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**REAL ESTATE CONTRACTUAL FORMS ADVISORY COUNCIL**  
**Room 121A, 1400 East Washington Avenue, Madison**  
**Contact: Erin Karow (608) 266-2112**  
**January 10, 2018**

*The following agenda describes the issues that the Council 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 Council.*

**AGENDA**

**9:30 A.M.**

**OPEN SESSION – CALL TO ORDER – ROLL CALL**

**A. Adoption of Agenda (1-2)**

**B. Approval of Minutes from December 6, 2017 (3-4)**

**C. Administrative Matters**

- 1) Department Update
- 2) 2018 Meeting Schedule
- 3) Real Estate Examining Board Update

**D. Review of Real Estate Contractual Forms for Revision (5-89)**

- 1) **WB-11 Offer to Purchase – Suggestion for Change to Inspection Contingency (5-51)**
  - a) Review of Proposed Revisions and Memo (5-42)
  - b) Original Document (43-51)
- 2) **WB-28 Cooperative Agreement and WB-29 Commercial Cooperative Agreement (52-68)**
  - a) Review of Proposed Revisions and Memo (52-59)
  - b) WI Act 110 (60-63)
  - c) Form #813 Irrevocable Consent for Nonresidents (64-65)
  - d) Original Document (66-68)
- 3) **Real Estate Condition Report Form (69-89)**
  - a) Assembly Bill 812

**E. Public Comments**

**ADJOURNMENT**

The Next Scheduled Meeting is February 14, 2018

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MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 1400 East Washington Avenue, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

**REAL ESTATE CONTRACTUAL FORMS ADVISORY COUNCIL  
MEETING MINUTES  
December 6, 2017**

**PRESENT:** Joseph Busch, Debra Conrad, John Drzewiecki, Michael Gordon, Richard Marino (*excused at 11:30 a.m.*), Kim Moermond, Jonathan Sayas, Gary Tritz, Thomas Weber, Robert Webster, Pamela Widen

**EXCUSED:** Casey Clickner, Cori Lamont, Michael Sewell

**STAFF:** Erin Karow, Executive Director; Laura Smith, Bureau Assistant

**CALL TO ORDER**

Richard Marino, Chair, called the meeting to order at 9:39 a.m. A quorum of eleven (11) members was confirmed.

**ADOPTION OF AGENDA**

**Amendments to the Agenda**

- *Amend Item D.2 to read 'Review of 2017 Wisconsin Act 110'*
- *Move the amended Item D.2 to before Item D.1*

**MOTION:** Robert Webster moved, seconded by Thomas Weber, to adopt the agenda as amended. Motion carried unanimously.

**APPROVAL OF MINUTES**

**MOTION:** Robert Webster moved, seconded by John Drzewiecki, to approve the minutes of September 27, 2017 as published. Motion carried unanimously.

**REVIEW OF REAL ESTATE CONTRACTUAL FORMS FOR REVISION**

*(Richard Marino left the meeting at 11:27 A.M.; Bob Webster acted as Chair for the remainder of the meeting.)*

**WB-28 Cooperative Agreement**

**MOTION:** Jack Drzewiecki moved, seconded by Thomas Weber, to table discussion of WB-28 Cooperative Agreement. Motion carried unanimously.

**WB-11 Offer to Purchase – Suggestion for Change to Inspection Contingency**

**MOTION:** Joseph Busch moved, seconded by John Drzewiecki, to table discussion of WB-11 Offer to Purchase. Motion carried unanimously.

### **ADJOURNMENT**

**MOTION:** Michael Gordon moved, seconded by Pamela Widen, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 2:30 p.m.

DRAFT

## OFFER TO PURCHASE REVISIONS

To: WRA Forms Committee  
From: WRA Staff  
Date: December 12, 2017  
RE: **WB-11 Residential Offer to Purchase**

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The WB-11\_MtgChanges\_12.14.17\_TrackingIncluded draft that accompanies this memo shows the result of the discussions of the DSPS Real Estate Contractual Forms Advisory Committee's discussion on December 6 as well as proposed provisions that are there for discussion purposes. As indicated in the memo, some provisions have been discussed by the committees while others are ideas thrown up on the board for committee commentary.

### **WB-11 Residential Offer to Purchase**

Changes to terminology were hopefully all caught, for example, "firm." Please let us know if we missed any – we invariably did!

**Earnest Money- Lines 10-12:** adds a default of 5 days for the timeframe for additional earnest money. This was agreed upon by the WRA Forms Committee and the DSPS Real Estate Contractual Forms Advisory Committee even though a few thought the 5 day default might be a tiny bit too long. Note that the blank line on line 12 is intended to indicate if the money is to go to someone else.

**Included in Purchase Price – Line 15:** clarifies that the reference to the "date of this Offer" means the date on line 1. "Date of this Offer" appears 3 times in the WB-11 and there have been comments that it was not clear what date was referred to. This is intended to remedy any confusion. This was agreed upon by the WRA Forms Committee.

The DSPS Real Estate Contractual Forms Advisory Committee spent some time restructuring this section 14-19 which now reads:

■ **INCLUDED IN PURCHASE PRICE is the Property, all Fixtures on the Property as of the date stated on line 1 (unless excluded at lines xx-xx), and the following additional items:** \_\_\_\_\_

Also note that a few more blank lines to write on were added here. The WRA Forms Committee found these changes acceptable.

The DSPS Committee also did some reorganizing and placed the note that says, "**NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are included or not included**" at lines 21-22. This was done because it was thought it would create separation between items included above it and things excluded below it and this way it would not get lost under the Caution about excluding fixtures. The WRA Forms Committee found these changes acceptable.

**Inclusion of Optional Provisions – Lines 40-41:** The provision that is there requires the box to be checked for optional provisions. We had anticipated a change to a provision that says if any part of the provision is completed then the whole provision is in – it applies. That would be similar to the provision on this issue in the GMAR Addendum A. However the WRS Forms Committee and the DSPS Committee recommend that other than the tweak to the provision title, that it be left as it is. The main reason for this is that many companies crash print language on blank lines of various provisions in the offer and that would arguable then cause the provision to be included when that was not the intent. The discussion

focused on: who do we protect? What is the greater sin? We have agents who fail to check the big box at the beginning of the provisions and we also have agents who do not line out language when working with offers with preprinted language filled in (they would have to strike this out or write in language saying that the provision is not included and not part of the offer). The conclusion was that agents should be held responsible to check the big box and that the Optional Provisions provision be left as is.

The DSPS Committee did some formatting changes and took the provision out of the all caps, put the provision in normal sentence font and changed the box from a square to a rectangle to better match the check boxes in the offer. The WRA Forms Committee found these changes acceptable.

**Delivery of Documents and Written Notices – Lines 42-72:** Language was added to indicate that if a party cannot/will not give electronic consent and places his or her agent’s email address on the respective email line the party is authorizing the use of the agent’s email address on his or her behalf. This is based on the workaround discussed at <http://www.wra.org/WREM/June17/ElectronicConsent/>. In this revised section it is assumed that a party consents to using his or her agent’s email if the party signs the offer.

The DSPS Committee agreed with this concept but reworked the language and made assorted modifications to the existing language to make it simpler and more concise. The section now reads:

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

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

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

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

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

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

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

(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 for delivery, for delivery to the Party's address.

Address for Seller: \_\_\_\_\_

Address for Buyer: \_\_\_\_\_

(5) **E-Mail:** electronically transmitting the document or written notice to the e-mail address.

E-Mail address for Seller: \_\_\_\_\_

E-Mail address for Buyer: \_\_\_\_\_

~~**NOTE:** In a consumer transaction where the property being purchased or the sale proceeds are used primarily for personal, family or household purposes additional disclosures and electronic consent may need to be obtained from the parties under federal and state E-sign laws.~~

- **NEW:** With regard to the language in the Note at the end of the Delivery of Documents and Written Notices section, there was conversation about a further modification. One voice said that the note should be prefaced to limit it to situations where the party’s own email address in placed on line 68 or 69 so that agents would not be confused and think they had to do more for the offer if the agents’ email addresses were used. Another suggested option was to remove the note. Another was concerned that if the note was changed too much that agents would come away thinking that they did not have to have electronic consent if the agent was forwarding offer documents to the client or customer via email. This may very well be addressed in listing contracts and buyer agency agreements but no such

**“automatic” opportunity for subagents. There is merit in both sides of this. Also there are no email police.**

The WRA Forms Committee thought it best to remove the NOTE. This may leave a training issue for agents working with buyer customers as far as getting electronic consent to email back and forth.

➤ **Do you agree? Are there further desired modifications?**

**Actual Receipt – Lines 73-74, 82-84 – General discussion:** We hear rumblings that some would like to forego the Actual Receipt standard, and presumably return to the days where the standard was delivery. When a document is emailed there don’t seem to be too many instances where the server malfunctions or something goes awry such that email sent does not mean that an email was received, putting the parties in the situation where the receiving party is unaware that there is a message and they have a deadline to take action – but it does happen sometimes.

With other delivery methods like mail or fax, clearly there may be malfunctions or time delays: a document mailed is delivered when mailed but may not be received for several days, perhaps after the applicable deadline for party action; a document faxed does not mean that the document is received. If a document is delivered to an agent it is crucial that they get the document to the party ASAP but what if they cannot find them, reach them, etc. – again the applicable deadline for action might pass by before they even receive the document.

The WRA Forms Committee had a discussion along similar lines. One example was brought up of an actual elderly couple with no electronics out camping in their RV. For them actual delivery would give them their only chance to act because delivery could happen and deadlines pass them by without them ever knowing. On the other hand, several voices have a problem with abuses to the actual receipt standard and would prefer that if the agent is the recipient for delivery that notices just be delivered to the agent. Other brokers pointed out that actual receipt is a consumer protection standard and should be maintained in the state form, allowing others to modify their contracts as desired.

Although it does not specifically come up until later in the offer, the suggestion of the group seemed to be that there should be a choice of delivery or actual receipt in various provisions, including the bump notice, with a default of actual receipt.

It was also pointed out that problems can be avoided by following up with a phone call when important notices or documents are emailed.

➤ **The DSPS Committee discussed this a bit and tossed around a few ideas, such as whether the actual receipt definition should specifically address when email is actually received: when transmitted? When opened? There is software that can provide a report of when it was opened. Would it be best to have just one standard: delivery or actual receipt for everything? Arguably it would need to be delivery of that were the case. The WRA Forms Committee chatted again briefly and seemed to be saying that Actual Receipt may be needed for the bump clause, seller termination and delivery of condominium disclosure materials.**

**NEW: Occupancy – Lines 75-80:** a reference to the Leasing provision was added as this might impact occupancy. Also a definition of “broom swept” was added at lines 86-87. This was agreed upon by the WRA Forms Committee.

Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines xxx-xxx or xxx-xxx or in an addendum attached per line xxx, or lines xxx-xxx if the Property is leased. At time of Buyer's occupancy, Property shall be in **Broom Swept condition** and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any. **Seller must maintain the property in reasonably same condition as it was when offer was accepted.**(Committee liked the substance here but language was not decided on.)

- **The WRA Forms Committee reversed its position and decided that the broom swept definition is unnecessary and a bit of overkill.**
- **The DSPS Committee agreed the broom swept definition was not adding very much but offered alternate language for the Occupancy provision and a definition of Delivery Condition as opposed to Broom Swept:**

**Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer at lines xxx-xxx or xxx-xxx or in an addendum attached per line xxx, or lines xxx-xxx if the Property is leased. Occupancy shall be given subject to tenant's rights, if any. Seller shall [be responsible to] convey the Property in Delivery Condition unless otherwise agreed to in writing [by buyer and seller].**

Could remove the words in black above

**DELIVERY CONDITION Delivery condition is defined as: Seller shall be responsible for removing all debris, trash and personal property not included in sale. Seller shall vacuum all carpets and sweep all hard surface floors prior to closing. In addition, Seller shall until date of closing, be responsible for maintaining and mowing lawn, removing snow from drives and walks and arranging for removal of any and all items left in front of home as refuse, including prepaying any disposal fees associated therewith.**

Another possible version of this Delivery Condition definition:

**DELIVERY CONDITION “Delivery Condition” means the Property shall be free from all debris, trash and personal property not included in sale, all carpets vacuumed, hard surface floors swept, lawn maintained and mowed, snow removed from driveway and sidewalks, and Seller prepaid disposal arrangements for removal of any items left in front of home/at the curb as refuse.**

- **Is this good or are there further desired modifications? The WRA Forms Committee was not in favor of the Delivery Condition proposals, indicating there was too much detail, and seemed to be most comfortable the language in the draft which is generally the same as the existing form.**

**Condition Affecting the Property or Transaction – Lines 87-137:** The suggestion was to make sure this matched the RECR but there may be legislation coming that will revamp the RECR so this may not be a viable technique depending upon the timing.

**NEW:** The following has been modified so that the topics and issues in the RECR proposed legislation (2017 Assembly Bill 812 – a copy accompanies these materials) are also reflected in this list. The items will not directly match the RECR, which under the proposed format will have questions and examples of defects to prompt seller responses. We would not expect to include any examples unless you think

otherwise. The list below is reorganized to match the sequence in the AB 812. We will fix the lettering once the substance is approved. AB 812 splits some of the prior disclosures into separate items – they may be recombined if the Committee so desires but wanted to start from the perspective of AB 812.

**CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are defined to include: Update to match new RECR bill – coming soon at your next meeting!

- a. Defects in the roof.
- b. Defects in the electrical system.
- c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in the sale.
- d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
- e. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the Property.  
Defects related to smoke detectors carbon monoxide detectors or a violation of applicable state or local smoke detector or carbon monoxide detector laws.  
Defects in the basement or foundation (including cracks, seepage and bulges).  
Defects in any structure on the Property.  
Defects in mechanical equipment included in the sale either as Fixtures or personal property.  
Rented items located on the Property such as a water softener or other water conditioner system or other items affixed to or closely associated with the Property.  
Presence of unsafe levels of mold; basement, window, or plumbing leaks; overflow from sinks, bathtubs, or sewers; or other water or moisture intrusions or conditions.  
Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property, lead in paint, lead in soil, or other potentially hazardous or toxic substances on the Property. **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential properties built before 1978.**  
Presence of asbestos or asbestos-containing materials on the Property.  
Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on neighboring properties.  
Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal, reptile, or other insect infestations.  
Water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead.  
Manufacture of methamphetamine or other hazardous or toxic substances on the property.  
**Defects in the a well on the Property or in a well that serves the Property, including unsafe well water.**  
Defects related to a joint well serving the Property.
- f. Property is served by a joint well.  
A septic system or other private sanitary disposal system that serves the Property.
- g. Defects in the septic system or other sanitary disposal system on the Property or any out-of-service septic system that serves the Property and that is not closed or abandoned according to applicable regulations.
- h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law, may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused tanks.)  
Defects in the underground or aboveground fuel storage tanks on or previously located on the Property.
- i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).  
Defects in an "LP" tank on the Property.  
Notice of property tax increases, other than normal annual increases, or pending property reassessment.  
Remodeling was done that may increase the Property's assessed value.  
Pending special assessments.  
Property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district.  
Proposed construction of a public project that may affect the use of the Property.

Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership without required permits.

Any land division involving the Property for which required state or local permits had not been obtained.

The Property is part of or subject to a subdivision homeowners' association.

The Property is not a condominium unit, and there are common areas associated with the Property that are co-owned with others.

Any zoning code violations with respect to the Property.

j. Defects in the basement or foundation (including cracks, seepage and bulges).

k. Property or any portion of the Property is located in a floodplain, wetland or shoreland zoning area.

Nonconforming uses of the Property.

Conservation easements on the Property.

Restrictive covenants or deed restrictions on the Property.

Nonowners having rights to use part of the Property, including, but not limited to, rights-of-way and easements other than recorded utility easements.

The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county.

The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. For more information visit <https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx> or (608) 266-2486.

a. All or part of the Property has been assessed as agricultural land under Wis. Stat. s. 70.32 (2)(use value assessment).

b. The Property has been assessed a use-value assessment conversion charge (Wis. Stat. s. 74.485 (2)).

c. Payment of a use-value assessment conversion charge has been deferred relating to this Property (Wis. Stat. s. 74.485 (4)).

All or part of the Property is subject to or in violation of a farmland preservation agreement. Early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land.

All or part of the Property is subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program.

A dam is totally or partially located on the Property or an ownership in a dam that is not located on the Property will be transferred with the Property because it is owned collectively by members of a homeowners' association, lake district, or similar group? (If "yes," contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.)

l. Defects in the structure of the Property.

m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.

n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway) affecting the Property.

No legal access to the Property.

~~o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint, lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property. NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential properties built before 1979.~~

~~p. Presence of asbestos or asbestos-containing materials on the Property.~~

~~q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on neighboring properties.~~

~~r. Current or previous termite, powder post beetle or carpenter ant infestations or Defects caused by animal or other insect infestations.~~

~~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.~~

~~t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership without required permits.~~

u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.

~~A pier attached to the Property is not in compliance with state or local pier regulations. See <http://dnr.wi.gov/topic/waterways> for more information.~~

~~One or more burial sites on the Property. (For information regarding the presence, preservation, and potential disturbance of burial sites, contact the Wisconsin Historical Society at 800-342-7834 or [www.wihist.org/burial-information](http://www.wihist.org/burial-information).)~~

~~Any insurance claims relating to damage to this Property or premises within the last five years.~~

- ~~v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.~~
- ~~w. Remodeling that may increase Property's assessed value.~~
- ~~x. Proposed or pending special assessments.~~
- ~~y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district.~~
- ~~z. Proposed construction of a public project that may affect the use of the Property.~~
- ~~aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses, rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.~~
- ~~bb. Structure on the Property is designated as an historic building or all or any part of the Property is in an historic district.~~
- ~~cc. Any land division involving the Property for which required state or local permits had not been obtained.~~
- ~~dd. Violation of state or local smoke and carbon monoxide detector laws.~~
- ~~ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.~~
- ~~ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county.~~
- ~~gg. Other Defects affecting the Property.~~

**NEW:** If the tracking is removed this list is as follows:

**CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are defined to include: Update to match new RECR bill – coming soon at your next meeting!

- a. Defects in the roof.
  - b. Defects in the electrical system.
  - c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool).
  - d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
  - e. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the Property.
- Defects related to smoke detectors carbon monoxide detectors or a violation of applicable state or local smoke detector or carbon monoxide detector laws.
- Defects in the basement or foundation (including cracks, seepage and bulges).
- Defects in any structure on the Property.
- Defects in mechanical equipment included in the sale either as Fixtures or personal property.
- Rented items located on the Property such as a water softener or other water conditioner system or other items affixed to or closely associated with the Property.
- Presence of unsafe levels of mold; basement, window, or plumbing leaks; overflow from sinks, bathtubs, or sewers; or other water or moisture intrusions or conditions.
- Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property, lead in paint, lead in soil, or other potentially hazardous or toxic substances on the Property. **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential properties built before 1978.**
- Presence of asbestos or asbestos-containing materials on the Property.
- Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on neighboring properties.

Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal, reptile, or other insect infestations.

Water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead.

Manufacture of methamphetamine or other hazardous or toxic substances on the property.

Defects in a well on the Property or in a well that serves the Property, including unsafe well water.

Defects related to a joint well serving the Property.

f. Property is served by a joint well.

A septic system or other private sanitary disposal system that serves the Property.

g. Defects in the septic system or other sanitary disposal system on the Property or any out-of-service septic system that serves the Property and that is not closed or abandoned according to applicable regulations.

h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law, may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused tanks.)

Defects in the underground or aboveground fuel storage tanks on or previously located on the Property.

i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).

Defects in an "LP" tank on the Property.

Notice of property tax increases, other than normal annual increases, or pending property reassessment.

Remodeling was done that may increase the Property's assessed value.

Pending special assessments.

Property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district.

Proposed construction of a public project that may affect the use of the Property.

Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership without required permits.

Any land division involving the Property for which required state or local permits had not been obtained.

The Property is part of or subject to a subdivision homeowners' association.

The Property is not a condominium unit, and there are common areas associated with the Property that are co-owned with others. Any zoning code violations with respect to the Property.

k. Property or any portion of the Property is located in a floodplain, wetland or shoreland zoning area.

Nonconforming uses of the Property.

Conservation easements on the Property.

Restrictive covenants or deed restrictions on the Property.

Nonowners having rights to use part of the Property, including, but not limited to, rights-of-way and easements other than recorded utility easements.

The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county.

The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. For more information visit <https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx> or (608) 266-2486.

a. All or part of the Property has been assessed as agricultural land under Wis. Stat. s. 70.32 (2r)(use value assessment)

b. The Property has been assessed a use-value assessment conversion charge (Wis. Stat. s. 74.485 (2)).

c. Payment of a use-value assessment conversion charge has been deferred relating to this Property (Wis. Stat. s. 74.485 (4)).

All or part of the Property is subject to or in violation of a farmland preservation agreement. Early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land.

All or part of the Property is subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program.

A dam is totally or partially located on the Property or an ownership in a dam that is not located on the Property will be transferred with the Property because it is owned collectively by members of a homeowners'

association, lake district, or similar group? (If “yes,” contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.)

n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway) affecting the Property.

No legal access to the Property.

u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.

A pier attached to the Property is not in compliance with state or local pier regulations. See <http://dnr.wi.gov/topic/waterways> for more information.

One or more burial sites on the Property. (For information regarding the presence, preservation, and potential disturbance of burial sites, contact the Wisconsin Historical Society at 800-342-7834 or [www.wihist.org/burial-information](http://www.wihist.org/burial-information).)

Any insurance claims relating to damage to this Property or premises within the last five years.

bb. Structure on the Property is designated as an historic building or all or any part of the Property is in an historic district.

gg. Other Defects affecting the Property.

**Closing – Lines 139-142:** We included defaults throughout the offer to see what everyone would think. While others appear to be more helpful the WRA Forms Committee thought it best to not try to include any default for the closing date. The “no later than” language was thought to be helpful because it will cover a situation if the date on the blank line turns out to be a weekend or a holiday – the closing can be held on the earlier business day and there is no need to do an amendment. This was agreed upon by the WRA Forms Committee.

**NEW:** The following change was recommended by the DSPS Committee, doing away with the “no later than” language and adding a way to avoid inadvertent scheduling that falls on holidays, weekends, etc. :

This transaction is to be closed on ~~no later than~~ \_\_\_\_\_ at the place selected by Seller. If the date for closing falls on a weekend, or federal or state holiday, the closing date shall be the next Business Day.

**The WRA Forms Committee thought this should say instead the immediately prior Business Day.** If the date for closing falls on a weekend, or federal or state holiday, the closing date shall be the ~~next~~ Business Day immediately prior to the stated date.

➤ **Is this good or are there further desired modifications?**

**NEW:** This would likely require a definition of Business Days. An idea based on the language in the Deadlines definition:

“Business Day” means a calendar day other than Saturday, Sunday, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day.

➤ **Is this good or are there further desired modifications?**

**Rental Weatherization – Lines 170-173:** The State budget was enacted and it provides that the rental weatherization program will sunset January 1, 2018. Thus this provision should be removed from the offer. This was agreed upon by the WRA Forms Committee.

**NEW: Definitions – Deadlines – Lines 200-207:** In the offer the first sentence tells us how to count .... “by excluding the day the event occurred and counting...” When we are working with “days.”

