Approved by the Wisconsin Department of Regulation and Licensing
4-1-00 (Optional Use Date)
9-1-00 (Mandatory Use Date)

WB-14 RESIDENTIAL CONDOMINIUM OFFER TO PURCHASE

BROKER DRAFTING THIS OFFER ON _____ [DATE] IS (AGENT OF SELLER) (AGENT OF BUYER) (DUAL AGENT) STRIKE TWO

GENERAL PROVISIONS The Buyer, _____ , offers to purchase the Property known as [Street Address] _____ in the _____ of _____ , County of _____ , Wisconsin, particularly described as Unit: _____ (Building _____) of _____ Condominium; Seller's undivided interest in the common elements appurtenant to the Unit, together with and subject to the rights, interests, obligations and limitations as set forth in the declaration and condominium plat (and all amendments to them) creating the Condominium, which altogether constitute the Property, on the following terms:

■ PURCHASE PRICE: _____ Dollars ($_____).

■ EARNEST MONEY of $ _____ accompanies this Offer and earnest money of $ _____ will be paid within _____ days of acceptance.

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

■ ADDITIONAL ITEMS INCLUDED IN PURCHASE PRICE: Seller shall include in the purchase price and transfer free and clear of encumbrances Seller's interest in: any common surplus and reserves of the condominium allocated to the Unit; and all fixtures, as defined at lines 242 to 251 and as may be in or on the Unit on the date of this Offer, unless excluded at lines 18-19, and the following additional items: _____ .

■ ITEMS NOT INCLUDED IN THE PURCHASE PRICE: _____ .

■ LIMITED COMMON ELEMENTS: Note, the limited common elements are those assigned in the condominium declaration.

■ PARKING: The parking for the Unit is: _____ . The parking fee is: $ _____ .

■ ASSOCIATION FEE: The association fee for the Unit is $ _____ per _____ .

BINDING ACCEPTANCE This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on or before _____ . *CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.*

DELIVERY OF DOCUMENTS AND WRITTEN NOTICES Unless otherwise stated in this Offer, delivery of documents and written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 27 - 36.

(1) By depositing the document or written notice postage or fees prepaid in the U.S. Mail or fees prepaid or charged to an account with a commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery designated at lines 30 or 32 (if any), for delivery to the Party's delivery address at lines 31 or 33.

Seller's recipient for delivery (optional): _____

Seller's delivery address: _____

Buyer's recipient for delivery (optional): _____

Buyer's delivery address: _____

(2) By giving the document or written notice personally to the Party or the Party's recipient for delivery if an individual is designated at lines 30 or 32.

(3) By fax transmission of the document or written notice to the following telephone number:

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

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

CAUTION: The Association may have the right to review and approve the terms of any lease of the unit.

PLACE OF CLOSING This transaction is to be closed at the place designated by Buyer's mortgagee or _____ no later than _____ , _____ unless another date or place is agreed to in writing. Immediately after closing Buyer and Seller shall notify the condominium association of the transfer.

CLOSING PRORATIONS The following items shall be prorated at closing: real estate taxes, rents, water and sewer use charges, garbage pick-up and other private and municipal charges, property owner's or condominium association fees and assessments, fuel and _____ . Any income, taxes or expenses shall accrue to Seller and be prorated through the day prior to closing. Net general real estate taxes shall be prorated based on (the net general real estate taxes for the current year, if known, otherwise on the net general real estate taxes for the preceding year) (_____).

STRIKE AND COMPLETE AS APPLICABLE *CAUTION: If proration on the basis of net general real estate taxes is not acceptable (for example, completed/pending reassessment, changing mill rate, lottery credits), insert estimated annual tax or other formula for proration.*

PROPERTY CONDITION PROVISIONS

■ PROPERTY CONDITION REPRESENTATIONS: Seller represents to Buyer that as of the date of acceptance Seller has no notice or knowledge of conditions affecting the Property or transaction other than those identified in Seller's Real Estate Condition Report dated _____ , which was received by Buyer prior to Buyer signing this Offer and which is made a part of this Offer by reference COMPLETE DATE OR STRIKE AS APPLICABLE and _____ INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT .

