



Scott Walker, Governor
Laura Gutiérrez, Secretary

REAL ESTATE CONTRACTUAL FORMS ADVISORY COUNCIL

Room 121A, 1400 East Washington Avenue, Madison

Contact: Erin Karow (608) 266-2112

February 14, 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)

B. Approval of Minutes from January 10, 2018 (2-3)

C. Administrative Matters

- 1) Department Update
- 2) Real Estate Examining Board Update

D. Review of Real Estate Contractual Forms for Revision

- 1) **WB-11– Residential Offer to Purchase (4-35)**
 - a) Review of Proposed Revisions and Memo
 - b) Original Document
- 2) **WB-28 Cooperative Agreement (36-37)**
 - a) Review Finalized Form
- 3) **WB-29 Commercial Cooperative Agreement (38-39)**
 - a) Review Finalized Form

E. Public Comments

ADJOURNMENT

The Next Scheduled Meeting is May 2, 2018

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
January 10, 2018**

PRESENT: Casey Clickner, Debra Conrad, John Drzewiecki, Cori Lamont (*left at 12:45 p.m.*), Richard Marino, Kim Moermond, Jonathan Sayas, Gary Tritz, Robert Webster (*via GoToMeeting*), Pamela Widen

EXCUSED: Joseph Busch, Michael Gordon, Thomas Weber

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

CALL TO ORDER

Richard Marino, Chair, called the meeting to order at 9:36 a.m. A quorum of ten (10) members was confirmed.

ADOPTION OF AGENDA

MOTION: Debra Conrad moved, seconded by Cori Lamont, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: John Drzewiecki moved, seconded by Pamela Widen, to approve the minutes of December 6, 2017 as published. Motion carried unanimously.

REVIEW OF REAL ESTATE CONTRACTUAL FORMS FOR REVISION

(Cori Lamont left at 12:55 p.m.)

WB-28 and WB-XX Cooperative Agreement

MOTION: John Drzewiecki moved, seconded by Gary Tritz, to recommend the Real Estate Examining Board adopt revisions to the WB-28 Cooperative Agreement, and the newly-created form which may become WB-XX (Commercial Cooperative Agreement), to delegate authority to Richard Marino to make any modifications, and to report the revisions and recommendations to the Real Estate Examining Board. Motion carried unanimously.

ADJOURNMENT

MOTION: Gary Tritz moved, seconded by Casey Clickner, to adjourn the meeting. Motion carried unanimously.

MOTION: John Drzewiecki moved, seconded by Gary Tritz, to reconvene the meeting. Motion carried unanimously.

MOTION: Gary Tritz moved, seconded by Casey Clickner, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 2:00 p.m.

DRAFT

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
7 description, 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 excluded
15 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 **(e.g., water softeners or other water treatment systems, LP tanks, etc.) 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, if any:** _____
42 **Buyer's recipient for delivery, if any:** _____
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 Party,
49 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 constitutes
56 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, **refuse**, 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.

62 **DEFINITIONS**

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

66 ■
67 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
68 defined to include:

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

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

117 **CLOSING** This transaction is to be closed on ~~no later than~~ _____
118 _____ at the place selected by (Buyer)(Seller) **STRIKE ONE** ("Seller" if neither is stricken).
119 If the date for closing falls on a weekend, or federal or state holiday, the closing date shall be the next Business Day.
120 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
121 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owners association
122 assessments, fuel and _____.
123 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**
124 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.
125 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:
126 ☐ The net general real estate taxes for the preceding year, or the current year if available (Net general real estate taxes
127 are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
128 APPLIES IF NO BOX IS CHECKED)
129 ☐ Current assessment times current mill rate (current means as of the date of closing)
130 ☐ Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior year,
131 or current year if known, multiplied by current mill rate (current means as of the date of closing)
132 ☐ _____.
133 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**
134 **substantially different than the amount used for proration especially in transactions involving new construction,**
135 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**
136 **regarding possible tax changes.**
137 ☐ Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
138 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
139 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-
140 prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is
141 the responsibility of the Parties to complete, not the responsibility of the real estate firms in this transaction.
142 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
143 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the (written)
144 (oral) **STRIKE ONE** lease(s), if any, are _____
145 _____
146 _____. Insert additional terms, if any, at lines xxx-xxx or xxx-xxx or attach as an addendum per line 434.
147 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to provide
148 Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been inhabited,
149 sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal
150 representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The law provides:
151 "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the contract of sale
152 . . . , to the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer who does not receive a
153 report within the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of sale . . . by
154 delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if a
155 Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is submitted to
156 Seller. Buyer should review the report form or consult with an attorney for additional information regarding rescission rights.
157 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
158 notice or knowledge of Conditions Affecting the Property or Transaction (lines xx-xxx) other than those identified in Seller's Real
159 Estate Condition Report dated _____, which was received by Buyer prior to Buyer
160 signing this Offer and which is made a part of this Offer by reference **COMPLETE DATE OR STRIKE AS APPLICABLE** and
161 _____
162 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**
163 **ADDITIONAL PROVISIONS/CONTINGENCIES**
164 _____
165 _____
166 _____
167 _____
168 _____
169 _____
170 _____
171 **DEFINITIONS CONTINUED FROM PAGE 2**
172 ■ **BUSINESS DAY:** "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under
173 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive registered
174 mail or make regular deliveries on that day.
175 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
176 the day the event occurred and by counting subsequent calendar days. The deadline expires at Midnight on the last day.

