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Real Estate Contractual Forms Advisory Committee
Room 121A, 1400 E. Washington Avenue, Madison
Contact: Yolanda McGowan * 608-266-2112
May 1, 2012

The following agenda describes the issues that the Board 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 description of the actions and deliberations of the Board.

FULL BOARD MEETING
10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda** (1-2)
- B. Approval of Minutes – March 20, 2012** (3-12)
- C. Secretary Matters
- D. Executive Director Matters
- E. Review and Revise Commercial Offer to Purchase (WB-24)**
 - 1) WRA Memo with Proposed Changes (13-16)
 - 2) Draft WB-24 with WRA Proposed Changes (17-24)
- F. Review and Revise Exclusive Listing Contract for Lease or Rental of Real Property (WB-37)**
 - 1) WRA Memo with Proposed Changes (25-28)
 - 2) Draft WB-37 with WRA Proposed Changes (29-34)
- G. Priority of Remaining Forms**
 - 1) WB-6 Business Listing Contract
 - 2) WB-16 Business with Real Estate – Offer to Purchase
 - 3) WB-17 Business without Real Estate – Offer to Purchase
 - 4) Time Share Issues
 - 5) WB-35 Simultaneous Exchange Agreement
- H. Next Meeting Date: June 12, 2012

ADJOURNMENT

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

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

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

Guests: Tracy Rucka

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

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

ADOPTION OF AGENDA

Corrections

- Change the title of Item E to read “Review and Revise Option to Purchase (WB-25)”

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

APPROVAL OF MINUTES

MOTION: Casey Clickner moved, seconded by Mike Gordon, to approve the minutes of July 13, 2011, as published. Motion carried unanimously.

BOARD DISCUSSION

REVIEW AND REVISE OPTION TO PURCHASE (WB-24)

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

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

This item will be discussed at the next meeting.

PRIORITIZE COMPLETION OF REMAINING FORMS

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

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

ADJOURNMENT

MOTION: Mike Gordon moved, seconded by Gary Tritz, to adjourn the meeting at 1:50 p.m. Motion carried unanimously.

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WB-24 OPTION TO PURCHASE

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

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

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

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

23 _____) ~~STRIKE AND COMPLETE AS APPLICABLE~~

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

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25 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:
26 ■ PURCHASE PRICE: _____ Dollars (\$ _____) will be paid in cash or equivalent at closing unless otherwise provided below.
27 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the date
28 of this Option not excluded at lines xx-xx, and the following additional items: _____
29 _____
30 ■ NOT INCLUDED IN PURCHASE PRICE: _____
31 _____
32 _____

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

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

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

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

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

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

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

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

51 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to
52 the Party's recipient for delivery if named at line xx or xx, for delivery to the Party's delivery address at line xx or xx.

53 Delivery address for Seller: _____
54 Delivery address for Buyer: _____

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

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

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

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

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

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

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

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

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

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

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

78 _____

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

83 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
84 actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of
85 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
86 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of
87 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

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

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

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

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

98 **RENTAL WEATHERIZATION** Unless otherwise agreed, Buyer shall be responsible for compliance with Rental Weatherization
99 Standards (Wis. Admin. Code Ch. SPS. 67), if applicable.

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100 **ZONING** Seller represents that the property is zoned _____

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

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105 Option by reference **COMPLETE DATES OR STRIKE AS APPLICABLE** and
106 _____

107 _____

108 _____

109 _____

110 _____ **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION**

111 **REPORT(S)**

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

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

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

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125 **DEFINITIONS**

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

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

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

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

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

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

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

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

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

160 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of
161 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option, except for ordinary wear
162 and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the purchase price, Seller
163 shall be obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised. No later
164 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed such sum,
165 Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should Buyer
166 elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the damage
167 to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any. However, if
168 this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall be held in trust for the sole purpose of
169 restoring the Property.

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

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

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

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

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

202 **TITLE EVIDENCE**

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

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

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

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

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

224 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
225 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
226 showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines
227 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
228 exceptions, as appropriate. **[From WB-15]**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

299 INSPECTIONS: Property Appraisal, _____
300 _____

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

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

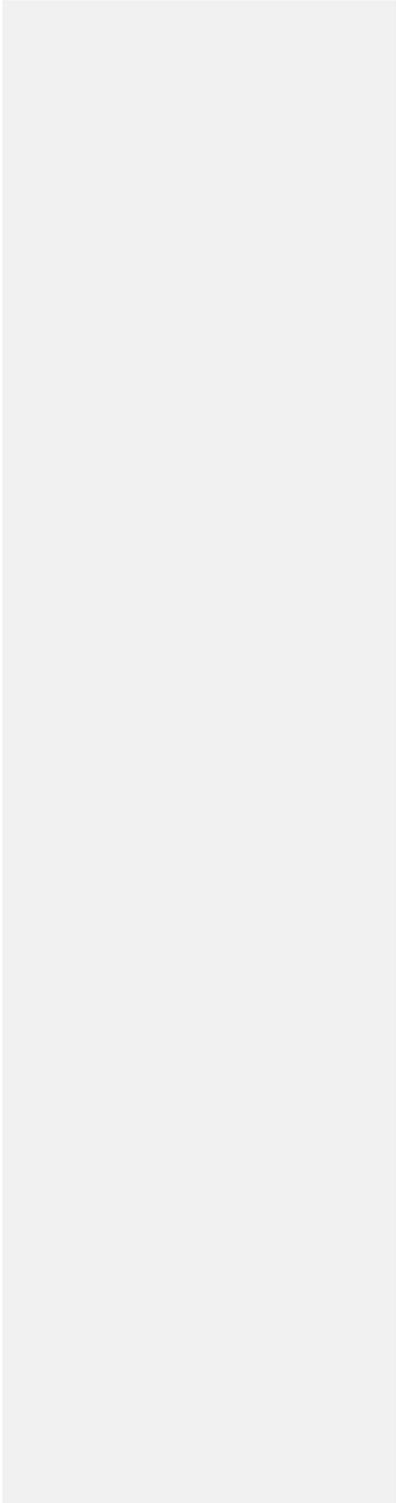
357 This Option is rejected _____ This Option is countered [See attached counter] _____
358 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

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

361 Buyer Entity Name (if any): _____

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

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



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REVISIONS TO WB-24 OPTION TO PURCHASE

To: DSPS Real Estate Contractual Forms Advisory Committee

From: WRA Forms Committee

Date: April 23, 2012

RE: **WB-24 Option to Purchase**

The Wisconsin REALTORS® Association's Forms Advisory Committee reviewed the changes made by this Committee at its last meeting on March 20 and is providing the following feedback and commentary for the consideration of this Committee. Any line references are to the accompanying WB-24 Option to Purchase highlighted draft labeled "WB-24_REFC 20120320." This draft of the WB-24 Option to Purchase incorporates several provisions from the WB-11 Residential Offer to Purchase and some of the other offers and as well as the changes made by the DSPS Committee, which are shown in tracking (in purple and green if you are viewing this on your computer screen). Any modifications or changes proposed for the consideration of this Committee are highlighted in **yellow**.

◆ Option Terms: The WRA Forms Committee further reordered the sentences in this section so that the sentence regarding the amount of the extension fee that will be credited against the purchase price is moved so that the sentences are ordered in this sequence: (1) option fee payment, (2) option extension and option extension fee payment, (3) amount of option fee and any option extension fee credited against purchase price, (4) option exercise deadline, (5) how to deliver exercise notice, and (6) option fee and option extension fee payable to seller or broker's trust account. One additional thought might be whether there should be a reference to the option deadline extension in the sentence that sets the deadline for the exercise of the option:

"This Option may only be exercised by delivering written notice to Seller no later than midnight _____ (or the extended option deadline if the extension fee has been paid)."
Does this make it clearer or is it sufficient as it appears in the WB-24 draft?