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■ A "condition affecting the Property or transaction" is defined as follows:
(a) planned or commenced public improvements by government authorities or the homeowner's or condominium association which may result in special assessments or otherwise materially affect the Property or the present use of the Property;
(b) completed or pending reassessment of the Property for property tax purposes;
(c) government agency, court, homeowner's or condominium association order requiring repair, alteration or correction of any existing condition related to the Property;
(d) construction or remodeling on Property for which required state or local permits had not been obtained;
(e) any land division involving the subject Property, for which required state or local approvals had not been obtained;
(f) violation of applicable state or local smoke detector laws; *NOTE: State law requires operating smoke detectors on all levels of all residential properties.*
(g) any portion of the Condominium being in a 100 year floodplain, a wetland or a shoreland zoning area under local, state or federal laws;
(h) that a structure on the Property is designated as a historic building or that any part of Property is in a historic district;
(i) structural inadequacies which if not repaired will significantly shorten the expected normal life of the Condominium;
(j) mechanical systems inadequate for the present use of the Condominium;
(k) insect or animal infestation of the Condominium;
(l) conditions constituting a significant health or safety hazard for occupants of Property; *Note: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential properties built before 1978.*
(m) underground or aboveground storage tanks on the Condominium for storage of flammable or combustible liquids including but not limited to gasoline and heating oil which are currently or which were previously located on the Condominium; *NOTE: Wis. Adm. Code, Chapter COMM 10 contains registration and operation rules for such underground and aboveground storage tanks.*
(n) material violations of environmental laws or other laws or agreements regulating the use of the Condominium;
(o) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Condominium;
(p) other conditions or occurrences which would significantly reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

■ CONDOMINIUM DISCLOSURES: Seller agrees to provide Buyer with complete, current and accurate copies of the condominium disclosure materials required by Wisconsin Statute §703.33. The condominium disclosure materials are required to be delivered to Buyer no later than 15 days prior to closing. The condominium disclosure materials include copies of the condominium declaration, bylaws, rules and regulations, together with an index of contents, articles of incorporation, management contracts, current year's association budget (including reasonable details concerning monthly assessment charges and charges for rental of facilities), latest annual association operating statements, leases to which unit owners will be a party, description of any contemplated expansion of condominium, the unit floor plan with information necessary to show location of common elements and other facilities available to unit owners, and any amendments to any of these (except as limited for small residential condominiums per Wis Stat. §703.365). If the condominium was an occupied structure prior to the recording of the condominium declaration, it is a "conversion condominium" and the "condominium disclosure materials" also include: 1) a statement based on an engineer's or architect's report describing the present condition of structural, mechanical and electrical installations; 2) a statement of the useful life of the items covered in 1), unless a statement that no representations are being made is provided, and 3) a list of notices of code or other municipal violations, including an estimate of the costs of curing the violations. These materials are available at cost from the condominium association. As provided in Wisconsin Statutes §703.33(4), Buyer may, within five business days after receipt of these documents, including any material modification thereto, rescind this Offer by written notice mailed or delivered to Seller, the date of mailing or actual delivery being the effective date of notice.

■ ADDITIONAL CONDOMINIUM ISSUES: In addition to review of the disclosure materials required to be provided by Wisconsin Statute §703.33, Buyer may wish to consider reviewing other condominium materials as may be available, such as: copies of the condominium association's financial statements for previous years, the minutes of previous unit owner's meetings, the minutes of condominium board meetings during the months prior to acceptance, copies of the association's certificate of insurance, a statement from the association indicating the balance of reserve accounts controlled by the association, a statement from the association of the amount of any unpaid assessments on the unit (per Wis. Stats. §703.16(5)) and the declaration and bylaws of the master association, if any. Contingencies for review and approval of those additional materials which may be available may be provided for in additional contingencies per lines 157-163, or in an addendum per line 347. Because not all of these materials may exist or be available from the condominium association, Seller may wish to verify availability prior to acceptance if the Offer is contingent upon Seller providing these materials to Buyer.