177 Additionally, deadlines expressed as a specific number of Business Days are calculated in the same manner except that only
178 Business Days are counted while other days are excluded. 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 closing,
181 expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. Central Time.

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, buildings 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 fixtures,
188 including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting
189 fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached
190 equipment; water heaters, water softeners and treatment systems; sump pumps; attached or fitted floor coverings; awnings;
191 attached antennas and satellite dishes (but not the component parts); audio/visual wall mounting brackets (but not the
192 audio/visual equipment); garage door openers and remote controls; installed security systems; central vacuum systems and
193 accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; in-ground pet
194 containment systems (but not the collars); storage buildings on permanent foundations and docks/piers on permanent
195 foundations.

196 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water
197 treatment systems, L.P. tanks, etc.) on lines xx-xx.**

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

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

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

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

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

212 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property and all personal property
213 included in the purchase price (see lines xx-xx) (hereinafter Included Property) until the earlier of closing or occupancy of Buyer
214 in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing,
215 the Included Property is damaged in an amount of not more than (five percent (5%) of the selling price) (\$ _____)

216 ~~[STRIKE AND COMPLETE AS APPLICABLE]~~ ("five percent (5%) of the selling price" if none specified), Seller shall be obligated
217 to repair the Included Property and restore it to the same condition that it was in as of the date on line 1 of this Offer. (Seller
218 Buyer) ~~[STRIKE ONE]~~ ("Seller" if neither is stricken) shall obtain an estimate from a qualified third party to determine the amount
219 of damage for the purposes of this section and the percentage of the selling price. No later than closing, Seller shall provide
220 Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum, Seller shall promptly notify
221 Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this Offer
222 despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Included Property,
223 plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale
224 is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of
225 restoring the Included Property.

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

227 ☐ **FINANCING COMMITMENT CONTINGENCY:** This Offer is contingent upon Buyer obtaining and delivering to Seller a
228 written _____ [loan type or specific lender] first mortgage loan commitment as described below, within
229 _____ days of acceptance of this Offer. The financing selected shall be in an amount of not less than \$
230 _____ for a term of not less than _____ years, amortized over not less than _____ years. Initial monthly
231 payments of principal and interest shall not exceed \$ _____. The mortgage may not include a prepayment premium.
232 Buyer agrees to pay discount points in an amount not to exceed _____% of the loan. If the purchase price under this Offer
233 is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as
234 in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated
235 above.

236 **NOTE:** Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums,
237 and private mortgage insurance premiums. **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE xxx**
238 **or xxx.**

239 ☐ **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____%.

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

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

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

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 Offer
260 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 ____ hours**
263 **("24" if left blank) of Seller's delivery of the notice of termination. Seller has no ability to reject a loan commitment unless Seller**
264 **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 named
268 in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this transaction on
269 the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing extended
270 accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain any credit
271 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 in
273 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 written
275 notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency.
276 Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees
277 that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency,
278 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 subsequent
281 to the date stated on line 1 indicating an appraised value for the Property equal to or greater than the agreed upon purchase
282 price. This contingency shall be deemed satisfied unless Buyer, within _____ days **("45" if left blank)** of acceptance,
283 delivers to Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the
284 agreed upon purchase price, accompanied by a written notice of termination. Seller may satisfy this Appraisal Contingency by
285 delivering a written amendment to Buyer within five (5) days of delivery of the appraisal report, amending the agreed upon
286 purchase price to match the appraised value. Buyer agrees to deliver an accepted copy of the amendment to Seller within five
287 (5) days of delivery of Seller's proposed price amendment. This Offer shall be null and void if Buyer makes timely delivery of the
288 appraisal report and Seller either (a) delivers notice that Seller will not change the price or (b) Seller does not timely deliver the
289 written amendment changing the purchase price. Buyer and Seller agree to make other amendments to this Offer necessitated
290 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 listing