◆ Option Terms CAUTION: Both the DSPS Real Estate Contractual Forms Advisory Committee and the WRA Committee have examined and discussed the relationship between non-refundable option fees and Wis. Stat. § 703.33(4)(c), which provides, "A purchaser who timely rescinds under par. (a) or (b) is entitled to the return of any deposits made under the contract" (this refers to a residential condominium unit buyer who rescinds based upon the condominium disclosure documents or based upon an amendment that occurs later on and is delivered after the initial documents, for example, bylaws amended to not allow any pets or any unit rentals). The issue was whether a non-refundable option fee or non-refundable option extension fee is a "deposit" as that term is used in the condominium statutes. Unfortunately there is not a definition of "deposit" in the condominium statutes. Both Committees, however, seem to have concluded that a nonrefundable option fee or option extension fee is not a deposit.

1. One suggestion was made that any buyer should obtain and review the condominium disclosure documents before ever entering into an option. That way the buyer can satisfy him or herself that those documents were satisfactory and do not contain any provision that would adverse or unworkable for the buyer. This does not solve the problem if there is an amendment to the documents after the option is granted or after it is exercised, but it is a prudent suggestion. The

WRA Committee concluded that there should be cautionary language in the Option making this suggestion to buyers. Accordingly the WB-24 draft includes the following language at the beginning of the CONDOMINIUM UNITS section: **“CAUTION: If this Option involves a residential condominium unit, Buyer should obtain and review the condominium disclosure documents before entering into this Option.”**

Looking at the draft, should the language in the CONDOMINIUM DISCLOSURE MATERIALS section be modified to provide an exception if the materials were already provided? “Seller agrees to provide Buyer, at Seller’s cost, within 10 days of Seller granting this Option, but no later than 15 days prior to the deadline for Buyer’s exercise of this Option, current and accurate copies of the Condominium disclosure materials required by Wis. Stat. § 703.33 (unless already provided prior to the grant of this Option).”

2. The DSPS Committee inserted the following at the end of the OPTION TERMS section: **“CAUTION: If this Option is for a condominium unit, the option fee is not a deposit as described in Wis. Stats. § 703.33(4)(c).”** The WRA Committee has proposed additional modifications to his language which appears in the WB-24 draft: **“CAUTION: The Parties agree that if this Option is for a residential condominium unit, the option fee and any option extension fee is not a deposit as described in Wis. Stats. § 703.33(4)(c).”**

◆ Rental Weatherization: The reference to the rental weatherization code was corrected (ch. 367, not 67).

◆ Seller Notice of Subsequent “Defect (at the end of the PROPERTY CONDITION REPRESENTATIONS section):” The seller has an obligation to provide written notice to buyer of new defects arising between the granting and exercise of the option, but this should not include defects that the buyer would be aware of or have knowledge of. In lease-option situations the buyer would have an advantage in knowing what happens at the property and the seller should not be penalized for not disclosing a new defect that is within a property that the buyer, not the seller, was then occupying.

The WRA committee suggested a few additional modifications to this language that are shown in the WB-24 draft: “Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of, subsequent to date of granting after Seller’s grant of, this Option but prior to ~~date of~~ Buyer’s exercise of this Option, which is materially inconsistent with the above representations. For purposes of this provision (lines ~~112-115xxx-xxx~~), Defect does not include structural, mechanical or other conditions of which ~~the~~ Buyer has actual knowledge or written notice or which Buyer discovers prior to the exercise ~~date~~ of this Option.”

◆ Definition of “Defect:” “Defect” means a condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises or adversely affect the use of the Property. The last phrase is from the definition of defect that will be used in the Vacant Land Disclosure Report. The WRA Committee examined and discussed this hybrid definition but in the end decided to leave it as it is.

◆ Property Damage Between Exercise of Option and Closing: There was some discussion over whether the seller’s obligation to maintain the property until buyer’s occupancy or closing should begin when the buyer exercises the option or when the seller granted the option. The **aqua** highlighting points out the language in question – should it instead refer to the granting of the option?

◆ Condominium Units: The language in the Option draft is a slightly condensed and shortened version of what appears on page 4 of the WB-14 Residential Condominium Offer to Purchase. The DSPS Real Estate Contractual Forms Advisory Committee had a couple of minor changes, for instance, changes

“Offer” to “Option” in some of the provisions. There is one marked in aqua that still man need to be made: should this say the Buyer may rescind “the sale” or rescind “this Option?”

◆ Conveyance of Title: Language adjustment to add reference to condominium deed: “**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), ...**

◆ Restrictions on Additional Seller Encumbrances on Title: The issue was raised during the WRA Committee discussion regarding whether there should be a provision that indicated something along the lines that: “The Parties agree that Seller shall not rezone the Property or create any additional liens or encumbrance on title after Seller grants of this Option without Buyer’s written consent except for liens and encumbrances that will be removed at closing.” Is this helpful?

◆ Provision of Merchantable Title and Title Not Acceptable for Closing: The draft now uses the WB-15 language, modified to provide that title is delivered within ___ days after Seller grants the Option.

◆ Buyer Due Diligence: This is a combination of the Buyer Due Diligence provision from the 2000 WB-24 Option and the Property Development Warning provision form the WB-13 Vacant Land Offer.

◆ Inspections and Testing: This is the Inspections and Testing language from the WB-15 commercial offer, modified to fit in an option scenario. The **NOTE** regarding testing authorizations from the Inspections and Testing provision from the offers was slightly modified to remove references to contingencies and moved to follow directly after the blank lines for describing the testing that is authorized.

◆ Authorization for Inspections and Tests: The second sentence is suggested language based on language from inspection contingencies and testing contingencies regarding the personnel qualifications and protocol to be used for inspections and testing. Also added is the language instructing the parties to use the Additional Provisions line or an addendum if more room is needed to list the inspections and tests that are authorized. The NOTE at the end is from the Inspections and Testing section in the offers, modified to fit an option scenario. All language added that is not from the 2000 WB-24 is highlighted in yellow.

◆ Time is of the Essence: This language represents a blending of the language from the 2000 Option and the language from the residential and other updated offers. The deadlines for payment of the option fee, payment of any extension fees, the grant of the option, and the exercise of the option have been added to the list of the “time is of the essence” items form the offers. Should earnest money payments be deleted?

◆ Recording of Option: This new section takes provisions that had been on the first page of the 2000 option and brings them together in a new section regarding the recording of the option or a notice or other summary document. This section also directs the adding of the legal description if the option is to be recorded.

If the WB-24 were to be recorded it would also require a cover sheet meeting the requirements of Wis. Stat. § 59.43(2m) although § 59.43(2m)(c) indicates that the register of deeds shall provide an appropriate cover sheet meeting the § 59.43(2m) requirements upon request without any charge or fee. See <https://docs.legis.wisconsin.gov/statutes/statutes/59/IV/43>. A copy of the required cover sheet is at <http://www.wrdaonline.org/Forms/StandardForm.pdf> and some pointers from the Wisconsin Register of Deeds Association are at <http://www.wrdaonline.org/RecordingDocuments/standardocformat.html>.

Often the parties do not wish to make the details of the transaction quite so public. See a discussion of the recording issue on pages 4-5 of the WRA *Legal Update* 00.05, "Revised WB-24 Option to Purchase & WB-35 Simultaneous Exchange Agreement," online at www.wra.org/LU0005.

A recording fee of \$30 (\$25 in a few counties) would be due to record either the option itself or a shorter notice or affidavit, but no transfer fee need be paid because an option is not considered to be a conveyance. If the option or a notice regarding the option is recorded and not exercised, the Seller may then want to record a cancellation of the Buyer's option rights and may want the Buyer to sign such a cancellation document.

