

WB-24 OPTION TO PURCHASE

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

3 The Seller (Optionor), _____, hereby grants to the Buyer (Optionee),
4 _____, an option to purchase
5 (Option) the Property known as [Street Address] _____

6 _____ in the _____ of
7 _____, County of _____, Wisconsin, on the following terms:

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

10 **OPTION TERMS**

11 ■ **INITIAL OPTION FEE:** An option fee of \$ _____ will be paid by Buyer to Seller within _____ days
12 of the later of: (i) the granting of this Option, or (ii) the deadline for execution of a lease if line 71 of this Option is checked.

13 ■ **EXERCISE DEADLINE:** This Option may only be exercised if Buyer delivers written notice to Seller no later than midnight
14 on _____ unless extended per lines 18-19.

15 ■ **EXERCISE:** To exercise this Option, Buyer must sign and deliver: (i) the notice at lines 546-557, or (ii) any other written
16 notice which states that Buyer exercises this Option. If the Option is exercised, \$ _____ of the option fee
17 and \$ _____ of the option extension fee, if any, shall be a credit against the purchase price at closing.

18 ■ **EXTENDED OPTION TERM:** The Deadline to exercise this Option shall be extended until midnight on _____,
19 upon payment of an option extension fee of \$ _____ to Seller on or before _____.

20 ■ **OPTION FEES:** Unless otherwise provided in this Option, the option fee and the option extension fee shall be nonrefundable.

21 **CAUTION: If the option fees are to be paid into the listing firm's trust account or to a third party, specify in additional**
22 **provisions at lines 448-469 or in a separate agreement attached per lines 470-477. An escrow agreement should be**
23 **drafted by the Parties or an attorney.**

24 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option the following shall be the terms of purchase:

25 ■ **PURCHASE PRICE:** _____ Dollars
26 (\$ _____) will be paid in cash or equivalent at closing unless otherwise agreed in writing.

27 ■ **INCLUDED IN PURCHASE PRICE:** Included in the purchase price is the Property, all Fixtures on the Property as of the
28 date on line 1 of this Option (unless excluded at lines 33-34), and the following additional items: _____

29 _____
30 **NOTE: The terms of this Option, not the listing contract or marketing materials, determine what items are included**
31 **or not included.**

32 ■ **NOT INCLUDED IN PURCHASE PRICE:** Not included in purchase price is Seller's personal property (unless included at
33 lines 28-29) and the following: _____

34 _____
35 **CAUTION: Identify trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines 38-**
36 **47) to be excluded by Seller or that are rented (e.g., water softeners or other water treatment systems, LP tanks,**
37 **etc.) and will continue to be owned by the lessor.**

38 ■ **FIXTURE:** "Fixture" is defined as an item of property which is physically attached to or so closely associated with land,
39 buildings or improvements so as to be treated as part of the real estate, including, without limitation, physically attached
40 items not easily removable without damage to the premises, items specifically adapted to the premises and items
41 customarily treated as fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm
42 doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters and available
43 remote(s); central heating and cooling units and attached equipment; water heaters, water softeners and treatment systems;
44 sump pumps; attached or fitted floor coverings; awnings; attached antennas and satellite dishes (but not the component
45 parts); audio/visual wall mounting brackets (but not the audio/visual equipment); garage door opener and available
46 remote(s); installed security systems; central vacuum systems and accessories; in-ground sprinkler systems and
47 component parts; built-in appliances; ceiling fans and any remote(s) if required for operating; fences; in-ground pet
48 containment systems including receiver components; storage buildings on permanent foundations and docks/piers on
49 permanent foundations.

50 **CAUTION: Exclude any Fixtures to be retained by Seller or that are rented (e.g., water softeners or other water**
51 **treatment systems, LP tanks, etc.) on lines 32-34 or at lines 448-469 or in an addendum per lines 470-477.**

52 **CAUTION: Consider an agreement which addresses responsibility for clearing the Property of personal property and**
53 **debris, if applicable.**

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

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

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

61 Buyer (may) (may not) **STRIKE ONE** ("may" if neither is stricken) record a separate instrument evidencing this Option at
62 Buyer's expense. If recording this Option or a separate instrument evidencing this Option, the parties agree to provide the
63 applicable legal description and authenticated or acknowledged signatures as may be required.

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

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

68 _____
69 Insert additional terms, if any, at lines 448-469 or in an addendum per lines 470-477.