If we are working with “business days” it tells us what days to exclude but does it say to count using the same technique described in the first sentence?

■ **DEADLINES:** “Deadlines” expressed as a number of “days” from an event, such as acceptance, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at Mmidnight on the last day. Deadlines expressed as a specific number of “business days” from an event are calculated by excluding the day the event occurred and by counting subsequent calendar days exclude except for Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day.

The above modification was thought unnecessary because business days imply days, but the WRA Forms Committee made the following additional tweaks:

■ **DEADLINES:** “Deadlines” expressed as a number of “days” from an event, such as acceptance, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at mMidnight on the last day. Additionally, dDeadlines expressed as a specific number of “business days” exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines 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 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 specific event, such as closing, expire at mMidnight of that day. “Midnight” is defined as 11:59 p.m. Central Time.

**If the definition of Business Days is adopted should the Deadlines definition be modified as follows?**

■ **DEADLINES:** “Deadlines” expressed as a number of “days” from an event, such as acceptance, are calculated by excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at mMidnight on the last day. Additionally, dDeadlines expressed as a specific number of “Business Days” are calculated in the same manner except that only Business Days are counted while other days and calendar days are excluded. exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered mail or make regular deliveries on that day. Deadlines 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 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 specific event, such as closing, expire at mMidnight of that day. “Midnight” is defined as 11:59 p.m. Central Time.

➤ **Is this good or are there further desired modifications?**

**Definitions – Midnight – Line 207:** This is a term that can cause confusion and this simple provision resolves any dilemma. We can place it on its own line or leave it where it appears in the draft. This was agreed upon by the WRA Forms Committee.

**Definitions – Fixture – Lines 211-223:** this was updated to match the changes made in the WB-1 Residential Listing contract’s fixtures definition. The WRA proposed additional tweaks as follows:

■ **FIXTURE:** A “Fixture” is an item of property which is physically attached to or so closely associated with land, buildings or improvements so as to be treated as part of the real estate, including, without

limitation, physically attached items not easily removable without damage to the premises, items specifically adapted to the premises and items customarily treated as fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters, water softeners and treatment systems; sump pumps; attached or fitted floor coverings; awnings; attached antennas and satellite dishes (but not the component parts); audio/visual wall mounting brackets (but not the audio/visual equipment); garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; in-ground pet containment systems (but not the collars); storage buildings on permanent foundations and docks/piers on permanent foundations.

**CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water conditioning treatment systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18xx-xx.**

The WRA Committee believed the caution should not include items that by definition are not fixtures and believed that satellite dish component parts are not fixtures.

➤ **Is this good or are there further desired modifications?**

**Definitions – Good and Workmanlike Manner – Lines 224-227:** There are a couple of alternatives shown in the draft. Welcome other suggestions. This is a definition under development.

Another good discussion by the WRA Forms Committee. One discussion thread was that good and workmanlike would entail: (1) permits must be pulled when required, (2) tradesmen must be properly licensed or credentialed, and (3) they must be independent.

Some discussion of sellers who do some of their own work – buyers think that the sellers will cut corners. But what if the seller is a credentialed contractor? Many believe that nonetheless that the seller must hire qualified contractors.

Good and Workmanlike Manner” means work performed by independent, properly licensed or credentialed contractors in accordance with any applicable permit requirements.

➤ **Upon second thought the WRA Forms Committee decided it was best to live with the status quo and not try to include any definition of good and workmanlike and leave it to a case by case discussion. Does the DSPS Committee agree?**

**Property Damage between Acceptance and Closing – Lines 238-251:** there are numerous potential changes shown here. One is to include any personal property included in the purchase price so that it is dealt with if it is damaged. (lines 238-239)

➤ **Does this work or are there other suggestions and ideas? The WRA Forms Committee rejected this proposal. Does the DSPS Committee agree?**

Another is to give a dollar amount as the cut off instead of the 5% of the selling price – this is shown as a choice but we can certain pick one or the other method if that is desirable. (lines 241-243)

➤ **Does this work or are there other suggestions and ideas? The WRA Forms Committee rejected this proposal. Does the DSPS Committee agree?**

There also is an added sentence about the Seller or Buyer getting the estimate of the amount of the damage and the percentage of the selling price involved. Not sure if the latter part about the percentage of the selling price is desirable but we threw it all out there for comment. (lines 244-245)

➤ **Does this work or are there other suggestions and ideas? The WRA Forms Committee rejected this proposal. Does the DSPS Committee agree?**

The WRA Forms Committee discussion was interesting and revealing. It was pointed out that if the damage is less than 5% the seller doesn't have to tell anyone and can just do the repairs as the seller sees fit, providing lien waivers at closing and thus giving the buyer little opportunity to object – “squeezed” if they want to close. This could be changed if the seller was obligated to promptly notify the buyer of any damage – is that desirable? Consider, however, that would change the current state of things whereby the statutes regarding the RECR say that the seller does not have to update disclosures with regard to events or information coming after the acceptance of the offer.

In some of these cases at least the agents in the transaction may have a duty to disclose if they are aware of the damage and the damage is a material adverse fact or information suggesting one, but that may depend upon the circumstances.

This discussion did trigger a question about whether the definition of Property is correct:

■ **PROPERTY:** Unless otherwise stated, “Property” means the real estate described at lines ~~4-7x-x~~.

- This creates an interesting exercise if the term is examined throughout the form because in some places the inclusion of personal /included property works but in other cases it does not and creates confusion. The property should be the real estate, structures and improvements while the personal property is a question? **Does the DSPS Committee agree?**

**Financing Contingency overall – Lines 252-305:** Not sure how well this works in the real world. Would love to hear input from lenders as well as members regarding what to do to make this better! If you know of lenders who could weigh in please let us know!

- **Name is a misnomer – should be Financing Commitment Contingency!**

**Financing Commitment Contingency – Lines 252-305:**

Lines 253-255 – Comment by Ken Dixon, Johnson Bank. The correct wording to put into this long blank is very vague based on the form. I would suggest the words “Loan type” would be more clear, and useful than “(insert loan program or source)”. I think by doing so, both buyer and seller will be clear on the type (conventional, VA, FHA, ARM) of loan the borrower has made their offer contingent upon receiving.

Line 255: What should the default be? Is 60 days too long? **The WRA Forms Committee says there should not be a default.** One idea was to think about whether this deadline should be stated as 2 days before closing? Or \_\_\_ days before closing?

Line 256: Is there a problem with the language “in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years?”

Lines 258-259: The WRA Forms Committee suggests that the following informational/educational sentences be removed or placed elsewhere as a note or a caution. See the possible placement in the draft at lines 264-265.

Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium.

Do we continue to refer to “discount points and/or loan origination fee in an amount not to exceed \_\_\_\_\_% of the loan?”

The WRA Forms Committee suggested making this just refer to discount points and delete “and/or loan origination fee.” Origination fees would be referred to in the Buyer’s Loan Commitment section at line 274 as shown in the draft. **Is this a good idea?**

Is this section useful?

**CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 228 xxx or 229xxx.**

**FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.

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

**Financing Contingency – Buyer’s Loan Commitment – Lines 274-285:** We hear conversation that members do not like/comply with the provision requiring the buyer’s written delivery instructions. This was put in place to protect buyers from having agents or lenders deliver loan commitments that the buyers did not see and/or agree to. One suggestion is shown in the draft to allow the buyer to satisfy this requirement by simply signing the loan commitment.

- **Does this work or are there other suggestions and ideas? What is needed to protect the buyer and at the same time make the provision workable?**

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

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

Lines 277-280– Comment by Ken Dixon, Johnson Bank. What happens if the commitment letter is not accompanied by the borrower’s written direction to deliver the C letter? Then what? Should the form state the consequences? A possible remedy in terms of clarity would be add at the end of line 281 something to the effect of “or if not accompanied by the buyer’s written direction/instruction to deliver said C letter”. Also should there be a form for giving written delivery instructions?

- **Does this work or are there other suggestions and ideas? Are there really loan commitments given by lenders anymore? What can lenders to provide to give the sellers some reassurance in the interim before the actual loan is provided?**

Lines 282-283– Comment by Ken Dixon, Johnson Bank. The caution addresses commitment letters that may have conditions the buyer has not yet satisfied are the true risk in this entire process. That said, I don't know how this situation will ever change as every commitment letter is "subject to" something. Title insurance is on every commitment letter as an example. If the lender is running out of time, sometimes an appraisal can be the "subject to" item. While that's a much bigger deal, it's still a condition of the commitment letter and technically the borrower is releasing their financing contingency without knowing if the value is going to come in high enough. Again, I don't know how we can change that.

Notice of unacceptability -- Comments by Ken Dixon, Johnson Bank. Lines 281 and 285 use the term "Unacceptability" without a definition of what that word means. If it's supposed to mean that the terms offered don't match the listed terms in the above lines, then the form should state that along with the fact that the borrower is rejecting the commitment that is being offered by the lender. And then what? Does that automatically void the offer? What happens now if a notice of unacceptability is tendered? Again, the form does not spell out those consequences.

Possible language follows. Note that the offer does not equate a notice of unacceptability with evidence of unavailability – that section (Financing Unavailability) puts the emphasis on rejection letters but that is not the only way to show what the buyer described is not available.

If a loan commitment does not meet the terms stated in lines xxx-xxx and thus is not acceptable to Buyer, Buyer shall deliver the loan commitment to Seller along with a notice of Unacceptability stating Buyer rejects the loan commitment because it does not satisfy the terms of the Financing Commitment Contingency. Said loan commitment and Notice of Unacceptability shall constitute evidence of financing unavailability per lines xxx-xxx.

➤ Does this work or are there other suggestions and ideas?

**Financing Contingency – Seller Termination Rights – Lines 286-291:** Here we find one instance of the actual receipt standard. An addition was made to require delivery of the buyer written delivery directions (even though we understand that may not survive).

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

➤ Does this work or are there other suggestions and ideas?

Another addition in the draft gives a proposed idea of a right to cure for a buyer and agents who have simply forgot to deliver the loan commitment to the seller -- so they won't get trapped.

In the event Seller delivers to Buyer a written notice of termination, Buyer will have the right to cure the breach by delivering the written loan commitment and delivery directions to seller within \_\_\_ hours ("24" if left blank) of Seller's delivery of the notice of termination. Seller has no ability to reject a loan commitment unless Seller has added standards to this contingency that are not met.

The WRA Forms Committee said to keep the sentence highlighted in yellow but place it elsewhere, but was not fond of the right to cure for the forgetful buyer.

➤ Does this work or are there other suggestions and ideas?

**Financing Unavailability – Lines 292-298:** Is there anything that needs to be changed here? Should this provision be retained? Does this need more definite timelines?

As stated above, a loan commitment that does not meet Buyer's terms should also be evidence of unavailability so should that be added?

Do we really want to leave the 10-day timeline which may unreasonably and unnecessarily extend the time before the offer is concluded?

See proposed ideas below:

■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an acceptable loan commitment for other financing to Seller), Buyer shall no later than the deadline on line xxx promptly deliver written notice to Seller of same including copies of lender(s)' rejection letter(s), unacceptable loan commitment(s) per lines xxx-xxx, or other evidence of unavailability. Within 2 days of the deadline on line xxx Seller shall deliver written notice to Buyer if Seller will evaluate providing Seller mortgage financing; if said notice is not delivered this Offer shall be null and void. Unless a specific loan source is named in this Offer, Seller shall then have 10 days after the deadline on line xxx to deliver to Buyer written notice of Seller's decision to finance-provide mortgage financing for this transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

➤ **Does this work or are there other suggestions and ideas?**

**If This Offer Is Not Contingent On Financing – Lines 299-305:** Is there anything that needs to be changed here?

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

➤ **Does this work or are there other suggestions and ideas?**

**Appraisal Contingency – Lines 306-319:** Clarification of what is meant by the date of the Offer, a 45-day default timeframe, and right to cure for the seller to agree to amend the offer to change the purchase price. See the draft.

Another possibility from the WRA Forms Committee – alternative to some of the language in tracking in the draft:

In the event the appraisal indicates a value less than the agreed upon purchase price Buyer shall deliver to Seller a copy of the appraisal and an amendment to change the purchase price to an amount not less than the appraised value. Said amendment shall include no other provisions and shall allow Seller at least one day to accomplish binding acceptance.

**Testing Contingency – Lines 340-362:** this is one version of a testing contingency.

**Radon Testing and Testing Contingency combination – Lines 363-391:** another option. We can pick and choose and modify as needed. There are other variations in addenda too. Think about what contingencies are wanted and then what language and standards.

**Attorney Approval Contingency – Lines 392-406:** There is more than one version of this available should this be desired. This one attempts to try to keep things on an objective basis as much as possible. May be attacked as subjective if it is too loose and doesn't have any standards.

**Closing of Buyer's Property Contingency – Lines 407-412:** This was separated from the bump clause. It is shown with a default for the time frame. It also looks to set a consequence if there is no closing by the deadline. Does it mean the seller can terminate the offer? Does it mean simply that the seller cannot enforce the offer against the buyer because the contingency was not fulfilled but the buyer may still choose to go forward (arguable the result of the current language). There also is a statement that the buyer may unilaterally waive the contingency as this has been a point of discussion for some.

**Bump Clause – Lines 407-423:** This shows what this would look like as a separate provision. It allows for a bump that requires removal of various provisions or the meeting of other conditions. It has a default for the timeframe, involves the debate over whether or not actual receipt is a good thing and adds a statement that the seller may unilaterally waive the bump clause provision – for better or for worst – the group may look at this and decide.

**Secondary Offer – Lines 424-429:** A default time frame was added.

**Title Evidence section – Lines 437-475:** First of all, the language highlighted in yellow has been referred to the smart title attorneys with the Wisconsin Land Title Association and they will study this and give us a recommendation so stay tuned. At line 448 the idea is to give a prompt with some examples of what one would write in on the blank lines. Ideas for examples are most welcome. At line 457 it makes clear that the buyer pays for the cost of recording the deed. This may need further clarification as to whether this means just the recording fee or whether it includes the transfer fee – meant it to be just the recording fee while the seller would pay the transfer fee. At lines 464-465 the provision shifts the timing for obtaining the title insurance commitment to the beginning of the transaction.

**Special Assessments/Other Expenses: Lines 476-482:** The idea here is to define what “levied” means.

**Earnest Money – Lines 489-516:** Language attempts to incorporate the standards from the first page with respect to how the earnest money gets to the listing firm and also takes account of the fact that another holder of the earnest money may be named on line 12 of the offer. At line 506 the money that may be spent for an attorney is increased to \$750 – should it be more?

**Inspection Contingency – Lines 532-556:** Note the insertion of the word “independent” on line 533 and a default timeframe on line 543. There also is a change to time frame on line 553.

**General discussion regarding Inspection Contingency:** Some WRA Forms Committee members talked about a system where there is a notice of defects and then a curative amendment that specifies the details of the cure. If the seller doesn't agree then it is up to the buyer to decide whether the offer ends. This flips or reverses the decision making power and puts the buyer in power while the seller has more power under the existing offer. The current inspection contingency is a deterrent to buyers to give a notice of defects in the minds of some WRA Forms Committee members.

**Earnest Money Receipt – Lines 572-573:** Does this configuration make more sense? Other modifications?



**WB-11 RESIDENTIAL OFFER TO PURCHASE**

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

3 **GENERAL PROVISIONS** The Buyer, \_\_\_\_\_  
4 \_\_\_\_\_, offers to purchase the Property known as [Street Address] \_\_\_\_\_  
5 \_\_\_\_\_ in the \_\_\_\_\_  
6 of \_\_\_\_\_, County of \_\_\_\_\_ Wisconsin (insert additional description,  
7 if any, at lines 165-172xxx-xxx or 435-442xxx-xxx or attach as an addendum per line 434xxx), on the following terms:

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

10 ■ EARNEST MONEY of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ \_\_\_\_\_  
11 will be mailed, or commercially or personally delivered within \_\_\_\_\_ days ("5" if left blank) of acceptance to  
12 the listing ~~broker-firm~~ or \_\_\_\_\_.

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

14 ■ INCLUDED IN PURCHASE PRICE: ~~is -Seller is including in the purchase price-~~ the Property, all Fixtures on the Property ~~on~~  
15 ~~as of~~ the date ~~of this Offer stated on line 1 (not unless excluded at lines 17-18xx-xx-)~~, and the following additional items:  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_  
20 \_\_\_\_\_

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

23 \_\_\_\_\_  
24 ■ NOT INCLUDED IN PURCHASE PRICE: \_\_\_\_\_  
25 \_\_\_\_\_  
26 \_\_\_\_\_  
27 \_\_\_\_\_

28 **CAUTION: Identify Fixtures that are on the Property (see lines 185-193xxx-xxx) to be excluded by Seller or which are**  
29 **rented and will continue to be owned by the lessor.**

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

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

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

36 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on  
37 or before \_\_\_\_\_. Seller may keep the Property on the  
38 market and accept secondary offers after binding acceptance of this Offer.

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

40 **INCLUSION OF OPTIONAL PROVISIONS** Terms of this Offer that are preceded by an OPEN BOX (   ) are part of  
41 this offer ONLY if the box is marked such as with an "X". They are not part of this offer if marked "N/A" or are left blank.

42 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and  
43 written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines 36-  
44 54xx-xx.

45 (1) ~~Personal-Delivery~~: giving the document or written notice personally to the Party, or the Party's recipient for delivery if  
46 named at line 38-xx or 39xx.

47 Seller's recipient for delivery (optional): \_\_\_\_\_  
48 Buyer's recipient for delivery (optional): \_\_\_\_\_

49  (2) ~~Fax~~: fax transmission of the document or written notice to the following ~~telephone~~-number:  
50 Seller: ( \_\_\_\_\_ ) \_\_\_\_\_ Buyer: ( \_\_\_\_\_ ) \_\_\_\_\_

51  (3) ~~Commercial-Delivery~~: depositing the document or written notice, fees prepaid or charged to an account, with a  
52 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery ~~if named at line 38-xx or~~  
53 ~~39xx~~, for delivery to the Party's ~~delivery~~-address at line 47-xx or 48xx.

54  (4) ~~U.S. Mail~~: depositing the document or written notice, postage prepaid, in the U.S. Mail, addressed either to the  
55 Party, or to the Party's recipient for delivery ~~if named at line 38-xx or 39xx, for delivery t for delivery~~ to the Party's ~~delivery~~-address  
56 ~~at line 47-xx or 48xx~~.

57 ~~Address for Seller~~: \_\_\_\_\_

58 Address for Buyer: \_\_\_\_\_  
59 Delivery address for Seller: \_\_\_\_\_  
60 Delivery address for Buyer: \_\_\_\_\_  
61  (5) E-Mail: electronically transmitting the document or written notice to the Party's e-mail address, if given below at line  
62 53 or 54. ~~If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for~~  
63 ~~personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically~~  
64 ~~to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law. If~~  
65 ~~the party is a consumer who has not provided electronic consent and who provides an agent's email address at line xx or xx,~~  
66 ~~that party authorizes the use of the agent's email on the party's behalf.~~  
67  
68 E-Mail address for Seller (optional): \_\_\_\_\_  
69 E-Mail address for Buyer (optional): \_\_\_\_\_  
70 ~~NOTE: In a consumer transaction where the property being purchased or the sale proceeds are used primarily for personal,~~  
71 ~~family or household purposes additional disclosures and electronic consent may need to be obtained from the parties under~~  
72 ~~federal and state E-sign laws.~~  
73 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or **Actual Receipt** by, any named Buyer or Seller  
74 constitutes personal delivery to, or **Actual Receipt** by, all Buyers or Sellers.  
75 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
76 Offer at lines ~~465-472xxx-xxx~~ or ~~435-442xxx-xxx~~ or in an addendum attached per line ~~434xxx~~, or lines ~~xxx-xxx~~ if the Property  
77 is leased. At time of Buyer's occupancy, Property shall be in ~~bBroom~~ **Swept condition** and free of all debris and personal  
78 property except for personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent.  
79 Occupancy shall be given subject to tenant's rights, if any. ~~Seller must maintain the Pproperty in reasonably the same~~  
80 ~~condition as it was when this eOffer was accepted. (Committee liked the substance here but language was not decided on.)~~  
81 **DEFINITIONS**  
82 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or  
83 written notice physically in the Party's possession, regardless of the method of delivery. ~~Should this standard be retained~~  
84 ~~versus just delivery, i.e., when a document is emailed??~~  
85 ■ **BROOM SWEEP:** "Broom Swept" shall mean Seller shall remove all personal property (not included in the sale), debris and  
86 trash, and vacuum the carpets and sweep the floors prior to the closing. **DELIVERY CONDITION INSTEAD?**  
87 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are  
88 defined to include:  
89 a. Defects in the roof.  
90 b. Defects in the electrical system.  
91 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in  
92 the sale.  
93 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).  
94 e. Defects in the well, including unsafe well water.  
95 f. Property is served by a joint well.  
96 g. Defects in the septic system or other sanitary disposal system.  
97 h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law,  
98 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether  
99 the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused  
100 tanks.)  
101 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).  
102 j. Defects in the basement or foundation (including cracks, seepage and bulges).  
103 k. Property is located in a floodplain, wetland or shoreland zoning area.  
104 l. Defects in the structure of the Property.  
105 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.  
106 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).  
107 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint,  
108 lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property.  
109 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**  
110 **properties built before 1978.**  
111 p. Presence of asbestos or asbestos-containing materials on the Property.  
112 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances  
113 on neighboring properties.  
114 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect  
115 infestations.  
116 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the  
117 Property.

- 118 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership
- 119 without required permits.
- 120 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 121 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.
- 122 w. Remodeling that may increase Property's assessed value.
- 123 x. Proposed or pending special assessments.
- 124 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose
- 125 assessments against the real property located within the district.
- 126 z. Proposed construction of a public project that may affect the use of the Property.
- 127 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,
- 128 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.
- 129 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.
- 130 cc. Any land division involving the Property for which required state or local permits had not been obtained.
- 131 dd. Violation of state or local smoke and carbon monoxide detector laws.
- 132 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
- 133 Property.
- 134 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related
- 135 to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to
- 136 shoreland conditions, enforceable by the county.
- 137 gg. Other Defects affecting the Property.

138 **(Definitions Continued on page 4)**

139 **CLOSING** This transaction is to be closed on \_\_\_\_\_ no later than

140 \_\_\_\_\_

141 \_\_\_\_\_ at the place selected by Seller. If the date for closing falls on a weekend, or

142 federal or state holiday, the closing date shall be the next Business Day., unless otherwise agreed by the Parties in writing.

143 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:

144 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association

145 assessments, fuel and \_\_\_\_\_.

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

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

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

149  The net general real estate taxes for the preceding year, or the current year if available (Net general real estate

150 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE

151 APPLIES IF NO BOX IS CHECKED)

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

153  Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior

154 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

155  \_\_\_\_\_.

156 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**

157 **substantially different than the amount used for proration especially in transactions involving new construction,**

158 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**

159 **regarding possible tax changes.**

160  Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on

161 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5

162 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall

163 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation

164 and is the responsibility of the Parties to complete, not the responsibility of the real estate ~~brokers-firms~~ in this transaction.

165 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights

166 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the

167 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are \_\_\_\_\_

168 \_\_\_\_\_.