Embedded in this discussion there seems to be two issues for the parties: do they wish to allow a document to be recorded to indicate of record that the option exists, and if so, do they wish to allow the recording of the complete WB-24 or will they only allow a shorter notice or other summary document. Thus the Committee has provided the two STRIKE ONE items:

Assuming it would be the Buyer who would be interested in getting notice of the option recorded:

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

This is followed by a prompt to include the legal description if the option or a separate instrument will be recorded and the CAUTION from the 2000 option advising that not recording may lead to title problems.

◆ Lease-Option Language: The Option frequently is used in conjunction with a lease such that having a few provisions in the WB-24 might be valuable. The following is the suggestion of the WRA Committee (modified a bit since the first time upon some recommendations from an attorney member of the WRA Committee):

LEASE-OPTION PROVISIONS Concurrent with the granting of this Option, the Seller and Buyer have entered into a lease for the Property with a term from ___ through ___, and with an initial rent of \$_____ per month (see separate lease form for other lease terms).

In the event that this Option is timely exercised, \$_____ of each monthly rent payment of \$_____ shall be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller. **NOTE**: Lenders may not recognize a credit for rent paid under a lease.

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

Any breach of the lease by Buyer shall also constitute a default under this Option and Seller may provide written notice to Buyer making this Option null and void.

◆ Signature blocks: The signature blocks from the commercial offer were inserted because they allow flexibility for entities to sign.

WB-24 OPTION TO PURCHASE

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

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

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

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

23 _____) ~~STRIKE AND COMPLETE AS APPLICABLE~~
24 **CAUTION: The Parties agree that if this Option is for a residential condominium unit, the option fee and any option extension fee**
25 **is not a deposit as described in Wis. Stats. § 703.33(4)(c).**

26 **TERMS OF PURCHASE** If this Option is exercised per the terms of this Option, the following shall be the terms of purchase:
27 ■ PURCHASE PRICE: _____
28 _____ Dollars (\$ _____) will be paid in cash or equivalent at closing unless otherwise provided below.
29 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on the date
30 of this Option not excluded at lines xx-xx, and the following additional items: _____
31 _____
32 ■ NOT INCLUDED IN PURCHASE PRICE: _____
33 _____

34 **CAUTION: Identify trade fixtures owned by tenant, if applicable, and Fixtures that are on the Property (see lines xxx-xxx) to**
35 **be excluded by Seller or which are rented and will continue to be owned by the lessor.**
36 **NOTE: The terms of this Option, not the listing contract or marketing materials, determine what items are**
37 **included/excluded.**

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

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

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

45 Seller's recipient for delivery (optional): _____
46 Buyer's recipient for delivery (optional): _____

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

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

52 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party, or to
53 the Party's recipient for delivery if named at line xx or xx, for delivery to the Party's delivery address at line xx or xx.

54 Delivery address for Seller: _____
55 Delivery address for Buyer: _____

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

60 E-Mail address for Seller (optional): _____
61 E-Mail address for Buyer (optional): _____

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

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

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

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

71 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.
72 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

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

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

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

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

84 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on the
85 actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5 days of
86 receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall re-prorate within
87 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation and is the responsibility of
88 the Parties to complete, not the responsibility of the real estate brokers in this transaction.

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

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

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

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

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

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

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

106 Option by reference **COMPLETE DATES OR STRIKE AS APPLICABLE** and
107 _____
108 _____
109 _____

110 _____

111 _____ **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE DISCLOSURE OR CONDITION**

112 **REPORT(S)**

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

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

121 Seller agrees to notify Buyer in writing of any Defect which Seller becomes aware of subsequent to date of after Seller's granting of
122 this Option but prior to date of Buyer's exercise of this Option, which is materially inconsistent with the above representations, which
123 arises after this Option is granted, but prior to exercise of this Option. For purposes of this provision (lines 142-145xx-xxx), Defect
124 does not include structural, mechanical or other conditions of which the Buyer has actual knowledge or written notice or which Buyer
125 discovers prior to the exercise date of this Option.

126 **DEFINITIONS**

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

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

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

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

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

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

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

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

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

161 **PROPERTY DAMAGE BETWEEN EXERCISE OF OPTION AND CLOSING** Seller shall maintain the Property until the earlier of
162 closing or occupancy of Buyer in materially the same condition as of the date Buyer exercises this Option (??) except for ordinary
163 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the purchase price,
164 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day this Option was exercised.
165 No later than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
166 such sum, Seller shall promptly notify Buyer in writing of the damage and this Option may be canceled at the option of Buyer. Should
167 Buyer elect to carry out this Option despite such damage, Buyer shall be entitled to the insurance proceeds, if any, relating to the
168 damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy, if any.
169 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
170 purpose of restoring the Property.

171 **CONDOMINIUM UNITS CAUTION: If this Option involves a residential condominium unit, Buyer should obtain and review**
172 **the condominium disclosure documents before entering into this Option.** If the Property is a residential condominium unit,
173 Seller must comply with the following:

174 ■ **CONDOMINIUM DISCLOSURE MATERIALS:** Seller agrees to provide Buyer, at Seller's cost, within 10 days of Seller granting this
175 Option, but no later than 15 days prior to the deadline for Buyer's exercise of this Option, current and accurate copies of the
176 Condominium disclosure materials required by Wis. Stat. § 703.33. The condominium disclosure materials include a copy of the

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177 following and any amendments to any of these [except as may be limited for small condominiums with no more than 12 units per Wis.
178 Stat. § 703.365(1)(b) and (8)]: (a) proposed or existing declaration, bylaws and any rules or regulations, and an index of the contents;
179 (b) proposed or existing articles of incorporation of the association, if it is or is to be incorporated; (c) proposed or existing
180 management contract, employment contract or other contract affecting the use, maintenance or access of all or part of the
181 condominium; (d) projected annual operating budget for the condominium including reasonable details concerning the estimated
182 monthly payments by the purchaser for assessments and other monthly charges; (e) leases to which unit owners or the association
183 will be a party; (f) general description of any contemplated expansion of condominium including each stage of expansion and the
184 maximum number of units that can be added to the condominium; (g) Unit floor plan showing location of common elements and
185 other facilities available to unit owners; (h) the executive summary.

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

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

205 **TITLE EVIDENCE**

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

212 _____
213 _____
214 _____ which constitutes merchantable title for purposes of this transaction. Seller shall complete
215 and execute the documents necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

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

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

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

227 ■ **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title insurance
228 commitment is delivered to Buyer's attorney or Buyer not more than _____ days after Seller grants this Option ("15" if left blank),
229 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
230 xxx-xxx, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
231 exceptions, as appropriate. [From WB-15]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

302 INSPECTIONS: Property Appraisal, _____
303 _____

304 TESTS: _____
305 _____

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

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

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

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

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

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

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

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

321 This Option (is)(is not) ~~STRIKE ONE~~ assignable. This Property (is) (is not) ~~STRIKE ONE~~ homestead property.

322 **LEASE-OPTION PROVISIONS** Concurrent with the granting of this Option, Seller and Buyer have entered into a lease for
323 the Property with a term from _____ to _____, and with an initial rent of \$ _____ per month
324 (see separate lease form for other lease terms).

325 In the event that this Option is timely exercised, \$ _____ of each monthly rent payment of \$ _____ shall
326 be applied to the purchase price while the balance shall be deemed solely rent that is retained by Seller. **NOTE: Lenders may**
327 **not recognize a credit for rent paid under a lease.**

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

330 Any breach of the lease by Buyer shall also constitute a default under this Option and Seller may provide written notice to Buyer
331 making this Option null and void.

