

**REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE  
MEETING MINUTES  
March 20, 2012**

Present: Stephen Beers, Casey Clickner, Debra Conrad, Scott Minter, Kim Moermond, Michael Sewell, Richard Petershack, Gary Tritz, John Flor, and Michael Gordon

Not Present: Jonathan Sayas, John Drzewiecki and Steven Lillestrand, Peter Sveum and Cori Lamont

Guests: Tracy Rucka

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

Stephen Beers, Committee Chair, called the meeting to order at 10:09 a.m. A quorum of 10 members was confirmed.

**ADOPTION OF AGENDA**

**Corrections**

- Change the title of Item E to read “Review and Revise Option to Purchase (WB-24)”

**MOTION:** Casey Clickner moved, seconded by John Flor, to adopt the agenda as amended. Motion carried unanimously.

**APPROVAL OF MINUTES**

**MOTION:** Casey Clickner moved, seconded by Mike Gordon, to approve the minutes of February 14, 2012, as published. Motion carried unanimously.

**BOARD DISCUSSION**

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

The Committee reviewed changes recommended by the WRA Forms Committee. The Committee made changes to the form as they appear in the attached draft WB-24.

**REVIEW AND REVISE EXCLUSIVE LISTING CONTRACT FOR LEASE OF REAL PROPERTY (WB-37)**

This item will be discussed at the next meeting.

**PRIORITIZE COMPLETION OF REMAINING FORMS**

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

1. WB-6 Business Listing Contract
2. WB-16 Business Listing with Real Estate – Offer to Purchase
3. WB-17 Business Listing without Real Estate – Offer to Purchase
4. Time Share Issues
5. WB-35 Simultaneous Exchange Agreement

**ADJOURNMENT**

**MOTION:** Mike Gordon moved, seconded by Gary Tritz, to adjourn the meeting at 1:50 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 which has been signed by or on behalf of all Sellers is and~~ delivered to Buyer on or before  
10 \_\_\_\_\_ (Time is of the Essence).

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

23 \_\_\_\_\_) **[STRIKE AND COMPLETE AS APPLICABLE]**

24 **CAUTION: If this Option is for a condominium unit, the option fee is not a deposit as described in Wis. Stats. § 703.33(4)(c).**

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25 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:  
26 ■ **PURCHASE PRICE:** \_\_\_\_\_ 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  
31 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_  
32 \_\_\_\_\_

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

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

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

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

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

44 Seller's recipient for delivery (optional): \_\_\_\_\_  
45 Buyer's recipient for delivery (optional): \_\_\_\_\_

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

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

51  (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to  
52 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 Delivery address for Seller: \_\_\_\_\_  
54 Delivery address for Buyer: \_\_\_\_\_

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

59 E-Mail address for Seller (optional): \_\_\_\_\_  
60 E-Mail address for Buyer (optional): \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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

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

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

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

97 \_\_\_\_\_ Insert additional terms, if any, at lines xxx-xxx or xxx-xxx or attach as an addendum per line xxx.  
98 **RENTAL WEATHERIZATION** Unless otherwise agreed, Buyer shall be responsible for compliance with Rental Weatherization  
99 Standards (Wis. Admin. Code Ch. SPS. 67), if applicable.

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

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

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105 Option by reference **COMPLETE DATES OR STRIKE AS APPLICABLE** and  
106 \_\_\_\_\_  
107 \_\_\_\_\_  
108 \_\_\_\_\_

109 \_\_\_\_\_  
110 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION  
111 REPORT(S)**

112 **CAUTION:** If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §  
113 709.03 may be required. If the Property does not include any buildings, a Vacant Land Disclosure Report containing the disclosures  
114 provided in Wis. Stat. § 709.033 may be required. Excluded from these requirements are sales of property with 1-4 dwelling units that

115 has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example,  
116 personal representatives who have never occupied the Property). The buyer may have certain rescission rights per Wis. Stat. § 709.05 if  
117 Seller does not furnish such report(s) within 10 days after Seller grants this Option or if a report disclosing Defects is furnished before  
118 expiration of those 10 days, but after the Option is submitted to Seller. Buyer should review the report form or consult with an attorney  
119 for additional information regarding rescission rights.