70 **LEASE-OPTION PROVISIONS** **CHECK BOX ON LINE 71 OR 72, IF APPLICABLE:**

71 ☐ Concurrent with the granting of the Option, Seller and Buyer have entered into a written lease for the Property.

72 ☐ This Option is contingent upon Seller and Buyer, within _____ days from the granting of this Option,
73 entering into a written lease for the Property with minimum terms which shall include: term from _____
74 to _____ and an initial rent of _____ per month or this Option shall be null and void.

75 **CHECK ANY OF THE FOLLOWING THAT APPLY, IF LINE 71 OR 72 WAS CHECKED ABOVE:**

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

79 **NOTE: Lenders may not recognize a credit for rent paid under a lease.**

80 ☐ Buyer may not exercise this Option unless Buyer is current with all rent.

81 ☐ Any material breach of the lease by Buyer shall also constitute a default under this Option.

82 ☐ _____
83 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that, as of the date Seller grants this Option,
84 Seller has no notice or knowledge of any Defects (lines 269-271) other than those identified in Seller's disclosure report
85 dated _____ and, if applicable, Real Estate Condition Report dated _____, and, if
86 applicable, Vacant Land Disclosure Report dated _____, which was/were received by Buyer prior to Buyer
87 signing this Option and which is/are made a part of this Option by reference **COMPLETE DATES OR STRIKE AS**
88 **APPLICABLE** and _____

89 _____
90 **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION REPORT(S)**

91 **CAUTION: Wisconsin law requires owners of property that includes one-to-four dwelling units to provide Buyers**
92 **with a Real Estate Condition Report as provided in Wis. Stat. § 709.03. If the Property does not include any**
93 **buildings, a Vacant Land Disclosure Report containing the disclosures provided in Wis. Stat. § 709.033 may be**
94 **required. Excluded from these requirements are sales of property with 1-4 dwelling units that has never been**
95 **inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, for**
96 **example, personal representatives who have never occupied the Property. The law provides: "§ 709.02 Disclosure**
97 **. . . the owner of the property shall furnish, not later than 10 days after acceptance of a contract of sale or option**
98 **contract, to the prospective buyer of the property a completed copy of the report . . . A prospective buyer who does**
99 **not receive a report within the 10 days may, within two business days after the end of that 10-day period, rescind**
100 **the . . . option contract by delivering a written notice of rescission to the owner or the owner's agent." Buyer may**
101 **also have certain rescission rights if a Real Estate Condition Report or Vacant Land Disclosure Report disclosing**
102 **defects is furnished before expiration of the 10 days, but after the Option is submitted to Seller. Buyer should**
103 **review the report form or consult with an attorney for additional information regarding rescission rights.**

104 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of after Seller's granting of, but prior to
105 Buyer's exercise of this Option, which is materially inconsistent with the above representations. For purposes of this
106 provision (lines 104-106), Defect does not include structural, mechanical or other conditions of which the Buyer has actual
107 knowledge or written notice or which Buyer discovers prior to the exercise of this Option.

108 **BUYER DUE DILIGENCE** Prior to the granting or exercising of this Option, Buyer may wish to perform certain authorized
109 inspections, investigations and testing of the Property. Buyer shall provide for any specific inspections, investigations or
110 tests Buyer intends to perform as part of Buyer's due diligence items on lines 137-140, 448-469, or attached as an addendum
111 per lines 470-477. In addition, Buyer may need to obtain and review documents relevant to financing approval, appraisals,
112 or perform general due diligence activities for the transaction, including but not limited to: business records, condominium
113 documents, maps or other information, municipal and zoning ordinances, recorded building and use restrictions, covenants
114 and easements of record, as they may prohibit or restrict certain uses and improvements for the Property. Buyer may also
115 need to obtain or verify certain permits, zoning variances, other governmental or private approvals, environmental audits
116 and subsoil tests, required road improvements, utility hook-up and installation costs, or other development related costs
117 and fees, in order to fully determine the feasibility of any proposed or planned development of the Property. Seller agrees

118 to cooperate with Buyer as necessary to complete any due diligence items or any authorized investigations, testing and
119 inspections as provided for in this Option, without cost to Seller, unless otherwise agreed by the Parties in writing.