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

333 **ADDITIONAL PROVISIONS** _____
334 _____
335 _____
336 _____
337 _____
338 _____
339 _____
340 _____
341 _____

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

347 This Option was drafted by [Licensee and Firm] _____
348 _____ on _____.

349 Buyer Entity Name (if any): _____

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

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

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

357 Seller Entity Name (if any): _____

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

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

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

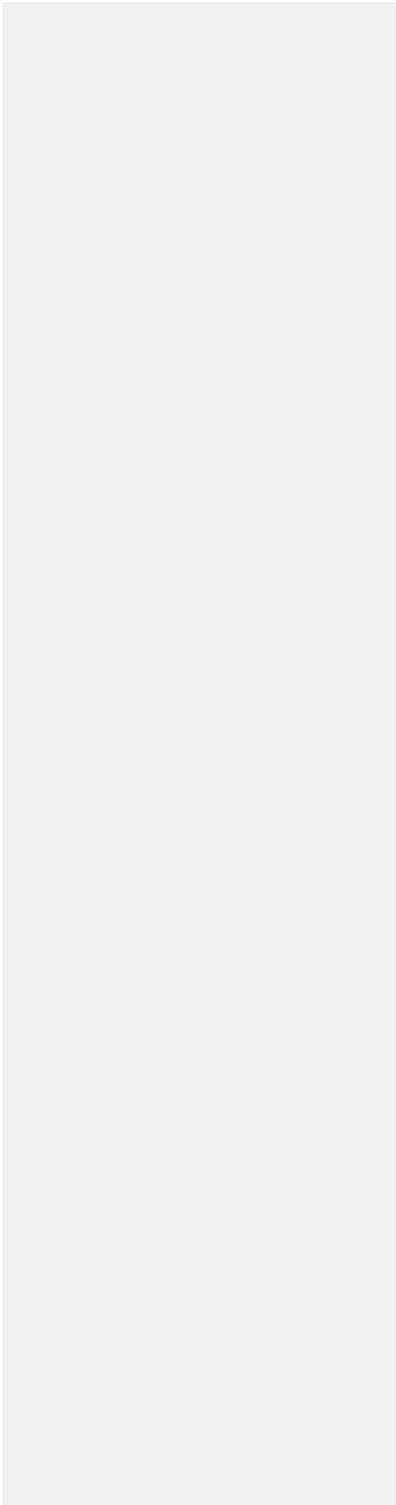
364 This Option is rejected _____ This Option is countered [See attached counter] _____
365 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

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

368 Buyer Entity Name (if any): _____

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

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



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**REVISIONS TO WB-37 EXCLUSIVE LISTING CONTRACT
FOR LEASE OF REAL PROPERTY**

To: DSPS Real Estate Contractual Forms Advisory Committee

From: WRA Forms Committee

Date: April 23, 2012

RE: **WB-37 Exclusive Listing Contract for Lease of Real Property**

Any line references are to the accompanying WB-37 Exclusive Listing Contract for Lease of Real Property highlighted draft labeled “WB-37 Lease Listing WB1terms3812.” This draft of the WB-37 gives an initial look at some of the possible modifications that might be made to update the WB-37 in its current format.

The WB-37 Exclusive Listing Contract for Lease of Real Property is used when a property owner hires a real estate broker to lease the owner’s property. This Department-approved form is mandatory with respect to the lease of residential property. Use of the WB-37 is optional, however, for lease listings in retail, commercial or industrial property settings. A WB-37 Exclusive Listing Contract for Lease of Real Property authorizes a broker to advertise a rental property, get it rented and handle the rental funds (security deposit and rents).

WB-37 Draft

The 2001 version of the WB-37 Exclusive Listing Contract for Lease of Real Property form contained many of the terms and conditions typically found in a listing contract at that time.

The attached draft attempts to capture a sample lay-out and flow of an updated lease listing incorporating language from the 2008 residential listing and proposing other modifications (highlighted in yellow).

With respect to the terminology used in the WB-37, we should keep in mind the following:

Wis. Stat. § 704.01 Definitions. In this chapter, unless the context indicates otherwise:

- (1) **“Lease” means an agreement, whether oral or written, for transfer of possession of real property, or both real and personal property, for a definite period of time.** A lease is for a definite period of time if it has a fixed commencement date and a fixed expiration date or if the commencement and expiration can be ascertained by reference to some event, such as completion of a building. A lease is included within this chapter even though it may also be treated as a conveyance under ch. 706. An agreement for transfer of possession of only personal property is not a lease.
- (2) **“Periodic tenant” means a tenant who holds possession without a valid lease and pays rent on a periodic basis.** It includes a tenant from day-to-day, week-to-week, month-to-month, year-to-year or other recurring interval of time, the period being determined by the intent of the parties under the circumstances, with the interval between rent-paying dates normally evidencing that intent.
- (3) **“Premises” mean the property covered by the lease, including not only the realty and fixtures, but also any personal property furnished with the realty.**
- (3m) **“Rental agreement” means an oral or written agreement between a landlord and tenant, for the rental or lease of a specific dwelling unit or premises, in which the landlord and tenant agree on the essential terms of the tenancy, such as rent. “Rental agreement” includes a lease.** “Rental agreement” does not include an agreement to enter into a rental agreement in the future.

- (4) “Tenancy” includes a tenancy under a lease, a periodic tenancy or a tenancy at will.
- (5) “Tenant at will” means any tenant holding with the permission of the tenant’s landlord without a valid lease and under circumstances not involving periodic payment of rent; but a person holding possession of real property under a contract of purchase or an employment contract is not a tenant under this chapter.

The use of the term “lease” in the current WB-37 seems to be too narrow and the WB-37 draft instead uses the term “rental agreement” that is much more broad and inclusive of both leases and periodic tenancies such as a month-to-month. Accordingly, a definition of Rental Agreement and of Lease from the statutes was placed at lines 222-225 and 242-244 of the draft.

◆ Title and language beneath: the WRA Committee suggests renaming the form as the “WB-37 Exclusive Listing for Lease or Rental of Real Property” to encompass the idea that an owner may benefit from a written agreement for a month-to-month tenancy when the owners intent is, for instance, to rent the home until market improves and can be sold. The term “lease” would preclude that.

As far as the language beneath, this indicates that the WB-37 is a mandatory form for licensees entering a listing to rent or lease residential property. Should that continue to be the case? Should the language here be different and say this is optional for non-residential or commercial properties?

◆ Draft line 1, Broker’s Authority: the Committee thought it best to make this more the other listings in terms of the authority given. For example, the WB-1 Residential Listing contract states that the “Seller gives Broker the exclusive right to sell the Property on the following terms.” Similarly, the WRA Committee believes that the WB-37 should state that the “Owner gives Broker the exclusive right to rent or lease the property located ...”

◆ Draft lines 5-9, Unit and Rental Terms: some changes in the language were made to make it apply to rental agreements and not just leases and to make it clear that there should be a list of units and terms if the Premises encompasses more than one rental unit.

◆ Broker’s Duties: The terminology in draft was modified to refer to written rental agreements instead of leases. The broker is authorized to use reasonable efforts to rent the premises as well as to negotiate rental agreements because situations may arise where the owner and the tenant enter into an agreement on their own or the tenant simply just starts renting without a written agreement. While real estate licensees are to have agreements in writing per Wis. Admin. Code § REEB 24.08, they also are allowed to negotiate agreements that the parties or their attorneys put into writing per Wis. Admin. Code § REEB 16.04(3) since there are no Department-approved lease or rental agreement forms.

◆ Owner’s Obligations: proposed language changes to refer to written rental agreements instead of leases, and added elaboration regarding prospective tenants known to the Owner – the draft says the Owner must give the Broker the prospects’ names and contact information in writing.

NOTE: The WRA Committee only got part way through the issues in this memo. We have labeled many of the following items as **DISCUSSED** or **NOT DISCUSSED**.