296 service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information and data,
297 and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers researching
298 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 conditions
300 of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the defaulting party to
301 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 THE**
316 **PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING**
317 **YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD**
318 **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 unsafe
328 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 Defects
341 to Seller, a written notice stating Seller's election to cure, (2) curing the defects in a Good and Workmanlike Manner and (3)
342 delivering to Buyer a report detailing the work done within 3 days prior to closing. This Offer shall be null and void if Buyer makes
343 timely delivery of the Notice of Defects and written testing report(s) and (1) Seller does not have the right to cure or (2) Seller
344 has a right to cure but (a) Seller delivers written notice to Buyer stating that Seller will not cure or (b) Seller does not timely
345 deliver written notice of Seller's election to cure. This Offer shall be null and void if Buyer delivers notice to Seller within 5 days
346 of the delivery deadline stating Seller failed to deliver report(s) by the applicable deadline(s) if Seller was responsible to provide
347 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) protocols
350 and standards and furnish a current written report indicating the radon level is less than _____ picoCuries ("4.0" if left blank) per
351 liter (pCi/L), at (Buyer's) (Seller's) [STRIKE ONE] ("Buyer's" if neither is stricken) expense. This contingency shall be deemed
352 satisfied unless Buyer, no later than _____ days ("20" if left blank) (after acceptance)(prior to closing) [STRIKE ONE] ("prior
353 to closing" if neither is stricken), delivers to Seller a written copy of the radon test results report indicating a radon level of 4.0
354 pCi/L or higher. Seller (shall)(shall not) [STRIKE ONE] ("shall" if neither is stricken) have the right to cure. See lines xxx-xxx
355 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 report(s)
369 do(es) not satisfy the contingency standard. If Seller has the right to cure, Seller may satisfy this contingency by (1) delivering
370 a written notice of Seller's election to cure within 10 days of receipt of Buyer's notice; (2) and by curing the defects in a Good
371 and Workmanlike Manner that satisfies the standard set forth in the selected contingency and by giving Buyer a report of the
372 work done prior to closing. This Offer shall be null and void if Buyer timely delivers the above written notice(s) and report(s) to
373 Seller and (1) Seller does not have the right to cure; or (2) Seller has a right to cure but: a) Seller delivers written notice that
374 Seller will not cure or b) Seller does not timely deliver the notice of election to cure. This Offer shall be null and void if Buyer
375 delivers notice to Seller, within 5 days of the delivery deadline, stating Seller failed to deliver report(s) by the respective stated
376 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 the
378 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 the
381 provisions of the Offer that the attorney objects to, and (2) an amendment which identifies the proposed modifications to the
382 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, the
387 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 delivery
389 of the amendment, shall render this Offer null and void. A failure of either Party to timely object to the terms of the Offer and
390 provide a proposed amendment to the terms of the Offer shall be deemed a waiver of this contingency. Both Buyer and Seller
391 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 Buyer's
397 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.)]** within _____ hours ("**72**" if left blank) of
407 Buyer's Actual Receipt/delivery?? (the debate resurfaces, concerns either way!) of said notice, this Offer shall be null and void.
408 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 provided
425 herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under
426 them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and
427 covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate Condition Report and in
428 this Offer [this issue has been referred to the Wisconsin Land title Association and all of their smart attorneys and they will get
429 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, yyyyyyyy, zzzzzzzz, etc.) which constitutes merchantable title
434 for purposes of this transaction. Seller shall complete and execute the documents necessary to record the conveyance at Seller's
435 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) **STRIKE**
444 **ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the effective
445 date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy exclusions and
446 exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap coverage is not
447 available, Buyer may give written notice that title is not acceptable for closing (see lines xxx-xxx).

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 xxx-xxx, 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 objections
454 to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the
455 objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove

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456 said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the
457 time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing
458 title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

459 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior
460 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.
461 If a final resolution is adopted by the governing body that describes the planned improvements and the assessment of
462 benefits, and the resolution is then published in the paper, all described work and special assessments the assessments are
463 then authorized and made. This arguably suggests that assessments are levied once the final resolution has been passed and
464 published. "Levied" means the local municipal governing body has passed and published a final resolution describing the
465 planned improvements and the assessment of benefits.

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

472 **EARNEST MONEY**

473 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be [mailed or delivered in accordance with lines 10-12](#) and held in
474 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](#)
475 [as designated on line 12](#)), until applied to the purchase price or otherwise disbursed as provided in the Offer.

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

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

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

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

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

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

513 ☐ **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines xxx-xxx). This Offer
514 is contingent upon an [independent](#) Wisconsin registered home inspector performing a home inspection of the Property which
515 discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party
516 performing an inspection of _____

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

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

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

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

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

530 ■ **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If Seller
531 has the right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within [7](#) days of Buyer's delivery
532 of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and workmanlike manner; and

533 (3) delivering to Buyer a written report detailing the work done at least 3 days prior to closing. This Offer shall be null and void
534 if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1) Seller does not have a right to
535 cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure or (b) Seller does not timely
536 deliver the written notice of election to cure.

537 ☐ **ADDENDA:** The attached _____ is/are made part of this Offer.

538 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____

539 _____
540 _____
541 _____
542 _____
543 _____
544 _____
545 _____

546 This Offer was drafted by [Licensee and Firm] _____

547 _____

548 (x) _____

549 Buyer's Signature ▲ Print Name Here ► _____ Date ▲ _____

550 (x) _____

551 Buyer's Signature ▲ Print Name Here ► _____ Date ▲ _____

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

553 Firm: _____ Signature of Agent for Firm: _____

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

557 (x) _____

558 Seller's Signature ▲ Print Name Here ► _____ Date ▲ _____

559 (x) _____

560 Seller's Signature ▲ Print Name Here ► _____ Date ▲ _____

561 This Offer was presented to Seller by [Licensee and Firm] _____

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

563 This Offer is rejected _____ This Offer is countered [See attached counter] _____

564 Seller Initials ▲ Date ▲ _____ Seller Initials ▲ Date ▲ _____

OFFER TO PURCHASE REVISIONS

To: DSPS Real Estate Contractual Forms Advisory Committee

From: WRA Forms Committee

Date: February 7, 2018

RE: **WB-11 Residential Offer to Purchase**

The 20180110WB-11WithTrackingwra0201 draft that accompanies this memo shows the result of the discussions of the WRA Forms Committee on February 1 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!

NEW: Formatting and sequence: once the provisions become more established we may explore the possibility structuring the sequence of offer provisions to follow the progression of a transaction and place all definitions and reference information in a separate section.

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 14: 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 20-21. 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 35-36: 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 37-54

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, if any: _____

Buyer's recipient for delivery, if any: _____

(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 is placed on line 57 or 58 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 and the DSPS Committee both thought it best to **remove the NOTE** that is shown above as being lined out and highlighted in yellow above. This may leave a training issue for agents working with buyer customers as far as getting electronic consent to email back and forth.