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

132 **AUTHORIZATION FOR APPRAISAL, INSPECTIONS AND TESTS** Buyer is authorized to have the Property appraised by a
133 Wisconsin licensed or certified appraiser and to conduct the following inspections and tests (see lines 121-131) prior to Buyer's
134 exercise of this Option. Any inspection(s) and test(s) shall be performed by a qualified independent inspector or expert, or an
135 independent qualified third party. Inspections and testing shall be conducted pursuant to government or industry protocols and
136 standards, as applicable.

137 List inspections (e.g., home, roof, foundation, septic) here: _____

138 _____.

139 List tests (e.g., radon, lead-based paint, well water) here: _____

140 _____.

141 Describe additional inspections and tests, if any, at lines 448-469 or attach as an addendum per lines 470-477.

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

145 **CLOSING** This transaction is to be closed (within _____ days after the exercise of this
146 Option) (no later than _____) **STRIKE AND COMPLETE AS APPLICABLE** at the
147 place selected by Seller, unless otherwise agreed by the Parties in writing. If the date for closing falls on Saturday, Sunday,
148 or a federal or a state holiday, the closing date shall be the next Business Day.

149 **CAUTION: To reduce the risk of wire transfer fraud, any wiring instructions received should be independently**
150 **verified by phone or in person with the title company, financial institution, or entity directing the transfer. The real**
151 **estate licensees in this transaction are not responsible for the transmission or forwarding of any wiring or money**
152 **transfer instructions.**

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

156 _____.

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

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

159 Real estate taxes shall be prorated at closing based on **CHECK BOX FOR APPLICABLE PRORATION FORMULA**:

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

163 ☐ Current assessment times current mill rate (current means as of the date of closing).

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

166 ☐ _____.

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

171 ☐ **POST-CLOSING RE-PRORATION:** Buyer and Seller agree to re-prorate the real estate taxes, through the day prior
172 to closing based upon the taxes on the actual tax bill for the year of closing, with Buyer and Seller each owing his or her
173 pro-rata share. Buyer shall, within 5 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to
174 provide at closing. The Parties shall re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree
175 this is a post-closing obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate
176 Firms in this transaction.

TITLE EVIDENCE

■ **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or condominium deed if Property is a condominium unit, 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 Option, general taxes levied in the year of closing and _____

_____ (insert other allowable exceptions from title, if any), which constitutes merchantable title for purposes of this transaction. Seller, at Seller's cost, shall complete and execute the documents necessary to provide a recordable conveyance and pay the Wisconsin Real Estate Transfer Fee.

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

■ **SELLER CHANGES PROHIBITED:** The Parties agree that Seller shall not rezone the Property or create any additional liens or encumbrances on title after Seller grants this Option without Buyer's prior written consent except for liens and encumbrances that will be removed at closing.

TITLE UPON GRANTING OF OPTION

If the box at line 198 is not checked, no title insurance commitment shall be provided by Seller upon the granting of this Option.

☐ A title insurance commitment shall be delivered to Buyer or Buyer's attorney not more than _____ days ("15" if left blank) after Seller grants this Option showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 178-187, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions. (Seller) (Buyer) **STRIKE ONE** ("Buyer" if neither is stricken) shall pay for this title evidence.

■ **TITLE NOT ACCEPTABLE UPON GRANTING OF OPTION:** If the title insurance commitment delivered after the granting of this Option is not acceptable, Buyer shall notify Seller in writing of Buyer's objections to title within _____ days ("15" if left blank) after delivery of the title insurance commitment to Buyer or Buyer's attorney. Seller shall have _____ days ("15" if left blank) from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove or not to remove the objections by time of closing. If Seller elects not to remove said objections, or no election is made by Seller by the deadline at line 205, Buyer shall have 5 days to deliver written notice to Seller terminating this Option and Buyer's option fee (shall) (shall not) **STRIKE ONE** be returned ("shall" if neither is stricken) to Buyer. If Buyer does not deliver timely written notice terminating this Option, Buyer's title objections made under the provisions of lines 203-205 are waived and the title evidence delivered to Buyer herein is deemed acceptable.

TITLE UPON EXERCISE OF OPTION

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

■ **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's) (Buyer's) **STRIKE ONE** ("Seller's" if neither is stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after the commitment date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy conditions, exclusions and exceptions, provided the title company will issue the coverage. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 229-230).