◆ Owner’s Warranties, Covenants and Representations: proposed language adds in **aqua**: “unless indicated at lines xxx-xxx or in an attached addendum per line xxx, or disclosed in the documentation Owner has provided to Broker:” On lines 37-38 of the draft. The items listed on lines 39-49 are issues the landlord must disclose to a prospective tenant before entering into a rental agreement or accepting any earnest money or security deposit, per Wis. Admin. Code § ATCP 134.04(2)

(https://docs.legis.wisconsin.gov/code/admin_code/atcp/134.pdf). This suggests that the Broker is going to be making these disclosures for the Owner. Should this list also include an item regarding knowledge, records, etc. regarding LBP such that an Addendum L can be prepared? Any other needed information?
NOT DISCUSSED

The Committee suggests that item (a) at line 38 be modified to say, “Uncorrected code violations” instead of “uncorrected building or housing code violations” which language appears in Wis. Admin. Code § ATCP 134.04(2). “Uncorrected code violations” is clearly much broader and would include fire code violations and other ordinance violations as well as building and housing code violations. It needs to be determined whether this information is being given just so that the broker can make the disclosures required by law on behalf of the owner or whether there is an additional purpose of giving the broker a somewhat broader range of information about the condition of the property to enhance the broker’s ability to do his job. **DISCUSSED**

The new Wis. Stat. § 704.07(2)(bm) indicates that a landlord has a duty to disclose to a prospective tenant, “before entering into a rental agreement with or accepting any earnest money or security deposit from the prospective tenant, any building code or housing code violation to which all of the following apply:

1. The landlord has actual knowledge of the violation.
2. The violation affects the dwelling unit that is the subject of the prospective rental agreement or a common area of the premises.
3. The violation presents a significant threat to the prospective tenant’s health or safety.
4. The violation has not been corrected.”

This new statute creates a landlord disclosure obligation that is somewhat more narrow and limited than what it says in Wis. Admin. Code § ATCP 134.04(2) with regard to code violations and what it says in the WB-37. It was suggested that item (a) under the Owner’s Warranties, Covenants and Representations section refer to this statute, and this has been added (highlighted in yellow). **DISCUSSED**

The WRA Committee also discussed whether the owner should give copies of the code violations to the broker. There was discussion over exactly what documentation should be provided and where any requirement in that regard should be placed within the WB-37. Should it copies of all code violations received by the owner or only current uncorrected violations or only code violations received within the last two years (or other timeframe)? Or should it be all documents relating to conditions affecting the Premises or only as enumerated in items (a)-(g)? Should this language be placed in the Owner’s Warranties section or under Owner’s Obligations? The WRA Committee did reach a definitive conclusion. For the sake of discussion broad language has been placed in the Owner’s Obligations section and highlighted in yellow: “code violations and other documents relating to conditions affecting the Premises” **DISCUSSED**

The warning on lines 53-54 (at the end of the section) was also added in this draft. **NOT DISCUSSED**

◆ Cooperation, Access to Premises or Proposal Presentation: proposed language fashioned after the similar section in the WB-1. This section contemplates that there may be cooperation with other brokers who are working with tenant prospects. This would seem to make sense given that the Metro MLS is going to start listing rentals, as well as for any time this form might be used in a commercial setting. Also it is believed that Wis. Admin. Code § REEB 24.13 will soon be amended to specifically apply to rentals as well as sales. Your thoughts? **NOT DISCUSSED**

◆ Exclusions; Extension of Listing; and Protected Tenant Definition: This is fashioned after the Exclusions and Extension of Listing sections and Protected Buyer definition in the WB-1 residential

listing contract. Does this seem to be workable and does it make sense? Is it worth having? Other ideas? Note that the existing Extension of Listing section in the WB-37 is shown on lines 89-100 but is lined out. Within the Protected Tenant definition the concerns with Premises containing more than one rental unit is evident. **NOT DISCUSSED**

◆ **Broker's Commission:** Proposed language changes to refer to written rental agreements instead of leases, and refers to rental units within the Premises being rented should the Premises contain more than one rental unit.

In addition, the WRA Committee thought that this provision should be more like the WB-1 listing contract. Line 42 of the WB-1 provides that a commission is earned if, "Seller sells or accepts an offer which creates an enforceable contract for the sale or all or any part of the Property." Hence the draft at lines 68-69 indicates that if, "Owner rents or enters into a rental agreement as to the Premises or as to a rental unit constituting a part of the Premises." **DISCUSSED**

The WRA Committee also discussed that commission should be due if the Broker "procured" a tenant. The language for "procuring a buyer" was used as a basis for the language added to the Commission section as item (b), but the WRA Committee has not reviewed this language to see if it captures the concepts they discussed. A definition of "procure" was inserted in the draft at lines 226-229, but it is not certain if this accomplishes what the WRA Committee had in mind. **DISCUSSED but inserted language NOT REVIEWED**

◆ **Compensation to Others:** The co-broke commission provision was added, which will make sense if homes for rent are listed in the MLS or cooperative compensation is offered elsewhere. **NOT DISCUSSED**

◆ **Termination of Listing:** this again is modeled after the WB-1 residential listing contract and seems like a good fit as well as providing consistency for licensees. Should language be added to echo the statement in the Termination Fee section that "the Parties agree that this Listing shall terminate upon the sale, exchange or other transfer of legal or equitable title to the Premises." Comments? **NOT DISCUSSED**

◆ **Attorney Fees Removed:** for the sake of consistency with the other listing contracts. Or should this be different? **NOT DISCUSSED**

◆ **Fair Housing:** should this be qualified to say it only applies to prospective residential tenants or should we leave as it was? Could use the heading of Non-Discrimination as is done in the WB-5 commercial listing and leave the language as it is. **NOT DISCUSSED**

◆ **Broker Disclosure to Client and Associated Material:** much of this is required by Wis. Stat. § 452.133(2). The rest is related definitions and other helpful information that appears in the listing contracts for sales. **NOT DISCUSSED**

◆ **Definitions:** these also come from the sales listing contracts, but have been slightly modified for use in the WB-37. Believe the "Procure" definition can be dropped because that term is not used in the draft, at least as it now reads. "Fixtures" is another term that does not appear in the WB-37 draft and may not be needed. Likewise "Property" does not seem to be necessary as long as the definition of Premises at the beginning of the WB-37 is sufficient – or would having a definition of "Premises" be helpful? Protected Tenant was already discussed above, leaving Deadlines-Days and Delivery. **NOT DISCUSSED**

For the Delivery section to function properly, the draft adds the signature and information lines from the WB-1. The draft is also modified to authorize email delivery. **NOT DISCUSSED**

◆ **Note directly above signature blocks:** It would seem that something like this is needed so long as Premises may contain multiple rental units. Not sure if the reference to personal property and equipment is necessary. Your thoughts? **NOT DISCUSSED**

WB37RevisionsDSPS5-1-12

WB-37 EXCLUSIVE LISTING CONTRACT FOR LEASE OR RENTAL OF REAL PROPERTY

Mandatory for use as an exclusive listing contract for lease or rental of residential property.
Do not use as a property management agreement or listing for sale.

1 Owner gives Broker the exclusive right to rent or lease the property located in the _____ of
2 _____ County of _____, Wisconsin, further described as: _____

3 _____
4 ("Premises" which shall mean the entire property or a particular rental unit, as appropriate) under the terms of this
5 Listing. ~~STRIKE AND COMPLETE AS APPLICABLE~~. Insert additional description at lines xxx-xxx or in an addendum per line xxx. Identify all
6 rental units included in this Listing (thereby excluding other units) and specify proposed lease and rental terms, and marketing instructions, if
7 any, at lines xx-xx or lines xxx-xxx or attach as an addendum per line xxx. Consider addressing inclusions (furniture, appliances,
8 equipment, designated parking and storage areas, etc.), marketing terms (potential Owner repairs, build-outs, credits, etc.) and restrictions
9 on tenant's use and occupancy. Also see lines xx-xx regarding repairs and build-outs. Owner agrees to complete under this Listing.