Also note the change shown above to help resolve reported confusion regarding **recipients for delivery** – **instead of “(optional),” it says “if any.”** It seems there is a training issue here. The recipient for delivery comes into play with regard to personal delivery, mail and commercial delivery.

➤ **Both Committees are in agreement to these modifications.**

Actual Receipt – Lines 55-56, 64-66 -- 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.

Occupancy – Lines 57-62:

A reference to the Leasing provision was added as this might impact occupancy. Also a definition of “broom swept” was added and then later removed. This was agreed upon by both Forms Committees.

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, **refuse**, 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.

Could remove the words in black above **NO - DELETE**

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: **NO - DELETE**

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.

The one modification that the DSPS Forms Committee did make/accept was to add the word “refuse” as shown in the draft at line 63 of the draft.

- **The WRA Forms Committee was not convinced that the word “refuse” was the best but chose not to object.**

Condition Affecting the Property or Transaction – Lines 69-119:

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.

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).
- 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.
- j.
- 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.)

l.

m.

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

No legal access to the Property.

o.

p.

q.

r.

s.

t.

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.)

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

v. w.

x.

y.

z.

aa.

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.

dd. ee. ff.

gg. Other Defects affecting the Property.

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.)

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.

NEW: Second try at a possible version of compressing and condensing the RECR items:

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

- a. Defects in the roof, basement or foundation (including cracks, seepage and bulges), electrical system, or part of the plumbing system (including the water heater, water softener and swimming pool); or basement,

window, or plumbing leaks; overflow from sinks, bathtubs, or sewers; or other water or moisture intrusions or conditions.

b. Defects in heating and air conditioning system (including the air filters and humidifiers); in a wood burning stove or fireplace; or caused by a fire in a stove or fireplace or elsewhere on the Property.

c. Defects related to smoke detectors or carbon monoxide detectors, or a violation of applicable state or local smoke detector or carbon monoxide detector laws.

d. Defects in any structure, or mechanical equipment included as Fixtures or personal property.

e. Rented items located on the Property such as a water softener or other water conditioner system.

f. Defects caused by unsafe concentrations of, or unsafe conditions on the Property relating to, radon, radium in water supplies, lead in paint, soil or water supplies, unsafe levels of mold, asbestos or asbestos-containing materials or other potentially hazardous or toxic substances on the Property; manufacture of methamphetamine or other hazardous or toxic substances on the Property; or high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property.

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

g. Defects caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances on neighboring properties.

f. Property is served by a joint well; Defects related to a joint well serving the Property; or Defects in a well on the Property or in a well that serves the Property, including unsafe well water.

g. A septic system or other private sanitary disposal system serves the Property; Defects in the septic system or other sanitary disposal system on the Property; or any out-of-service septic system serving the Property not closed or abandoned according to applicable regulations.

h. Underground or aboveground fuel storage tanks on or previously located on the Property; or Defects in the underground or aboveground fuel storage tanks on or previously located on the Property. (The owner, by law, may have to register the tanks with the Department of Agriculture, Trade and Consumer Protection at P.O. Box 8911, Madison, Wisconsin, 53708, whether the tanks are in use or not. Department regulations may require closure or removal of unused tanks.)

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

j. Notice of property tax increases, other than normal annual increases, or pending Property reassessment; remodeling that may increase the Property's assessed value; pending special assessments; or Property is within a special purpose district, such as a drainage district, that has authority to impose assessments.

k. Proposed construction of a public project that may affect use of the Property; Property additions or remodeling affecting Property structure or mechanical systems during Seller's ownership without required permits; or any land division involving the Property without required state or local permits.

l. The Property is part of or subject to a subdivision homeowners' association; or the Property is not a condominium unit and there are common areas associated with the Property that are co-owned with others.

m. Any zoning code violations with respect to the Property; the Property or any portion thereof is located in a floodplain, wetland or shoreland zoning area; or the Property is subject to a shoreland mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules that obligates the Property owner to establish or maintain certain measures related to shoreland conditions, enforceable by the county.

n. Nonconforming uses of the Property; conservation easements, restrictive covenants or deed restrictions on the Property; or nonowners having rights to use part of the Property, including, but not limited to, rights-of-way and easements other than recorded utility easements.

o. All or part of the Property has been assessed as agricultural land; has been assessed a use-value assessment conversion charge; or payment of a use-value assessment conversion charge has been deferred.

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

q. A dam is totally or partially located on the Property; or an ownership interest in a dam not located on the Property will be transferred with the Property because the dam is owned by a homeowners' association, lake district, or similar group of which the Property owner is a member.

r. No legal access to the Property; or boundary or lot line disputes, encroachments or encumbrances (including a joint driveway) affecting the Property.

- s. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition; or any insurance claims relating to damage to the Property within the last five years.
- t. A pier attached to the Property not in compliance with state or local pier regulations.
- u. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal, reptile, or other insect infestations.
- v. Structure on the Property designated as an historic building; all or any part of the Property in an historic district; or one or more burial sites on the Property.
- w. Other Defects affecting the Property.

➤ **Is this good or are there further desired modifications? Any ideas regarding how to condense, combine and compress all of this is very much welcome!**

Closing – Lines 121-123:

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. But “no later than” is also problematic and confusing and some believe the closing should be the next business day.

The following change was mostly agreed to by both Committees, 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.

It was also noted that under TRID/CFPB that they do not count/include Saturdays as a business day.

