

**REAL ESTATE CONTRACTUAL FORMS ADVISORY COMMITTEE
MEETING MINUTES
MAY 1, 2012**

Present: Stephen Beers, Debbie Conrad, Kim Moermond, Michael Sewell, Richard Petersahck, Gary Tritz, Mike Gordon, Jonathan Sayas, John Drzewiecki, Peter Sveum and Cori Lamont

Not Present: Casey Clickner, Scott Minter, Steve Lillestrand and Jonathon Flor

Staff: Dan Williams, Executive Director; Sandy Nowack, Legal Counsel; Michelle Solem, Bureau Assistant; and other Department staff

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

ADOPTION OF AGENDA

Changes

- Change title of item E to be "Option to Purchase"
- Change title of item F to remove "or rental"

MOTION: Cori Lamont moved, seconded by Mike Gordon, to adopt the agenda as amended. Motion carried unanimously.

APPROVAL OF MINUTES

Corrections

- Change correction to be (W-24)
- Change Discussion to remove "or rental"

MOTION: Richard Petershach moved, seconded by Cori Lamont, to approve the minutes of March 20, 2012 as corrected. Motion carried unanimously.

EXECUTIVE DIRECTOR MATTERS

Dan Williams introduced himself as the interim executive director and then introduced Sandy Nowack as the interim legal counsel.

(Jack Drzewiecki arrived at 10:15 a.m., Gary Tritz arrived at 10:30 a.m. and Peter Sveum arrived at 11:15 a.m.)

BOARD DISCUSSION

Review and Revise Option to Purchase (WB-24)

The Committee made additional changes to the WB-24. This item will be included on the next agenda.

Review and Revise Exclusive Listing Contract for Lease of Real Property (WB-37)

This item was tabled until the next meeting.

ADJOURNMENT

MOTION: Mike Gordon moved, seconded by Gary Tritz, to adjourn the meeting at 1:57 p.m. Motion carried unanimously.

WB-24 OPTION TO PURCHASE

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

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

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

10 **OPTION TERMS**

11 ~~■ INITIAL OPTION TERM: This Option may only be exercised by delivering written notice to Seller no later than midnight~~
12 ~~_____.~~ An option fee of \$ _____ will be paid by Buyer ~~to Seller~~ within _____ days of the
13 granting of this Option, and shall not be refundable ~~if the Option is not exercised.~~ ~~This Option may only be exercised if Buyer delivers written~~
14 ~~notice to Seller no later than midnight on _____ unless extended below.~~

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

18 ~~■ EXERCISE: If the Option is exercised, \$ _____ of the option fee and \$ _____ of the option extension fee, if~~
19 ~~any,~~ shall be a credit against the purchase price at closing. ~~This Option may only be exercised by delivering written notice to Seller no later~~
20 ~~than midnight _____.~~ Buyer may sign and deliver the notice at lines xxx-xxx, or may deliver any other written
21 notice which specifically ~~indicates an intent to~~ exercises ~~this Option.~~

22 ~~CAUTION: If this Option is exercised, \$ _____ of the option extension fee shall be a credit against the~~
23 ~~purchase price at closing. The option fee and option extension fee shall be (paid directly to Seller) (If the option fees are to be held~~
24 ~~in listing broker's trust account or by a third party, specify in Additional Provisions or a separate agreement. until~~
25 _____

26 _____) ~~STRIKE AND COMPLETE AS~~
27 **APPLICABLE**

28 ~~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).~~

29 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:
30 ■ PURCHASE PRICE:

31 _____ Dollars (\$ _____) will be paid in cash or equivalent at closing unless otherwise provided below.

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

35 ■ NOT INCLUDED IN PURCHASE PRICE: _____
36 _____

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

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

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

44 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Option, delivery of documents and written
45 notices to a Party 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
47 line xx or xx.

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

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

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

52 (3) Commercial Delivery: depositing the document or written notice fees prepaid or charged to an account with a commercial
53 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
54 Party's delivery address at line xx or xx.

55 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to
56 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.

57 Delivery address for Seller: _____

58 Delivery address for Buyer: _____

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

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

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

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

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

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

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

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

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

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

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

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

82 _____.

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

87 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
88 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
89 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
90 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
91 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

92 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option
93 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
94 condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer
95 or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

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

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

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

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

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

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

110 _____

111 _____

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

113 **CAUTION: If the Property includes 1-4 dwelling units, a Real Estate Condition Report containing the disclosures provided in Wis. Stat. §**
114 **709.03 may be required. If the Property does not include any buildings, a Vacant Land Disclosure Report containing the disclosures**

115 provided in Wis. Stat. § 709.033 may be required. Excluded from these requirements are sales of property with 1-4 dwelling units that
116 has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries (for example,
117 personal representatives who have never occupied the Property). The buyer may have certain rescission rights per Wis. Stat. § 709.05 if
118 Seller does not furnish such report(s) within 10 days after Seller grants this Option or if a report disclosing Defects is furnished before
119 expiration of those 10 days, but after the Option is submitted to Seller. Buyer should review the report form or consult with an attorney
120 for additional information regarding rescission rights.