120 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of subsequent to date of granting of, but prior to  
121 date of exercise of this Option, which is materially inconsistent with the above representations, which arises after this Option is  
122 granted, but prior to exercise of this Option. For purposes of this provision (lines 112-115), Defect does not include structural,  
123 mechanical or other conditions of which the Buyer has actual knowledge or written notice or which Buyer discovers prior to the  
124 exercise date of this Option.

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#### 125 **DEFINITIONS**

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

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

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

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

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

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

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

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

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

160 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of  
161 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear  
162 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  
163 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  
164 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum,  
165 Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer  
166 elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage  
167 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  
168 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  
169 restoring the Property.

170 **CONDOMINIUM UNITS** If the Property is a condominium unit, Seller must comply with the following:

171 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Seller granting this  
172 Option, but no later than 15 days prior to the deadline for Buyer's exercise of this Option, current and accurate copies of the  
173 Condominium disclosure materials required by Wis. Stat. § 703.33. The condominium disclosure materials include a copy of the  
174 following and any amendments to any of these [except as may be limited for small condominiums with no more than 12 units per Wis.  
175 Stat. § 703.365(1)(b) and (8)]: (a) proposed or existing declaration, bylaws and any rules or regulations, and an index of the contents;

176 (b) proposed or existing articles of incorporation of the association, if it is or is to be incorporated; (c) proposed or existing  
177 management contract, employment contract or other contract affecting the use, maintenance or access of all or part of the  
178 condominium; (d) projected annual operating budget for the condominium including reasonable details concerning the estimated  
179 monthly payments by the purchaser for assessments and other monthly charges; (e) leases to which unit owners or the association  
180 will be a party; (f) general description of any contemplated expansion of condominium including each stage of expansion and the  
181 maximum number of units that can be added to the condominium; (g) Unit floor plan showing location of common elements and  
182 other facilities available to unit owners; (h) the executive summary.

183 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days of receipt of all the  
184 required disclosure documents, rescind this Offer-Option by written notice delivered to Seller. If the disclosure materials are delivered  
185 to Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the  
186 disclosure materials, either rescind the Offer-Option or request any missing documents. Seller has 5 business days following receipt  
187 of Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of  
188 the earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. §  
189 703.33(4)(b)]. **The Parties agree that the 5 business days begin, as applicable, upon the earlier of: (1) Buyer's Actual Receipt**  
190 **of the disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of the documents.**  
191 **NOTE: BUYER SHOULD READ ALL DOCUMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF**  
192 **THE PROVISIONS OF THE DOCUMENTS BUT ARE PROHIBITED BY LAW FROM GIVING LEGAL ADVICE OR OPINIONS.**

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

202 **TITLE EVIDENCE**

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

209 \_\_\_\_\_  
210 \_\_\_\_\_  
211 \_\_\_\_\_ which constitutes merchantable title for purposes of this transaction. Seller shall complete

212 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.  
213 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may**  
214 **prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making**  
215 **improvements to Property or a use other than the current use.**

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

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

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

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

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

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

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

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

255 If **Buyer defaults**, Seller may:

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

259 If **Seller defaults**, Buyer may:

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

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

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

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

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

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

278 **BUYER DUE DILIGENCE**: Prior to exercising this Option Buyer may need to perform certain inspections, investigations and testing. In  
279 addition, Buyer may need to obtain financing, appraisals, approvals, maps or other information, or review of business records. Municipal  
280 and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses  
281 and therefore should be reviewed. Building permits, zoning variances, Architectural Control Committee approvals, estimates for utility  
282 hook-up expenses, special assessments, changes for installation of roads or utilities, environmental audits, subsoil tests, or other  
283 development related fees may need to be obtained or verified in order to determine the feasibility of development of, or a particular  
284 use for, the Property. Seller agrees to cooperate with Buyer as necessary in such investigations, testing and inspections.

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

296 **AUTHORIZATION FOR INSPECTIONS AND TESTS** Buyer is authorized to conduct the following inspections and tests (see lines xxx-xxx).  
297 Any inspection(s) and test(s) shall be performed by a qualified independent inspector or expert, or an independent qualified third party.  
298 Inspections and testing shall be conducted pursuant to applicable government or industry protocols and standards, as applicable.