■ **DELIVERY OF MERCHANTABLE TITLE:** If Buyer exercises this Option, the required title insurance commitment shall be delivered to Buyer's attorney or Buyer not less than _____ days ("15" if left blank) after exercise of the Option showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 178-187, subject only to liens which will be paid out of the proceeds of closing, any title evidence disclosed and deemed acceptable to Buyer under the provisions at lines 203-211 unless otherwise agreed by parties, and standard title insurance requirements and exceptions.

■ **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of Buyer's objections to title by the time set for closing. Seller shall have _____ days ("15" if left blank), from Buyer's delivery of the notice stating title objections, to deliver notice to Buyer stating Seller's election to remove the objections and the time for closing shall be extended as necessary for this purpose. If Seller is unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof to deliver written notice waiving the objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, Buyer may deliver written notice to Seller terminating this Option and Buyer's option fee (shall) (shall not) **STRIKE ONE** be returned ("shall not" if neither is stricken) to Buyer. Buyer may not object to title matters deemed acceptable under the provisions at lines 203-211 (if applicable).

237 If Seller does not remove title matters agreed upon under the provisions at lines 203-207 (if applicable) by time of closing,
238 or if there are any prohibited changes at lines 192-194, Buyer shall retain all remedies for a Default, if any, by Seller under
239 this Option as stated at lines 320-322.

240 Providing title evidence acceptable for closing does not extinguish Seller's obligations to give merchantable title to Buyer.

241 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced
242 prior to the date this Option is exercised shall be paid by Seller no later than closing. All other special assessments shall be
243 paid by Buyer. "Levied" means the local municipal governing body has adopted and published a final resolution describing
244 the planned improvements and the assessment of benefits.

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

251 **DEFINITIONS**

252 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document
253 or written notice physically in the Party's possession, regardless of the method of delivery. If the document or written notice
254 is electronically delivered, Actual Receipt shall occur when the Party opens the electronic transmission.

255 ■ **BUSINESS DAY:** "Business Day" means a calendar day other than Saturday, Sunday, any legal public holiday under
256 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
257 registered mail or make regular deliveries on that day.

258 ■ **BUYER CLIENT:** A "Buyer Client" is a buyer who has an agency agreement with a firm for brokerage services and who
259 receives client level services.

260 ■ **BUYER CUSTOMER:** A "Buyer Customer" is a buyer who is provided brokerage services by a firm and any licensee
261 associated with the firm, but who is not a client and who does not receive client level services.

262 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by
263 excluding the day the event occurred and by counting subsequent calendar days. The Deadline expires at Midnight on the
264 last day. Additionally, Deadlines expressed as a specific number of Business Days are calculated in the same manner
265 except that only Business Days are counted while other days are excluded. Deadlines expressed as a specific number of
266 "hours" from the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by
267 counting 24 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific
268 event, such as closing, expire at Midnight of that day. "Midnight" is defined as 11:59 p.m. Central Time.

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

272 ■ **FIRM:** "Firm" means a licensed sole proprietor broker or a licensed broker business entity.

273 ■ **OFFER OF COMPENSATION:** An "Offer of Compensation" means an amount of compensation, offered as an incentive
274 by Seller, to firms working with a Buyer Client or Buyer Customer, subject to any terms set by Seller as performance
275 standards for entitlement to receive the Offer of Compensation, if any.

276 ■ **PARTY:** "Party" means the Buyer or the Seller; "Parties" refers to both Buyer and Seller.

277 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 5-7.

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

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

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

285 **BUYER'S WALK-THROUGHS** Within 3 days of the earlier of: (i) the Deadline for Buyer's exercise of this Option; or (ii) the
286 Buyer's exercise of this Option; and again within 3 days prior to closing, at a reasonable time pre-approved by Seller or
287 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
288 in the condition of the Property, except for ordinary wear and tear and changes agreed upon by the Parties, and that any
289 Defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

290 **MAINTENANCE** Seller shall maintain the Property and all personal property included in the purchase price until the earlier
291 of closing or Buyer's occupancy, in materially the same condition it was in as of the date Buyer exercises this Option, except
292 for ordinary wear and tear and changes agreed upon by the Parties.

293 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** If, prior to closing, the Property is damaged
294 in an amount of not more than five percent of the purchase price, other than normal wear and tear, Seller shall promptly
295 notify Buyer in writing, and will be obligated to restore the Property to materially the same condition that it was on the day
296 this Option was exercised. Seller shall provide Buyer with copies of all required permits and lien waivers for the lienable

repairs no later than closing. If the amount of damage exceeds five percent of the purchase price, Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if 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 Property.