NEW: We have two separate requests from members to modify the Closing provision to provide that the closing will be: “at the place selected by (Buyer) (Seller) [STRIKE ONE] (“Buyer” if neither is stricken).” Do we wish to entertain having a strike one provision here? Would think leaving the seller as the default would be prudent since that is the immediate history. Also it was observed by a WRA Committee member that the lender’s policy must close at that title company’s location in the Milwaukee market – is that correct?

➤ **Thoughts on this one? The WRA Forms Committee agreed to this modification using the Seller as the default – see proposed provision in the draft.**

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.

➤ **Both Forms Committees are satisfied with this and it is now shown in the draft.**

Rental Weatherization – Removed from draft:

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 both Forms Committees.

NEW: Homeowners Associations

Should something along these lines be added to the WB-11?

■ **HOMEOWNERS ASSOCIATION FEE:** The homeowners association fee for the Property is \$_____ per _____.

■ **HOMEOWNERS ASSOCIATION RESTRICTIONS:** Seller agrees to provide Buyer with any homeowners association restrictions, covenants, rules or other documents that limit or restrict ownership or use of the Property. Seller is required to provide Buyer with these materials within 10 days of acceptance of this Offer.

Note – whether the Property is part of or subject to a subdivision homeowner’s association is not on the list of Conditions Affecting the Property or Transaction and will also be on the RECR per the pending legislation (AB 812/SB 687).

The WRA Forms Committee was uncertain about this proposed addition to the offer and wondered whether there should be a contingency with regard to the restrictions?

➤ **Thoughts on this one?**

NEW: Definitions – Deadlines – Lines 180-188:

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 Midnight on the last day. Additionally, deadlines expressed as a specific number of Business Days are calculated in the same manner except that only Business Days are counted while other days are excluded. 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 Midnight of that day. “Midnight” is defined as 11:59 p.m. Central Time.

➤ **The WRA forms Committee was satisfied with this. Is this good or are there further desired modifications? The above language is shown in the draft.**

Definitions – Midnight – Line 188:

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. It is included in the draft at the end of the Deadlines definition.

Definitions – Fixture – Lines 192-204:

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, L.P. tanks, etc.) on lines xx-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.

The DSPS Forms Committee also decided that the examples shown below should be added to the caution on page at lines 25-26. It does not add any lines to the form to include the examples and has been included in the draft.

CAUTION: Identify Fixtures that are on the Property (see lines xxx-xxx) to be excluded by Seller or which are rented (e.g., water softeners or other water treatment systems, LP tanks, etc.) and will continue to be owned by the lessor.

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

Definitions – Good and Workmanlike Manner – Lines 205-208:

There are a couple of alternatives shown in the draft. Welcome other suggestions. This is a definition under development.

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 219-232:

There are numerous potential changes shown here.

Seller shall maintain the Property and all personal property included in the purchase price (see lines xx-xx) (hereinafter Included Property) until the earlier of closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to closing, the Included Property is damaged in an amount of not more than (five percent (5%) of the selling

price)(\$_____) [STRIKE AND COMPLETE AS APPLICABLE] (“five percent (5%) of the selling price” if none specified), Seller shall be obligated to repair the Included Property and restore it to the same condition that it was in as of the date on line 1 of this Offer. (Seller) (Buyer) [STRIKE ONE] (“Seller” if neither is stricken) shall obtain an estimate from a qualified third party to determine the amount of damage for the purposes of this section and the percentage of the selling price. No later than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Included Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of restoring the Included Property.

One is to include any personal property included in the purchase price so that it is dealt with if it is damaged. (lines 223-224)

- **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 certainly pick one or the other method if that is desirable. (lines 226-228)

- **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 229-230)

- **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 x-x.

- This creates an interesting exercise if the term “Property” 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 238-287:

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! Does the DSPS Committee agree?**

Financing Commitment Contingency:

Lines 235 – 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. The WRA Forms Committee agreed in part, was a bit uncertain, and proposed that this say: “loan type or specific lender.” **This is shown in the draft.**

- **Does this work or are there other suggestions and ideas? Does the DSPS Committee agree?**

Line 236: 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?

NEW: Should there instead be just a long blank line for expressing when the title commitment must be delivered?

NEW: Should lines 234-236 say: This Offer is contingent upon Buyer obtaining and delivering to Seller a written _____ **[loan type or specific lender]** first mortgage loan commitment as described below, within _____ days of acceptance of this Offer.

- **Does this work or are there other suggestions and ideas? The WRA Forms Committee liked this proposal that is shown in the draft. Does the DSPS Committee agree?**

Line 237-238: Is there a problem with the language “**in an amount of not less than \$ _____** for a term of not less than _____ years?” **The WRA Forms Committee said no, it is fine, and any confusion should be addressed via training. Does the DSPS Committee agree?**

Lines 239-240: The WRA Forms Committee suggests that the following informational/educational sentence be removed or placed elsewhere as a note or a caution. See the possible placement in the draft at lines 245-246.

Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums.

- **Does the DSPS Committee agree?**

Line 241: 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” from line 241. Instead origination fees would be referred to in the Buyer’s Loan Commitment section at line 255 as shown in the draft.

➤ Does the DSPS Committee agree?

Lines 247-252: Is this section useful on lines 247-252? Any modifications? The WRA Forms Committee has not changes and likes this as is.

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

☐ **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 255-267:

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 or if not accompanied by the buyer’s written direction/instruction to deliver said commitment letter.