■ REAL ESTATE CONDITION REPORT: Wisconsin law requires owners of property which includes 1-4 dwelling units to provide buyers with a Real Estate Condition Report. Wisconsin Statutes §709.03 provides that when the Property is a condominium unit, the property to which the real estate condition report applies is the condominium unit, the common elements of the condominium and any limited common elements that may be used only by the owner of the condominium unit being transferred. Excluded from this requirement are sales of property that has never been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example, personal representatives who have never occupied the Property). The form of the Report is found in Wisconsin Statutes §709.03. The law provides: "709.02 Disclosure ... the owner of the property shall furnish, not later than 10 days after acceptance of the contract of sale ...., to the prospective buyer of the property a completed copy of the report ... A prospective buyer who does not receive a report within the ten days may, within two business days after the end of that 10 day period, rescind the contract of sale ... by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission rights if a Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding these rescission rights.

■ PROPERTY DIMENSIONS AND SURVEYS: Buyer and Seller acknowledge that any land, unit or room dimensions, or total acreage or unit square footage figures, provided to Buyer or Seller, may be approximate because of rounding or other reasons, unless verified by survey or other means. Buyer and Seller also acknowledge that there are various formulas used to calculate total square footage of units and that total square footage figures will vary dependent upon the formula used. *CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, land, unit or room dimensions, if material.*

ACCEPTANCE Acceptance occurs when all Buyers and Sellers have signed an identical copy of the Offer, including signatures on separate but identical copies of the Offer. *CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines running from acceptance provide adequate time for both binding acceptance and performance.*

PROPERTY ADDRESS: _____

THE FINANCING CONTINGENCY PROVISIONS AT LINES 127 - 156 ARE A PART OF THIS OFFER IF LINE 127 IS MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF LINE 127 IS MARKED N/A OR IS NOT MARKED.

[ ] FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain a _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an amount of not less than $ _____ for a term of not less than _____ years, amortized over not less than _____ years. Initial monthly payments of principal and interest shall not exceed $ _____ . Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee not to exceed _____ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing costs.) If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above. CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 137 OR 138.

[ ] FIXED RATE FINANCING The annual rate of interest shall not exceed _____ %.

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

LOAN COMMITMENT: Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the financing described in this contingency or other financing acceptable to Buyer, Buyer agrees to deliver to Seller, or Seller's agent, a copy of the written loan commitment no later than the deadline for loan commitment at line 128. Buyer's delivery of a copy of any written loan commitment to Seller shall satisfy the Buyer's financing contingency unless accompanied by a notice of unacceptability. *CAUTION: NEITHER BUYER, LENDER OR AGENTS OF BUYER OR SELLER SHOULD DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.*

SELLER TERMINATION RIGHTS: If Buyer does not make timely delivery of the loan commitment, Seller may terminate this Offer provided that Seller delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

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

ADDITIONAL PROVISIONS/CONTINGENCIES _____

_____

_____

_____

_____

_____

_____

TIME IS OF THE ESSENCE "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4) date of closing; (5) contingency deadlines; (6) delivery of condominium disclosure materials (see lines 81 to 94) [STRIKE AS APPLICABLE] and all other dates and deadlines in this Offer except: _____ .

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 "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 allowed before a breach occurs.

RENTAL WEATHERIZATION This transaction (is) (is not) [STRIKE ONE] exempt from State of Wisconsin Rental Weatherization Standards (COMM 67, Wisconsin Administrative Code). If not exempt, (Buyer) (Seller) [STRIKE ONE] will be responsible for compliance, including all costs. If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

TITLE EVIDENCE

■ CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility, municipal and association service, easements for performance of association duties, recorded building and use restrictions and covenants, general taxes levied in the year of closing, Wisconsin Condominium Act, condominium declaration and plat and association articles of incorporation, bylaws and rules and amendments to the above and _____ _____ (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance. *WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making improvements to Property or a use other than the current use.*

■ PROVISION OF MERCHANTABLE TITLE: Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and exceptions, as appropriate. *CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE COMMITMENT PRIOR TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED BETWEEN THE EFFECTIVE DATE OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED.*

■ FORM OF TITLE EVIDENCE: Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the purchase price on a current ALTA form (including the ALTA Condominium 4 Endorsement or equivalent) issued by an insurer licensed to write title insurance in Wisconsin. *CAUTION: IF TITLE EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.*

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

■ SPECIAL ASSESSMENTS: Special assessments, if any, including those by the homeowner's or condominium association, for work actually commenced or levied prior to date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by Buyer. *CAUTION: Consider a special agreement if area assessments, property owner's or condominium owner's association assessments or other* expenses are contemplated. "Other expenses" are one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter, street, sidewalk, sanitary and stormwater and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stats. §66.55(1)(c) & (f).

