a portion of the Property is located in a floodplain, wetland or shoreland zoning area under local, state or federal
 395 regulations.
 396 l. Defects in the structure of the Property.
 397 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.
 398 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway), violation of fence laws (Wis. Stat. ch. 90)
 399 (where one or both of the properties is used and occupied for farming or grazing) or a pier is attached to the Property that is not in
 400 compliance with state or local pier regulations.
 401 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint, lead or
 402 arsenic in soil, lead in water supplies or plumbing system, pesticides, herbicides, fertilizer, mold, other potentially hazardous or toxic
 403 substances on the Property, conditions constituting a significant health risk or safety hazard for occupants of the Property, or material
 404 violations of environmental rules or other rules or agreements regulating the use of the Property. **NOTE: Specific federal lead paint**
 405 **disclosure requirements must be complied with in the sale of most residential properties built before 1978.**
 406 p. Presence of asbestos or asbestos-containing materials on the Property.

- 407 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on
408 neighboring properties.
- 409 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect infestations.
- 410 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the Property.
- 411 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership without
412 required permits.
- 413 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 414 v. Notice of property tax increases, other than normal annual increases, or completed or pending property tax reassessment.
- 415 w. Remodeling that may increase Property's assessed value.
- 416 x. Proposed or pending special assessments.
- 417 y. Property is located within a special purpose district, such as a drainage district, lake district, sanitary district or sewer district, that has
418 the authority to impose assessments against the real property located within the district.
- 419 z. Proposed, planned or commenced public improvements or public construction projects which may result in special assessments or
420 otherwise materially affect the Property or the present use of the Property.
- 421 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning or building code violations or nonconforming
422 structures or uses, conservation easements, restrictive covenants, rights-of-way, easements other than recorded utility easements,
423 easement maintenance agreements, shared fences, walls, wells, driveways, signage or other shared usages; another use of a part of
424 the Property by non-owners, or leased parking..
- 425 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district, or burial sites,
426 archeological artifacts, mineral rights, orchards or endangered species on the Property.
- 427 cc. Any land division or subdivision involving the Property for which required state or local permits were not obtained.
- 428 dd. Violation of state or local smoke and carbon monoxide detector laws.
- 429 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.
- 430 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources rules related to county shoreland
431 zoning ordinances that obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by
432 the county.
- 433 gg. Government agency or court order requiring repair, alteration or correction of any existing condition, or government investigation or
434 private assessment/audit (of environmental matters) conducted.
- 435 hh. A portion of the Property being subject to, enrolled in or in violation of, a farmland preservation agreement or in a certified farmland
436 preservation zoning district, or enrolled in, or in violation of, a Forest Crop, Managed Forest (see Wis. Stat. § 710.12), Conservation
437 Reserve, or comparable program.
- 438 ii. Production of methamphetamine (meth) or other hazardous or toxic substances on the Property.
- 439 jj. Subsoil conditions which would significantly increase the cost of development including, but not limited to, subsurface foundations or
440 waste material; organic or non-organic fill; dumpsites where pesticides, herbicides, fertilizer or other toxic or hazardous materials or
441 containers for these materials were disposed of in violation of manufacturer's or government guidelines or other laws regulating said
442 disposal; high groundwater; adverse soil conditions (e.g. low load bearing capacity, earth or soil movement, slides) or excessive rocks
443 or rock formations.
- 444 kk. Brownfields (abandoned, idled or under-used land which may be subject to environmental contamination) or other contaminated land,
445 or soils contamination remediated under PECFA, the Department of Natural Resources (DNR) Remediation and Redevelopment
446 Program, the Agricultural Chemical Cleanup Program or other similar program.
- 447 ll. Lack of legal vehicular access to the Property from public roads or access restrictions.
- 448 mm. Flooding, standing water, drainage problems or other water problems on or affecting the Property.
- 449 nn. Material damage from fire, wind, floods, earthquake, expansive soils, erosion or landslides.
- 450 oo. Near airports, freeways, railroads or landfills, or significant odor, noise, water intrusion or other irritants emanating from neighboring
451 property.
- 452 pp. Substantial crop damage from disease, insects, soil contamination, wildlife or other causes; diseased trees; or substantial injuries or
453 disease in livestock on the Property or neighboring properties.
- 454 qq. Existing or abandoned manure storage facilities on the Property.
- 455 rr. Impact fees, or other conditions or occurrences that would significantly increase development costs or reduce the value of the Property
456 to a reasonable person with knowledge of the nature and scope of the condition or occurrence.
- 457 ss. All or part of the land has been assessed as agricultural land, the owner has been assessed a use-value conversion charge or the
458 payment of a use-value conversion charge has been deferred.
- 459 tt. Other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of
460 the nature and scope of the condition or occurrence or other Defects affecting the Property.
- 461 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding the day the
462 event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines expressed as a
463 specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day
464 designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines
465 expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time
466 of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a
467 specific event, such as closing, expire at midnight of that day.
- 468 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would significantly
469 impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or
470 adversely affect the expected normal life of the premises.
- 471 ■ **ENVIRONMENTAL SITE ASSESSMENT:** An "environmental site assessment" (also known as a "Phase I Site Assessment") (see lines xxx-
472 xxx) may include, but is not limited to: (1) an inspection of the Property; (2) a review of the ownership and use history of the Property,
473 including a search of title records showing private ownership of the Property for a period of 80 years prior to the visual inspection; (3) a
474 review of historic and recent aerial photographs of the Property, if available; (4) a review of environmental licenses, permits or orders issued
475 with respect to the Property; (5) an evaluation of results of any environmental sampling and analysis that has been conducted on the
476 Property; and (6) a review to determine if the Property is listed in any of the written compilations of sites or facilities considered to pose a