299 INSPECTIONS: Property Appraisal, \_\_\_\_\_  
300 \_\_\_\_\_

301 TESTS: \_\_\_\_\_  
302 \_\_\_\_\_  
303 Describe additional inspections and tests, if any, at lines xxx-xxx or attach as an addendum per line xxx.  
304 **NOTE: Any testing authorizations should specify the areas of the Property to be tested, the purpose of the test, (e.g., to**  
305 **determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms.**  
306 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) payment of option fees; (2) payment of extension fees; (3) earnest  
307 money payment(s); (4) Seller's grant of this Option; (5) Buyer's exercise of this Option; (6) occupancy; (7) date of closing; (~~STRIKE~~  
308 ~~AS APPLICABLE~~) and all other dates and Deadlines in this Option except: \_\_\_\_\_  
309 \_\_\_\_\_  
310 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  
311 "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  
312 allowed before a breach occurs.  
313 **RECORDING OF OPTION** Buyer (may)(may not) ~~STRIKE ONE~~ record this Option at Buyer's expense.  
314 Buyer (may)(may not) ~~STRIKE ONE~~ record a separate instrument evidencing this Option at Buyer's expense.  
315 If this Option or a separate instrument evidencing this Option is to be recorded, insert legal description at lines xxx-xxx or attach as  
316 an addendum per line xxx.  
317 **CAUTION: Failure to record may give persons with subsequent interests in the Property priority over this Option.**  
318 This Option (is)(is not) ~~STRIKE ONE~~ assignable. This Property (is) (is not) ~~STRIKE ONE~~ homestead property.  
319  **LEASE-OPTION PROVISIONS** Concurrent with the granting of this Option, Seller and Buyer have entered into a lease for  
320 the Property with a term from \_\_\_\_\_ to \_\_\_\_\_, and with an initial rent of \$ \_\_\_\_\_ per month.  
321  In the event that this Option is timely exercised, \$ \_\_\_\_\_ of each monthly rent payment of \$ \_\_\_\_\_ shall  
322 be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller.  
323  Buyer may not exercise this Option unless Buyer is current with all rent payments and is not otherwise in default under the terms  
324 of the lease.  
325  **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Option.  
326 **ADDITIONAL PROVISIONS** \_\_\_\_\_  
327 \_\_\_\_\_  
328 \_\_\_\_\_  
329 \_\_\_\_\_  
330 \_\_\_\_\_  
331 \_\_\_\_\_  
332 \_\_\_\_\_  
333 \_\_\_\_\_  
334 \_\_\_\_\_  
335 **IF GRANTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS OPTION**  
336 **AND ALL ATTACHMENTS CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE**  
337 **OPTION BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS**  
338 **OPTION OR HOW TITLE SHOULD BE TAKEN AT CLOSING IF THE OPTION IS EXERCISED. AN ATTORNEY SHOULD BE**  
339 **CONSULTED IF LEGAL ADVICE IS NEEDED.**  
340 This Option was drafted by [Licensee and Firm] \_\_\_\_\_  
341 \_\_\_\_\_ on \_\_\_\_\_  
342 Buyer Entity Name (if any): \_\_\_\_\_  
343 (x) \_\_\_\_\_  
344 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲  
345 (x) \_\_\_\_\_  
346 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲  
347 **SELLER GRANTS THIS OPTION. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OPTION**  
348 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE**  
349 **TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OPTION.**  
350 Seller Entity Name (if any): \_\_\_\_\_  
351 (x) \_\_\_\_\_  
352 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲  
353 (x) \_\_\_\_\_  
354 Seller's/Authorized Signature ▲ Print Name/Title Here ► Date ▲  
355 This Option was presented to Seller by [Licensee and Firm] \_\_\_\_\_

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

357 This Option is rejected \_\_\_\_\_ This Option is countered [See attached counter] \_\_\_\_\_  
358 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

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

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

362 (x) \_\_\_\_\_  
363 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

364 (x) \_\_\_\_\_  
365 Buyer's/Authorized Signature ▲ Print Name/Title Here ► Date ▲