Upon further reflection the WRA Forms Committee decided to leave the requirement for Buyer’s written delivery instructions and the delivery of those written instructions in place. Although this may inconvenience parties or licensees at times it was decided that it was better to protect the buyer and not allow the lender or agent to deliver a loan commitment the buyer has never read. Also with electronic communications, it is assumed that the written delivery authorization may be in email or even text as long as they can be formatted and delivered along with the loan commitment.

➤ Does this work or are there other suggestions and ideas? The WRA Forms Committee liked this proposal that is shown in the draft and above. Does the DSPS Committee agree?

Lines 262-263– 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 262 something to the effect of “or if not accompanied by the buyer’s written direction/instruction to deliver said C letter”. **This is shown in the draft and above.**

Also should there be a form for giving written delivery instructions?

- Does this work or are there other suggestions and ideas? The WRA Forms Committee liked this proposal that is shown in the draft. Does the DSPS Committee agree?

Lines 264-265– Comment by Ken Dixon, Johnson Bank.

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.

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.

Note: Perhaps a training issue so that licensees explain this to the parties.

Notice of unacceptability -- Comments by Ken Dixon, Johnson Bank.

Lines 262 and 267 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.

-- OR --

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

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

Financing Contingency – Seller Termination Rights – Lines 268-273:

Here we find one instance of the actual receipt standard. An addition was made to require delivery of the buyer written delivery directions.

■ **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. Alternate placement for the sentence in yellow has not been suggested/determined.

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

Financing Unavailability – Lines 278-284:

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 be evidence of unavailability so should that be added? Do we need more specific language as to what is needed to establish unavailability as the current provision causes confusion? Should there be a specific number of pieces of evidence that is required to show unavailability or should the parties agree to that? Or is it too finessed an issue to set firm standards?

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 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 indicating whether or not Seller will consider providing Seller mortgage financing; if not this Offer shall be null and void. Unless a specific loan source is named in this Offer, if Seller delivers notice that Seller will consider Seller financing Seller shall then have 10 days after the deadline on line xxx to deliver to Buyer written notice of Seller's decision to provide or not 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 indicates Seller elects to not provide Seller financing, 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 281-287:

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 288-301:

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

OR

In the event said appraisal indicates a value less than the purchase price Buyer agrees to not send the termination provided for in this contingency prior to allowing the Seller two days to amend the offer as follows:

1) Buyer to provide Seller a copy of the appraisal and a Buyer signed amendment which reduces the purchase price to a price not less than the appraised value, and includes no other terms or conditions.

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

Request for Indication If Property Buyer's Primary Residence

Burnet Title has asked if a line item could be added to the offer to purchase addressing if the property will be the Buyer's "Primary Residence". There are a few reasons for this:

1. State Transfer Form. When filling out the form, we have to check a box if this will be the primary residence of the buyer. This determines if the Lottery Credit is applied to the tax bill or not. Also, we have to select what address to mail the tax bill to, and if it's their primary residence, we already have that answer.
2. Some municipalities have forms that the buyer must fill out at closing if there will not occupy the property as their primary residency. These are forms that need to be prepared ahead of time and at the closing table. Sometimes there are fees associated with these forms, and we must charge them on the Alta Statement.

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

Testing Contingency – Lines 334-356:

This is one version of a testing contingency.

Radon Testing and Testing Contingency combination – Lines 357-385:

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.

Interconnection between home inspection and testing- one suggestion

There was a Legal Hottip that suggested that if the inspection report recommends tests – similar to the way that it sometimes recommends further inspections – and if there is a testing contingency in the offer that refers to the inspection report by saying that tests recommended by the home inspection report are included in the testing contingency – that this could work. If there is a testing contingency in the offer the testing contingency could be completed, for example, as shown below.

TESTING CONTINGENCY: This Offer is contingent upon (Buyer obtaining)(Seller providing) [STRIKE ONE] (“Buyer obtaining” if neither is stricken) a current written report from a qualified independent expert(s) documenting the results of the following test(s) conducted pursuant to applicable government or industry protocols and standards [indicate substances or compounds to be tested, e.g., asbestos (see <http://www2.epa.gov/asbestos/protect-your-family>), etc.]: substance(s) recommended for testing in the inspection report provided per lines xxx-xxx of the Offer, no later than ____ days (after acceptance)(prior to closing) STRIKE ONE (“prior to closing” if neither is stricken), at (Buyer's) (Seller's) STRIKE ONE (“Buyer's” if neither is stricken) expense. Specify any protocols, testing contractors, labs, standards/levels constituting a Defect, financial limits, acceptable repair methodology, etc.: _____. Seller (shall)(shall not) STRIKE ONE (“shall” if neither is stricken) have the right to cure. See lines 62-71 regarding the Right to Cure. With regard to testing recommended in the inspection report per lines xxx-xxx of this Offer, the deadline for performance of the testing shall be extended to the deadline per line xxx of that contingency (deadline for follow-up inspections).

Then the Inspection Contingency could be modified by adding:

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

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

Another consideration for timeframes when there is testing recommended by the inspection report might be to add this:

INSPECTION AND TESTING DEADLINE EXTENSIONS: The Parties agree to extend the deadlines for any Inspection contingency and any Testing Contingency in this Offer of any follow-up inspections or testing recommended in a timely written inspection or testing report. The extension shall apply only to follow-up inspections or testing.