477 threat to human health or the environment including the National Priorities List, the Department of Natural Resources' (DNR) Registry of
 478 Waste Disposal Sites, the DNR's Contaminated Lands Environmental Action Network, and the DNR's Remediation and Redevelopment (RR)
 479 Sites Map including the Geographical Information System (GIS) Registry and related resources. Any Environmental Site Assessment
 480 performed under this Agreement shall comply with generally recognized industry standards (e.g. current American Society of Testing and
 481 Materials "Standard Practice for Environmental Site Assessments"), state and federal guidelines, as applicable. **Caution: Unless otherwise
 482 agreed an Environmental Site Assessment does not include subsurface testing of the soil or groundwater or other testing of the
 483 Property for environmental pollution. If further investigation is required, insert provisions for a Phase II Site Assessment
 484 (collection and analysis of samples), Phase III Environmental Site Assessment (evaluation of remediation alternatives) or other site
 485 evaluation at lines xxx-xxx or attach as an addendum per line xxx.**

486 ■ **FAIR MARKET VALUE:** Fair Market Value, as defined in Wis. Stat. § 77.21 means: "The estimated price the property would bring in an
 487 open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the
 488 property and at prevailing general price levels." See lines xxx-xxx.

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

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

498 ■ **GRANTEE:** Grantee as used in this Agreement refers to a Party who will receive an interest in Property under this Agreement. Any
 499 warranties, representations, covenants, rights or obligations of a Grantee under this Agreement apply to the transfer(s) of Property wherein
 500 the Grantee is receiving an interest in Property.

501 ■ **GRANTOR:** Grantor as used in this Agreement refers to a Party conveying an interest in Property under this Agreement. Any warranties,
 502 representations, covenants, rights or obligations of a Grantor under this Agreement apply to the transfer(s) of Property wherein Grantor is the
 503 Party conveying an interest in Property.

504 ■ **PROPERTY:** "Property" refers to Property One, Property Two or both as indicated by the context within this Agreement.

505 ■ **DEFAULT:** Grantor and Grantee each have the legal duty to use good faith and due diligence in completing the terms and conditions of this
 506 Agreement. A material failure to perform any obligation under this Agreement is a default which may subject the defaulting party to liability for
 507 damages or other legal remedies.