OCCUPANCY Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this Offer (lines 324-327 or in an addendum per line 347). At time of Buyer's occupancy, the Unit and any limited common elements assigned exclusively to the Unit shall be free of all debris and personal property, except for personal property belonging to current tenants or personal property sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

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

DELIVERY/RECEIPT Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party. The delivery/receipt provisions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 27-33) or when a party will not be personally available to receive a notice (see line 317)). Buyer and Seller authorize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

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

DEFAULT *IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.* Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or other legal remedies.

If Buyer defaults, Seller may:

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

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

If Seller defaults, Buyer may:

(1) sue for specific performance; or

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

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

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

FIXTURES

A "Fixture" is defined as an item of property, which may or may not be a common element of the Condominium, which is physically attached to or so closely associated with land or improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily removable without damage to the Property, items specifically adapted to the Property, and items customarily treated as fixtures including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached equipment; water heaters and softeners; sump pumps; attached or fitted floor coverings; awnings; attached antennas, satellite dishes and component parts; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent foundations and docks/piers on permanent foundations. *NOTE: The terms of the Offer will determine what items are included/excluded. Address rented fixtures (e.g., water softeners), if any.*

EARNEST MONEY

■ HELD BY: Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent if Property is not listed or Seller' account if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer. *CAUTION: Should persons other than a broker hold earnest money, and escrow agreement should be drafted by the Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.*

■ DISBURSEMENT: If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer (Note: Wis. Adm. Code s. RL 18.09(1)(b) provides that an offer to purchase is not a written disbursement agreement pursuant to which the broker may disburse). If the disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to exceed $250, prior to disbursement.

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

NOTE: WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.

ADDITIONAL PROPERTY CONDITION PROVISIONS

■ INSPECTIONS: Seller agrees to allow Buyer's inspectors reasonable access to the Unit and limited common elements assigned to the Unit, upon reasonable notice, if the inspections are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Unit to it's original condition after Buyer's inspections are completed, unless otherwise agreed with Seller. An "inspection" is defined as an observation of the Unit which does not include testing of the Property other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are hereby authorized.

■ TESTING: Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory or other analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 157 - 163 or in an addendum per line 347. Note: Any contingency authorizing such tests 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 of the contingency (e.g. Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

■ PRE-CLOSING INSPECTION: At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall have the right to inspect the Unit to determine that there has been no significant change in the condition of the Unit and the limited common elements assigned to the Unit, except for ordinary wear and tear and changes approved by Buyer, and that any defects Seller has elected to cure have been repaired in a good and workmanlike manner.

■ PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING: Seller shall maintain the Unit and the limited common elements assigned to the Unit until the earlier of closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior to the earlier of closing or occupancy of Buyer, the Unit is damaged in an amount of not more than five per cent (5%) of the selling price, Seller shall be obligated to repair the Unit and restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds relating to the damage to the Unit, plus a credit towards the purchase price equal to the amount of Seller's deductible on such policy. However, if this sale is financed by a land contract or a mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of restoring the Unit.

OPTIONAL PROVISIONS: THE PROVISIONS ON LINES 307 THROUGH 347 ARE A PART OF THIS OFFER IF MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK (EXCEPT AS PROVIDED AT LINES 311 - 312).

[ ] ASSOCIATION APPROVAL OF SALE OF UNIT CONTINGENCY: This Offer is contingent upon Seller delivering to Buyer a waiver of the association's right of first refusal within _____ days of acceptance. Seller shall promptly submit the Offer and waiver request to the association.

[ ] SALE OF BUYER'S PROPERTY CONTINGENCY: This Offer is contingent upon the sale and closing of Buyer's property located at _____ , no later than _____ . Seller may keep Seller's Property on the market for sale and accept secondary offers. If this contingency is made a part of this Offer, lines 313 - 317 are also a part of this offer unless marked N/A at line 313 or otherwise deleted.