169 Insert additional terms, if any, at lines ~~165-172xxx-xxx~~ or ~~435-442xxx-xxx~~ or attach as an addendum per line 434.

170 **RENTAL WEATHERIZATION** ~~This transaction (is) (is not) ~~STRIKE ONE~~ exempt from Wisconsin Rental Weatherization~~

171 ~~Standards (Wis. Admin. Code Ch. Comm 67). If not exempt, (Buyer) (Seller) ~~STRIKE ONE~~ ("Buyer" if neither is stricken) shall~~

172 ~~be responsible for compliance, including all costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for~~

173 ~~compliance, Seller shall provide a Certificate of Compliance at closing.~~

174 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to

175 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been

176 inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example,

177 personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The

178 law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the  
179 contract of sale . . . , to the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer who does  
180 not receive a report within the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of  
181 sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission  
182 rights if a Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is  
183 submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding  
184 rescission rights.

185 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
186 notice or knowledge of Conditions Affecting the Property or Transaction (lines ~~64-114xx-xxx~~) other than those identified in  
187 Seller's Real Estate Condition Report dated \_\_\_\_\_, which was received by Buyer prior  
188 to Buyer signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS**  
189 **APPLICABLE** and \_\_\_\_\_

190 \_\_\_\_\_ **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

191 **ADDITIONAL PROVISIONS/CONTINGENCIES**

192 \_\_\_\_\_

193 \_\_\_\_\_

194 \_\_\_\_\_

195 \_\_\_\_\_

196 \_\_\_\_\_

197 \_\_\_\_\_

198 \_\_\_\_\_

199 **DEFINITIONS CONTINUED FROM PAGE 2**

200 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding  
201 the day the event occurred and by counting subsequent calendar days. The deadline expires at ~~at~~Midnight on the last day.  
202 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under  
203 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive  
204 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the  
205 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours  
206 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as  
207 closing, expire at ~~at~~Midnight of that day. "Midnight" is defined as 11:59 p.m. CST.

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

211 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land, buildings or  
212 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily  
213 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as  
214 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric  
215 lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached  
216 equipment; water heaters, water softeners and treatment systems; sump pumps; attached or fitted floor coverings; awnings;  
217 attached antennas and satellite dishes; audio/visual wall mounting brackets (but not the audio/visual equipment); garage door  
218 openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler  
219 systems and component parts; built-in appliances; ceiling fans; fences; in-ground pet containment systems (but not the  
220 collars); storage buildings on permanent foundations and docks/piers on permanent foundations.

221 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**  
222 **conditioning treatment systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 47-**  
223 **48xx-xx.**

224 ■ ~~**GOOD AND WORKMANLIKE MANNER:** "Good and Workmanlike Manner" means the way work is customarily done by~~  
225 ~~other contractors in the community. —OR— means the quality of work performed by a person who has the knowledge,~~  
226 ~~training, or experience necessary for the successful practice of a trade or occupation and performed in a manner generally~~  
227 ~~considered proficient by those capable of judging such work. —Other definitions??~~

228 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines ~~4-7x-x~~.

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

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

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

238 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property and all personal  
239 property included in the purchase price (see lines xx-xx) (hereinafter Included Property) until the earlier of closing or  
240 occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and  
241 tear. If, prior to closing, the Included Property is damaged in an amount of not more than (five percent (5%) of the selling  
242 price)(\$ \_\_\_\_\_ ) [~~STRIKE AND COMPLETE AS APPLICABLE~~] (“five percent (5%) of the selling price” if none  
243 specified), Seller shall be obligated to repair the Included Property and restore it to the same condition that it was on the day  
244 of this Offer. (Seller) (Buyer) [~~STRIKE ONE~~] (“Seller” if neither is stricken) shall obtain an estimate from a qualified third party  
245 to determine the amount of damage for the purposes of this section and the percentage of the selling price. No later than  
246 closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such  
247 sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should  
248 Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to  
249 the damage to the Included Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on  
250 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall  
251 be held in trust for the sole purpose of restoring the Included Property.

252 **IF LINE 247-xxx IS NOT MARKED OR IS MARKED N/A LINES 257-263xxx-xxx APPLY.**

253  **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_  
254 \_\_\_\_\_ [~~INSERT LOAN PROGRAM OR SOURCE~~ Loan type] first  
255 mortgage loan commitment as described below, within \_\_\_\_\_ days (“60” if left blank??) of acceptance of this Offer. The  
256 financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_  
257 years, amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$  
258 \_\_\_\_\_. ~~Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance~~  
259 ~~premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium.~~ Buyer agrees  
260 to pay discount points ~~and/or loan origination fee~~ in an amount not to exceed \_\_\_\_\_% of the loan. If the purchase price  
261 under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the  
262 purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and  
263 amortization stated above.

264 NOTE: Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums,  
265 and private mortgage insurance premiums. The mortgage may not include a prepayment premium.

266 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 228-xxx or 229xxx.**

267  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.

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

272 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines  
273 465-472xxx-xxx or 435-442xxx-xxx or in an addendum attached per line 434xxx.

274 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs and loan origination fees, to  
275 promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies  
276 for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written  
277 loan commitment no later than the deadline at line 249xxx. **Buyer and Seller agree that delivery of a copy of any written**  
278 **loan commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review**  
279 **of the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. This may be signified by**  
280 **Buyer's signature on the loan commitment ???. Buyer's written direction shall accompany the loan commitment.**  
281 **Delivery shall not satisfy this contingency if accompanied by a notice of unacceptability.**

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

286 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this  
287 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan  
288 commitment and Buyer's written delivery directions. ~~In the event Seller delivers to Buyer a written notice of termination, Buyer~~  
289 ~~will have the right to cure the breach by delivering the written loan commitment and delivery directions to seller within \_\_\_\_\_~~  
290 ~~hours (“24” if left blank) of Seller's delivery of the notice of termination.~~ Seller has no ability to reject a loan commitment unless  
291 Seller has added standards to this contingency that are not met.

292 ■ **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already  
293 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of  
294 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is  
295 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this  
296 transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing

297 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain  
298 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

299 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party  
300 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,  
301 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering  
302 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing  
303 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands  
304 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an  
305 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

306  **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised  
307 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated  
308 subsequent to the date stated on line 1 of this Offer indicating an appraised value for the Property equal to or greater than the  
309 agreed upon purchase price. This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days ("45" if  
310 left blank) of acceptance, delivers to Seller a copy of the appraisal report which indicates that the appraised value is not equal  
311 to or greater than the agreed upon purchase price, accompanied by a written notice of termination. Seller may satisfy this  
312 Appraisal Contingency by delivering a written amendment to Buyer within five (5) days of delivery of the appraisal report,  
313 amending the agreed upon purchase price to match the appraised value. Buyer agrees to deliver an accepted copy of the  
314 amendment to Seller within five (5) days of delivery of Seller's proposed price amendment. This Offer shall be null and void if  
315 Buyer makes timely delivery of the appraisal report and Seller either (a) delivers notice that Seller will not change the price or  
316 (b) Seller does not timely deliver the written amendment changing the purchase price. Buyer and Seller agree to make other  
317 amendments to this Offer necessitated by this change to the purchase price.

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

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

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

329 If Buyer defaults, Seller may:

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

333 If Seller defaults, Buyer may:

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

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

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

341 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**  
342 **READ THIS DOCUMENT CAREFULLY. BROKERS—THE FIRM AND ITS AGENTS MAY PROVIDE A GENERAL**  
343 **EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR**  
344 **OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT**  
345 **CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

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

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

352  **TESTING CONTINGENCY:** This Offer is contingent upon (Buyer obtaining)(Seller providing) [**STRIKE ONE**] ("Buyer  
353 obtaining" if neither is stricken) a current written report from a qualified independent expert documenting the results of the  
354 following test(s) conducted pursuant to applicable government or industry protocols and standards and which indicate no  
355 unsafe levels of (indicate substances or compounds to be tested, e.g., radon, asbestos, etc.): \_\_\_\_\_  
356 \_\_\_\_\_, no later than \_\_\_\_\_ days ("21" days if left blank) after acceptance, at (Buyer's)(Seller's)

357 [STRIKE ONE] ("Buyer's" if neither is stricken) expense. Specify any protocols, testing contractors, labs, standards/levels  
358 constituting a Defect, financial limits, acceptable repair methodology, etc. that shall be applied:

359 \_\_\_\_\_

360 The Property shall be returned to its condition prior to the test(s) unless otherwise agreed.

361 This testing contingency shall be deemed satisfied unless Buyer, within five (5) days of the earlier of 1) Buyer's receipt of the  
362 testing report(s) or 2) the deadline for delivery of said report(s), delivers to Seller a copy of the testing report(s) and a written  
363 notice identifying the Defect(s) to which Buyer objects (Notice of Defects). For purposes of this Testing Contingency, Defects  
364 (as defined in the Offer) do not include structural, mechanical or other conditions that nature and extent of which Buyer had  
365 actual knowledge or written notice before signing the Offer.

366 Right to Cure: Seller (shall) (shall not) [STRIKE ONE] have the right to cure ("shall" if neither is stricken). If Seller has the right  
367 to cure, Seller may satisfy this contingency by: (1) delivering to Buyer, within 10 days of Buyer's delivery of the Notice of  
368 Defects to Seller, a written notice stating Seller's election to cure, (2) curing the defects in a Good and Workmanlike Manner  
369 and (3) delivering to Buyer a report detailing the work done within 3 days prior to closing. This Offer shall be null and void if  
370 Buyer makes timely delivery of the Notice of Defects and written testing report(s) and (1) Seller does not have the right to cure  
371 or (2) Seller has a right to cure but (a) Seller delivers written notice to Buyer stating that Seller will not cure or (b) Seller does  
372 not timely deliver written notice of Seller's election to cure. This Offer shall be null and void if Buyer delivers notice to Seller  
373 within 5 days of the delivery deadline stating Seller failed to deliver report(s) by the applicable deadline(s) if Seller was  
374 responsible to provide the report(s).

375  **RADON TESTING CONTINGENCY:** This Offer is contingent upon Buyer having a qualified third party perform a radon  
376 test at the Property in a manner consistent with applicable EPA and Wisconsin Department of Health Services (DHS)  
377 protocols and standards and furnish a current written report indicating the radon level is less than \_\_\_\_\_ picoCuries ("4.0" if left  
378 blank) per liter (pCi/L), at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken) expense. This contingency shall be  
379 deemed satisfied unless Buyer, no later than \_\_\_\_\_ days ("20" if left blank) (after acceptance)(prior to closing) STRIKE  
380 ONE ("prior to closing" if neither is stricken), delivers to Seller a written copy of the radon test results report indicating a radon  
381 level of 4.0 pCi/L or higher. Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See lines  
382 xxx-xxx regarding the Right to Cure.

383  **TESTING CONTINGENCY:** This Offer is contingent upon (Buyer obtaining)(Seller providing) STRIKE ONE ("Buyer  
384 obtaining" if neither is stricken) a current written report from a qualified independent expert documenting the results of the  
385 following test(s) conducted pursuant to applicable government or industry protocols and standards [indicate substances or  
386 compounds to be tested, e.g., asbestos (see <http://www2.epa.gov/asbestos/protect-your-family>), etc.]:  
387 \_\_\_\_\_, no later than \_\_\_\_\_ days ("20" if left blank) (after acceptance)(prior to closing)  
388 STRIKE ONE ("prior to closing" if neither is stricken), at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken)  
389 expense. Specify any protocols, testing contractors, labs, standards/levels constituting a Defect, financial limits, acceptable  
390 repair methodology, etc.:

391 \_\_\_\_\_ . Seller (shall)(shall  
392 not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See lines xxx-xxx regarding the Right to Cure.

393 **CONTINGENCY SATISFACTION/RIGHT TO CURE (radon or testing contingency):** The contingency shall be deemed  
394 satisfied unless Buyer, within 5 days of the earlier of 1) Buyer's **Actual Receipt** of the applicable testing report(s) or 2) the  
395 deadline for delivery of said report(s), delivers to Seller a copy of the written report(s) and written notice stating why the  
396 report(s) do(es) not satisfy the contingency standard. If Seller has the right to cure, Seller may satisfy this contingency by (1)  
397 delivering a written notice of Seller's election to cure within 10 days of receipt of Buyer's notice; (2) and by curing the defects  
398 in a Good and Workmanlike Manner that satisfies the standard set forth in the selected contingency and by giving Buyer a  
399 report of the work done prior to closing. This Offer shall be null and void if Buyer timely delivers the above written notice(s)  
400 and report(s) to Seller and (1) Seller does not have the right to cure; or (2) Seller has a right to cure but: a) Seller delivers  
401 written notice that Seller will not cure or b) Seller does not timely deliver the notice of election to cure. This Offer shall be null  
402 and void if Buyer delivers notice to Seller, within 5 days of the delivery deadline, stating Seller failed to deliver report(s) by the  
403 respective stated deadline [if Seller was responsible to provide the report(s)].

404 **ATTORNEY APPROVAL CONTINGENCY** This Offer is contingent upon the good faith review and approval of the Offer by  
405 the respective attorneys of the Buyer and Seller, which approval shall not be unreasonably withheld. This contingency shall be  
406 deemed satisfied unless Buyer's and/or Seller's attorney, within \_\_\_\_\_ ("5" if none indicated) days of acceptance of this Offer,  
407 delivers to the other party: (1) a copy of the written statement from the objecting party's attorney which specifically identifies  
408 the provisions of the Offer that the attorney objects to, and (2) an amendment which identifies the proposed modifications to  
409 the terms of the Offer.

410 **NOTE:** Buyer's or Seller's attorney's disapproval may only be based upon the following factors: adequacy of the Property  
411 description, sufficiency as to definiteness or enforceability of the Offer, reasonableness and sequence of deadline dates,  
412 appropriateness of instrument of conveyance, the nature and extent of title to be transferred to Buyer, and \_\_\_\_\_

413 \_\_\_\_\_ . Disapproval may not be based upon purchase price,  
414 the cost of credits payable by Seller, or the commission agreement between the parties and the firms.

415 A failure of the non-objecting party to accept the proposed amendment, if any, within five (5) days of the objecting party's  
416 delivery of the amendment, shall render this Offer null and void. A failure of either Party to timely object to the terms of the

417 Offer and provide a proposed amendment to the terms of the Offer shall be deemed a waiver of this contingency. Both Buyer  
418 and Seller agree to pay the cost of their respective attorney's services pertinent to this contingency.

419  **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's  
420 property located at \_\_\_\_\_,  
421 no later than \_\_\_\_\_ ("95 days after acceptance if none stated). If Buyer does not deliver a copy of the deed  
422 from the closing of the sale of Buyer's property to Seller by the stated deadline then Seller may deliver a notice of termination  
423 and this Offer [shall be null and void??] [Shall not be enforceable against the Buyer who may proceed with this Offer at  
424 Buyer's discretion??] [Another consequence??] Buyer may unilaterally waive this contingency.

425  **BUMP CLAUSE:** If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If  
426 Buyer does not deliver to Seller ~~a written waiver of:~~ **CHECK AND COMPLETE AS APPLICABLE**

427  Written waiver of the Closing of Buyer's Property Contingency  
428  Written waiver of the Financing Contingency  
429  Written waiver of \_\_\_\_\_ (other – specify)  
430 \_\_\_\_\_ (other – specify)  
431  \_\_\_\_\_ (other – specify)

432 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**  
433 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]**

434 within \_\_\_\_ hours ("72" if left blank) of Buyer's Actual Receipt/delivery?? (the debate resurfaces, concerns either way!) of said  
435 notice, this Offer shall be null and void. Seller may unilaterally waive this Bump clause provision.

436  **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery  
437 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior  
438 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.  
439 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice  
440 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_\_ days ("5" if left blank) after acceptance  
441 of this Offer. All other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

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

445 \_\_\_\_\_  
446 \_\_\_\_\_. If "Time is of the Essence" applies to a date or  
447 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  
448 a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

#### 449 **TITLE EVIDENCE**

450 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed  
451 (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as  
452 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements  
453 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
454 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate  
455 Condition Report and in this Offer [this issue has been referred to the Wisconsin Land title Association and all of their smart  
456 attorneys and they will get back to us with a recommendation], general taxes levied in the year of closing and \_\_\_\_\_

460 Insert other allowable exceptions from title, if any (e.g., xxxxxx, yyyyyyy, zzzzzzz, etc.) which constitutes merchantable title  
461 for purposes of this transaction. Seller shall complete and execute the documents necessary to record the conveyance at  
462 Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

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

466 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
467 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all  
468 costs of providing title evidence to Buyer. Buyer shall pay ~~all-the~~ costs of providing the title evidence required by Buyer's  
469 lender and recording the deed or other conveyance.

470 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)  
471 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after  
472 the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy  
473 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap  
474 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 353-359).

475 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title  
476 insurance commitment is delivered to Buyer's attorney or Buyer no later than \_\_\_\_\_ days ("15" if left blank) (after

477 ~~acceptance)(prior to closing) STRIKE ONE ("after acceptance" if neither is stricken), not less than 5 business days before~~  
478 closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be  
479 merchantable per lines 326-335, subject only to liens which will be paid out of the proceeds of closing and standard title  
480 insurance requirements and exceptions, as appropriate.

481 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of  
482 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to  
483 remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is  
484 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the

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485 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be  
486 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title  
487 to Buyer.

488 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior  
489 to the date ~~stated on line 1 of this Offer~~ shall be paid by Seller no later than closing. All other special assessments shall be  
490 paid by Buyer. If a final resolution is adopted by the governing body that describes the planned improvements and the  
491 assessment of benefits, and the resolution is then published in the paper, all described work and special assessments the  
492 assessments are then authorized and made. This arguably suggests that assessments are levied once the final resolution has  
493 been passed and published. "Levied" means the local municipal governing body has passed and published a final resolution  
494 describing the planned improvements and the assessment of benefits.

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

501 **EARNEST MONEY**

502 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be ~~paid~~ mailed or delivered to in accordance with lines 10-12 and  
503 held in the trust account of the listing ~~broker-firm~~ (Buyer's agent if Property is not listed, ~~or~~ Seller's account if no ~~broker-firm~~ is  
504 involved or a third party as designated on line 12), until applied to the purchase price or otherwise disbursed as provided in  
505 the Offer.

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

509 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
510 clearance from pay~~er's~~ depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.  
511 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest  
512 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said  
513 disbursement agreement has not been delivered to ~~broker-the firm holding the earnest money~~ within 60 days after the date set  
514 for closing, ~~broker-that firm~~ may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction  
515 and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this  
516 Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law. ~~Broker-The firm~~ may retain  
517 legal services to direct disbursement per (1) or to file an interpleader action per (2) and ~~broker-the firm~~ may deduct from the  
518 earnest money any costs and reasonable attorneys fees, not to exceed \$~~250,750~~, prior to disbursement.

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

529 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of  
530 this Offer. An "inspection" is defined as an observation of the Property, which does not include an appraisal or testing of the  
531 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,  
532 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building  
533 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,

534 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in  
535 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's  
536 authorization for inspections does not authorize Buyer to conduct testing of the Property.

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

540 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed  
541 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller  
542 within 4 days ("4" if left blank) of receipt of each report. Seller acknowledges that certain inspections or tests may detect  
543 environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

544  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 395-409). This  
545 Offer is contingent upon an independent Wisconsin registered home inspector performing a home inspection of the Property  
546 which discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified  
547 third party performing an inspection of \_\_\_\_\_

548 \_\_\_\_\_ (list any Property component(s) to be  
549 separately inspected, e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the  
550 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a  
551 written report resulting from an authorized inspection, provided they occur prior to the deadline specified at line 424xxx.  
552 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

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

555 This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days ("20" if left blank) of acceptance, delivers to  
556 Seller a copy of the written inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which  
557 Buyer objects (Notice of Defects).

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

559 For the purposes of this contingency, Defects (see lines 182-184xxx-xxx) do not include structural, mechanical or other  
560 conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer (lines xxx-  
561 xxx).

562 ■ **RIGHT TO CURE:** Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects. If  
563 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10-7 days of  
564 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a Good And  
565 Workmanlike Manner; and (3) delivering to Buyer a written report detailing the work done within-at least 3 days prior to  
566 closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection  
567 report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that  
568 Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

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

570 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_  
571 \_\_\_\_\_  
572 \_\_\_\_\_  
573 \_\_\_\_\_  
574 \_\_\_\_\_  
575 \_\_\_\_\_  
576 \_\_\_\_\_  
577 \_\_\_\_\_

578 This Offer was drafted by [Licensee and Firm] \_\_\_\_\_

579 \_\_\_\_\_ OR \_\_\_\_\_

580 (x) \_\_\_\_\_

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

582 (x) \_\_\_\_\_

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

584 **EARNEST MONEY RECEIPT** Broker-Firm acknowledges receipt of earnest money as per line 40-xx of the above Offer.

585 Firm: \_\_\_\_\_ Broker (By) Signature of Agent for Firm: \_\_\_\_\_

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

590 (x) \_\_\_\_\_

591 Seller's Signature ▲ Print Name Here ►

Date ▲

592 (x) \_\_\_\_\_

593 Seller's Signature ▲ Print Name Here ►

Date ▲

594 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_

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

596 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_

597 Seller Initials ▲ Date ▲

Seller Initials ▲ Date ▲

**WB-11 RESIDENTIAL OFFER TO PURCHASE**

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

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

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

10 ■ **EARNEST MONEY** of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ \_\_\_\_\_  
11 will be mailed, or commercially or personally delivered within \_\_\_\_\_ days ("5" if left blank) of acceptance to  
12 the listing firm or \_\_\_\_\_.

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

14 ■ **INCLUDED IN PURCHASE PRICE** is the Property, all Fixtures on the Property as of the date stated on line 1 (unless  
15 excluded at lines xx-xx), and the following additional items: \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_.

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

22 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_  
23 \_\_\_\_\_  
24 \_\_\_\_\_.

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

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

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

31 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on  
32 or before \_\_\_\_\_. Seller may keep the Property on the  
33 market and accept secondary offers after binding acceptance of this Offer.

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

35 **INCLUSION OF OPTIONAL PROVISIONS** Terms of this Offer that are preceded by an OPEN BOX (  ) are part of this  
36 offer ONLY if the box is marked such as with an "X". They are not part of this offer if marked "N/A" or are left blank.

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

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

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

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

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

44 Seller: ( \_\_\_\_\_ ) \_\_\_\_\_ Buyer: ( \_\_\_\_\_ ) \_\_\_\_\_

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

48  (4) **U.S. Mail:** depositing the document or written notice, postage prepaid, in the U.S. Mail, addressed either to the  
49 Party, or to the Party's recipient for delivery, for delivery to the Party's address.

50 Address for Seller: \_\_\_\_\_

51 Address for Buyer: \_\_\_\_\_

52  (5) **E-Mail:** electronically transmitting the document or written notice to the e-mail address.

53 E-Mail address for Seller: \_\_\_\_\_

54 E-Mail address for Buyer: \_\_\_\_\_

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

57 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
58 Offer at lines xxx-xxx or xxx-xxx or in an addendum attached per line xxx, or lines xxx-xxx if the Property is leased. At time of  
59 Buyer's occupancy, Property shall be in **Broom Swept condition** and free of all debris and personal property except for  
60 personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given  
61 subject to tenant's rights, if any. Seller must maintain the Property in reasonably the same condition as it was when this Offer  
62 was accepted.(Committee liked the substance here but language was not decided on.)