UNIT NO.	RENT	SECURITY DEP.	OTHER RENTAL TERMS/CURRENT STATUS OF UNIT
1.	\$	\$	
2.	\$	\$	
3.	\$	\$	
4.	\$	\$	

15 **BROKER'S DUTIES** In consideration for Owner's agreements herein, Owner authorizes Broker and Broker agrees to use reasonable
16 efforts to rent the Premises, to negotiate rental agreements of the Premises and to perform the following services: advertise, solicit, review
17 and verify tenant applications, qualify and approve prospective tenants, receive and hold deposits, execute written rental agreements on
18 behalf of Owner, and collect rents [STRIKE ALL DUTIES BROKER DOES NOT ACCEPT], and, in addition, Broker shall provide the
19 following services: _____

20 _____ . **Note:** This is not a property management agreement and this Listing
21 does not obligate Broker to perform any property management duties, including maintenance, unless specified at lines xx-xx or xxx-xxx.

22 **OWNER'S OBLIGATIONS** Owner agrees to make available to Broker copies of all existing data, records, documents, code violations
23 and other documents relating to conditions affecting the Premises, rules and regulations, and other materials required in connection with the
24 renting of the Premises, to provide or approve lease or rental agreement and related forms for Broker's use, to allow Broker to show the
25 Premises at reasonable times and upon reasonable advance notice as may be allowed by law, to allow Broker to advertise including placing
26 signage upon the Premises, to cooperate with Broker in Broker's actions under this Listing and to immediately provide to Broker the names
27 of any prospective tenants known to Owner or who contact Owner, and their contact information, in writing. ~~STRIKE ANY ITEMS NOT~~
28 ~~APPLICABLE~~

29 **OWNER'S WARRANTIES, COVENANTS AND REPRESENTATIONS** Owner warrants and represents that any materials and
30 information given to Broker by Owner are true, accurate and correct and that the rental agreement and other forms provided to Broker by
31 Owner comply with all applicable laws. Owner has made no rent concessions or other agreements affecting the Premises. Owner shall
32 immediately notify Broker in writing of any material change in the information provided to Broker. Owner agrees to hold Broker harmless
33 from loss by reason of Broker's use of these materials, forms and information, including the payment of reasonable attorney fees in the
34 event of any suit against Broker arising out of the use of these materials, forms and information. Owner agrees to make the following repairs
35 and build-outs to the Premises: _____

36 _____ . ~~STRIKE ANY ITEMS NOT APPLICABLE~~
37 Owner represents to Broker that Owner has no notice or knowledge of any of the following conditions affecting the Premises unless
38 indicated at lines xxx-xxx or in an attached addendum per line xxx, or disclosed in the documentation Owner has provided to Broker:

- 39 (a) Uncorrected building or housing code violations as described in Wis. Stat. § 704.07(2)(bm);
- 40 (b) A lack of hot or cold running water;
- 41 (c) Plumbing or sewage disposal facilities that are not in good operating condition;
- 42 (d) Heating facilities serving any rental unit that are not in safe operating condition, or are not capable of maintaining a
43 temperature, measured in occupied areas at the approximate center of the room, midway between floor and ceiling, of at least 67° F (19° C)
44 during all seasons of the year that the rental unit is occupied;
- 45 (e) A lack of electrical service, or electrical wiring, outlets, fixtures or other components of the electrical system that are not in safe operating
46 condition;
- 47 (f) Any structural or other conditions in the Premises which constitute a substantial hazard to the health or safety of the tenant(s), or create
48 an unreasonable risk of personal injury as a result of any reasonably foreseeable use of the Premises other than negligent use or abuse of
49 the Premises by tenant(s);
- 50 (g) Other conditions or occurrences which would significantly reduce the value of the leasehold interest to a reasonable person with
51 knowledge of the nature and scope of the condition or occurrence. EXCEPTIONS TO REPRESENTATIONS STATED IN LINES xx-
52 xx: _____

53 Owner agrees to promptly inform Broker of any information that would modify the above representations during the term of this Listing.
54 **WARNING: IF OWNER REPRESENTATIONS ARE INCORRECT OR INCOMPLETE, OWNER MAY BE LIABLE FOR DAMAGES AND COSTS.**

55 **COOPERATION, ACCESS TO PREMISES OR PROPOSAL PRESENTATION:** The parties agree that Broker will work and cooperate
56 with other brokers in marketing the Premises, including brokers from other firms acting as subagents (agents from other companies)

58 engaged by Broker - See lines xxx-xxx) and brokers representing tenants. Cooperation includes providing access to the Premises for
59 showing purposes and presenting rental agreement proposals from these brokers to Owner. Note any brokers with whom Broker shall not
60 cooperate, any brokers or tenants who shall not be allowed to attend showings, and the specific terms of proposed rental agreements which
61 should not be submitted to Owner: _____

62 _____ CAUTION: Limiting Broker's cooperation with other brokers may reduce the marketability of the Premises.

63 ■ **EXCLUSIONS:** All persons who may acquire an interest in the Premises as a Protected Tenant under a prior listing contract are excluded
64 from this Listing to the extent of the prior broker's legal rights, unless otherwise agreed to in writing. Within seven days of the date of this
65 Listing, Owner agrees to deliver to Broker a written list of all such prospective tenants. The following other tenants are excluded from this
66 Listing until _____ [INSERT DATE]: _____

67 These other tenants are no longer excluded from this Listing after the specified date unless, on or before the specified date, Owner has
68 either entered into a written rental agreement with the tenants or rented the Premises to the tenants.

69 **BROKER'S COMMISSION** Owner agrees to pay Broker a commission in the amount of _____
70 _____, which shall be due and payable _____ if (a)

71 Owner rents or enters into a rental agreement as to the Premises or as to a rental unit constituting a part of the Premises; or (b) a tenant is
72 procured for the Premises or as to a rental unit constituting a part of the Premises by Broker, by Owner, or by any other person, at no less
73 than the rent and on substantially the same terms set forth in this Listing even if Owner does not accept this tenant's offer. (See lines xxx-xxx
74 regarding procurement.)

75 ■ **COMPENSATION TO OTHERS:** Broker offers the following commission to cooperating brokers: _____
76 _____ (Exceptions if any): _____

77 **TERMINATION FEE** If this Listing is terminated because of a sale, exchange or other transfer of legal or equitable title to the Premises,
78 Owner agrees to pay Broker a termination fee in the amount of _____
79 _____, which shall be reduced by any commissions paid to Broker in connection with the Owner's sale,
80 exchange, option, or other transfer.

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81 ■ **TERMINATION OF LISTING: The Parties agree that this Listing shall terminate upon the sale, exchange or other transfer of**
82 **legal or equitable title to the Premises.** Neither Owner nor Broker has the legal right to unilaterally terminate this Listing absent a
83 material breach of contract by the other party. Seller understands that the parties to the Listing are Owner and the Broker (firm).
84 Agents (salespersons) for Broker (firm) do not have the authority to enter into a mutual agreement to terminate the Listing, amend the
85 commission amount or shorten the term of this Listing, without the written consent of the agent(s)' supervising broker. Owner and
86 Broker agree that any termination of this Listing by either party before the date stated on line xxx shall be indicated to the other Party
87 in writing and shall not be effective until delivered to the other Party in accordance with lines xxx-xxx. CAUTION: Early termination of
88 this Listing may be a breach of contract, causing the terminating Party to potentially be liable for damages.

89 ■ **EXTENSION OF LISTING:** The Listing term is extended for a period of one year as to any Protected Tenant. Upon receipt of a
90 written request from Owner or a broker who has listed the Premises, Broker agrees to promptly deliver to Owner a written list of those
91 tenants known by Broker to whom the extension period applies. Should this Listing be terminated by Owner prior to the expiration of
92 the term stated in this Listing, this Listing shall be extended for Protected Tenants, on the same terms, for one year after the Listing is
93 terminated.