121 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of subsequent to date of granting of, but prior to
122 date of exercise of this Option, which is materially inconsistent with the above representations. For purposes of this provision (lines
123 442-445xxx-xxx), Defect does not include structural, mechanical or other conditions of which the Buyer has actual knowledge or
124 written notice or which Buyer discovers prior to the exercise date of this Option.

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.

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.**

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

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

171 **CONDOMINIUM UNITS**

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

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

175 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Seller
176 granting Buyer exercising this Option, but no later than 15 days prior to the deadline closing for Buyer's exercise of this Option, current
177 and accurate copies of the Condominium disclosure materials required by Wis. Stat. § 703.33. The condominium disclosure materials
178 include a copy of the following and any amendments to any of these [except as may be limited for small condominiums with no more
179 than 12 units per Wis. Stat. § 703.365(1)(b) and (8)]: (a) proposed or existing declaration, bylaws and any rules or regulations, and
180 an index of the contents; (b) proposed or existing articles of incorporation of the association, if it is or is to be incorporated; (c)
181 proposed or existing management contract, employment contract or other contract affecting the use, maintenance or access of all or
182 part of the condominium; (d) projected annual operating budget for the condominium including reasonable details concerning the
183 estimated monthly payments by the purchaser for assessments and other monthly charges; (e) leases to which unit owners or the
184 association will be a party; (f) general description of any contemplated expansion of condominium including each stage of expansion
185 and the maximum number of units that can be added to the condominium; (g) Unit floor plan showing location of common elements
186 and other facilities available to unit owners; (h) the executive summary.

188 ■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days of receipt of all the
189 required disclosure documents, rescind this Option by written notice delivered to Seller. If the disclosure materials are delivered to
190 Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the
191 disclosure materials, either rescind the Option or request any missing documents. Seller has 5 business days following receipt of
192 Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the
193 earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. §
194 703.33(4)(b)]. **The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the**
195 **disclosure materials or requested missing documents or (2) upon the deadline for Seller's delivery of the documents.**

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

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

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

210 **TITLE EVIDENCE**

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

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

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

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

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

235 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
236 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
237 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
238 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
239 exceptions, as appropriate. **[From WB-15]**

240 **CAUTION: Buyer should consider obtaining an update of the title commitment prior to exercising this Option.**
241 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to
242 title within _____ days ("15" if left blank) after delivery of the title commitment to Buyer or Buyer's attorney. In such event, Seller
243 shall have a reasonable time, but not exceeding _____ days ("5" if left blank), from Buyer's delivery of the notice stating title
244 objections, to deliver notice to Buyer stating Seller's election to remove the objections by the time set for closing. In the event that
245 Seller is unable to remove said objections, Buyer may deliver to Seller written notice waiving the objections, and the time for closing
246 shall be extended accordingly. If Buyer does not waive the objections, Buyer shall deliver written notice of termination and this Option
247 shall be null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable
248 title to Buyer. ~~From WB-15~~

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

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

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

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

267 If Buyer defaults, Seller may:

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

271 If Seller defaults, Buyer may:

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

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

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

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

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

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

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

299 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific authorizations are included in this Option. An
300 "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the Property, other than

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

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

314 **INSPECTIONS:** Property Appraisal;

315 _____
316 _____

317 **TESTS:** _____
318 _____

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

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

322 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) payment of option fees; (2) payment of extension fees; (3) earnest
323 money payment(s); (4) Seller's grant of this Option; (5) Buyer's exercise of this Option; (6) occupancy; (7) date of closing; (STRIKE
324 AS APPLICABLE) and all other dates and Deadlines in this Option except: _____

325 _____
326 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
327 "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
328 allowed before a breach occurs.

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

330 Buyer (may)(may not) **STRIKE ONE** record a separate instrument evidencing this Option at Buyer's expense.

331 If this Option or a separate instrument evidencing this Option is to be recorded, insert legal description at lines xxx-xxx or attach as
332 an addendum per line xxx.

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

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

335 **LEASE-OPTION PROVISIONS** Concurrent with the granting of this Option, Seller and Buyer have entered into a lease for
336 the Property with a term from _____ to _____, and with an initial rent of \$ _____ per month.

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

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

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

342 **ADDITIONAL PROVISIONS** _____

343 _____

344 _____

345 _____

346 _____

347 _____

348 _____

349 _____

350 _____

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

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

357 _____ on _____.

358 Buyer Entity Name (if any): _____

359 (x) _____

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

Date ▲

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

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

366 Seller Entity Name (if any): _____

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

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

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

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

373 This Option is rejected _____ This Option is countered [See attached counter] _____
374 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

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

377 Buyer Entity Name (if any): _____

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

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