63 **DEFINITIONS**

64 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or  
65 written notice physically in the Party's possession, regardless of the method of delivery. Should this standard be retained  
66 versus just delivery, i.e., when a document is emailed??

67 ■ **BROOM SWEPT:** "Broom Swept" shall mean Seller shall remove all personal property (not included in the sale), debris and  
68 trash, and vacuum the carpets and sweep the floors prior to the closing. DELIVERY CONDITION INSTEAD?

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

71 a. Defects in the roof.

72 b. Defects in the electrical system.

73 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in  
74 the sale.

75 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).

76 e. Defects in the well, including unsafe well water.

77 f. Property is served by a joint well.

78 g. Defects in the septic system or other sanitary disposal system.

79 h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law,  
80 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether  
81 the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused  
82 tanks.)

83 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).

84 j. Defects in the basement or foundation (including cracks, seepage and bulges).

85 k. Property is located in a floodplain, wetland or shoreland zoning area.

86 l. Defects in the structure of the Property.

87 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.

88 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).

89 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint,  
90 lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property.

91 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**  
92 **properties built before 1978.**

93 p. Presence of asbestos or asbestos-containing materials on the Property.

94 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances  
95 on neighboring properties.

96 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect  
97 infestations.

98 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the  
99 Property.

100 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership  
101 without required permits.

102 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.

103 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.

104 w. Remodeling that may increase Property's assessed value.

105 x. Proposed or pending special assessments.

106 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose  
107 assessments against the real property located within the district.

108 z. Proposed construction of a public project that may affect the use of the Property.

109 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,  
110 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.

111 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.

112 cc. Any land division involving the Property for which required state or local permits had not been obtained.

113 dd. Violation of state or local smoke and carbon monoxide detector laws.

114 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the  
115 Property.

116 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related  
117 to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to  
118 shoreland conditions, enforceable by the county.

119 gg. Other Defects affecting the Property.

120 **(Definitions Continued on page 4)**

121 **CLOSING** This transaction is to be closed on ~~no later than~~ \_\_\_\_\_  
122 \_\_\_\_\_ at the place selected by Seller. If the date for closing falls on a weekend, or  
123 federal or state holiday, the closing date shall be the next Business Day. .

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

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

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

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

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

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

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

136  \_\_\_\_\_.

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

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

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

149 \_\_\_\_\_

150 \_\_\_\_\_ . Insert additional terms, if any, at lines xxx-xxx or xxx-xxx or attach as an addendum per line 434.

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

162 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
163 notice or knowledge of Conditions Affecting the Property or Transaction (lines xx-xxx) other than those identified in Seller's  
164 Real Estate Condition Report dated \_\_\_\_\_, which was received by Buyer prior to Buyer  
165 signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and

166 \_\_\_\_\_

167 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

168 **ADDITIONAL PROVISIONS/CONTINGENCIES**

169 \_\_\_\_\_

170 \_\_\_\_\_

171 \_\_\_\_\_

172 \_\_\_\_\_

173 \_\_\_\_\_

174 \_\_\_\_\_

175 \_\_\_\_\_

176 **DEFINITIONS CONTINUED FROM PAGE 2**

177 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding  
178 the day the event occurred and by counting subsequent calendar days. The deadline expires at Midnight on the last day.  
179 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under  
180 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive  
181 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the  
182 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours  
183 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as  
184 closing, expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. CST.

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

188 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land, buildings or  
189 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily  
190 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as  
191 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric  
192 lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached  
193 equipment; water heaters, water softeners and treatment systems; sump pumps; attached or fitted floor coverings; awnings;  
194 attached antennas and satellite dishes; audio/visual wall mounting brackets (but not the audio/visual equipment); garage door  
195 openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler  
196 systems and component parts; built-in appliances; ceiling fans; fences; in-ground pet containment systems (but not the  
197 collars); storage buildings on permanent foundations and docks/piers on permanent foundations.

198 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water  
199 treatment systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines xx-xx. ■ ~~GOOD AND~~**

200 **~~WORKMANLIKE MANNER:~~** "Good and Workmanlike Manner" means the way work is customarily done by other contractors in  
201 the community. ~~OR~~ means the quality of work performed by a person who has the knowledge, training, or experience  
202 necessary for the successful practice of a trade or occupation and performed in a manner generally considered proficient by  
203 those capable of judging such work. ~~Other definitions??~~

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

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

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

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

214 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property and all personal  
215 property included in the purchase price (see lines xx-xx) (hereinafter Included Property) until the earlier of closing or  
216 occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and  
217 tear. If, prior to closing, the Included Property is damaged in an amount of not more than (five percent (5%) of the selling  
218 price)(\$\_\_\_\_\_) [STRIKE AND COMPLETE AS APPLICABLE] ("five percent (5%) of the selling price" if none  
219 specified), Seller shall be obligated to repair the Included Property and restore it to the same condition that it was on the day  
220 of this Offer. (Seller) (Buyer) [STRIKE ONE] ("Seller" if neither is stricken) shall obtain an estimate from a qualified third party  
221 to determine the amount of damage for the purposes of this section and the percentage of the selling price. No later than  
222 closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such  
223 sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should  
224 Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to  
225 the damage to the Included Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on  
226 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall  
227 be held in trust for the sole purpose of restoring the Included Property.

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

229  **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_  
230 \_\_\_\_\_ [Loan type] first mortgage loan commitment as described  
231 below, within \_\_\_\_\_ days ("60" if left blank??) of acceptance of this Offer. The financing selected shall be in an amount of  
232 not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years, amortized over not less than \_\_\_\_\_ years.  
233 Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_. Buyer agrees to pay discount points in  
234 an amount not to exceed \_\_\_\_\_% of the loan. If the purchase price under this Offer is modified, the financed amount,

235 unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the  
236 monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

237 **NOTE:** Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums,  
238 and private mortgage insurance premiums. The mortgage may not include a prepayment premium.

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

240  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.

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

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

247 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs and loan origination fees, to  
248 promptly apply for a mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies  
249 for the loan described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written  
250 loan commitment no later than the deadline at line xxx. **Buyer and Seller agree that delivery of a copy of any written loan  
251 commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of the  
252 loan commitment, Buyer has directed, in writing, delivery of the loan commitment. This may be signified by Buyer's  
253 signature on the loan commitment ???.** Buyer's written direction shall accompany the loan commitment. Delivery  
254 shall not satisfy this contingency if accompanied by a notice of unacceptability.

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

259 ■ **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this  
260 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan  
261 commitment and Buyer's written delivery directions. ~~In the event Seller delivers to Buyer a written notice of termination, Buyer~~  
262 ~~will have the right to cure the breach by delivering the written loan commitment and delivery directions to seller within \_\_\_\_~~  
263 ~~hours ("24" if left blank) of Seller's delivery of the notice of termination.~~ **Seller has no ability to reject a loan commitment unless  
264 Seller has added standards to this contingency that are not met.**

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

272 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party  
273 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,  
274 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering  
275 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing  
276 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands  
277 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an  
278 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

279  **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised  
280 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated  
281 subsequent to the date stated on line 1 indicating an appraised value for the Property equal to or greater than the agreed  
282 upon purchase price. This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days ("45" if left blank)  
283 of acceptance, delivers to Seller a copy of the appraisal report which indicates that the appraised value is not equal to or  
284 greater than the agreed upon purchase price, accompanied by a written notice of termination. Seller may satisfy this Appraisal  
285 Contingency by delivering a written amendment to Buyer within five (5) days of delivery of the appraisal report, amending the  
286 agreed upon purchase price to match the appraised value. Buyer agrees to deliver an accepted copy of the amendment to  
287 Seller within five (5) days of delivery of Seller's proposed price amendment. This Offer shall be null and void if Buyer makes  
288 timely delivery of the appraisal report and Seller either (a) delivers notice that Seller will not change the price or (b) Seller  
289 does not timely deliver the written amendment changing the purchase price. Buyer and Seller agree to make other  
290 amendments to this Offer necessitated by this change to the purchase price.

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

293 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the  
294 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as

295 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple  
296 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information  
297 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers  
298 researching comparable sales, market conditions and listings, upon inquiry.

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

302 If Buyer defaults, Seller may:

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

306 If Seller defaults, Buyer may:

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

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

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

314 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**  
315 **READ THIS DOCUMENT CAREFULLY. THE FIRM AND ITS AGENTS MAY PROVIDE A GENERAL EXPLANATION OF**  
316 **THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS**  
317 **CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN**  
318 **ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

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

322 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
323 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at <http://www.doc.wi.gov> or  
324 by telephone at (608) 240-5830.

325  **TESTING CONTINGENCY:** This Offer is contingent upon (Buyer obtaining)(Seller providing) [STRIKE ONE] ("Buyer  
326 obtaining" if neither is stricken) a current written report from a qualified independent expert documenting the results of the  
327 following test(s) conducted pursuant to applicable government or industry protocols and standards and which indicate no  
328 unsafe levels of (indicate substances or compounds to be tested, e.g., radon, asbestos, etc.): \_\_\_\_\_

329 \_\_\_\_\_, no later than \_\_\_\_\_ days ("21" days if left blank) after acceptance, at (Buyer's)(Seller's)  
330 [STRIKE ONE] ("Buyer's" if neither is stricken) expense. Specify any protocols, testing contractors, labs, standards/levels  
331 constituting a Defect, financial limits, acceptable repair methodology, etc. that shall be applied: \_\_\_\_\_

332 \_\_\_\_\_.

333 The Property shall be returned to its condition prior to the test(s) unless otherwise agreed.

334 This testing contingency shall be deemed satisfied unless Buyer, within five (5) days of the earlier of 1) Buyer's receipt of the  
335 testing report(s) or 2) the deadline for delivery of said report(s), delivers to Seller a copy of the testing report(s) and a written  
336 notice identifying the Defect(s) to which Buyer objects (Notice of Defects). For purposes of this Testing Contingency, Defects  
337 (as defined in the Offer) do not include structural, mechanical or other conditions that nature and extent of which Buyer had  
338 actual knowledge or written notice before signing the Offer.

339 **Right to Cure:** Seller (shall) (shall not)[ STRIKE ONE] have the right to cure ("shall" if neither is stricken). If Seller has the right  
340 to cure, Seller may satisfy this contingency by: (1) delivering to Buyer, within 10 days of Buyer's delivery of the Notice of  
341 Defects to Seller, a written notice stating Seller's election to cure, (2) curing the defects in a Good and Workmanlike Manner  
342 and (3) delivering to Buyer a report detailing the work done within 3 days prior to closing. This Offer shall be null and void if  
343 Buyer makes timely delivery of the Notice of Defects and written testing report(s) and (1) Seller does not have the right to cure  
344 or (2) Seller has a right to cure but (a) Seller delivers written notice to Buyer stating that Seller will not cure or (b) Seller does  
345 not timely deliver written notice of Seller's election to cure. This Offer shall be null and void if Buyer delivers notice to Seller  
346 within 5 days of the delivery deadline stating Seller failed to deliver report(s) by the applicable deadline(s) if Seller was  
347 responsible to provide the report(s).

348  **RADON TESTING CONTINGENCY:** This Offer is contingent upon Buyer having a qualified third party perform a radon  
349 test at the Property in a manner consistent with applicable EPA and Wisconsin Department of Health Services (DHS)  
350 protocols and standards and furnish a current written report indicating the radon level is less than \_\_\_\_\_ picoCuries ("4.0" if left  
351 blank) per liter (pCi/L), at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken) expense. This contingency shall be  
352 deemed satisfied unless Buyer, no later than \_\_\_\_\_ days ("20" if left blank) (after acceptance)(prior to closing) STRIKE  
353 ONE ("prior to closing" if neither is stricken), delivers to Seller a written copy of the radon test results report indicating a radon

354 level of 4.0 pCi/L or higher. Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See lines  
355 xxx-xxx regarding the Right to Cure.

356  **TESTING CONTINGENCY:** This Offer is contingent upon (Buyer obtaining)(Seller providing) STRIKE ONE ("Buyer  
357 obtaining" if neither is stricken) a current written report from a qualified independent expert documenting the results of the  
358 following test(s) conducted pursuant to applicable government or industry protocols and standards [indicate substances or  
359 compounds to be tested, e.g., asbestos (see <http://www2.epa.gov/asbestos/protect-your-family>), etc.]:  
360 \_\_\_\_\_, no later than \_\_\_\_ days ("20" if left blank) (after acceptance)(prior to closing)  
361 STRIKE ONE ("prior to closing" if neither is stricken), at (Buyer's) (Seller's) STRIKE ONE ("Buyer's" if neither is stricken)  
362 expense. Specify any protocols, testing contractors, labs, standards/levels constituting a Defect, financial limits, acceptable  
363 repair methodology, etc.: \_\_\_\_\_

364 \_\_\_\_\_ Seller (shall)(shall  
365 not) STRIKE ONE ("shall" if neither is stricken) have the right to cure. See lines xxx-xxx regarding the Right to Cure.

366 ■ **CONTINGENCY SATISFACTION/RIGHT TO CURE (radon or testing contingency):** The contingency shall be deemed  
367 satisfied unless Buyer, within 5 days of the earlier of 1) Buyer's **Actual Receipt** of the applicable testing report(s) or 2) the  
368 deadline for delivery of said report(s), delivers to Seller a copy of the written report(s) and written notice stating why the  
369 report(s) do(es) not satisfy the contingency standard. If Seller has the right to cure, Seller may satisfy this contingency by (1)  
370 delivering a written notice of Seller's election to cure within 10 days of receipt of Buyer's notice; (2) and by curing the defects  
371 in a Good and Workmanlike Manner that satisfies the standard set forth in the selected contingency and by giving Buyer a  
372 report of the work done prior to closing. This Offer shall be null and void if Buyer timely delivers the above written notice(s)  
373 and report(s) to Seller and (1) Seller does not have the right to cure; or (2) Seller has a right to cure but: a) Seller delivers  
374 written notice that Seller will not cure or b) Seller does not timely deliver the notice of election to cure. This Offer shall be null  
375 and void if Buyer delivers notice to Seller, within 5 days of the delivery deadline, stating Seller failed to deliver report(s) by the  
376 respective stated deadline [if Seller was responsible to provide the report(s)].

377 **ATTORNEY APPROVAL CONTINGENCY** This Offer is contingent upon the good faith review and approval of the Offer by  
378 the respective attorneys of the Buyer and Seller, which approval shall not be unreasonably withheld. This contingency shall be  
379 deemed satisfied unless Buyer's and/or Seller's attorney, within \_\_\_\_\_ ("5" if none indicated) days of acceptance of this Offer,  
380 delivers to the other party: (1) a copy of the written statement from the objecting party's attorney which specifically identifies  
381 the provisions of the Offer that the attorney objects to, and (2) an amendment which identifies the proposed modifications to  
382 the terms of the Offer.

383 **NOTE:** Buyer's or Seller's attorney's disapproval may only be based upon the following factors: adequacy of the Property  
384 description, sufficiency as to definiteness or enforceability of the Offer, reasonableness and sequence of deadline dates,  
385 appropriateness of instrument of conveyance, the nature and extent of title to be transferred to Buyer, and \_\_\_\_\_  
386 \_\_\_\_\_. Disapproval may not be based upon purchase price,  
387 the cost of credits payable by Seller, or the commission agreement between the parties and the firms.

388 A failure of the non-objecting party to accept the proposed amendment, if any, within five (5) days of the objecting party's  
389 delivery of the amendment, shall render this Offer null and void. A failure of either Party to timely object to the terms of the  
390 Offer and provide a proposed amendment to the terms of the Offer shall be deemed a waiver of this contingency. Both Buyer  
391 and Seller agree to pay the cost of their respective attorney's services pertinent to this contingency.

392  **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's  
393 property located at \_\_\_\_\_,  
394 no later than \_\_\_\_\_ ("95 days after acceptance if none stated). If Buyer does not deliver a copy of the deed  
395 from the closing of the sale of Buyer's property to Seller by the stated deadline then Seller may deliver a notice of termination  
396 and this Offer [shall be null and void??] [Shall not be enforceable against the Buyer who may proceed with this Offer at  
397 Buyer's discretion??] [Another consequence??] Buyer may unilaterally waive this contingency.

398  **BUMP CLAUSE:** If Seller accepts a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If  
399 Buyer does not deliver to Seller: **CHECK AND COMPLETE AS APPLICABLE**

- 400  Written waiver of Closing of Buyer's Property Contingency  
401  Written waiver of Financing Contingency  
402  Written waiver of \_\_\_\_\_ (other – specify)  
403  \_\_\_\_\_ (other – specify)  
404  \_\_\_\_\_ (other – specify)

405 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL  
406 CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]**

407 within \_\_\_\_ hours ("72" if left blank) of Buyer's **Actual Receipt/delivery??** (the debate resurfaces, concerns either way!) of said  
408 notice, this Offer shall be null and void. Seller may unilaterally waive this Bump clause provision.

409  **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery  
410 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior  
411 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.  
412 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice  
413 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_\_ days ("5" if left blank) after acceptance  
414 of this Offer. All other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

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

418 \_\_\_\_\_  
419 \_\_\_\_\_. If "Time is of the Essence" applies to a date or  
420 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  
421 a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

422 **TITLE EVIDENCE**

423 ■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed  
424 (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as  
425 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements  
426 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
427 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate  
428 Condition Report and in this Offer [this issue has been referred to the Wisconsin Land title Association and all of their smart  
429 attorneys and they will get back to us with a recommendation], general taxes levied in the year of closing and \_\_\_\_\_

430 \_\_\_\_\_  
431 \_\_\_\_\_  
432 \_\_\_\_\_

433 [Insert other allowable exceptions from title, if any (e.g., xxxxxx, yyyyyyy, zzzzzzz, etc.) which constitutes merchantable title  
434 for purposes of this transaction. Seller shall complete and execute the documents necessary to record the conveyance at  
435 Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

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

439 ■ **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
440 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all  
441 costs of providing title evidence to Buyer. Buyer shall pay the costs of providing the title evidence required by Buyer's lender  
442 and recording the deed or other conveyance.

443 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)  
444 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after  
445 the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy  
446 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap  
447 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 353-359).

448 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title  
449 insurance commitment is delivered to Buyer's attorney or Buyer no later than \_\_\_\_ days ("15" if left blank) (after  
450 acceptance)(prior to closing) **STRIKE ONE** ("after acceptance" if neither is stricken), losing, showing title to the Property as of a  
451 date no more than 15 days before delivery of such title evidence to be merchantable per lines 326-335, subject only to liens  
452 which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate.

453 ■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of  
454 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to  
455 remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is  
456 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the

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457 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be  
458 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title  
459 to Buyer.

460 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior  
461 to the date stated on line 1 shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer.  
462 If a final resolution is adopted by the governing body that describes the planned improvements and the assessment of  
463 benefits, and the resolution is then published in the paper, all described work and special assessments the assessments are  
464 then authorized and made. This arguably suggests that assessments are levied once the final resolution has been passed and  
465 published. "Levied" means the local municipal governing body has passed and published a final resolution describing the  
466 planned improvements and the assessment of benefits.

467 **CAUTION: Consider a special agreement if area assessments, property owners association assessments, special**  
468 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**  
469 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**  
470 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**

471 sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact  
472 fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).

473 **EARNEST MONEY**

474 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be mailed or delivered in accordance with lines 10-12 and held in  
475 the trust account of the listing firm (Buyer's agent if Property is not listed, Seller's account if no firm is involved or a third party  
476 as designated on line 12), until applied to the purchase price or otherwise disbursed as provided in the Offer.

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

480 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
481 clearance from payer's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.  
482 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest  
483 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said  
484 disbursement agreement has not been delivered to the firm holding the earnest money within 60 days after the date set for  
485 closing, that firm may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does  
486 not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as  
487 directed by court order; or (4) any other disbursement required or allowed by law. The firm may retain legal services to direct  
488 disbursement per (1) or to file an interpleader action per (2) and the firm may deduct from the earnest money any costs and  
489 reasonable attorneys fees, not to exceed \$750, prior to disbursement.

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

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

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

510 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed  
511 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller  
512 within \_\_\_ days ("4" if left blank) of receipt of each report. Seller acknowledges that certain inspections or tests may detect  
513 environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

514  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 395-409). This  
515 Offer is contingent upon an independent Wisconsin registered home inspector performing a home inspection of the Property  
516 which discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified  
517 third party performing an inspection of \_\_\_\_\_

518 \_\_\_\_\_ (list any Property component(s) to be  
519 separately inspected, e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the  
520 inspection(s) and be responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a  
521 written report resulting from an authorized inspection, provided they occur prior to the deadline specified at line xxx.  
522 Inspection(s) shall be performed by a qualified independent inspector or independent qualified third party.

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

525 This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days ("20" if left blank) of acceptance, delivers to  
526 Seller a copy of the written inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which  
527 Buyer objects (Notice of Defects).

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

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

531 ■ **RIGHT TO CURE:** Seller (shall)(shall not) STRIKE ONE ("shall" if neither is stricken) have a right to cure the Defects. If  
532 Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 7 days of  
533 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a **Good and**  
534 **Workmanlike Manner**; and (3) delivering to Buyer a written report detailing the work done at least 3 days prior to closing. This  
535 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)  
536 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure  
537 or (b) Seller does not timely deliver the written notice of election to cure.

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

539 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_

540 \_\_\_\_\_

541 \_\_\_\_\_

542 \_\_\_\_\_

543 \_\_\_\_\_

544 \_\_\_\_\_

545 \_\_\_\_\_

546 \_\_\_\_\_

547 This Offer was drafted by [Licensee and Firm] \_\_\_\_\_

548 \_\_\_\_\_

549 (x) \_\_\_\_\_

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

551 (x) \_\_\_\_\_

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

553 **EARNEST MONEY RECEIPT** Firm acknowledges receipt of earnest money as per line xx of the above Offer.

554 Firm: \_\_\_\_\_ Signature of Agent for Firm: \_\_\_\_\_

555 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER**

556 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY**

557 **ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS**

558 **OFFER.**

559 (x) \_\_\_\_\_

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

561 (x) \_\_\_\_\_

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

563 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_

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

565 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_

566 Seller Initials ▲ Date ▲ \_\_\_\_\_ Seller Initials ▲ Date ▲ \_\_\_\_\_

**WB-11 RESIDENTIAL OFFER TO PURCHASE**

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

3 **GENERAL PROVISIONS** The Buyer, \_\_\_\_\_  
4 \_\_\_\_\_, offers to purchase the Property known as [Street Address] \_\_\_\_\_  
5 \_\_\_\_\_ in the \_\_\_\_\_  
6 of \_\_\_\_\_, County of \_\_\_\_\_ Wisconsin (insert additional  
7 description, if any, at lines 165-172 or 435-442 or attach as an addendum per line 434), on the following terms:

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

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

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

14 ■ **INCLUDED IN PURCHASE PRICE:** Seller is including in the purchase price the Property, all Fixtures on the Property on  
15 the date of this Offer not excluded at lines 17-18, and the following additional items: \_\_\_\_\_  
16 \_\_\_\_\_.