508 If Grantee defaults, Grantor may:

- 509 (1) sue for specific performance and request the earnest money, if any, as partial payment of Grantee's obligations under this
 510 Agreement; or
- 511 (2) terminate the Agreement and have the option to: (a) request the earnest money, if any, as liquidated damages; or (b) sue for actual
 512 damages.

513 If Grantor defaults, Grantee may:

- 514 (1) sue for specific performance; or
- 515 (2) terminate the Agreement and request the return of any earnest money paid, sue for actual damages, or both.

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

517 If a default or other circumstance results in the termination of one Party's duties as Grantor or Grantee, the entire Agreement shall be
 518 terminated. The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
 519 discretion of the courts. If either Party defaults, the Parties may renegotiate the Agreement or seek nonjudicial dispute resolution instead of
 520 the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes
 521 covered by the arbitration agreement.

522 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS**
 523 **DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE AGREEMENT BUT**
 524 **ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS OR OBLIGATIONS OF**
 525 **PARTIES TO A TRANSACTION, THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE, OR HOW TITLE SHOULD BE**
 526 **TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

527 **[BROKER'S COMPENSATION]**

528 The Parties acknowledge, agree and consent that each broker may receive compensation from persons other than the broker's client in the
 529 transaction.

530 **ENVIRONMENTAL EVALUATION CONTINGENCY:** This Agreement is contingent upon First Party Second Party [CHECK AS
 531 APPLICABLE] ("Investigating Party" for the purpose of this contingency) being able to obtain a written report from a qualified independent
 532 environmental consultant of the Investigating Party's choice who has conducted an Environmental Site Assessment (see lines xxx-xx) of the
 533 Other Party's Property, at Investigating Party's Other Party's expense [CHECK ONE] ("Investigating Party's" if neither is stricken), which
 534 discloses no Defects. For the purpose of this contingency, a Defect (see lines xxx-xxx) is defined to also include a material violation of
 535 environmental laws, a material contingent liability affecting the Property arising under any environmental laws, the presence of an
 536 underground storage tank(s) or material levels of hazardous substances either on the Property or presenting a significant risk of
 537 contaminating the Property due to future migration from other properties. Defects do not include conditions the nature and extent of which
 538 Investigating Party had actual knowledge or written notice before signing the Offer.

539 ■ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Investigating Party, within _____ days of
 540 acceptance, delivers to Other Party a copy of the Environmental Site Assessment report and a written notice listing the Defect(s) identified in
 541 the Environmental Site Assessment report to which Investigating Party objects (Notice of Defects).

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

543 ■ **RIGHT TO CURE:** Other Party (shall) (shall not) [STRIKE ONE] ("shall" if neither is stricken) have a right to cure the Defects. If Other Party
 544 has the right to cure, Other Party may satisfy this contingency by: (1) delivering written notice to Investigating Party within 10 days of
 545 Investigating Party's delivery of the Notice of Defects stating Other Party's election to cure Defects, (2) curing the Defects in a good and
 546 workmanlike manner and (3) delivering to Investigating Party a written report detailing the work done within 3 days prior to closing. This
 547 Agreement shall be null and void if Investigating Party makes timely delivery of the Notice of Defects and written Environmental Site
 548 Assessment report and: (1) Other Party does not have a right to cure or (2) Other Party has a right to cure but: (a) Other Party delivers
 549 written notice that Other Party will not cure or (b) Other Party does not timely deliver the written notice of election to cure.

550 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines xxx-xxx). This Agreement is
551 contingent upon First Party Second Party [CHECK AS APPLICABLE] ("Investigating Party" for the purpose of this contingency) having
552 a qualified independent inspector(s) conduct an inspection(s) of the Other Party's Property which discloses no Defects. This Offer is further
553 contingent upon a qualified independent inspector or qualified independent third party performing an inspection of _____