94 ~~The Listing term is extended for a period of one year as to any tenant who personally or through any person acting for such tenant either
95 negotiated regarding the lease of the Premises or submitted a written letter of intent or lease during the term of this Listing (protected
96 tenant). If the extension is based on negotiation, the extension shall be effective only if the tenant's name is delivered to Owner, in writing, no
97 later than three days after the expiration of the Listing, unless Owner was directly involved in discussions of the potential terms upon which
98 tenant might acquire a leasehold interest in the Premises. The requirement of this Listing to deliver the tenant's name in order to make the
99 extension of the Listing term effective also may be fulfilled as follows: 1) If the Listing is effective only as to certain individuals who are
100 identified in the Listing, the identification of the individuals in the Listing shall fulfill the delivery of the tenant's name requirement and 2) if the
101 tenant has requested that the tenant's identity remain confidential, delivery of a notice identifying the broker with whom the tenant negotiated
102 and the date(s) of any showings or other negotiations shall fulfill the delivery of the tenant's name requirement. "Negotiated" for the purpose
103 of this paragraph means to discuss the potential terms upon which tenant might acquire a leasehold interest in the Premises or to attend an
104 individual showing of the Premises. "Submitted" for the purposes of this paragraph means that a written letter of intent or lease has been
105 delivered to Owner or Broker.~~

106 **ATTORNEY FEES** Should litigation arise between the Parties in connection with this Agreement, the prevailing Party shall have the right
107 to reasonable attorney's fees.

108 ■ **FAIR HOUSING [NON-DISCRIMINATION]:** Owner and Broker agree that they will not discriminate against any prospective
109 tenant on account of race, color, sex sexual orientation as defined in Wis. Stat. § 111.32 (13m), disability, religion, national
110 origin, marital status, lawful source of income, age, ancestry, familial status, or in any other unlawful manner.

111 ■ **BROKER DISCLOSURE TO CLIENTS:**

112 **UNDER WISCONSIN LAW, A BROKER OWES CERTAIN DUTIES TO ALL PARTIES TO A TRANSACTION:**

- 113 (a) The duty to provide brokerage services to you fairly and honestly.
- 114 (b) The duty to exercise reasonable skill and care in providing brokerage services to you.
- 115 (c) The duty to provide you with accurate information about market conditions within a reasonable time if you request it, unless
116 disclosure of the information is prohibited by law.
- 117 (d) The duty to disclose to you in writing certain material adverse facts about a property, unless disclosure of the information is
118 prohibited by law. (See Lines xxx-xxx)
- 119 (e) The duty to protect your confidentiality. Unless the law requires it, the broker will not disclose your confidential information or the
120 confidential information of other parties. (See Lines xxx-xxx)
- 121 (f) The duty to safeguard trust funds and other property the broker holds.
- 122 (g) The duty, when negotiating, to present contract proposals in an objective and unbiased manner and disclose the advantages
123 and disadvantages of the proposals.

124 ■ **BECAUSE YOU HAVE ENTERED INTO AN AGENCY AGREEMENT WITH A BROKER, YOU ARE THE BROKER'S CLIENT. A**
125 **BROKER OWES ADDITIONAL DUTIES TO A CLIENT:**

126(a) The broker will provide, at your request, information and advice on real estate matters that affect your transaction, unless you
127 release the broker from this duty.

- 128 (b) The broker must provide you with all material facts affecting the transaction, not just adverse facts.
- 129 (c) The broker will fulfill the broker's obligations under the agency agreement and fulfill your lawful requests that are within the scope
130 of the agency agreement.
- 131 (d) The broker will negotiate for you, unless you release the broker from this duty.
- 132 (e) The broker will not place the broker's interests ahead of your interests. The broker will not, unless required by law, give information or
133 advice to other parties who are not the broker's clients, if giving the information or advice is contrary to your interests.
- 134 (f) If you become involved in a transaction in which another party is also the broker's client (a "multiple representation relationship"),
135 different duties may apply.
- 136 ■ **ADVERSE FACT:** An "adverse fact" means any of the following:
- 137 (a) A condition or occurrence that is generally recognized by a competent licensee as doing any of the following:
- 138 1) Significantly and adversely affecting the value of the Premises;
- 139 2) significantly reducing the structural integrity of improvements to real estate; or
- 140 3) presenting a significant health risk to occupants of the Premises.
- 141 (b) Information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a
142 contract or agreement made concerning the transaction.
- 143 ■ **MATERIAL ADVERSE FACT:** A "material adverse fact" means an adverse fact that a party indicates is of such significance, or
144 that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would
145 affect the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision
146 about the terms of such a contract or agreement.
- 147 ■ **MULTIPLE REPRESENTATION RELATIONSHIPS AND DESIGNATED AGENCY:**
- 148 ■ A multiple representation relationship exists if a broker has an agency agreement with more than one client who is a party in the
149 same transaction. In a multiple representation relationship, if all of the broker's clients in the transaction consent, the broker may
150 provide services to the clients through designated agency.
- 151 ■ Designated agency means that different salespersons employed by the broker will negotiate on behalf of you and the other client or
152 clients in the transaction, and the broker's duties will remain the same. Each salesperson will provide information, opinions, and
153 advice to the client for whom the salesperson is negotiating, to assist the client in the negotiations. Each client will be able to
154 receive information, opinions, and advice that will assist the client, even if the information, opinions, or advice gives the client
155 advantages in the negotiations over the broker's other clients. A salesperson will not reveal any of your confidential information to
156 another party unless required to do so by law.
- 157 ■ If a designated agency relationship is not in effect you may authorize or reject a multiple representation relationship. If you
158 authorize a multiple representation relationship the broker may provide brokerage services to more than one client in a transaction
159 but neither the broker nor any of the broker's salespersons may assist any client with information, opinions, and advice which may
160 favor the interests of one client over any other client. If you do not consent to a multiple representation relationship the broker will
161 not be allowed to provide brokerage services to more than one client in the transaction.

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162 **INITIAL ONLY ONE OF THE THREE LINES BELOW:**

- 163 _____ I consent to designated agency.
- 164 _____ I consent to multiple representation relationships, but I do not consent to designated agency.
- 165 _____ I reject multiple representation relationships.

166 NOTE: YOU MAY WITHDRAW YOUR CONSENT TO DESIGNATED AGENCY OR TO MULTIPLE REPRESENTATION
167 RELATIONSHIPS BY WRITTEN NOTICE TO THE BROKER AT ANY TIME. YOUR BROKER IS REQUIRED TO DISCLOSE TO
168 YOU IN YOUR AGENCY AGREEMENT THE COMMISSION OR FEES THAT YOU MAY OWE TO YOUR BROKER. IF YOU HAVE
169 ANY QUESTIONS ABOUT THE COMMISSION OR FEES THAT YOU MAY OWE BASED UPON THE TYPE OF AGENCY
170 RELATIONSHIP YOU SELECT WITH YOUR BROKER YOU SHOULD ASK YOUR BROKER BEFORE SIGNING THE AGENCY
171 AGREEMENT.

172 ■ **SUBAGENCY:** The broker may, with your authorization in the agency agreement, engage other brokers who assist your broker by
173 providing brokerage services for your benefit. A subagent will not put the subagent's own interests ahead of your interests. A subagent will
174 not, unless required by law, provide advice or opinions to other parties if doing so is contrary to your interests.

175 **PLEASE REVIEW THIS INFORMATION CAREFULLY. A broker or salesperson can answer your questions about brokerage
176 services, but if you need legal advice, tax advice, or a professional home inspection, contact an attorney, tax advisor, or home
177 inspector. This disclosure is required by section 452.135 of the Wisconsin statutes and is for information only. It is a plain
178 language summary of a broker's duties to you under section 452.133 (2) of the Wisconsin statutes.**

179 ■ **CONFIDENTIALITY NOTICE TO CLIENTS:** Broker will keep confidential any information given to Broker in confidence, or any
180 information obtained by Broker that he or she knows a reasonable person would want to be kept confidential, unless the information
181 must be disclosed by law or you authorize Broker to disclose particular information. Broker shall continue to keep the information
182 confidential after Broker is no longer providing brokerage services to you.