17 ■ **NOT INCLUDED IN PURCHASE PRICE:** \_\_\_\_\_  
18 \_\_\_\_\_.

19 **CAUTION: Identify Fixtures that are on the Property (see lines 185-193) to be excluded by Seller or which are rented**  
20 **and will continue to be owned by the lessor.**

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

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

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

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on  
28 or before \_\_\_\_\_. Seller may keep the Property on the  
29 market and accept secondary offers after binding acceptance of this Offer.

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

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

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and  
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-54.

36 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if  
37 named at line 38 or 39.

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

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

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

41 Seller: ( \_\_\_\_\_ ) \_\_\_\_\_ Buyer: ( \_\_\_\_\_ ) \_\_\_\_\_

42  (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a  
43 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 38 or 39, for  
44 delivery to the Party's delivery address at line 47 or 48.

45  (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,  
46 or to the Party's recipient for delivery if named at line 38 or 39, for delivery to the Party's delivery address at line 47 or 48.

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

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

49  (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line  
50 53 or 54. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for  
51 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically  
52 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

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

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

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

57 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
 58 Offer at lines 165-172 or 435-442 or in an addendum attached per line 434. At time of Buyer's occupancy, Property shall be in  
 59 broom swept condition and free of all debris and personal property except for personal property belonging to current tenants,  
 60 or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

61 **DEFINITIONS**

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

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

- 66 a. Defects in the roof.
- 67 b. Defects in the electrical system.
- 68 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in  
 69 the sale.
- 70 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
- 71 e. Defects in the well, including unsafe well water.
- 72 f. Property is served by a joint well.
- 73 g. Defects in the septic system or other sanitary disposal system.
- 74 h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law,  
 75 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether  
 76 the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused  
 77 tanks.)
- 78 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).
- 79 j. Defects in the basement or foundation (including cracks, seepage and bulges).
- 80 k. Property is located in a floodplain, wetland or shoreland zoning area.
- 81 l. Defects in the structure of the Property.
- 82 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.
- 83 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).
- 84 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint,  
 85 lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property.  
 86 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**  
 87 **properties built before 1978.**
- 88 p. Presence of asbestos or asbestos-containing materials on the Property.
- 89 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances  
 90 on neighboring properties.
- 91 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect  
 92 infestations.
- 93 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the  
 94 Property.
- 95 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership  
 96 without required permits.
- 97 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 98 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.
- 99 w. Remodeling that may increase Property's assessed value.
- 100 x. Proposed or pending special assessments.
- 101 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose  
 102 assessments against the real property located within the district.
- 103 z. Proposed construction of a public project that may affect the use of the Property.
- 104 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,  
 105 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.
- 106 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.
- 107 cc. Any land division involving the Property for which required state or local permits had not been obtained.
- 108 dd. Violation of state or local smoke and carbon monoxide detector laws.
- 109 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the  
 110 Property.
- 111 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related  
 112 to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to  
 113 shoreland conditions, enforceable by the county.
- 114 gg. Other Defects affecting the Property.

115 **(Definitions Continued on page 4)**

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

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

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

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

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

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

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

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

130  \_\_\_\_\_

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

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

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

144 **RENTAL WEATHERIZATION** This transaction (is) (is not) ~~STRIKE ONE~~ exempt from Wisconsin Rental Weatherization  
145 Standards (Wis. Admin. Code Ch. Comm 67). If not exempt, (Buyer) (Seller) ~~STRIKE ONE~~ ("Buyer" if neither is stricken) shall  
146 be responsible for compliance, including all costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for  
147 compliance, Seller shall provide a Certificate of Compliance at closing.

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

159 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
160 notice or knowledge of Conditions Affecting the Property or Transaction (lines 64-114) other than those identified in Seller's  
161 Real Estate Condition Report dated \_\_\_\_\_, which was received by Buyer prior to Buyer  
162 signing this Offer and which is made a part of this Offer by reference ~~COMPLETE DATE OR STRIKE AS APPLICABLE~~ and

163 \_\_\_\_\_  
164 \_\_\_\_\_ ~~INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT~~

165 **ADDITIONAL PROVISIONS/CONTINGENCIES**  
166 \_\_\_\_\_  
167 \_\_\_\_\_  
168 \_\_\_\_\_  
169 \_\_\_\_\_  
170 \_\_\_\_\_  
171 \_\_\_\_\_  
172 \_\_\_\_\_

173 **DEFINITIONS CONTINUED FROM PAGE 2**

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

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

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

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**  
 195 **conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

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

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

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

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

**IF LINE 217 IS NOT MARKED OR IS MARKED N/A LINES 257-263 APPLY.**

216

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

**227 CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 228 or 229.**

228  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_%.

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

233 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines  
234 165-172 or 435-442 or in an addendum attached per line 434.

235 ■ **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a  
236 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described  
237 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no  
238 later than the deadline at line 219. **Buyer and Seller agree that delivery of a copy of any written loan commitment to  
239 Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of the loan  
240 commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall  
241 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of  
242 unacceptability.**

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

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

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

257 ■ **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party  
258 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,  
259 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering  
260 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing  
261 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands  
262 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an  
263 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

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

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

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

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

281 If Buyer defaults, Seller may:

282 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or

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

285 If Seller defaults, Buyer may:

286 (1) sue for specific performance; or

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

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

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

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

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

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

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

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

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

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

321 \_\_\_\_\_  
322 \_\_\_\_\_ . If "Time is of the Essence" applies to a date or  
323 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  
324 a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

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

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

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

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

343 ■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)  
344 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after  
345 the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy  
346 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap  
347 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 353-359).

348 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title  
349 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title to  
350 the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 326-335,  
351 subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and  
352 exceptions, as appropriate.

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

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

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

369 **EARNEST MONEY**

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

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

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

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

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

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

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

410  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 395-409). This  
411 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which discloses  
412 no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party  
413 performing an inspection of \_\_\_\_\_

414 \_\_\_\_\_ (list any Property component(s) to be separately inspected, e.g.,  
415 swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be  
416 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting  
417 from an authorized inspection, provided they occur prior to the deadline specified at line 421. Inspection(s) shall be performed  
418 by a qualified independent inspector or independent qualified third party.

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

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

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

425 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions the  
426 nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

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

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

435 **ADDITIONAL PROVISIONS/CONTINGENCIES** \_\_\_\_\_

436 \_\_\_\_\_  
437 \_\_\_\_\_  
438 \_\_\_\_\_  
439 \_\_\_\_\_  
440 \_\_\_\_\_  
441 \_\_\_\_\_  
442 \_\_\_\_\_

443 This Offer was drafted by [Licensee and Firm] \_\_\_\_\_

444 \_\_\_\_\_ on \_\_\_\_\_

445 (x) \_\_\_\_\_

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

447 (x) \_\_\_\_\_

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

449 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

450 \_\_\_\_\_ Broker (By) \_\_\_\_\_

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

455 (x) \_\_\_\_\_

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

457 (x) \_\_\_\_\_

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

459 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_

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

461 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_

462 Seller Initials ▲ Date ▲ \_\_\_\_\_ Seller Initials ▲ Date ▲ \_\_\_\_\_

## COOPERATIVE AGREEMENT REVISIONS

To: DSPS Real Estate Contractual Forms Advisory Committee  
From: WRA Forms Committee  
Date: December 27, 2017  
RE: **WB-28 Cooperative Agreement and WB-29 Commercial Cooperative Agreement**

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The concept is to update and freshen up the WB-28 Cooperative Agreement and then use that agreement as the base or foundation for creating a new commercial cooperative agreement.

### **WB-28 Cooperative Agreement**

The WB-28\_suggestions\_12.22.17 shows the result of the discussions of the WRA Forms Committee's discussion on December 14, 2017. In addition, the draft was also provided to commercial brokers who would be among those who would use the form.

First of all the changes to terminology pursuant to the Chapter 452 modifications that went into effect July 1, 2016 were made. Hopefully all were caught, for example, "firm" instead of "broker."

#### Lines 11-22: Cooperating Firm Identification section: No changes from prior draft

The detailed identification information for the Wisconsin firm was removed as the in-state broker is at the helm and the license number can be obtained with the DSPS Wisconsin credential/license search tool online at <https://app.wi.gov/licensesearch>. The section was also reorganized a bit with the Authorized Agents information being shifted.

The section for the out-of-state broker was simplified and reorganized while keeping the same information being obtained. The areas where the license numbers for the cooperating firm and its authorized agents are placed were modified to require the state of licensure as well as the license number because large regional or national firms may have licenses in more than one state and agents who also have licenses in different states, thinking along the lines of a commercial-type situation.

#### Lines 23-26: Evidence of Good Standing: No changes from prior draft

This section now has a boxed heading and allows for evidence of licenses in good standing via various means including a link to online records, presumably similar to the DSPS license search tool. Note that at lines 94-97 this is again referenced with the Cooperating Firm attesting to licenses in good standing and providing that evidence of good standing was required in order for the agreement to be valid. The DSPS committee was comfortable with this repetition.

#### Lines 27-41: Terms of Cooperation:

This section was simplified and condensed a bit. The opening lines now make it clear that the only cooperation allowed is pursuant to the authority and tasks listed. The DSPS committee thought all of the choices before regarding showings were confusing and it was best to simply say any showing would be conducted according to the Wisconsin Firm's showing instructions which gives that firm total flexibility regarding how they are comfortable with the Cooperating Broker showing the listing property.

The item that did reference the Documentation section requirements on lines 64-69 was removed. If the firms wish to forgo the requirements whereby the Cooperating Firm need not provide the Wisconsin firm with all copies of documents and records they had collected from the transaction, then they could write

that in on the blank lines. The thought was if the requirements were to be loosened a bit that this should not be so easy.

**A new proposed change –Lines 34-36: Errors and Omissions Insurance:**

This involves moving what had been a separate Errors and Omissions Insurance provision and making it instead a check box item since this is not a requirement under Wis. Stat. § 452.137. If the Wisconsin Firm wanted a certificate of insurance or other confirmation of insurance coverage it may write that in the blank lines.

Cooperating Firm represents that it shall maintain Errors and Omissions Insurance in a dollar amount adequate for the contemplated Wisconsin transaction throughout any transactions relative to this Agreement and the Property.

The prior draft language for Errors and Omissions Insurance was:

Cooperating Firm represents Errors and Omissions insurance coverage in a dollar amount adequate for the contemplated Wisconsin transaction will be maintained for any transactions relative to the Property. Cooperating Firm (shall) (shall not) STRIKE ONE (“shall not” if neither is stricken) be required to provide Wisconsin Firm a certificate of insurance demonstrating this coverage.

The DSPS Committee indicated it was uncertain whether an insurance certificate would give this information since it will be an out-of-state transaction for the Cooperating Firm – there may be a monetary amount that is sufficient but it is the other coverage requirements that were of concern.

**Lines 50-52: Trust Account: No changes from prior draft**

There was some questioning about what would happen if the Wisconsin firm had no trust account and operated using a title company or other means. The requirement in Wis. Stat. § 452.137(4)(b)3 refers to the statutes in § 452.13 for a definition of client funds, but otherwise refers to “a trust account maintained by the firm.” That would not appear to allow much latitude as far as any other arrangements other than the Wisconsin Firm having a trust account.

**Lines 53-56: Legal Compliance: Changes proposed**

The language in this section describes what the Cooperating firm should do as far as giving consent but it is in the wrong place to be effective. The agreement is between the two firms and the consent needs to be filed with the DSPS and the REEB. That is accomplished using DSPS form #813 – Irrevocable Consent for Nonresidents – Section B: Cooperative Agreements:

<https://dps.wi.gov/Credentialing/Business/fm813.pdf>

By signing this Agreement, Cooperating Firm and any Authorized Agents agree to abide by, and be subject to, Wisconsin law and the rules and regulations of the Wisconsin Real Estate Examining Board (REEB). Cooperating Firm agrees to file the irrevocable consent form and any other forms required by the Wisconsin Department of Safety and Professional Services to evidence compliance with Wis. Stat. § 452.137.

It was proposed that the Form #813 continue to be paired on the DSPS website with each of the cooperative agreements (WB-28 and WB-29) for ease of identification and use. The irrevocable consent to service language that is in the statutes and in Form #813 was removed from the Legal compliance provision. The thought was there was no point to repeat that in the agreement between the brokers as the consent needs to be given to the DSPS. The bold language at the end of the section was thought to be too vague and was modified to be a bit more specific to try to ensure that the Cooperating Firm was pointed

in the right direction and was given some guidance as to what was expected and legally required. This language is supposed to be telling the Cooperating Firms to execute and file the Form #813.

Lines 59-64: Documentation: No changes from prior draft

This section addresses the requirements stated in Wis. Stat. 452.137(2)(e). The DSPS Committee added a time frame to the requirement for the Cooperating Firm to provide copies of everything to the Wisconsin Firm to say that the copies of all the documents shall be deposited with the Wisconsin firm no later than the conclusion of the transaction which makes some sense because this WB-28 pertains to only one listed property.

Lines 65-70: Cooperating Firm Prohibitions: No changes from prior draft

This section includes three specific prohibitions taken more or less directly from Wis. Stat. § 452.137. It was decided to keep this information for the benefit of the cooperating Firms. The DSPS committee did add the language at the beginning of the section that reads: “Because Cooperating Firm does not hold a Wisconsin Real Estate license,”

Lines 71-72: Term: No changes from prior draft

This language was modified to include a reference to any extensions of the listing contract:

This Agreement continues as long as Wisconsin Firm’s listing for the Property, including any extensions, is remains in force, unless otherwise agreed in writing.

## **WB-29?? Commercial Cooperative Agreement**

The WB-XX\_CommercialCooperative\_12.27.17 was created using the WB-28 document as a basis.

Under this agreement a Wisconsin firm (ISL) that does not have a listing can enter into a commercial cooperative agreement with an out-of-state firm (OSL) who has a buyer/tenant client. This draft was discussed with the WRA Forms Committee and with commercial brokers who will be using the form in practice.

The following are the primary new provisions that should to some extent and in some manner be addressed in the Commercial Cooperative Agreement.

Lines 6-18: Description of property type:

Each WB-commercial cooperative agreement shall be entered into for a type of property based on type of function, geographic area, approximate size or other criteria specified in the buyer’s or tenant’s search parameters. A separate WB-commercial cooperative form is required for each type of property. **This is stated in bold at lines 16-18.**

Lines 19-22: Definition of Commercial Property:

The new law is limited to Wisconsin commercial transactions. Under the law, commercial transactions are any property other than any real property containing one to four dwelling units or real property zoned for agricultural use. However, a commercial transaction does not include any transaction concerning a dwelling unit that is a part of real property containing more than four dwelling units and that is being sold on a unit-by-unit basis. **This is stated in bold at lines 19-22.**

Lines 23-34: Cooperating Firm Identification:

This is the same as the corresponding section in the WB-28.

Lines 35-38: Evidence of Good Standing:

This is the same as the corresponding section in the WB-28.

Lines 39-61: Terms of Cooperation:

First of all there are new check box items at lines 40-42. The new statutory provisions require either the OSL or ISL to engage the buyer or tenant in a client relationship and enter into an agency agreement with the prospective buyer or tenant. The cooperative agreement is to acknowledge whether the OSL firm or ISL firm has the agency agreement. These lines set this up as check box selections: Line 40 if the Cooperating Firm has the client relationship and agency agreement or Line 42 if the Wisconsin Firm has the client relationship and agency agreement. Lines 41 may be checked if the Cooperating Firm is asked to provide a copy of the agreement to the Wisconsin firm.

Lines 43-44 state in bold that

**If a property is not listed with a listing firm the Wisconsin Firm must view or conduct showings of property with the Cooperating Broker and the Wisconsin Firm must conduct all negotiations.**

If the property is listed then the selections on lines 47-53 come into play. These basically address whether the OSL may have direct contact, conduct showings, view listed properties or negotiate on their own or whether the Wisconsin firm must be present and/or negotiate. The OSL must have authorization under the WB-29 to engage in any of these activities.

The selections on lines 54-61 are the same as in the WB-28.

Lines 62-63: Agency Disclosure:

If the OSL firm has entered into the agency agreement with the prospective buyer or tenant and thus has the client relationship, the OSL firm and the prospective buyer or tenant shall be considered to be a principal firm and client for purposes of Wis. Stat. chapter 452, and the ISL firm (Wisconsin firm) shall be a subagent of the OSL. The ISL shall provide the OSL firm with a copy of the Disclosure to Clients form per Wis. Stat. § 452.135(2) to be given to the OSL's client. The OSL is not required to request the client sign the Disclosure to Clients form.

Other agency disclosures may be needed depending upon the circumstances but it was thought best to not try to anticipate and address all possible scenarios in a form.

The rest of the form is the same as the WB-28.

CoopAgRevisionDSPS1-10-18

**WB-28 COOPERATIVE AGREEMENT**

**For cooperation with out-of-state brokers involved in purchase/lease of Wisconsin property listings**

1 This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_,  
2 between \_\_\_\_\_,  
3 a Wisconsin licensed real estate broker (Wisconsin Firm) and \_\_\_\_\_  
4 \_\_\_\_\_, a licensed real estate broker from the state of  
5 \_\_\_\_\_ (Cooperating Firm), pursuant to Wis. Stat. § 452.137, regarding cooperation  
6 with respect to the following property listed by the Wisconsin Firm: \_\_\_\_\_  
7 \_\_\_\_\_ [Street Address] in the \_\_\_\_\_ of  
8 \_\_\_\_\_, County of \_\_\_\_\_, Wisconsin (insert  
9 additional description, if any, in additional provisions at lines 82-94 or attach an addendum per line 81) (Property).

10 **NOTE: Each cooperative agreement may cover only one listing contract of the Wisconsin Firm.**

11 **COOPERATING FIRM IDENTIFICATION**

12 Name of Cooperating Firm or Sole Proprietor: \_\_\_\_\_  
13 Address: \_\_\_\_\_  
14 License Number: \_\_\_\_\_  
15 Federal Tax ID Number: \_\_\_\_\_  
16 Name of Supervising Broker: \_\_\_\_\_ State and License Number: \_\_\_\_\_  
17 Authorized Agents may act as a salesperson in this state only if Cooperating Firm with whom they are affiliated satisfies  
18 all requirements of this Agreement and Wis. Stat. § 452.137(2), and Authorized Agents work under the direct  
19 supervision of Cooperating Firm and represent only Cooperating Firm in the transaction.  
20 Name(s) of Authorized Agents, if any, of Cooperating Firm:  
21 Name: \_\_\_\_\_ State and License Number: \_\_\_\_\_  
22 Name: \_\_\_\_\_ State and License Number: \_\_\_\_\_

23 **EVIDENCE OF GOOD STANDING**

24 Cooperating Firm and any Authorized Agents have provided Wisconsin Firm with  
25 evidence, including but not limited to copies of valid license(s) in good standing, and are regularly and lawfully engaged  
26 in real estate practice in their state of licensure (evidence might include a link to current online records, contact  
information for the state licensing agency, etc.)

27 **TERMS OF COOPERATION**

28 Cooperating Firm, and any Authorized Agents permitted by this Agreement agree(s) to  
29 participate in the transaction only in the following manner:

- 30  Conduct showings in accordance with showing instructions provided by Wisconsin Firm.
- 31  Negotiate only through Wisconsin Firm
- 32  Participate in this transaction only after a seller provided confidentiality agreement is signed
- 33  Write offers, leases and other proposals
- 34  Use Wisconsin-approved forms and addenda provided by Wisconsin Firm
- 35  Cooperating Firm represents that it shall maintain Errors and Omissions Insurance in a dollar amount  
36 adequate for the contemplated Wisconsin transaction throughout any transactions relative to this Agreement  
and the Property.

37 Additional limitations/qualifications: \_\_\_\_\_  
38 \_\_\_\_\_  
39 \_\_\_\_\_  
40 \_\_\_\_\_  
41 \_\_\_\_\_

42 **COMPENSATION**

43 The Cooperating Firm's compensation shall be \_\_\_\_\_  
44 \_\_\_\_\_  
45 \_\_\_\_\_

46 **NOTE: No person may pay Cooperating Firm a commission, money, or other thing of value for brokerage  
47 services except pursuant to this Agreement. For a Wisconsin Firm to legally compensate Cooperating Firm  
48 under this Agreement, Cooperating Firm must be licensed or regularly and lawfully engaged in the real estate  
49 brokerage business in another state, a territory or possession of the United States or a foreign country.**

50 **TRUST ACCOUNT**

51 All client funds, as defined in Wis. Stat. § 452.13, received by Cooperating Firm or Wisconsin Firm  
52 in connection with a transaction subject to this Agreement shall be deposited in a trust account maintained by  
Wisconsin Firm.

53 **LEGAL COMPLIANCE** By signing this Agreement, Cooperating Firm and any Authorized Agents agree to abide by,  
54 and be subject to, Wisconsin law and the rules and regulations of the Wisconsin Real Estate Examining Board (REEB).  
55 **Cooperating Firm agrees to file the irrevocable consent form and any other forms required by the Wisconsin**  
56 **Department of Safety and Professional Services to evidence compliance with Wis. Stat. § 452.137.**

57 **AGENCY DISCLOSURE** Wisconsin Firm may have, and Cooperating Firm does have, a responsibility to provide a  
58 written agency disclosure to all buyers, under Wis. Stat. Ch. 452.

59 **DOCUMENTATION** Cooperating Firm shall maintain the originals or copies of all documents Cooperating Firm  
60 receives, maintains, or generates in connection with any transaction regarding the Property for at least 3 years after the  
61 date of closing or completion of the transaction, or, if no closing or completion occurs, 3 years after the date on which  
62 the parties executed this Agreement. Cooperative Firm shall deposit with Wisconsin Firm, no later than the conclusion  
63 of this transaction, copies of all documents Cooperating Firm is required to maintain unless the parties to this  
64 Agreement agree in writing that Cooperating Firm is not required to do so.

65 **COOPERATING FIRM PROHIBITIONS** Because Cooperating Firm does not hold a Wisconsin Real Estate license,  
66 Cooperating Firm may not under any circumstances enter into a listing contract concerning Wisconsin real estate or  
67 businesses, or for commission, money, or other thing of value, promote or advertise in this state the sale, exchange,  
68 purchase, option, rental, or leasing of real estate or a business located in this state, including by posting signs on the  
69 property. Cooperating Firm and any Authorized Agents may not act under this Cooperative Agreement on behalf of a  
70 firm who is not a party to this Agreement.

71 **TERM** This Agreement continues as long as Wisconsin Firm's listing for the Property, including any extensions,  
72 remains in force, unless otherwise agreed in writing.

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

74 **ADDITIONAL PROVISIONS** \_\_\_\_\_  
75 \_\_\_\_\_  
76 \_\_\_\_\_  
77 \_\_\_\_\_  
78 \_\_\_\_\_  
79 \_\_\_\_\_  
80 \_\_\_\_\_  
81 \_\_\_\_\_  
82 \_\_\_\_\_  
83 \_\_\_\_\_  
84 \_\_\_\_\_  
85 \_\_\_\_\_  
86 \_\_\_\_\_

87 The terms of this Agreement, including any addenda and additional provisions, contains the entire Agreement between  
88 the Firms and shall not include terms that violate Wis. Stat. § 452.137.