554 _____
555 _____
556 _____ on Property Two (list any Property list feature(s) to be
557 separately inspected, e.g., Property One roof, Property Two foundation, pool, Property One dumpsite, etc.) which discloses no Defects.
558 Investigating Party shall order the inspection(s) and be responsible for all costs of inspection(s). Investigating Party may have follow-up
559 inspections recommended in a written report resulting from an authorized inspection performed provided they occur prior to the deadline
560 specified at line xxx. Each inspection shall be performed by a qualified independent inspector or qualified independent third party.
561 **CAUTION: Investigating Party should provide sufficient time for the primary inspection and/or any specialized inspection(s), as
562 well as any follow-up inspection(s).**

562 For the purpose of this contingency, Defects (see lines xxx-xxx) do not include conditions the nature and extent of which Investigating Party
563 had actual knowledge or written notice before signing the Agreement.
564 ■ **CONTINGENCY SATISFACTION:** This contingency shall be deemed satisfied unless Investigating Party, within _____ days of
565 acceptance, delivers to Other Party a copy of the inspection report(s) and a written notice listing the Defect(s) identified in the inspection
566 report(s) to which Investigating Party objects (Notice of Defects).

567 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**
568 ■ **RIGHT TO CURE:** Other Party (shall)(shall not) [STRIKE ONE] ("shall" if neither is stricken) have a right to cure the Defects. If Other Party
569 has the right to cure, Other Party may satisfy this contingency by: (1) delivering written notice to Investigating Party within 10 days of
570 Investigating Party's delivery of the Notice of Defects stating Other Party's election to cure Defects, (2) curing the Defects in a good and
571 workmanlike manner and (3) delivering to Investigating Party a written report detailing the work done within 3 days prior to closing. This
572 Agreement shall be null and void if Investigating Party makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
573 Other Party does not have a right to cure or (2) Other Party has a right to cure but: (a) Other Party delivers written notice that Other Party will
574 not cure or (b) Other Party does not timely deliver the written notice of election to cure.

575 **DOCUMENT REVIEW CONTINGENCY:** This Agreement is contingent upon First Party Second Party [CHECK AS
576 APPLICABLE] Grantor delivering the following following checked items/documents to the Reviewing Party/Grantee no later than _____
577 days from acceptance: [CHECK THOSE THAT APPLY; STRIKE AS APPROPRIATE]

- 578 **FIRST SECOND**
579 **PARTY PARTY**
- 580 Documents evidencing that the sale of the Property has been properly authorized, if Grantor is a business entity.
 - 581 Copies of all current leases, lease applications of all current tenants and service contracts applicable to Property being
582 transferred to the Other Party which shall be consistent with all prior representations.
 - 583 A complete inventory of all furniture, fixtures, equipment and other personal property included in this transaction which is
584 consistent with representations made prior to and in this Agreement.
 - 585 Uniform Commercial Code lien search as to included personal property, showing the Property to be free and clear of all liens,
586 other than liens to be released prior to or at closing.
 - 587 The opportunity to inspect, at reasonable times upon reasonable notice, the books and records of the Property being
588 transferred to the Other Party as may be necessary to verify that the income and expenses for the year(s) _____
589 _____ are consistent with all prior representations.
 - 590 Other: _____
 - 591 Other: _____

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

596 All documents delivered to Reviewing Party shall be true, accurate, current and complete. Reviewing Party shall keep all such documents
597 confidential and disclose them to third parties only to the extent necessary to implement other provisions of this Offer. Reviewing Party shall
598 return all documents (originals and any reproductions) to Grantor if this Agreement is terminated.
599 This contingency will be satisfied unless the Reviewing Party, within _____ days of the earlier of: 1) the deadline at line xxx or 2) the date
600 the Reviewing Party has received or been given the opportunity to inspect all of the documents specified above, delivers written notice to
601 Grantor indicating that this contingency has not been satisfied. The notice shall identify which document(s) have not been timely
602 delivered/made available for inspection or do not meet the standard set forth for the document(s). Upon delivery of such notice, this
603 Agreement shall be null and void.