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

OCCUPANCY Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Option at lines 448-469 or in an addendum attached per lines 470-477. At time of Buyer's occupancy, Property shall be in broom swept condition and free of all debris and personal property except for personal property belonging to current tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

If Buyer defaults, Seller may:

- (1) sue for specific performance if Buyer has exercised this Option; or
- (2) terminate the Option and may sue for actual damages.

If Seller defaults, Buyer may:

- (1) sue for specific performance; or
- (2) terminate the Option and may sue for actual damages.

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

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

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

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

CONDOMINIUM UNITS

CAUTION: If this Option involves a condominium unit, Buyer should obtain and review the condominium disclosure documents before entering into this Option. See lines 108-119.

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

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

■ **BUYER RESCISSION RIGHTS:** As provided in Wis. Stat. § 703.33(4)(a), Buyer may, within 5 business days after receipt of all the required disclosure documents or following notice of any material changes in the required disclosure documents, rescind this Option by written notice delivered to Seller. If the disclosure materials are delivered to Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days after Buyer's receipt of the disclosure materials, either rescind the Option or request any missing documents. Seller has 5 business days after receipt of Buyer's

request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days after the earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. § 703.33(4)(b)]. Any document delivered to Buyer may not be changed or amended following delivery if the change or amendment would materially affect the rights of Buyer without first obtaining approval of Buyer. A copy of any such amendments shall be delivered promptly to Buyer.

The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the disclosure materials, requested missing documents or material changes or (2) upon the deadline for Seller's delivery of the disclosure materials or the requested missing documents.

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

☐ **CONTINGENCY FOR ADDITIONAL CONDOMINIUM INFORMATION:** This Option is contingent upon Seller delivering to Buyer, at Seller's expense, within 10 days of Buyer exercising this Option the information listed below that exists as of the date on line 1 of this Option:

- ◆ The Condominium Association's financial statements for the last 2 years.
- ◆ The minutes of the last 3 Unit owners' meetings.
- ◆ The minutes of Condominium board meetings during the 12 months prior to acceptance of this Option.
- ◆ Information about contemplated or pending Condominium special assessments.
- ◆ The Association's certificate of insurance.
- ◆ A statement from the Association indicating the balance of reserve accounts controlled by the Association.
- ◆ Any Common Element inspection reports (e.g. roof, swimming pool, elevator and parking garage inspections, etc.) held by the Association.
- ◆ Information regarding any pending litigation involving the Association.
- ◆ The Declaration, bylaws, budget and/or most recent financial statement of any master association or Additional Association the Unit may be part of.
- ◆ Other: _____

(hereinafter collectively the "listed materials").

NOTE: Because not all of the listed materials may exist or be available from the Condominium Association, Seller may wish to verify availability prior to Seller's granting of this Option.

■ **BUYER RESCISSION RIGHTS:** Buyer may, within 5 business days after receipt of all the listed materials, rescind this Option by written notice delivered to Seller. If the materials are delivered to Buyer and Buyer does not receive all of the listed materials, Buyer may, within 5 business days after Buyer's receipt of the materials, either rescind the Option or request any missing materials in writing. Seller has 5 business days after receipt of Buyer's request for missing listed materials to deliver the requested materials. Buyer may rescind the sale within 5 business days after the earlier of Buyer's receipt of requested missing materials or the deadline for Seller's delivery of the materials.

The Parties agree that the 5 business days begin upon the earlier of: (1) Buyer's Actual Receipt of the listed materials or requested missing materials or (2) upon the deadline for Seller's delivery of the listed materials or requested missing materials.

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

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

FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA) Section 1445 of the Internal Revenue Code (IRC) provides that a transferee (Buyer) of a United States real property interest must pay or withhold as a tax up to 15% of the total "Amount Realized" in the sale if the transferor (Seller) is a "Foreign Person" and no exception from FIRPTA withholding applies. A "Foreign Person" is a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, or foreign estate. The "Amount Realized" is the sum of the cash paid, the fair market value of other property transferred, and the amount of any liability assumed by Buyer.

CAUTION: Under this law if Seller is a Foreign Person, and Buyer does not pay or withhold the tax amount, Buyer may be held directly liable by the U.S. Internal Revenue Service for the unpaid tax and a tax lien may be placed upon the Property.