Inspection Contingency Right to Cure suggestion:

■ **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ ("shall" if neither is stricken) have a right to cure the Defects. If Seller has the right to cure, Seller may satisfy this contingency by delivering written notice to Buyer within 7 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects by either having the Defects cured in a good and workmanlike manner at Seller's expense no later than 3 days prior to closing or (2) giving Buyer a credit at closing so Buyer, or a contractor or vendor of Buyer's choice, can cure the Defects in a good and workmanlike manner. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection 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 Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

Attorney Approval Contingency – Lines 386-400:

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 401-406:

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 407-417:

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.

In the section labeled "CLOSING OF BUYER'S PROPERTY CONTINGENCY" within the Offer, I would like to suggest that the area that addresses the number of hours that a buyer is given to address the "bump" from receipt of a Notice is changed: From: "within _____ hours of Buyers Actual...."
To: "within _____ hours (24 if nothing is written in) of Buyers Actual..."

Another variation: within ____ hours ("72" if left blank) of Buyer's Actual Receipt OR SEVEN DAYS AFTER DELIVERY of said notice.... whichever occurs first ...

Secondary Offer – Lines 418-423:

A default time frame was added.

Title Evidence section – Lines 431-481:

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 446 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 455 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 462-463 the provision shifts the timing for obtaining the title insurance commitment to the beginning of the transaction.

TITLE EVIDENCE

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

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

A representative of Chicago Title mentioned a potential problem she has run across when a certain attorney in town drafts a deed and includes a “reference” to the Condition Report, with it never to be fully explained going forward, but will be there recorded on record forever. The language is the last part “...present uses of the Property in violation of the foregoing disclosed in the Seller's Real Estate Condition Report and in this Offer...”

Special Assessments/Other Expenses: Lines 469-481:

The idea here is to define what “levied” means.

Earnest Money Disbursement – Lines 489-498

A suggestion:

If this offer does not close DUE TO A CONTINGENCY THAT HAS NOT BEEN SATISFIED, THE EARNEST MONEY SHALL BE RETURNED TO THE PARTY WHOSE CONTINGENCY HAS NOT BEEN SATISFIED WITHIN 10 DAYS OF NOTICE OF TERMINATION IF THE OTHER PARTY DOES NOT OBJECT. IF FOR ANY OTHER REASON THIS OFFER does not close, the earnest money shall be returned according to the written disbursement agreement

How to tell who the contingency is for?

What if no notice of termination? Inspection?

Earnest Money – Lines 482-507:

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 523-546:

Note the insertion of the word “independent” on line 524 and a default timeframe of 20 days on line 534. There also is a clarification to the time frame on line 544 – [at least](#) 3 days prior to closing.

Suggestion: should the timeframe for the Seller’s response to the notice of defects be less than 10 days? The draft at line 542 says [7 days](#). Should it be shorter, for instance, 5 days? Or should there be a blank line for the number of days so the parties may decide for themselves?

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 563-564:

Does this configuration make more sense? Other modifications?

Wisconsin Marital Property Law Disclosure

Persons in the process of divorce, who are buying a personal residence for themselves without their partner's participation, may not be able to honor their commitment in the end. The Seller has no way of knowing what the buyer is legally able to do. A statement of representation or a statement to provide sufficient proof a legally binding agreement to permit the person to buy without interference from the soon to be ex-spouse would be helpful. Thus a request has been made of the parties to complete a disclosure just above the signature lines at the end of the offer:

Wisconsin Marital Property Law Disclosure: I am the Buyer/Seller [STRIKE ONE]. By signing below, I represent that I, along with any other person named as a Buyer/Seller [STRIKE ONE] on this Offer, have the sole authority to commit to this transaction without the approval of any other person or entity. CAUTION: In the event there is more than one Owner of this property, or the property is or will be marital property, the transaction may not be binding without all signatures. Persons who are in the process of divorce should provide evidence of their ability to complete this sale without approval, cooperation, or any other agreement with any other person's.

Observation: Buyers do not need to have both spouses sign an offer as buyers and sellers may not either depending upon management and control powers. Marital property law kicks in with the sellers. The problem may be that a buyer who is getting divorced may have issues purchasing before the divorce is final because the property purchased might become categorized as marital instead of that buyer’s individual property. The thought behind the last sentence is appropriate for that circumstance.

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 75-92 or attach an addendum per line 74) (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: _____
17 State and License Number: _____
18 Authorized Agents may act as a salesperson in this state only if Cooperating Firm with whom they are affiliated satisfies
19 all requirements of this Agreement and Wis. Stat. § 452.137(2), and Authorized Agents work under the direct
20 supervision of Cooperating Firm and represent only Cooperating Firm in the transaction.
21 Name(s) of Authorized Agents, if any, of Cooperating Firm:
22 Name: _____ State and License Number: _____
23 Name: _____ State and License Number: _____

24 **EVIDENCE OF GOOD STANDING** 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
27 information for the state licensing agency, etc.).

28 **TERMS OF COOPERATION** 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 adequate
36 for the contemplated Wisconsin transaction throughout any transactions relative to this Agreement and the
37 Property.

38 Additional limitations/qualifications: _____
39 _____
40 _____
41 _____
42 _____

43 **COMPENSATION** The Cooperating Firm's compensation shall be _____
44 _____
45 _____
46 _____

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

51 **TRUST ACCOUNT** 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
 53 Wisconsin Firm.

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

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

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

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

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

74 ☐ **ADDENDA:** The attached _____ is/are made part of this Agreement.