89 **By signing this Agreement, Cooperating Firm agrees to and attests that Cooperating Firm and Authorized**  
90 **Agent(s) is/are licensed in good standing or are otherwise authorized to act as a broker or salesperson in a**  
91 **jurisdiction other than this state. This Agreement is only valid if Cooperating Firm has provided Wisconsin Firm**  
92 **with evidence of licensure(s) in good standing.**

93 Wisconsin Firm Name: \_\_\_\_\_

94 (x) \_\_\_\_\_  
95 Wisconsin Firm's Signature ▲      Print Name ►      Date ▲

96 Cooperating Firm or Sole Proprietor Name: \_\_\_\_\_

97 (x) \_\_\_\_\_  
98 Cooperating Firm's Signature ▲      Print Name ►      Date ▲

**WB-XX COMMERCIAL COOPERATIVE AGREEMENT**

**For cooperation with out-of-state brokers involved in purchase/lease of Wisconsin commercial properties**

1 This agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_,  
2 between \_\_\_\_\_,  
3 a Wisconsin licensed real estate broker (Wisconsin Firm) and \_\_\_\_\_  
4 \_\_\_\_\_, a licensed real estate broker from the state of  
5 \_\_\_\_\_ (Cooperating Firm), pursuant to Wis. Stat. § 452.137, regarding cooperation  
6 with respect to property of the following type, function, location, and approximate size, and with any stated functional or  
7 geographical limitation, etc. in the State of Wisconsin: \_\_\_\_\_  
8 \_\_\_\_\_  
9 \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_  
12 \_\_\_\_\_  
13 \_\_\_\_\_

14 Insert additional description, if any, in the additional provisions at lines xx-xx or attach an addendum per line xx)  
15 (Property).

16 **NOTE: A separate cooperative agreement shall be entered into for each type of property based on type of**  
17 **function, geographic area, approximate size or other criteria specified in the buyer’s or tenant’s search**  
18 **parameters.**

19 **Use of this Agreement is limited to Commercial Transactions concerning any real property, other than real**  
20 **property containing 1 to 4 dwelling units or real property zoned for agricultural use. A commercial transaction**  
21 **does not include a transaction concerning a dwelling unit that is part of real property containing more than 4**  
22 **dwelling units and that is being sold on a unit-by-unit basis.**

**COOPERATING FIRM IDENTIFICATION**

24 Name of Cooperating Firm or Sole Proprietor: \_\_\_\_\_  
25 Address: \_\_\_\_\_  
26 License Number: \_\_\_\_\_  
27 Federal Tax ID Number: \_\_\_\_\_

28 Name of Supervising Broker: \_\_\_\_\_ State and License Number: \_\_\_\_\_  
29 Authorized Agents may act as a salesperson in this state only if Cooperating Firm with whom they are affiliated satisfies  
30 all requirements of this Agreement and Wis. Stat. § 452.137(2), and Authorized Agents work under the direct  
31 supervision of Cooperating Firm and represent only Cooperating Firm in the transaction.

32 Name(s) of Authorized Agents, if any, of Cooperating Firm:  
33 Name: \_\_\_\_\_ State and License Number: \_\_\_\_\_  
34 Name: \_\_\_\_\_ State and License Number: \_\_\_\_\_

**EVIDENCE OF GOOD STANDING**

35 Cooperating Firm and any Authorized Agents have provided Wisconsin Firm with  
36 evidence, including but not limited to copies of valid license(s) in good standing, and are regularly and lawfully engaged  
37 in real estate practice in their state of licensure (evidence might include a link to current online records, contact  
38 information for the state licensing agency, etc.)

**TERMS OF COOPERATION**

- 40  The Cooperating Firm has a client relationship with the buyer or tenant and has an agency agreement.
- 41  The Cooperating Firm shall provide a copy of the agency agreement to the Wisconsin Firm.
- 42  The Wisconsin Firm has a client relationship with the buyer or tenant and has an agency agreement.
- 43 **If a property is not listed with a listing firm the Wisconsin Firm must view or conduct showings of property with**  
44 **the Cooperating Broker and the Wisconsin Firm must conduct all negotiations.**
- 45 Cooperating Firm, and any Authorized Agents permitted by this Agreement, may additionally participate in the  
46 transaction in the following manners:
  - 47  Have contact with another firm, another firm’s seller or landlord.
  - 48  Conduct showings of listed Wisconsin property (only when Wisconsin Firm is present) (without Wisconsin Firm  
49 being present) **STRIKE ONE** (“only when Wisconsin Firm is present” if neither is stricken).
  - 50  View listed Wisconsin property (only when Wisconsin Firm is present) (without Wisconsin Firm being present)  
51 **STRIKE ONE** (“only when Wisconsin Firm is present” if neither is stricken).
  - 52  Negotiate (with a seller or owner if the Property is listed) (only through Wisconsin Firm) **STRIKE ONE** (“only  
53 through Wisconsin Firm” if neither is stricken).

- 54  Write offers, leases and other proposals
- 55  Use Wisconsin-approved forms and addenda provided by Wisconsin Firm
- 56  Maintain Errors and Omissions Insurance throughout any transactions relative to the agreement. Cooperating
- 57 Firm represents Errors and Omissions insurance coverage in a dollar amount adequate for the contemplated
- 58 Wisconsin transaction will be maintained for any transactions relative to the Property.

59  Additional limitations/qualifications: \_\_\_\_\_

60 \_\_\_\_\_

61 \_\_\_\_\_

62 **AGENCY DISCLOSURE** The Wisconsin Firm and the Cooperating Firm may have a responsibility to provide a written

63 agency disclosure under Wis. Stat. Ch. 452.

64 **COMPENSATION** The Cooperating Firm's compensation shall be \_\_\_\_\_

65 \_\_\_\_\_

66 \_\_\_\_\_

67 **NOTE: No person may pay Cooperating Firm a commission, money, or other thing of value for brokerage**

68 **services except pursuant to this Agreement. For a Wisconsin Firm to legally compensate Cooperating Firm**

69 **under this Agreement, Cooperating Firm must be licensed or regularly and lawfully engaged in the real estate**

70 **brokerage business in another state, a territory or possession of the United States or a foreign country.**

71 **TRUST ACCOUNT** All client funds, as defined in Wis. Stat. § 452.13, received by Cooperating Firm or Wisconsin Firm

72 in connection with a transaction subject to this Agreement shall be deposited in a trust account maintained by

73 Wisconsin Firm.

74 **LEGAL COMPLIANCE** By signing this Agreement, Cooperating Firm and any Authorized Agents agree to abide by,

75 and be subject to, Wisconsin law and the rules and regulations of the Wisconsin Real Estate Examining Board (REEB).

76 **Cooperating Firm agrees to file the irrevocable consent form and any other forms required by the Wisconsin**

77 **Department of Safety and Professional Services to evidence compliance with Wis. Stat. § 452.137.**

78 **DOCUMENTATION** Cooperating Firm shall maintain the originals or copies of all documents Cooperating Firm

79 receives, maintains, or generates in connection with any transaction regarding the Property for at least 3 years after the

80 date of closing or completion of the transaction, or, if no closing or completion occurs, 3 years after the date on which

81 the parties executed this Agreement. Cooperative Firm shall deposit with Wisconsin Firm, no later than the conclusion

82 of this transaction, copies of all documents Cooperating Firm is required to maintain unless the parties to this

83 Agreement agree in writing that Cooperating Firm is not required to do so.

84 **TERM OF THE AGREEMENT** From the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, up to the

85 earlier of midnight of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, or the purchase or rental of Property.

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

87 **ADDITIONAL PROVISIONS** \_\_\_\_\_

88 \_\_\_\_\_

89 \_\_\_\_\_

90 \_\_\_\_\_

91 \_\_\_\_\_

92 \_\_\_\_\_

93 \_\_\_\_\_

94 \_\_\_\_\_

95 The terms of this Agreement, including any addenda and additional provisions, contains the entire Agreement between

96 the Firms and shall not include terms that violate Wis. Stat. § 452.137.

97 **By signing this Agreement Cooperating Firm agrees to and attests that Cooperating Firm and Authorized**

98 **Agent(s) is/are licensed in good standing or are otherwise authorized to act as a broker or salesperson in a**

99 **jurisdiction other than this state. This Agreement is only valid if Cooperating Firm has provided Wisconsin Firm**

100 **with evidence of licensure(s) in good standing.**

101 Wisconsin Firm Name: \_\_\_\_\_

102 (x) \_\_\_\_\_

103 Wisconsin Firm's Signature ▲      Print Name ►      Date ▲

104 Cooperating Firm or Sole Proprietor Name: \_\_\_\_\_

105 (x) \_\_\_\_\_

106 Cooperating Firm's Signature ▲      Print Name ►      Date ▲

# State of Wisconsin



2017 Senate Bill 455

Date of enactment: **November 30, 2017**

Date of publication\*: **December 1, 2017**

## 2017 WISCONSIN ACT 110

AN ACT *to renumber* 452.01 (2) (h) and 452.137 (1) (c); *to renumber and amend* 452.06 (1), 452.137 (1) (a), 452.137 (2) (a) (intro.), 452.137 (2) (a) 1. and 452.137 (2) (a) 2.; *to amend* 452.01 (2) (a), 452.01 (5m) (a), 452.05 (1) (b), 452.133 (title), 452.134 (1) (a), 452.137 (2) (c), 452.137 (4) (a), 452.137 (4) (b) (intro.) and 452.25 (1) (a); *to repeal and recreate* 452.14 (3) (p); and *to create* 452.01 (2) (d), 452.01 (5e), 452.06 (1) (c), 452.07 (3), 452.133 (3) (d), 452.136, 452.137 (1) (am), 452.137 (1) (cm), 452.137 (1) (e), 452.137 (2) (am), 452.137 (2) (b) 3., 452.137 (2) (bm), 452.137 (4) (c) and 452.25 (1) (f) of the statutes; **relating to**: various changes regarding the laws governing real estate practice and the licensure of real estate brokers and salespersons and granting rule-making authority.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 452.01 (2) (a) of the statutes is amended to read:

452.01 (2) (a) For another person, and for commission, money, or other thing of value, negotiates or offers or attempts to negotiate, whether directly or indirectly, a sale, exchange, purchase, or rental of, or the granting or acceptance of an option to sell, exchange, purchase, or rent, an interest or estate in real estate, a time share, or a business or its goodwill, inventory, or fixtures, whether or not the business includes real property.

**SECTION 2.** 452.01 (2) (d) of the statutes is created to read:

452.01 (2) (d) Issues a written report of property value that is prepared for another person and that is not an appraisal, as defined in s. 458.01 (1).

**SECTION 3.** 452.01 (2) (h) of the statutes is renumbered 452.01 (2) (c).

**SECTION 4.** 452.01 (5e) of the statutes is created to read:

452.01 (5e) "Listing firm" means a firm that has entered into an agency agreement with a seller or landlord pursuant to which the firm lists property for sale or lease.

**SECTION 5.** 452.01 (5m) (a) of the statutes is amended to read:

452.01 (5m) (a) Acting, whether directly or indirectly, as an intermediary by facilitating or participating in communications between parties related to the parties' interests in a transaction. In this paragraph, providing advice or opinions on matters that are material to a transaction in which a person is engaged or intends to engage or showing a party real estate does not, in and of itself, constitute acting as an intermediary by facilitating or participating in communications between parties.

**SECTION 6.** 452.05 (1) (b) of the statutes is amended to read:

452.05 (1) (b) Approve forms for use in real estate practice. The board may conduct public hearings on matters relating to the approval of forms used in real estate practice. The board may also solicit comments relating to forms used in real estate practice from the council on

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

forms created under s. 452.06 (1) (a) or from a professional trade association whose members consist primarily of licensees actively engaged in real estate practice.

**SECTION 7.** 452.06 (1) of the statutes is renumbered 452.06 (1) (a) and amended to read:

452.06 (1) (a) The board shall create ~~one or more councils~~ a council on forms ~~which that~~ shall meet ~~on a regular basis~~ when directed by the board, be chaired by a member of the board, and report to the board.

(b) Any proposed change in a form relating to real estate practice shall be referred to the ~~appropriate~~ council on forms for review before the form is approved.

**SECTION 8.** 452.06 (1) (c) of the statutes is created to read:

452.06 (1) (c) The board may direct the council on forms to create or modify a form relating to real estate practice and submit that form to the board for approval. If the board directs the council to create or modify a form, the board shall establish a deadline for the council to submit the form to the board.

**SECTION 9.** 452.07 (3) of the statutes is created to read:

452.07 (3) The board may promulgate rules regarding advertising by brokers or salespersons that do not conflict with s. 452.136.

**SECTION 10.** 452.133 (title) of the statutes is amended to read:

**452.133 (title) Duties of licensees; prohibitions.**

**SECTION 11.** 452.133 (3) (d) of the statutes is created to read:

452.133 (3) (d) Negotiate the sale, exchange, purchase, or rental of personal property unless related to the transaction. The licensee may use a form approved by the board under s. 452.05 (1) (b) for the conveyance of the seller's interest in the personal property. In this paragraph, "use a form" has the meaning given in s. 452.40 (1) (a).

**SECTION 12.** 452.134 (1) (a) of the statutes is amended to read:

452.134 (1) (a) Subject to par. (b), a firm and any licensees associated with the firm may provide brokerage services to any party ~~to a transaction~~, whether or not the firm has entered into an agency agreement with a party ~~to the transaction~~ or the firm has been engaged to provide brokerage services ~~in the transaction~~ as a subagent.

**SECTION 13.** 452.136 of the statutes is created to read:

**452.136 Advertising by licensees. (1) FALSE ADVERTISING.** A licensee may not advertise in a manner that is false, deceptive, or misleading.

(2) **DISCLOSURE OF NAME.** (a) Except for advertisements for the rental of real estate owned by the licensee, a licensee shall in all advertising disclose the firm's name exactly as printed on the license of the licensed individual broker or licensed broker business entity or disclose a trade name previously filed by the firm with the depart-

ment and shall in either case clearly indicate that the firm is a business enterprise and not a private party.

(b) Except for advertisements for the rental of real estate owned by the licensee, a licensee associated with a firm shall advertise under the supervision of and in the name of the firm. The firm's name as used in advertising shall be clear and conspicuous. This paragraph does not apply to a licensee engaged in independent practice as provided in s. 452.30 (6).

(c) Notwithstanding pars. (a) and (b), a licensee may advertise the occasional sale of real estate owned by the licensee or may engage in the occasional solicitation of real estate for purchase by the licensee without complying with pars. (a) and (b), provided that the licensee clearly identifies himself, herself, or itself as a real estate licensee in the advertisement.

(3) **ADVERTISING WITHOUT AGENCY AGREEMENT PROHIBITED.** A firm and any licensees associated with the firm may not advertise a property unless one of the following applies:

(a) The firm is the listing firm for the property.

(b) The firm or a licensee associated with the firm has obtained consent to advertise the property from the listing firm for the property.

(4) **ADVERTISED PRICE.** A licensee may not advertise property at a price other than that agreed upon with the owner, except that the price may be stated as a range or in general terms if it reflects the agreed upon price.

**SECTION 14.** 452.137 (1) (a) of the statutes is renumbered 452.137 (1) (d) and amended to read:

452.137 (1) (d) "Cooperative agreement" means ~~the an agreement established by the board under sub. (4) entered into between an out-of-state broker and a firm as provided in this section.~~

**SECTION 15.** 452.137 (1) (am) of the statutes is created to read:

452.137 (1) (am) Notwithstanding s. 452.01 (1m), "agency agreement" includes a written agreement between an out-of-state broker and a client in which the client authorizes the out-of-state broker to provide brokerage services to the client.

**SECTION 16.** 452.137 (1) (c) of the statutes is renumbered 452.137 (1) (h).

**SECTION 17.** 452.137 (1) (cm) of the statutes is created to read:

452.137 (1) (cm) 1. "Commercial transaction" means a transaction concerning any real property, other than real property containing 1 to 4 dwelling units or real property zoned for agricultural use.

2. "Commercial transaction" does not include any transaction concerning a dwelling unit that is a part of real property containing more than 4 dwelling units and that is being sold on a unit-by-unit basis.

**SECTION 18.** 452.137 (1) (e) of the statutes is created to read:

452.137 (1) (e) “Dwelling unit” has the meaning given in s. 440.97 (3).

**SECTION 19.** 452.137 (2) (a) (intro.) of the statutes is renumbered 452.137 (2) (a) and amended to read:

452.137 (2) (a) ~~Except as provided in par. (b), an An~~ out-of-state broker may act as a broker in this state only as provided in par. (ag) or (am).

(ag) An out-of state broker may, subject to par. (b), act as a broker in this state if the out-of-state broker does all of the following:

**SECTION 20.** 452.137 (2) (a) 1. of the statutes is renumbered 452.137 (2) (ag) 1. and amended to read:

452.137 (2) (ag) 1. Enters into a cooperative agreement with a listing firm and cooperates with the listing firm on the listing agreement that is subject to the cooperative agreement. Each cooperative agreement may cover only one listing agreement.

**SECTION 21.** 452.137 (2) (a) 2. of the statutes is renumbered 452.137 (2) (ag) 2. and amended to read:

452.137 (2) (ag) 2. Submits to the listing firm evidence that the out-of-state broker is licensed in good standing to engage in real estate brokerage in a jurisdiction other than this state.

**SECTION 22.** 452.137 (2) (am) of the statutes is created to read:

452.137 (2) (am) An out-of-state broker representing a person who is seeking to buy or rent property located in this state in a commercial transaction may, subject to pars. (b) and (bm), act as a broker in this state if the out-of-state broker does all of the following:

1. Enters into a cooperative agreement with a firm and cooperates with the firm. Each cooperative agreement shall be limited to a type of property, type of function, geographic area, or other criteria specified in the buyer’s or tenant’s search parameters.

2. Submits to the firm evidence that the out-of-state broker is licensed in good standing to engage in real estate brokerage in a jurisdiction other than this state.

3. Either the out-of-state-broker or the firm enters into an agency agreement with the prospective buyer or tenant. The cooperative agreement shall acknowledge whether the out-of-state broker or firm has the agency agreement. If the out-of-state broker has entered into the agency agreement with the prospective buyer or tenant, the out-of-state broker and the prospective buyer or tenant shall, notwithstanding s. 452.01 (3m) and (5w), be considered to be a principal firm and client for purposes of this chapter, and the firm shall be a subagent and shall provide the out-of-state broker with a copy of the disclosure statement under s. 452.135 (2) to be given to the client. The out-of-state broker is not required to request that the client sign the statement.

**SECTION 23.** 452.137 (2) (b) 3. of the statutes is created to read:

452.137 (2) (b) 3. Enter into a cooperative agreement with a person who is not licensed under this chapter as

authority to sell, lease, rent, exchange, or attempt to sell, lease, rent, or exchange property in this state.

**SECTION 24.** 452.137 (2) (bm) of the statutes is created to read:

452.137 (2) (bm) An out-of-state broker acting under par. (am) may not do any of the following:

1. Negotiate with a seller or landlord, unless authorized under the cooperative agreement. If a property is not listed with a listing firm, the firm shall conduct all negotiations with the seller or landlord of that property.

2. View or show commercial property in this state for sale or lease without the firm or a licensee associated with the firm being present, unless authorized under the cooperative agreement. If a property is not listed with a listing firm, the firm shall view or show the property with the out-of-state broker.

3. Have contact with another firm or another firm’s seller or landlord, unless otherwise agreed to in the cooperative agreement.

**SECTION 25.** 452.137 (2) (c) of the statutes is amended to read:

452.137 (2) (c) An out-of-state broker who is a party to a cooperative agreement with a firm, and any out-of-state salesperson of the out-of-state broker, are not required to be licensed under this chapter but shall otherwise be treated as licensees for purposes of this chapter and shall comply with the laws of this state as they apply to licensees, and the out-of-state broker shall file with the board an irrevocable consent that actions may be commenced against the out-of-state broker in the proper court of any county in this state in which a cause of action arises or the plaintiff resides, by the service of any process or pleading authorized by the laws of this state on the board or any duly authorized employee. The consent shall stipulate and agree that such service is valid and binding as due service upon the out-of-state broker in all courts in this state. The consent shall be duly acknowledged and, if made by a corporation, shall be authenticated by the corporate seal.

**SECTION 26.** 452.137 (4) (a) of the statutes is amended to read:

452.137 (4) (a) The board shall establish ~~a form~~ one or more forms to be used for ~~a cooperative agreement agreements~~ under this section, which shall include any required terms for such an agreement.

**SECTION 27.** 452.137 (4) (b) (intro.) of the statutes is amended to read:

452.137 (4) (b) (intro.) A cooperative agreement may be entered into only through the use of ~~the a~~ form established by the board under par. (a) and shall do at least all of the following:

**SECTION 28.** 452.137 (4) (c) of the statutes is created to read:

452.137 (4) (c) A cooperative agreement under sub. (2) (am) shall describe the type, function, location, approximate size, and functional or geographic limita-

tions of the property being sought. A separate cooperative agreement shall be entered into for each type of property.

**SECTION 29.** 452.14 (3) (p) of the statutes is repealed and recreated to read:

452.14 (3) (p) Subject to ss. 111.321, 111.322, and 111.335, been convicted of an offense the circumstances of which substantially relate to real estate practice.

**SECTION 30.** 452.25 (1) (a) of the statutes is amended to read:

452.25 (1) (a) Notwithstanding ss. 111.321, 111.322, and 111.335, and except as provided in pars. (b) to (e), no applicant who is an individual may be issued ~~a~~ an initial

broker's or salesperson's license if the applicant has been convicted of a felony.

**SECTION 31.** 452.25 (1) (f) of the statutes is created to read:

452.25 (1) (f) This subsection does not apply to the renewal of a license.

**SECTION 32. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) The treatment of section 452.137 (1) (a), (am), (c), (cm), and (e), (2) (a) (intro.), 1., and 2., (am), (b) 3., (bm), and (c), and (4) (a), (b) (intro.), and (c) of the statutes takes effect on March 1, 2018, or on the day after publication, whichever is later.

# Wisconsin Department of Safety and Professional Services

**Mail To:** P.O. Box 8935  
Madison, WI 53708-8935  
**FAX #:** (608) 261-7083  
**Phone #:** (608) 266-2112

**Ship To:** 1400 E. Washington Avenue  
Madison, WI 53703  
**E-Mail:** [dsps@wisconsin.gov](mailto:dsps@wisconsin.gov)  
**Website:** <http://dsps.wi.gov>

## REAL ESTATE EXAMINING BOARD

### IRREVOCABLE CONSENT FOR NONRESIDENTS

**Instructions:** Fill out applicable section(s).

**Section A** – Per Wis. Stats. § 452.11, every nonresident applicant, and every resident licensee who becomes a nonresident, shall file with the Board an irrevocable consent that actions may be commenced against the applicant or licensee in the proper court of any county of the state in which a cause of action arises or in which the plaintiff resides, by the service of any process or pleading authorized by the laws of this state on the Board or any duly authorized employee. The consent shall stipulate and agree that such service is valid and binding as due service upon the applicant or licensee in all courts in this state. The consent shall be duly acknowledged and, if made by a corporation, shall be authenticated by the corporate seal.