Seller hereby represents that Seller is a non-Foreign Person, unless (1) Seller represents Seller is a Foreign Person in a condition report incorporated in this Option per lines 83-90, or (2) no later than 10 days after acceptance, Seller delivers notice to Buyer that Seller is a Foreign Person, in which cases the provisions on lines 412-414 apply.

IF SELLER IS A NON-FOREIGN PERSON. Seller shall, no later than closing, execute and deliver to Buyer, or a qualified substitute (attorney or title company as stated in IRC § 1445), a sworn certification under penalties of perjury of Seller's non-foreign status in accordance with IRC § 1445. If Seller fails to timely deliver certification of Seller's non-foreign status, Buyer shall: (1) withhold the amount required to be withheld pursuant to IRC § 1445; or (2) declare Seller in default of this Option and proceed under lines 320-322.

417 **IF SELLER IS A FOREIGN PERSON.** If Seller has represented that Seller is a Foreign Person, Buyer shall withhold the
418 amount required to be withheld pursuant to IRC § 1445 at closing unless the Parties have amended this Option regarding
419 amounts to be withheld, any withholding exemption to be applied, or other resolution of this provision.
420 **COMPLIANCE WITH FIRPTA.** Buyer and Seller shall complete, execute, and deliver, on or before closing, any instrument,
421 affidavit, or statement needed to comply with FIRPTA, including withholding forms. If withholding is required under IRC §
422 1445, and the net proceeds due Seller are not sufficient to satisfy the withholding required in this transaction, Seller shall
423 deliver to Buyer, at closing, the additional funds necessary to satisfy the applicable withholding requirement. Seller also
424 shall pay to Buyer an amount not to exceed \$1,000 for actual costs associated with the filing and administration of forms,
425 affidavits, and certificates necessary for FIRPTA withholding and any withholding agent fees.
426 **Any representations made by Seller with respect to FIRPTA shall survive the closing and delivery of the deed.**
427 Firms, Agents, and Title Companies are not responsible for determining FIRPTA status or whether any FIRPTA exemption
428 applies. The Parties are advised to consult with their respective independent legal counsel and tax advisors regarding
429 FIRPTA.

430 **SELLER PAYMENT OF COMPENSATION TO DRAFTING FIRM**

431 **NOTE:** Per Wis. Stat. § 452.19, for any transaction involving a property containing 1 to 4 residential dwelling units, any
432 applicable Offer of Compensation to be paid by Seller is to be documented in the executed offer to purchase or option to
433 purchase.

434 **IF APPLICABLE, CHECK ONLY ONE OF THE TWO BELOW:**

435 ☐ **BUYER AGENT COMPENSATION (BUYER CLIENT):** Seller agrees to pay to Buyer's Firm the amount of
436 _____ (e.g., % of purchase price, dollar amount, etc.), toward
437 Buyer's brokerage fees at closing. Payment made under this provision represents an economic adjustment only and
438 does not create any agency relationship between Buyer's Firm and Seller, and the Parties agree Buyer's Firm is a
439 direct and intended third party beneficiary of this contract. Payment by Seller to Buyer's Firm under this provision is in
440 satisfaction of any Seller Offer of Compensation made to Buyer's Firm.

441 ☐ **SELLER OFFER OF COMPENSATION (BUYER CUSTOMER):** Seller confirms making an Offer of
442 Compensation to the firm working with the Buyer Customer and Seller agrees to pay to the firm working with the Buyer
443 Customer the amount of _____ (e.g., % of purchase price, dollar amount, etc.)
444 as earned Offer of Compensation from Seller at closing. This provision may be used by a subagent or agent working
445 with a Buyer Customer only in response to an Offer of Compensation and consistent with the duties owed by a subagent
446 under Wis. Stat. Ch. 452. Payment by Seller to the firm working with the Buyer Customer under this provision is in
447 satisfaction of any Seller Offer of Compensation made to the firm working with the Buyer Customer.

448 **ADDITIONAL PROVISIONS**

449 _____
450 _____
451 _____
452 _____
453 _____
454 _____
455 _____
456 _____
457 _____
458 _____
459 _____
460 _____
461 _____
462 _____
463 _____
464 _____
465 _____
466 _____
467 _____
468 _____

469 ☐ **ADDENDA:** The attached _____

470 _____
471 _____
472 _____
473 _____
474 _____
475 _____
476 _____
477 _____ is/are made part of this Option.