75 **ADDITIONAL PROVISIONS** _____

76 _____

77 _____

78 _____

79 _____

80 _____

81 _____

82 _____

83 _____

84 _____

85 _____

86 _____

87 _____

88 _____

89 _____

90 _____

91 _____

92 _____

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

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

99 Wisconsin Firm Name: _____

100 (x) _____

101 Wisconsin Firm's Signature ▲ Print Name ► Date ▲

102 Cooperating Firm or Sole Proprietor Name: _____

103 (x) _____

104 Cooperating Firm's Signature ▲ Print Name ► Date ▲

WB-29 COMMERCIAL COOPERATIVE AGREEMENT

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

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

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 Insert additional description, if any, in the additional provisions at lines 84-88 or attach an addendum per line 83
14 (Property).

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

18 **COOPERATING FIRM IDENTIFICATION**

19 Name of Cooperating Firm or Sole Proprietor: _____
20 Address: _____
21 License Number: _____
22 Federal Tax ID Number: _____
23 Name of Supervising Broker: _____
24 State and License Number: _____
25 Authorized Agents may act as a salesperson in this state only if Cooperating Firm with whom they are affiliated satisfies
26 all requirements of this Agreement and Wis. Stat. § 452.137(2), and Authorized Agents work under the direct
27 supervision of Cooperating Firm and represent only Cooperating Firm in the transaction.
28 Name(s) of Authorized Agent, if any, of Cooperating Firm:
29 Name: _____ State and License Number: _____
30 Name: _____ State and License Number: _____

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

35 **CLIENT RELATIONSHIP** [LINE 36 OR 38 MUST BE CHECKED.]

36 ☐ The Cooperating Firm has a client relationship with the buyer or tenant and has an agency agreement, and
37 shall provide a copy to the Wisconsin Firm upon request.
38 ☐ The Wisconsin Firm has a client relationship with the buyer or tenant and has an agency agreement.

39 **TERMS OF COOPERATION**

40 **Per Wis. Stat. § 452.137, if a property is not listed with a listing firm the Wisconsin Firm must view or conduct**
41 **showings of property with the Cooperating Firm and the Wisconsin Firm must conduct all negotiations.**

42 Cooperating Firm, and any Authorized Agents permitted by this Agreement, may participate in the transaction only in
43 the following manner:

- 44 ■ Conduct showings of listed Wisconsin property (only when Wisconsin Firm is present) (without Wisconsin Firm
45 being present) **STRIKE ONE** ("only when Wisconsin Firm is present" if neither is stricken).
46 ■ View listed Wisconsin property (only when Wisconsin Firm is present) (without Wisconsin Firm being present)
47 **STRIKE ONE** ("only when Wisconsin Firm is present" if neither is stricken).
48 ■ Negotiate (with a seller or owner if the Property is listed) (only through Wisconsin Firm) **STRIKE ONE** ("only
49 through Wisconsin Firm" if neither is stricken).

- 50 ☐ Have contact with another firm, another firm's seller or landlord.
- 51 ☐ Write offers, leases and other proposals.
- 52 ☐ Use Wisconsin-approved forms and addenda provided by Wisconsin Firm.
- 53 ☐ Maintain Errors and Omissions Insurance throughout any transactions relative to the agreement. Cooperating
- 54 Firm represents Errors and Omissions insurance coverage in a dollar amount adequate for the contemplated
- 55 Wisconsin transaction will be maintained for any transactions relative to the Property.
- 56 Additional limitations/qualifications: _____

57 _____

58 _____

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

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

61 **COMPENSATION** The Cooperating Firm's compensation shall be _____

62 _____

63 _____.

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

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

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

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

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

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

70 Wisconsin Firm.

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

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

73 **Cooperating Firm agrees to file the irrevocable consent form and any other forms provided by the Wisconsin**

74 **Department of Safety and Professional Services to evidence compliance with Wis. Stat. § 452.137.**

75 **DOCUMENTATION** Cooperating Firm shall maintain the originals or copies of all documents Cooperating Firm

76 receives, maintains, or generates in connection with any transaction regarding the Property for at least 3 years after the

77 date of closing or completion of the transaction, or, if no closing or completion occurs, 3 years after the date on which

78 the parties executed this Agreement. Cooperative Firm shall deposit with Wisconsin Firm, no later than the conclusion

79 of this transaction, copies of all documents Cooperating Firm is required to maintain unless the parties to this

80 Agreement agree in writing that Cooperating Firm is not required to do so.

81 **TERM OF THE AGREEMENT** From the _____ day of _____, _____, up to the

82 earlier of midnight of the _____ day of _____, _____, or the purchase or rental of Property.

83 ☐ **ADDENDA:** The attached _____ is/are made part of this Agreement.

84 **ADDITIONAL PROVISIONS** _____

85 _____

86 _____

87 _____

88 _____

89 The terms of this Agreement, including any addenda and additional provisions, contains the entire Agreement between

90 the Firms and shall not include terms that violate Wis. Stat. § 452.137.

91 **By signing this Agreement Cooperating Firm agrees to and attests that Cooperating Firm and Authorized**

92 **Agent(s) is/are licensed in good standing or are otherwise authorized to act as a broker or salesperson in a**

93 **jurisdiction other than this state. This Agreement is only valid if Cooperating Firm has provided Wisconsin Firm**

94 **with evidence of licensure(s) in good standing.**

95 Wisconsin Firm Name: _____

96 (x) _____

97 Wisconsin Firm's Signature ▲ Print Name ► Date ▲

98 Cooperating Firm or Sole Proprietor Name: _____

99 (x) _____

100 Cooperating Firm's Signature ▲ Print Name ► Date ▲