**Section B** - Per Wis. Stats. § 452.137(2), an out-of-state broker who is a party to a cooperative agreement with a firm, and any out-of-state salesperson of the out-of-state broker, shall comply with the laws of this state, and the out-of-state broker shall file with the Board an irrevocable consent that actions may be commenced against the out-of-state broker in the proper court of any county in this state in which a cause of action arises or the plaintiff resides, by the service of any process or pleading authorized by the laws of this state on the Board or any duly authorized employee. The consent shall stipulate and agree that such service is valid and binding as due service upon the out-of-state broker in all courts in this state. The consent shall be duly acknowledged and, if made by a corporation, shall be authenticated by the corporate seal.

#### Section A: Irrevocable Consent for Nonresident Applicants and Licensees

**Name of Individual or Business Entity:**

**WI License Number:**

**Address of Individual or Business Entity:** (street, city, state, zip)

#### Acknowledgement:

The applicant or business representative herein, does hereby consent irrevocably that suits and actions may be commenced against the applicant in the proper court of any county in the State of Wisconsin in which a cause of action may arise or in which the plaintiff resides, by the service of any process or pleading authorized by the laws of the State of Wisconsin on the Wisconsin Department of Safety and Professional Services or any duly authorized employee thereof, and does hereby stipulate and agree that such service of such process or pleading shall be taken and held in all courts to be valid and binding as if due services had been made upon said applicant in the State of Wisconsin.

**Signature of Applicant or Business Representative**

**Date**

CORPORATE SEAL  
(if applicable)

# Wisconsin Department of Safety and Professional Services

## Section B: Cooperative Agreement

Name of Individual or Business Entity:

WI License Number:

Address of Individual or Business Entity: (street, city, state, zip)

Name of Cooperating Firm: (Sole Proprietor Broker or Broker Business Entity)

License Number:

Address of Cooperating Firm: (street, city, state, zip)

### Acknowledgement:

The sole proprietor broker or broker business representative herein, does hereby consent irrevocably that suits and actions may be commenced against the Cooperating Firm in the proper court of any county in the State of Wisconsin in which a cause of action may arise or in which the plaintiff resides, by the service of any process or pleading authorized by the laws of the State of Wisconsin on the Wisconsin Department of Safety and Professional Services or any duly authorized employee thereof, and does hereby stipulate and agree that such service of such process or pleading shall be taken and held in all courts to be valid and binding as if due services had been made upon said applicant in the State of Wisconsin.

 /  / 

Signature of Sole Proprietor Broker or Business Representative for Cooperating Firm

Date

CORPORATE SEAL  
(if applicable)

## Recently Passed Legislation Opens Up OSL Commercial Cooperation

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Cori Lamont | December 08, 2017



In January 2015, a new voluntary option became available in Wisconsin that permitted a Wisconsin firm, or an in-state licensee (ISL), to allow an out-of-state broker (OSL) to provide limited brokerage services in Wisconsin. Wis. Stat. § 452.137 allowed Wisconsin listing firms to either enter into a referral arrangement with an OSL or enter into a cooperative agreement with an OSL. Therefore, the ISL remains at the helm of the transaction while offering flexibility, if desired, to an ISL that is okay with an OSL participating in a transaction.

Since the passage of Wis. Stat. § 452.137, we learned the voluntary new option worked fine for the majority of those who utilize the cooperation. This cooperation was available to all transactions, residential and commercial.

A new but narrow opportunity

However, commercial practitioners indicated the current OSL law created one situation in which an ISL could arguably practice outside of the permitted Wisconsin laws because Wis. Stat. § 452.137 only allowed cooperation when the ISL has the property listed. This limitation exists when an OSL reaches out to an ISL who does not have a property listed. It is common for the OSL and OSL's buyer or tenant to want to cooperate with someone other than the Wisconsin listing firm to ensure the OSL's buyer/tenant has assistance of an expert in that specific market area, but not relying on the listing agent who is representing the seller.

Therefore, the WRA worked with legislators to create a new voluntary commercial option for ISLs who do not have a property listed but wish to cooperate with OSLs working with commercial buyers and tenants.

#### The legislation

This new voluntary option for ISLs is for those who want to cooperate with OSLs working with or representing a buyer/tenant, but in which the property is not listed by an ISL or the OSL wants to cooperate with someone other than the listing ISL. Basically, this voluntary option exists for when an OSL is working with a commercial buyer or tenant and the OSL wants to cooperate with an ISL.

Under this new provision of the law combined with current law, the following will be able to exist\*:

- A Wisconsin firm that has a listing can enter into a WB-28 Cooperative Agreement with an OSL. This option is currently available under the law for all types of transactions.
- A Wisconsin firm that does not have a listing can enter into a commercial cooperative agreement with an OSL who has a buyer/tenant. This new provision of the law is limited to commercial transactions only.

\* The Wisconsin firm can always choose to enter into a referral arrangement rather than cooperation.

Under this new commercial cooperation opportunity, all of the current OSL cooperation laws would apply. As a reminder of the current OSL parameters, see the following WRA publications:

- “Mother May I?” in the January 2015 *Wisconsin Real Estate Magazine*: [www.wra.org/WREM/Jan15/OSL](http://www.wra.org/WREM/Jan15/OSL).
- “It’s Here, the WB-28 Form has Arrived,” in the June 2015 *Wisconsin Real Estate Magazine*: [www.wra.org/WREM/June15/OSL](http://www.wra.org/WREM/June15/OSL).
- February 2015 *Legal Update*, “The Cooperative Agreement Alternative”: [www.wra.org/LU1502](http://www.wra.org/LU1502).

The following provides a simple summary of the new law’s provisions:

- The new law is limited to Wisconsin commercial transactions. Under the law, commercial transactions are any property other than any real property containing one to four dwelling units or real property zoned for agricultural use. However, commercial transaction does not include any transaction concerning a dwelling unit that is a part of real property containing more than four dwelling units and that is being sold on a unit-by-unit basis.
- Creates a new, separate WB-commercial cooperative form.
- Each WB-commercial cooperative agreement will specify the property type, function, general geographic location, approximate size and functional limitations or geographic limitations on location of the buyer or tenant’s transaction project search.

- A separate WB-commercial cooperative form is required for each type of property.
- Require either the OSL or ISL to engage the buyer or tenant in a client relationship. Either the OSL or the ISL can enter into an agency agreement with the prospective buyer or tenant. The cooperative agreement shall acknowledge whether the OSL broker or ISL firm has the agency agreement. If the OSL broker has entered into the agency agreement with the prospective buyer or tenant, the OSL broker and the prospective buyer or tenant shall be considered to be a principal firm and client for purposes of this chapter, and the ISL firm shall be a subagent. When the ISL is the subagent, the ISL shall provide the OSL broker with a copy of the disclosure statement under Wis. Stat. § 452.135(2) to be given to the client. The OSL broker is not required to request that the client sign the statement. In summary as to agency:

The WB commercial cooperative agreement must acknowledge if the OSL or ISL has the client relationship.

If the OSL solely has the client relationship, the law acknowledges the ISL is a subagent of the OSL and the ISL must provide the OSL a Disclosure to Clients form to be given to the OSL's client. The OSL is not required to request the client sign the Disclosure to Clients form.

- The OSL shall not negotiate with the seller or landlord unless authorized under the WB-commercial cooperative agreement. If a property is not listed with an ISL firm, the ISL must conduct all negotiations with the seller or landlord.
- The OSL shall not view or show commercial property for sale or lease without the ISL unless authorized under a WB commercial cooperative agreement. If the property is not listed with an ISL listing firm, the ISL must view the property with the OSL.
- The OSL shall not have contact with another ISL, another ISL's seller or landlord unless otherwise agreed to in the WB commercial cooperative agreement.

#### Status

At this time, the Senate and Assembly have both passed 2017 SB 455 that, in addition to other practice changes, creates the new voluntary commercial option for ISLs who do not have a property listed but wish to cooperate with OSLs working with commercial buyers and tenants.

The bill is available at [docs.legis.wisconsin.gov/2017/related/proposals/sb455.pdf](https://docs.legis.wisconsin.gov/2017/related/proposals/sb455.pdf) and will be put forward to the governor's desk for signature soon. Once signed by the governor, the OSL provision will be effective March 1, 2018. This slight delay is to allow the Real Estate Examining Board time to create the new WB commercial cooperative form.

We will continue to update you through WRA *Legal Updates*, LegalTalks videos and more.

*Cori Lamont is Director of Corporate and Regulatory Affairs for the WRA.*



## 2017 ASSEMBLY BILL 812

December 29, 2017 - Introduced by Representatives HORLACHER, R. BROOKS, JACQUE, JAGLER, KATZMA, KREMER, MURPHY, WICHGERS and SPIROS, cosponsored by Senators OLSEN, COWLES, MARKLEIN and BEWLEY. Referred to Committee on Housing and Real Estate.

1     **AN ACT** *to repeal* 440.975 (3) (c); *to repeal and recreate* 709.03 and 709.033;  
2             and *to create* 440.97 (2m) and 440.975 (3) (cm) of the statutes; **relating to:** real  
3             estate disclosure reports, the written reports of home inspectors, and providing  
4             an exemption from emergency rule procedures.

---

### ***Analysis by the Legislative Reference Bureau***

This bill updates the real estate disclosure report forms and changes the requirements for a report submitted to a client by a registered home inspector.

Under current law, with certain exceptions, an owner selling residential real property or vacant land must give a prospective buyer a form, known as a real estate condition report for residential real property and known as the vacant land disclosure report for vacant land, on which the owner discloses certain conditions of, and other information about, the real property of which the owner is aware. This bill makes various technical changes to these forms, including grouping questions into substantive categories, providing examples of different types of defects, and providing additional instructions and explanatory material. The updated forms include the disclosures required under current law. In addition to making technical changes, the bill requires additional disclosures regarding the owner's awareness of certain conditions related to the property, including 1) defects related to smoke detectors or carbon monoxide detectors or violations of state or local smoke detector or carbon monoxide detector laws; 2) unsafe levels of mold or other moisture intrusions or conditions; 3) defects in, as opposed to just the presence of, underground or aboveground fuel storage tanks; and 4) burial sites on the property.

**ASSEMBLY BILL 812**

The bill also adjusts the contents that a report submitted by a registered home inspector to a client is required to contain. Under the bill, a report by a home inspector must describe each defect detected during a home inspection. The bill defines a “defect” as a condition of any component of an improvement that would significantly impair the health or safety of future occupants or that, if not repaired, removed, or replaced, would significantly shorten or adversely affect the expected normal life of the component of the improvement. The bill also provides that a home inspector may use the term “defect” in a written home inspection report only if the use is consistent with the bill’s definition of “defect.”

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 440.97 (2m) of the statutes is created to read:

2           440.97 (2m) “Defect” means a condition of any component of an improvement  
3 that would significantly impair the health or safety of future occupants of a property  
4 or that, if not repaired, removed, or replaced, would significantly shorten or  
5 adversely affect the expected normal life of the component of the improvement.

6           **SECTION 2.** 440.975 (3) (c) of the statutes is repealed.

7           **SECTION 3.** 440.975 (3) (cm) of the statutes is created to read:

8           440.975 (3) (cm) Describes any defect that is detected by the home inspector  
9 during his or her home inspection. A home inspector is not required to use the term  
10 “defect” in describing a defect in the written report required under this subsection.  
11 A home inspector may not use the term “defect” in a written report required under  
12 this subsection unless that use is consistent with s. 440.97 (2m).

13           **SECTION 4.** 709.03 of the statutes is repealed and recreated to read:

14           **709.03 Residential real estate condition report form.** The report  
15 required under s. 709.02 with respect to real property, as defined in s. 709.001 (5) (a),  
16 shall be in substantially the following form and shall include at least all of the  
17 following information:

**ASSEMBLY BILL 812**

## 1 REAL ESTATE CONDITION REPORT

2

3

## DISCLAIMER

4 THIS CONDITION REPORT CONCERNS THE REAL PROPERTY LOCATED AT ... IN THE ... (CITY)  
5 (VILLAGE) (TOWN) OF ..., COUNTY OF ..., STATE OF WISCONSIN. THIS REPORT IS A DISCLOSURE  
6 OF THE CONDITION OF THAT PROPERTY IN COMPLIANCE WITH SECTION 709.02 OF THE  
7 WISCONSIN STATUTES AS OF ... (MONTH), ... (DAY), ... (YEAR). IT IS NOT A WARRANTY OF ANY  
8 KIND BY THE OWNER OR ANY AGENTS REPRESENTING ANY PARTY IN THIS TRANSACTION AND  
9 IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT THE PARTIES MAY WISH TO  
10 OBTAIN.

11 A buyer who does not receive a fully completed copy of this report within 10 days after  
12 the acceptance of the contract of sale or option contract for the above-described real  
13 property has the right to rescind that contract (Wis. Stat. s. 709.02), provided the  
14 owner is required to provide this report under Wisconsin Statutes chapter 709.

15

## 16 NOTICE TO PARTIES REGARDING ADVICE OR INSPECTIONS

17 Real estate licensees may not provide advice or opinions concerning whether or not  
18 an item is a defect for the purposes of this report or concerning the legal rights or  
19 obligations of parties to a transaction. The parties may wish to obtain professional  
20 advice or inspections of the property and to include appropriate provisions in a  
21 contract between them with respect to any advice, inspections, defects, or  
22 warranties.

23

## 24 A. OWNER'S INFORMATION

25 A1. In this form, "aware" means the "owner(s)" have notice or knowledge.

**ASSEMBLY BILL 812****SECTION 4**

1 A2. In this form, “defect” means a condition that would have a significant adverse  
2 effect on the value of the property; that would significantly impair the health or  
3 safety of future occupants of the property; or that if not repaired, removed, or  
4 replaced would significantly shorten or adversely affect the expected normal life of  
5 the premises.

6 A3. In this form, “owner” means the person or persons, entity, or organization that  
7 owns the above-described real property.

8 An “owner” who transfers real estate containing one to four dwelling units, including  
9 a condominium unit and time-share property, by sale, exchange, or land contract is  
10 required to complete this report.

11 Exceptions: An “owner” who is a personal representative, trustee, conservator, or  
12 fiduciary appointed by or subject to supervision by a court, and who has never  
13 occupied the property transferred is not required to complete this report. An “owner”  
14 who transfers property that has not been inhabited or who transfers property in a  
15 manner that is exempt from the real estate transfer fee is not required to complete  
16 this report. (Wis. Stat. s. 709.01)

17 A4. The owner represents that to the best of the owner’s knowledge, the responses  
18 to the following questions have been accurately checked as “yes,” “no,” or “not  
19 applicable (N/A)” to the property being sold. If the owner responds to any question  
20 with “yes,” the owner shall provide, in the additional information area of this form,  
21 an explanation of the reason why the response to the question is “yes.”

22 A5. If the transfer is of a condominium unit, the property to which this form applies  
23 is the condominium unit, the common elements of the condominium, and any limited  
24 common elements that may be used only by the owner of the condominium unit being  
25 transferred.

**ASSEMBLY BILL 812**

1 A6. The owner discloses the following information with the knowledge that, even  
2 though this is not a warranty, prospective buyers may rely on this information in  
3 deciding whether and on what terms to purchase the property. The owner hereby  
4 authorizes the owner’s agents and the agents of any prospective buyer to provide a  
5 copy of this report, and to disclose any information in the report, to any person in  
6 connection with any actual or anticipated sale of the property.

7  
8 CAUTION: The lists of defects following each question below are examples only and  
9 are not the only defects that may properly be disclosed in response to each respective  
10 question.

11  
12 **B. STRUCTURAL AND MECHANICAL**

		YES	NO	N/A
B1.	Are you aware of defects in the roof? Roof defects may include items such as leakage or significant problems with gutters or eaves.	....	....	....
B2.	Are you aware of defects in the electrical system? Electrical defects may include items such as electrical wiring not in compliance with applicable code, knob and tube wiring, 60 amp service, or aluminum-branch circuit wiring.	....	....	....
B3.	Are you aware of defects in part of the plumbing system (including the water heater, water softener, and swimming pool)? Other plumbing system defects may include items such as leaks or defects in pipes, toilets, interior or exterior faucets, bathtubs, showers, or any sprinkler system.	....	....	....
B4.	Are you aware of defects in the heating and air conditioning system (including the air filters and humidifiers)? Heating and air conditioning defects may include items such as defects in the heating ventilation and air conditioning (HVAC) equipment, supplemental heaters, ventilating fans or fixtures, or solar collectors.	....	....	....
B5.	Are you aware of defects in a woodburning stove or fireplace or of other defects caused by a fire in a stove or fireplace or elsewhere on the property? Such defects may include items such as defects in the chimney, fireplace flue, inserts, or other installed fireplace equipment; or woodburning stoves not installed pursuant to applicable code.	....	....	....

**ASSEMBLY BILL 812**

**SECTION 4**

		YES	NO	N/A
B6.	Are you aware of defects related to smoke detectors or carbon monoxide detectors or a violation of applicable state or local smoke detector or carbon monoxide detector laws?  NOTE: State law requires operating smoke detectors on all levels of all residential properties and operating carbon monoxide detectors on all levels of most residential properties (see Wis. Stat. ch. 101).	....	....	....
B7.	Are you aware of defects in the basement or foundation (including cracks, seepage, and bulges)?  Other basement defects may include items such as flooding, defects in drain tiling or sump pumps, or movement, shifting, or deterioration in the foundation.	....	....	....
B8.	Are you aware of defects in any structure on the property?  Structural defects with respect to the residence or other improvements may include items such as movement, shifting, or deterioration in walls; major cracks or flaws in interior or exterior walls, partitions, or the foundation; wood rot; and significant problems with driveways, sidewalks, patios, decks, fences, waterfront piers or walls, windows, doors, floors, ceilings, stairways, or insulation.	....	....	....
B9.	Are you aware of defects in mechanical equipment included in the sale either as fixtures or personal property?  Mechanical equipment defects may include items such as defects in any appliance, central vacuum, garage door opener, in-ground sprinkler, or in-ground pet containment system that is included in the sale.	....	....	....
B10.	Are you aware of rented items located on the property such as a water softener or other water conditioner system or other items affixed to or closely associated with the property?	....	....	....
B11.	Explanation of "yes" responses .....			
	.....			
	.....			

1

2

**C. ENVIRONMENTAL**

		YES	NO	N/A
C1.	Are you aware of the presence of unsafe levels of mold; basement, window, or plumbing leaks; overflow from sinks, bathtubs, or sewers; or other water or moisture intrusions or conditions?	....	....	....
C2.	Are you aware of a defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the property, lead in paint, lead in soil, or other potentially hazardous or toxic substances on the property?  NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential properties built before 1978.	....	....	....
C3.	Are you aware of the presence of asbestos or asbestos-containing materials on the property?	....	....	....
C4.	Are you aware of the presence of or a defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of hazardous or toxic substances on neighboring properties?	....	....	....

**ASSEMBLY BILL 812**

		YES	NO	N/A
C5.	Are you aware of current or previous termite, powder post beetle, or carpenter ant infestations or defects caused by animal, reptile, or insect infestations?	....	....	....
C6.	Are you aware of water quality issues caused by unsafe concentrations of or unsafe conditions relating to lead?	....	....	....
C7.	Are you aware of the manufacture of methamphetamine or other hazardous or toxic substances on the property?	....	....	....
C8.	Explanation of "yes" responses .....			
	.....			
	.....			

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**D. WELLS, SEPTIC SYSTEMS, STORAGE TANKS**

		YES	NO	N/A
D1.	Are you aware of defects in a well on the property or in a well that serves the property, including unsafe well water? Well defects may include items such as an unused well not properly closed in conformance with state regulations, a well that was not constructed pursuant to state standards or local code, or a well that requires modifications to bring it into compliance with current code specifications. Well water defects might include, but are not limited to, unsafe levels of bacteria (total Coliform and E. coli), nitrate, arsenic, or other substances affecting human consumption safety.	....	....	....
D2.	Are you aware of a joint well serving the property?	....	....	....
D3.	Are you aware of a defect related to a joint well serving the property?	....	....	....
D4.	Are you aware that a septic system or other private sanitary disposal system serves the property?	....	....	....
D5.	Are you aware of defects in the septic system or other private sanitary disposal system on the property or any out-of-service septic system that serves the property and that is not closed or abandoned according to applicable regulations? Septic system defects may include items such as backups in toilets or in the basement; exterior pounding, overflows, or backups; or defective or missing baffles.	....	....	....
D6.	Are you aware of underground or aboveground fuel storage tanks on or previously located on the property? (If "yes," the owner, by law, may have to register the tanks with the Wisconsin Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use or not. Regulations of the Wisconsin Department of Agriculture, Trade and Consumer Protection may require the closure or removal of unused tanks.)	....	....	....
D7.	Are you aware of defects in the underground or aboveground fuel storage tanks on or previously located on the property? Defects in underground or aboveground fuel storage tanks may include items such as abandoned tanks not closed in conformance with applicable local, state, and federal law; leaking; corrosion; or failure to meet operating standards.	....	....	....
D8.	Are you aware of an "LP" tank on the property? (If "yes," specify in the additional information space whether the owner of the property either owns or leases the tank.)	....	....	....

**ASSEMBLY BILL 812**

**SECTION 4**

		YES	NO	N/A
D9.	Are you aware of defects in an "LP" tank on the property?	....	....	....
D10.	Explanation of "yes" responses .....			
	.....			
	.....			

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**E. TAXES, SPECIAL ASSESSMENTS, PERMITS, ETC.**

		YES	NO	N/A
E1.	Have you received notice of property tax increases, other than normal annual increases, or are you aware of a pending property reassessment?	....	....	....
E2.	Are you aware that remodeling was done that may increase the property's assessed value?	....	....	....
E3.	Are you aware of pending special assessments?	....	....	....
E4.	Are you aware that the property is located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district?	....	....	....
E5.	Are you aware of any proposed construction of a public project that may affect the use of the property?	....	....	....
E6.	Are you aware of remodeling affecting the property's structure or mechanical systems that was done or additions to this property that were made during your period of ownership without the required permits?	....	....	....
E7.	Are you aware of any land division involving the property for which a required state or local permit was not obtained?	....	....	....
E8.	Explanation of "yes" responses .....			
	.....			
	.....			

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**F. LAND USE**

		YES	NO	N/A
F1.	Are you aware of the property being part of or subject to a subdivision homeowners' association?	....	....	....
F2.	If the property is not a condominium unit, are you aware of common areas associated with the property that are co-owned with others?	....	....	....
F3.	Are you aware of any zoning code violations with respect to the property?	....	....	....
F4.	Are you aware of the property or any portion of the property being located in a floodplain, wetland, or shoreland zoning area?	....	....	....
F5.	Are you aware of nonconforming uses of the property?	....	....	....
	A nonconforming use is a use of land, a dwelling, or a building that existed lawfully before the current zoning ordinance was enacted or amended, but that does not conform to the use restrictions in the current ordinance.			