478 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Option, delivery of documents and
479 written notices to a Party shall be effective only when accomplished by one of the authorized methods specified at lines 480-495.
480 (1) Personal: giving the document or written notice personally to the Party, or the Party's recipient for delivery if named at line 482
481 or 483.

482 Name of Seller's recipient for delivery, if any: _____

483 Name of Buyer's recipient for delivery, if any: _____

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

485 Seller: (_____) Buyer: (_____) _____

486 ☐ (3) **Commercial**: depositing the document or written notice, fees prepaid or charged to an account, with a commercial
487 delivery service, addressed either to the Party, or to the Party's recipient for delivery, for delivery to the Party's address at
488 line 491-492.

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

491 Address for Seller: _____

492 Address for Buyer: _____

493 ☐ (5) **Email**: electronically transmitting the document or written notice to the email address.

494 Email Address for Seller: _____

495 Email Address for Buyer: _____

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

498 **IF GRANTED, THIS OPTION CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ**
499 **THIS OPTION AND ALL ATTACHMENTS CAREFULLY. THE FIRM AND ITS LICENSEES MAY PROVIDE A GENERAL**
500 **EXPLANATION OF THE PROVISIONS OF THE OPTION BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR**
501 **OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OPTION OR HOW TITLE SHOULD BE TAKEN AT CLOSING**
502 **IF THE OPTION IS EXERCISED. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

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

504 **WIRE FRAUD WARNING!** Wire Fraud is a real and serious risk. Never trust wiring instructions sent via
505 email. Funds wired to a fraudulent account are often impossible to recover.

506 Criminals are hacking emails and sending fake wiring instructions by impersonating a real estate agent,
507 Firm, lender, title company, attorney or other source connected to your transaction. These
508 communications are convincing and professional in appearance but are created to steal your money.
509 The fake wiring instructions may even be mistakenly forwarded to you by a legitimate source.

510 DO NOT initiate ANY wire transfer until you confirm wiring instructions IN PERSON or by YOU calling a
511 verified number of the entity involved in the transfer of funds. Never use contact information provided by
512 any suspicious communication.

513 **Real estate agents and Firms ARE NOT responsible for the transmission, forwarding, or**
514 **verification of any wiring or money transfer instructions.**

515 (x) _____
516 Buyer's Signature ▲ Date ▲
517 Print Name Here ►

518 (x) _____
519 Buyer's Signature ▲ Date ▲
520 Print Name Here ►

521 (x) _____
522 Buyer's Signature ▲ Date ▲
523 Print Name Here ►

524 Buyer Entity Name (if any): _____

525 (x) _____
526 Buyer's/Authorized Signature ▲ Date ▲
527 Print Name/Title Here ►

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

532 (X) _____
533 Seller's Signature ▲ _____ Date ▲ _____
534 Print Name Here ► _____

535 (X) _____
536 Seller's Signature ▲ _____ Date ▲ _____
537 Print Name Here ► _____

538 (X) _____
539 Seller's Signature ▲ _____ Date ▲ _____
540 Print Name Here ► _____

541 Seller Entity Name (if any): _____

542 (X) _____
543 Seller's/Authorized Signature ▲ _____ Date ▲ _____
544 Print Name/Title Here ► _____

545 This Option was presented to Seller by [Licensee and Firm] _____
546 _____ on _____ at _____ a.m./p.m.

547 This Option is rejected _____ This Option is countered _____
548 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

549 **NOTE: Parties wishing to counter this Option should draft a new WB-24 Option to Purchase or draft a WB-44 Counter-Offer**
550 **to reference this Option.**

551 **NOTICE OF EXERCISE OF OPTION** By signing below and delivering this notice (see lines 478-495) to Seller, Buyer
552 hereby exercises this Option to Purchase.

553 (X) _____
554 Buyer's Signature ▲ _____ Date ▲ _____
555 Print Name Here ► _____

556 (X) _____
557 Buyer's Signature ▲ _____ Date ▲ _____
558 Print Name Here ► _____

559 (X) _____
560 Buyer's Signature ▲ _____ Date ▲ _____
561 Print Name Here ► _____

562 Buyer Entity Name (if any): _____

563 (X) _____
564 Buyer's/Authorized Signature ▲ _____ Date ▲ _____
565 Print Name/Title Here ► _____