604 **TAX QUALIFICATION CONTINGENCY:** This Agreement is contingent upon First Party Second Party [CHECK ONE OR BOTH]
605 obtaining a written opinion from a qualified tax advisor that this transaction qualifies for the benefits under Section 1031 of the Internal
606 Revenue Code. The qualified tax advisor shall be an attorney, CPA, etc.; ~~of First Party's tax advisor is:~~
607 _____; ~~Second Party's tax advisor is:~~ _____

608 _____, [IDENTIFY BY PROFESSION OR NAME] This contingency shall be deemed satisfied unless a copy of a written opinion
609 from the qualified tax advisor indicating that this transaction does not qualify for the benefits under Section 1031 of the Internal
610 Revenue Code is delivered to the Other Party within _____ days of the latter of acceptance or agreement as to Fair Market Value for the
611 First Party and within _____ days of the latter of acceptance or agreement as to Fair Market Value for the Second Party.

612 **CAUTION: THIS TRANSACTION MAY HAVE SIGNIFICANT TAX CONSEQUENCES. Tax advisors should be consulted if either party
613 requires that the transaction qualify as a deferred (Starker) exchange or for other particular tax treatment.**

614 **NOTE: If any of the above contingencies must be used by both parties, attach an addendum setting forth the duplicate
615 contingency.**

616 [ADDITIONAL PROVISIONS] _____
617 _____
618 _____
619 _____
620 _____
621 _____
622 _____
623 _____

624 _____
625 _____
626 _____
627 **ADDENDA:** The attached _____ is/are made part of this Agreement.

628 This Agreement was drafted on _____ by _____
629 (Date) (Licensee and Firm)

630 **IF ACCEPTED (see lines xxx-xxx), THIS AGREEMENT CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES**
631 **SHOULD READ THIS DOCUMENT CAREFULLY. BY SIGNING BELOW EACH PARTY AGREES TO BE BOUND BY THIS**
632 **AGREEMENT. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS AGREEMENT SURVIVE CLOSING AND**
633 **THE CONVEYANCE OF THE PROPERTY. THE UNDERSIGNED HEREBY AGREE TO CONVEY THE ABOVE-MENTIONED PROPERTY**
634 **ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.**

635 **All persons signing below on behalf of an entity represent that they have proper legal authority to sign for and bind the entity.**
636 **NOTE: If signing for an entity use an authorized signature line and print your name and title.**

637 **FIRST PARTY:**
638 First Party Entity Name (if any) (include type and state of organization): _____
639 _____

640 (x) _____
641 Authorized Signature ▲ Print Name & Title Here ► Date ▲

642 (x) _____
643 Individual First Party Signature ▲ Print Name Here ► Date ▲

644 x) _____
645 Authorized Signature ▲ Print Name & Title Here ► Date ▲

646 (x) _____
647 Individual First Party's Signature ▲ Print Name Here ► Date ▲

648 First Party Entity Name (if any) (include type and state of organization): _____
649 _____

650 (x) _____
651 Authorized Signature ▲ Print Name & Title Here ► Date ▲

652 (x) _____
653 Individual First Party Signature ▲ Print Name Here ► Date ▲

654 x) _____
655 Authorized Signature ▲ Print Name & Title Here ► Date ▲

656 (x) _____
657 Individual First Party's Signature ▲ Print Name Here ► Date ▲

658 **SECOND PARTY:**
659 Second Party Entity Name (if any) (include type and state of organization): _____
660 _____

661 (x) _____
662 Authorized Signature ▲ Print Name & Title Here ► Date ▲

663 (x) _____
664 Individual Second Party's Signature ▲ Print Name Here ► Date ▲

665 x) _____
666 Authorized Signature ▲ Print Name & Title Here ► Date ▲

667 (x) _____
668 Individual Second Party's Signature ▲ Print Name Here ► Date ▲

669 Second Party Entity Name (if any) (include type and state of organization): _____
670 _____

671 (x) _____

672 Authorized Signature ▲ Print Name & Title Here ► Date ▲
673 (x) _____
674 Individual Second Party's Signature ▲ Print Name Here ► Date ▲
675 (x) _____
676 Authorized Signature ▲ Print Name & Title Here ► Date ▲
677 (x) _____
678 Individual Second Party's Signature ▲ Print Name Here ► Date ▲