**ASSEMBLY BILL 812**

		YES	NO	N/A
F6.	Are you aware of conservation easements on the property? A conservation easement is a legal agreement in which a property owner conveys some of the rights associated with ownership of his or her property to an easement holder such as a governmental unit or a qualified nonprofit organization to protect the natural habitat of fish, wildlife, or plants or a similar ecosystem, preserve areas for outdoor recreation or education, or for similar purposes.	....	....	....
F7.	Are you aware of restrictive covenants or deed restrictions on the property?	....	....	....
F8.	Are you aware of nonowners having rights to use part of the property, including, but not limited to, rights-of-way and easements other than recorded utility easements?	....	....	....
F9.	Are you aware of the property being subject to a mitigation plan required under administrative rules of the Wisconsin Department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county?	....	....	....
F10.	The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. For more information visit <a href="https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx">https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx</a> or (608) 266-2486. a. Are you aware of all or part of the property having been assessed as agricultural land under Wis. Stat. s. 70.32 (2r) (use value assessment)? b. Are you aware of the property having been assessed a use-value assessment conversion charge relating to this property? (Wis. Stat. s. 74.485 (2)) c. Are you aware of the payment of a use-value assessment conversion charge having been deferred relating to this property? (Wis. Stat. s. 74.485 (4))	....	....	....
F11.	Is all or part of the property subject to or in violation of a farmland preservation agreement? Early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land. Visit <a href="https://datcp.wi.gov/Pages/Programs_Services/FarmlandPreservation.aspx">https://datcp.wi.gov/Pages/Programs_Services/FarmlandPreservation.aspx</a> for more information.	....	....	....
F12.	Is all or part of the property subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program?	....	....	....
F13.	Are you aware of a dam that is totally or partially located on the property or that an ownership in a dam that is not located on the property will be transferred with the property because it is owned collectively by members of a homeowners' association, lake district, or similar group? (If "yes," contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.)	....	....	....

ASSEMBLY BILL 812

SECTION 4

		YES	NO	N/A
F14.	Are you aware of boundary or lot line disputes, encroachments, or encumbrances (including a joint driveway) affecting the property? Encroachments often involve some type of physical object belonging to one person but partially located on or overlapping on land belonging to another; such as, without limitation, fences, houses, garages, driveways, gardens, and landscaping. Encumbrances include, without limitation, a right or claim of another to a portion of the property or to the use of the property such as a joint driveway, liens, and licenses.	....	....	....
F15.	Are you aware there is not legal access to the property?	....	....	....
F16.	Are you aware of federal, state, or local regulations requiring repairs, alterations, or corrections of an existing condition? This may include items such as orders to correct building code violations.	....	....	....
F17.	Are you aware of a pier attached to the property that is not in compliance with state or local pier regulations? See <a href="http://dnr.wi.gov/topic/waterways">http://dnr.wi.gov/topic/waterways</a> for more information.	....	....	....
F18.	Are you aware of one or more burial sites on the property? (For information regarding the presence, preservation, and potential disturbance of burial sites, contact the Wisconsin Historical Society at 800-342-7834 or <a href="http://www.wihist.org/burial-information">www.wihist.org/burial-information</a> .)	....	....	....
F19.	Explanation of "yes" responses .....			
	.....			
	.....			

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G. ADDITIONAL INFORMATION

		YES	NO	N/A
G1.	Have you filed any insurance claims relating to damage to this property or premises within the last five years?	....	....	....
G2.	Are you aware of a structure on the property that is designated as a historic building or that all or any part of the property is in a historic district?	....	....	....
G3.	Are you aware of other defects affecting the property? Other defects might include items such as drainage easement or grading problems; excessive sliding, settling, earth movements, or upheavals; or any other defect or material condition.	....	....	....
G4.	The owner has owned the property for .... years.			
G5.	The owner has lived in the property for .... years.			
G6.	Explanation of "yes" responses .....			
	.....			
	.....			

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OWNER'S CERTIFICATION

5

NOTE: Wisconsin Statute section 709.035 requires owners who, prior to acceptance

6

of a purchase contract or an option to purchase, obtain information that would

**ASSEMBLY BILL 812**

1 change a response on this report to submit a complete amended report or an  
2 amendment to the previously completed report to the prospective buyer within 10  
3 days of acceptance.

4 The owner certifies that the information in this report is true and correct to the best  
5 of the owner’s knowledge as of the date on which the owner signs this report.

6 Owner ..... Date .....

7 Owner ..... Date .....

8 Owner ..... Date .....

9

10 **CERTIFICATION BY PERSON SUPPLYING INFORMATION**

11 A person other than the owner certifies that the person supplied information on  
12 which the owner relied for this report and that the information is true and correct  
13 to the best of the person’s knowledge as of the date on which the person signs this  
14 report.

15 Person ..... Items ..... Date .....

16 Person ..... Items ..... Date .....

17 Person ..... Items ..... Date .....

18

19 **BUYER’S ACKNOWLEDGEMENT**

20 The prospective buyer acknowledges that technical knowledge such as that acquired  
21 by professional inspectors may be required to detect certain defects such as the  
22 presence of asbestos, building code violations, and floodplain status.

23 I acknowledge receipt of a copy of this statement.

24 Prospective buyer ..... Date .....

25 Prospective buyer ..... Date .....

**ASSEMBLY BILL 812**

**SECTION 4**

1 Prospective buyer ..... Date .....

2 **SECTION 5.** 709.033 of the statutes is repealed and recreated to read:

3 **709.033 Vacant land disclosure report form.** The report required under  
4 s. 709.02 with respect to real property, as defined in s. 709.001 (5) (b), shall be in  
5 substantially the following form and shall include at least all of the following  
6 information:

7 **VACANT LAND DISCLOSURE REPORT**

8  
9 **DISCLAIMER**

10 THIS DISCLOSURE REPORT CONCERNS THE REAL PROPERTY LOCATED AT ... IN THE ... (CITY)  
11 (VILLAGE) (TOWN) OF ..., COUNTY OF ..., STATE OF WISCONSIN. THIS REPORT IS A DISCLOSURE  
12 OF THE CONDITION OF THAT PROPERTY IN COMPLIANCE WITH SECTION 709.02 OF THE  
13 WISCONSIN STATUTES AS OF ... (MONTH), ... (DAY), ... (YEAR). IT IS NOT A WARRANTY OF ANY  
14 KIND BY THE OWNER OR ANY AGENTS REPRESENTING ANY PARTY IN THIS TRANSACTION AND  
15 IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THAT THE PARTIES MAY WISH TO  
16 OBTAIN.

17 A buyer who does not receive a fully completed copy of this report within 10 days after  
18 the acceptance of the contract of sale or option contract for the above-described real  
19 property has the right to rescind that contract (Wis. Stat. s. 709.02), provided the  
20 owner is required to provide this report under Wisconsin Statutes chapter 709.

21  
22 **NOTICE TO PARTIES REGARDING ADVICE OR INSPECTIONS**

23 Real estate licensees may not provide advice or opinions concerning whether or not  
24 an item is a defect for the purposes of this report or concerning the legal rights or  
25 obligations of parties to a transaction. The parties may wish to obtain professional

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1 advice or inspections of the property and to include appropriate provisions in a  
2 contract between them with respect to any advice, inspections, defects, or  
3 warranties.

4

5

**A. OWNER'S INFORMATION**

6

A1. In this form, "aware" means the "owner(s)" have notice or knowledge.

7

A2. In this form, "defect" means a condition that would have a significant adverse  
8 effect on the value of the property; that would significantly impair the health or  
9 safety of future occupants of the property; or that if not repaired, removed, or  
10 replaced would significantly shorten or adversely affect the expected normal life of  
11 the premises.

12

A3. In this form, "owner" means the person or persons, entity, or organization that  
13 is the owner of the above-described real property.

14

An "owner" who transfers real estate that does not include any buildings is required  
15 to complete this report.

16

Exceptions: An "owner" who is a personal representative, trustee, conservator, or  
17 fiduciary appointed by or subject to supervision by a court, and who has never  
18 occupied the property transferred is not required to complete this report. An "owner"  
19 who transfers property that has not been inhabited or who transfers property in a  
20 manner that is exempt from the real estate transfer fee is not required to complete  
21 this report. (Wis. Stat. s. 709.01)

22

A4. The owner represents that to the best of the owner's knowledge, the responses  
23 to the following questions have been accurately checked as "yes," "no," or "not  
24 applicable (N/A)" to the property being sold. If the owner responds to any question

**ASSEMBLY BILL 812**

**SECTION 5**

1 with “yes,” the owner shall provide, in the additional information area of this form,  
2 an explanation of the reason why the response to the question is “yes.”

3 A5. If the transfer is of a condominium unit, the property to which this form applies  
4 is the condominium unit, the common elements of the condominium, and any limited  
5 common elements that may be used only by the owner of the condominium unit being  
6 transferred.

7 A6. The owner discloses the following information with the knowledge that, even  
8 though this is not a warranty, prospective buyers may rely on this information in  
9 deciding whether and on what terms to purchase the property. The owner hereby  
10 authorizes the owner’s agents and the agents of any prospective buyer to provide a  
11 copy of this report, and to disclose any information in the report, to any person in  
12 connection with any actual or anticipated sale of the property.

13  
14 CAUTION: The lists of defects following each question below are examples only and  
15 are not the only defects that may properly be disclosed in response to each respective  
16 question.

17  
18 **B. ENVIRONMENTAL**

		YES	NO	N/A
B1.	Are you aware of a material violation of an environmental rule or other rule or agreement regulating the use of the property?	....	....	....
B2.	Are you aware of a defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the property, lead in soil, or other potentially hazardous or toxic substances on the property?	....	....	....
B3.	Are you aware of the manufacture of methamphetamine or other hazardous or toxic substances on the property?	....	....	....

**ASSEMBLY BILL 812**

		YES	NO	N/A
B4.	Are you aware of subsoil conditions that would significantly increase the cost of development, including, but not limited to, subsurface foundations or waste material; any type of fill; dumpsites where pesticides, herbicides, fertilizer, or other toxic or hazardous materials or containers for these materials were disposed of in violation of manufacturer or government guidelines or other laws regulating such disposal; high groundwater; adverse soil conditions, such as low load-bearing capacity, earth or soil movement, settling, upheavals, or slides; excessive rocks or rock formations; or other soil problems?	....	....	....
B5.	Are you aware of a defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of hazardous or toxic substances on neighboring properties?	....	....	....
B6.	Are you aware of brownfields (abandoned, idled, or underused land that may be subject to environmental contamination) or other contaminated land on the property, or that contaminated soils on the property have been cleaned up under the Petroleum Environmental Cleanup Fund Act (PECFA), a Wisconsin Department of Natural Resources (DNR) remedial or cleanup program, the DATCP Agricultural Chemical Cleanup Program, or other similar program?	....	....	....
B7.	Explanation of "yes" responses .....			
	.....			
	.....			

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**C. WELLS, SEPTIC SYSTEMS, STORAGE TANKS**

		YES	NO	N/A
C1.	Are you aware of underground storage tanks presently or previously on the property for storage of flammable or combustible liquids, including, but not limited to, gasoline or heating oil? (If "yes," the owner, by law, may have to register the tanks with the Wisconsin Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use or not. Wisconsin Department of Agriculture, Trade and Consumer Protection regulations may require the closure or removal of unused tanks.)	....	....	....
C2.	Are you aware of defects in the underground or aboveground fuel storage tanks on or previously located on the property?  Defects in underground or aboveground fuel storage tanks may include items such as abandoned tanks not closed in conformance with applicable local, state, and federal law; leaking; corrosion; or failure to meet operating standards.	....	....	....
C3.	Are you aware of defects in a well on the property or a well that serves the property, including unsafe well water due to contaminants such as coliform, nitrates, or atrazine, or any out-of-service wells or cisterns that are required to be abandoned (see s. NR 812.26, Wis. Adm. Code) but that are not closed or abandoned according to applicable regulations?	....	....	....
C4.	Are you aware of a joint well serving this property?	....	....	....
C5.	Are you aware of a defect relating to a joint well serving this property?	....	....	....

**ASSEMBLY BILL 812**

		YES	NO	N/A
C6.	Are you aware of defects in any septic system or other private sanitary disposal system on the property or any out-of-service septic system that serves the property and that is not closed or abandoned according to applicable regulations?	....	....	....
C7.	Explanation of "yes" responses .....			
	.....			
	.....			

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**D. TAXES, SPECIAL ASSESSMENTS, PERMITS, ETC.**

		YES	NO	N/A
D1.	Have you received notice of a property tax increase, other than normal annual increases, or are you aware of a pending property tax reassessment?	....	....	....
D2.	Are you aware of pending special assessments?	....	....	....
D3.	Are you aware of the property being located within a special purpose district, such as a drainage district, that has the authority to impose assessments against the real property located within the district?	....	....	....
D4.	Are you aware of any land division involving the property for which required state or local permits were not obtained?	....	....	....
D5.	Are you aware of impact fees or another condition or occurrence that would significantly increase development costs or reduce the value of the property to a reasonable person with knowledge of the nature and scope of the condition or occurrence?	....	....	....
D6.	Are you aware of proposed, planned, or commenced public improvements or public construction projects that may result in special assessments or that may otherwise materially affect the property or the present use of the property?	....	....	....
D7.	Explanation of "yes" responses .....			
	.....			
	.....			

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**E. LAND USE**

		YES	NO	N/A
E1.	Are you aware of the property being part of or subject to any subdivision homeowners' associations?	....	....	....
E2.	If the property is not a condominium unit, are you aware of common areas associated with the property that are co-owned with others?	....	....	....
E3.	Are you aware that all or a portion of the property is in a floodplain, wetland, or shoreland zoning area under local, state, or federal regulations?	....	....	....
E4.	Are you aware of any zoning code violations with respect to the property?	....	....	....
E5.	Are you aware of nonconforming uses of the property?	....	....	....
	A nonconforming use is a use of land that existed lawfully before the current zoning ordinance was enacted or amended, but that does not conform to the use restrictions in the current ordinance.			

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		YES	NO	N/A
E6.	Are you aware of conservation easements on the property? A conservation easement is a legal agreement in which a property owner conveys some of the rights associated with ownership of the property to an easement holder such as a governmental unit or a qualified nonprofit organization to protect the natural habitat of fish, wildlife, or plants or a similar ecosystem, preserve areas for outdoor recreation or education, or for similar purposes.	....	....	....
E7.	Are you aware of restrictive covenants or deed restrictions on the property?	....	....	....
E8.	Are you aware of nonowners having rights to use part of the property, including, but not limited to, rights-of-way and easements other than recorded utility easements?	....	....	....
E9.	Are you aware of the property being subject to a mitigation plan required under administrative rules of the Wisconsin Department of Natural Resources related to county shoreland zoning ordinances, which obligates the owner of the property to establish or maintain certain measures related to shoreland conditions and which is enforceable by the county?	....	....	....
E10.	The use value assessment system values agricultural land based on the income that would be generated from its rental for agricultural use rather than its fair market value. When a person converts agricultural land to a non agricultural use (e.g., residential or commercial development), that person may owe a conversion charge. For more information visit <a href="https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx">https://www.revenue.wi.gov/Pages/FAQS/slf-useassmt.aspx</a> or (608) 266-2486. a. Are you aware of all or part of the property having been assessed as agricultural land under Wis. Stat. s. 70.32 (2r) (use value assessment)? b. Are you aware of the property having been assessed a use value assessment conversion charge relating to this property? (Wis. Stat. s. 74.485 (2)) c. Are you aware of the payment of a use value assessment conversion charge having been deferred relating to this property? (Wis. Stat. s. 74.485 (4))	....	....	....
E11.	Is all or part of the property subject to or in violation of a farmland preservation agreement? Early termination of a farmland preservation agreement or removal of land from such an agreement can trigger payment of a conversion fee equal to 3 times the class 1 "use value" of the land. Visit <a href="https://datcp.wi.gov/Pages/Programs_Services/FarmlandPreservation.aspx">https://datcp.wi.gov/Pages/Programs_Services/FarmlandPreservation.aspx</a> for more information.	....	....	....
E12.	Is all or part of the property subject to, enrolled in, or in violation of the Forest Crop Law, Managed Forest Law, the Conservation Reserve Program, or a comparable program?	....	....	....
E13.	Are you aware of a dam that is totally or partially located on the property or that an ownership in a dam that is not located on the property will be transferred with the property because it is owned collectively by members of a homeowners' association, lake district, or similar group? (If "yes," contact the Wisconsin Department of Natural Resources to find out if dam transfer requirements or agency orders apply.)	....	....	....

**ASSEMBLY BILL 812**

		YES	NO	N/A
E14.	Are you aware of boundary or lot line disputes, encroachments, or encumbrances (including a joint driveway) affecting the property?  Encroachments often involve some type of physical object belonging to one person but partially located on or overlapping on land belonging to another, such as, without limitation, fences, houses, garages, driveways, gardens, and landscaping. Encumbrances include, without limitation, a right or claim of another to a portion of the property or to the use of the property such as a joint driveway, liens, and licenses.	....	....	....
E15.	Are you aware there is not legal access to the property?	....	....	....
E16.	Are you aware of a pier attached to the property that is not in compliance with state or local pier regulations? See <a href="http://dnr.wi.gov/topic/waterways">http://dnr.wi.gov/topic/waterways</a> for more information.	....	....	....
E17.	Are you aware of one or more burial sites on the property? (For information regarding the presence, preservation, and potential disturbance of burial sites, contact the Wisconsin Historical Society at 800-342-7834 or <a href="http://www.wihist.org/burial-information">www.wihist.org/burial-information</a> .)	....	....	....
E18.	Are you aware of archeological artifacts, mineral rights, orchards, or endangered species on the property?	....	....	....
E19.	Are you aware of existing or abandoned manure storage facilities located on the property?	....	....	....
E20.	Are you aware that all or part of the property is enrolled in the managed forest land program?  The managed forest land program is a landowner incentive program that encourages sustainable forestry on private woodlands by exempting the landowner from the payment of property taxes in exchange for the payment of a lower acreage share payment and compliance with certain conservation practices. Orders designating lands as managed forest lands remain in effect for 25 or 50 years. When ownership of land enrolled in the managed forest land program changes, the new owner must sign and file a report of the change of ownership on a form provided by the Wisconsin Department of Natural Resources (DNR) and pay a fee. By filing this form, the new owner agrees to comply with the management plan for the land and the managed forest land program rules. The DNR Division of Forestry monitors forest management plan compliance. Changes that a landowner makes to property that is subject to an order designating it as managed forest land, or to its use, may jeopardize benefits under the program or cause the property to be withdrawn from the program and may result in the assessment of penalties. For more information, call your local DNR forester or visit <a href="http://dnr.wi.gov/topic/forestry.html">http://dnr.wi.gov/topic/forestry.html</a> .	....	....	....
E21.	Explanation of "yes" responses .....			
	.....			
	.....			

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**F. ADDITIONAL INFORMATION**

		YES	NO	N/A
F1.	Are you aware of high voltage electric (100 kilo volts or greater) or steel natural gas transmission lines located on, but not directly serving, the property?	....	....	....
F2.	Are you aware of flooding, standing water, drainage problems, or other water problems on or affecting the property?	....	....	....

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		YES	NO	N/A
F3.	Are you aware of material damage from fire, wind, flood, earthquake, expansive soil, erosion, or landslide?	....	....	....
F4.	Are you aware of significant odor, noise, water diversion, water intrusion, or other irritants emanating from neighboring property?	....	....	....
F5.	Are you aware of significant crop damage from disease, insects, soil contamination, wildlife, or other causes; diseased or dying trees or shrubs; or substantial injuries or disease in livestock on the property or neighboring property?	....	....	....
F6.	Utility Connections. Are you aware that the property is connected to the following utilities on the property or at the lot line? (If "yes," indicate where the utility is located.)			
	a. Electricity .....	....	....	....
	b. Municipal water .....	....	....	....
	c. Telephone .....	....	....	....
	d. Cable television .....	....	....	....
	e. Natural gas .....	....	....	....
	f. Municipal sewer .....	....	....	....
F7.	Are you aware of other defects affecting the property? Other defects may include items such as animal, reptile, or insect infestation; drainage easement or grading problems; excessive sliding; or any other defect or material condition.	....	....	....
F8.	Are you aware of a government agency, court order, or federal, state, or local regulations requiring repair, alteration, or correction of an existing condition?	....	....	....
F9.	The owner has owned the property for .... years.			
F10.	Explanation of "yes" responses .....			
	.....			
	.....			

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**OWNER'S CERTIFICATION**

3

NOTE: Wisconsin Statute section 709.035 requires owners who, prior to acceptance of a purchase contract or an option to purchase, obtain information that would change a response on this report to submit a complete amended report or an amendment to the previously completed report to the prospective buyer within 10 days of acceptance.

8

The owner certifies that the information in this report is true and correct to the best of the owner's knowledge as of the date on which the owner signs this report.

9

10

Owner ..... Date .....

11

Owner ..... Date .....

**ASSEMBLY BILL 812**

**SECTION 5**

1 Owner ..... Date .....

2

3 **CERTIFICATION BY PERSON SUPPLYING INFORMATION**

4 A person other than the owner certifies that the person supplied information on  
5 which the owner relied for this report and that the information is true and correct  
6 to the best of the person’s knowledge as of the date on which the person signs this  
7 report.

8 Person ..... Items ..... Date .....

9 Person ..... Items ..... Date .....

10 Person ..... Items ..... Date .....

11

12 **BUYER’S ACKNOWLEDGEMENT**

13 The prospective buyer acknowledges that technical knowledge such as that acquired  
14 by professional inspectors may be required to detect certain defects such as the  
15 presence of asbestos, building code violations, and floodplain status.

16 I acknowledge receipt of a copy of this statement.

17 Prospective buyer ..... Date .....

18 Prospective buyer ..... Date .....

19 Prospective buyer ..... Date .....

20 **SECTION 6. Nonstatutory provisions.**

21 (1) REAL ESTATE CONDITION AND VACANT LAND DISCLOSURE REPORTS.

22 Notwithstanding section 709.035 of the statutes, a property owner who furnished to  
23 a prospective buyer of the property an original or amended report before the effective  
24 date of this subsection need only submit an amended report with respect to the

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1 information required under section 709.03 (form) of the statutes, 2015 stats., or by  
2 section 709.033 (form) of the statutes, 2015 stats.

3 (2) EMERGENCY RULES. Using the procedure under section 227.24 of the statutes,  
4 the department of safety and professional services may promulgate rules governing  
5 the information about defects that a home inspector is required to provide to a client  
6 concerning the results of a home inspection under sections 440.974 (1) (c) and  
7 440.975 (3) (cm) of the statutes for the period before the effective date of permanent  
8 rules promulgated under section 440.974 (1) (c) of the statutes but not to exceed the  
9 period authorized under section 227.24 (1) (c) of the statutes, subject to extension  
10 under section 227.24 (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2)  
11 (b), and (3) of the statutes, the department is not required to provide evidence that  
12 promulgating a rule under this subsection as an emergency rule is necessary for the  
13 preservation of the public peace, health, safety, or welfare and is not required to  
14 provide a finding of emergency for a rule promulgated under this subsection.  
15 Notwithstanding section 227.24 (1) (e) 1d. and 1g. of the statutes, for emergency  
16 rules promulgated under this subsection, the department is not required to prepare  
17 and obtain approval of a statement of scope of the rules or to submit the proposed  
18 rules in final draft form to the governor for approval.

**SECTION 7. Initial applicability.**

19 (1) REAL ESTATE CONDITION AND VACANT LAND DISCLOSURE REPORTS. The treatment  
20 of sections 709.03 and 709.033 of the statutes first applies to reports that are  
21 furnished on the effective date of this subsection.  
22

**SECTION 8. Effective date.**

23 (1) This act takes effect on July 1, 2018.  
24

25 (END)