183 The following information is required to be disclosed by law:

- 184 1) Material adverse facts, as defined in section 452.01(5g) of the Wisconsin statutes (lines xxx-xxx).
- 185 2) Any facts known by the Broker that contradict any information included in a written inspection report on the property or real
186 estate that is the subject of the transaction.

187 To ensure that the Broker is aware of what specific information you consider confidential, you may list that information below (see
188 lines xxx-xxx). At a later time, you may also provide the Broker with other information you consider to be confidential.

189 **CONFIDENTIAL INFORMATION:** _____

190 _____

191 _____

192 **NON-CONFIDENTIAL INFORMATION** (The following may be disclosed by Broker): _____

193 _____

194 _____

195 ■ **DEFINITIONS:**

196 **DEADLINES – DAYS:** Deadlines expressed as a number of "days" from an event are calculated by excluding the day the event occurred
197 and by counting subsequent calendar days.

198 **DELIVERY:** Delivery of documents or written notices related to this Listing may only be accomplished by:

- 199 1) giving the document or written notice personally to the Party;
- 200 2) depositing the document or written notice postage or fees prepaid or charged to an account in the U.S. Mail or a commercial delivery
201 system, addressed to the Party, at the Party's address (See lines xxx, xxx and xxx.);
- 202 3) transmitting the document or written notice to the party's fax number (See lines xxx, xx and xxx.);
- 203 4) electronically transmitting the document or written notice to the Party's e-mail address. If this is a consumer transaction where the
204 property being rented or leased or the rental proceeds are used primarily for personal, family or household purposes, each consumer
205 providing an e-mail address has first consented electronically to the use of electronic documents, e-mail delivery and electronic signatures

206 in the transaction, as required by federal law. (See lines xxx, xx and xxx.); or
207 5) as otherwise agreed in additional provisions on lines xxx-xxx or in an addendum to this Listing.
208 **FIXTURES:** A "fixture" is an item of property which is physically attached to or so closely associated with land or buildings so as to be
209 treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the
210 premises, items specifically adapted to the premises, and items customarily treated as fixtures, including, but not limited to, all:
211 garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and
212 traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and treatment systems;
213 sump pumps; attached or fitted floor coverings; awnings; attached antennas, garage door openers and remote controls; installed
214 security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances;
215 ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations.
216 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**
217 **conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 11-14 and in the offer to**
218 **purchase.**
219 **PROCURE:** A buyer is procured when, during the term of the Listing, an enforceable contract of sale is entered into between the Seller and
220 the buyer or when a ready, willing and able buyer submits to the Seller or the Listing Broker a written offer at the price and on substantially
221 the terms specified in this Listing. A buyer is ready, willing and able when the buyer submitting the written offer has the ability to complete
222 the buyer's obligations under the written offer. (See lines 46-49)
223 **LEASE:** "Lease" means an agreement, whether oral or written, for transfer of possession of real property, or both real and personal
224 property, for a definite period of time. A lease is for a definite period of time if it has a fixed commencement date and a fixed expiration date
225 or if the commencement and expiration can be ascertained by reference to some event, such as completion of a building. An agreement for
226 transfer of possession of only personal property is not a Lease.
227 **PROCURE:** A tenant is procured when, during the term of the Listing, an enforceable rental agreement is entered into between the Owner
228 and the tenant or when a ready, willing and able tenant submits to the Owner or the Listing Broker a written rental agreement at the rent and
229 on substantially the terms specified in this Listing. A tenant is ready, willing and able when the tenant submitting the written rental
230 agreement has the ability to complete the tenant's obligations under the written rental agreement. (See lines xx-xx)
231 **PROPERTY:** Unless otherwise stated, "Property", means the real estate described at lines 2-4.
232 **PROTECTED TENANT:** Means a tenant who personally, or through any person acting for such tenant, during the term of the Listing: 1)
233 delivers to Owner or Broker a written rental proposal or **letter of intent** regarding the Premises **[OR A RENTAL UNIT WITHIN THE**
234 **PREMISES??];** 2) negotiates directly with Owner by discussing with Owner the potential terms upon which tenant might acquire a leasehold
235 **OR RENTAL** interest in the Premises **[OR A RENTAL UNIT WITHIN THE PREMISES??];** or 3) attends an individual showing of the
236 Premises **[OR A RENTAL UNIT WITHIN THE PREMISES??]** or discusses with Broker or cooperating brokers the potential terms upon
237 which tenant might acquire a **leasehold or rental** interest in the Premises **[OR A RENTAL UNIT WITHIN THE PREMISES??]**, but only if
238 Broker delivers the tenant's name to Owner, in writing, no later than three days after the expiration of the Listing. The requirement in 3), to
239 deliver the tenant's name to Owner in writing, may be fulfilled as follows: a) If the Listing is effective only as to certain individuals who are
240 identified in the Listing, by the identification of the individuals in the Listing; or, b) if a tenant has requested that the tenant's identity remain
241 confidential, by delivery of a written notice identifying the broker with whom the buyer negotiated and the date(s) of any showings or other
242 negotiations.
243 **RENTAL AGREEMENT:** "Rental Agreement" means an oral or written agreement between a landlord and tenant, for the rental or lease of a
244 specific dwelling unit or premises, in which the landlord and tenant agree on the essential terms of the tenancy, such as rent. Rental
245 Agreement includes a lease. Rental Agreement does not include an agreement to enter into a rental agreement in the future.

246 **ADDITIONAL PROVISIONS** _____
247 _____
248 _____
249 _____
250 _____

251 **ADDENDA** The attached _____ is/are made part of this Listing.

252 **CAUTION: IF SIGNED, THIS LISTING CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BROKERS MAY PROVIDE A**
253 **GENERAL EXPLANATION OF THE PROVISIONS OF THIS LISTING OR OTHER REAL ESTATE CONTRACTS, BUT ARE**
254 **PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS LISTING OR ANY**
255 **OTHER REAL ESTATE CONTRACT. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED. OWNER SHOULD**
256 **CONSULT OTHER EXPERTS AS APPROPRIATE, FOR EXAMPLE, APPRAISERS, TAX ADVISORS, OR INSPECTORS IF SERVICES**
257 **BEYOND BROKER'S MARKETING SERVICES ARE REQUIRED.**

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

261 **■ TERM OF THE CONTRACT:** From the _____ day of _____, _____, up to and
262 including midnight of the _____ day of _____.

263 **■ READING/RECEIPT: BY SIGNING BELOW, OWNER ACKNOWLEDGES RECEIPT OF A COPY OF THIS LISTING CONTRACT**
264 **AND THAT HE/SHE HAS READ ALL FIVE?? PAGES AS WELL AS ANY ADDENDA AND ANY OTHER DOCUMENTS**
265 **INCORPORATED INTO THE LISTING.**

266 **NOTE: a lease or rental agreement for a portion of the Premises does not terminate the listing as to any remaining part of the**
267 **Premises included in this Listing, including personal property and equipment.**

268 (x) _____
269 Owner's Signature ▲ Print Name Here: ▲ Date ▲

270 _____
271 Owner's Address ▲ Owner's Phone # ▲

272 _____
273 Owner's Fax # ▲ Owner's E-Mail Address ▲

274 (x) _____
275 Owner's Signature ▲ Print Name Here: ▲ Date ▲

276 _____
277 Owner's Address ▲ _____ Owner's Phone # ▲ _____

278 _____
279 Owner's Fax # ▲ _____ Owner's E-Mail Address ▲ _____

280 (x) _____
281 Agent for Broker ▲ _____ Print Name Here: ▲ _____ Broker/Firm Name ▲ _____ Date ▲ _____

282 _____
283 Broker/Firm Address ▲ _____ Broker/Firm Phone # ▲ _____

284 _____
285 Broker/Firm Fax # ▲ _____ Broker/Firm E-Mail Address ▲ _____

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