[ ] CONTINUED MARKETING: If Seller accepts a bona fide secondary offer, Seller may give written notice to the Buyer of acceptance. If Buyer does not deliver to Seller a written waiver of sale of Buyer's property contingency and _____ _____ [INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)] within _____ hours of Buyer's actual receipt of the notice, this Offer shall be null and void.

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

[ ] PRE/POST CLOSING OCCUPANCY: Occupancy of _____ shall be given to Buyer on _____ at _____ am/pm. At closing (Seller)(Buyer) [STRIKE ONE] shall pay an occupancy charge of $ _____ per day or partial day of pre/post-closing occupancy. Any unearned post closing occupancy fee (shall) (shall not) [STRIKE ONE] be refunded based on actual occupancy. *CAUTION: Consider a special agreement regarding occupancy escrow, insurance, utilities, maintenance, keys, etc.*

[ ] INSPECTION CONTINGENCY: This Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Unit and the limited common elements assigned to the Unit, and an inspection, by a qualified independent inspector, of: _____ _____ which discloses no defects as defined below. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers to Seller, and to listing broker if the Unit is listed, a copy of the inspector's written inspection report(s) and a written notice listing the defect(s) identified in the inspection report(s) to which Buyer objects. *CAUTION: A proposed amendment will not satisfy this notice requirement.* Buyer shall order the inspection and be responsible for all costs of inspection, including any inspections required by lender or as follow-up inspections to the home inspection. Note: This contingency only authorizes inspections, not testing, see lines 279 - 291.

■ RIGHT TO CURE: Seller (shall) (shall not) [STRIKE ONE] have a right to cure the defects. (Seller shall have a right to cure if no choice is indicated.) If Seller has right to cure, Seller may satisfy this contingency by: (1) delivering a written notice of Seller's election to cure defects within 10 days of receipt of Buyer's notice, (2) curing the defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done no later than 3 days prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the above notice and report and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: a) Seller delivers notice that Seller will not cure or b) Seller does not timely deliver the notice of election to cure.

■ "DEFECT" DEFINED: For the purposes of this contingency, a defect is defined as a structural, mechanical or other 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 Unit; or that if not repaired, removed or replaced would significantly shorten or have a significant adverse effect on the expected normal life of the Unit. Defects do not include structural, mechanical or other conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

[X] ADDENDA: The attached Addendum C is/are made part of this Offer.

This Offer was drafted on _____ [date] by [Licensee and firm] _____ .

(X)_____ _____ _____
Buyer's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

(X)_____ _____ _____
Buyer's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 11 of the above Offer. (See Lines 252 - 277)

_____ Broker (By) _____

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

(X)_____ _____ _____
Seller's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

(X)_____ _____ _____
Seller's Signature ▲ Print Name Here: ► Social Security No. or FEIN (optional) ▲ Date ▲

This Offer was presented to Seller by _____ on _____, _____ , at _____ a.m./p.m.

THIS OFFER IS REJECTED _____ _____ THIS OFFER IS COUNTERED [See attached counter] _____ _____
Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

ADDENDUM C TO WB-14 RESIDENTIAL CONDOMINIUM OFFER TO PURCHASE

This Addendum to WB-14 Residential Condominium Offer to Purchase is intended to supplement this form to reflect the changes made to Chapters 703 and 709 of the Wisconsin Statutes by 2003 Wisconsin Act 283.

■ CONDOMINIUM DISCLOSURE MATERIALS. Lines 81-94 of the WB-14 Residential Condominium Offer to Purchase are supplemented with the following information:

The condominium disclosure materials also include an executive summary which highlights essential information about the condominium for buyers. An executive summary may not be required as part of the disclosure materials for a "small condominium" (up to 12 units), depending upon the elections made in the declaration (Wis. Stat. § 703.365).

If the disclosure materials are delivered to Buyer and Buyer does not receive all of the disclosure documents, Buyer may, within 5 business days of Buyer's receipt of the disclosure materials, either rescind the Offer or request any missing documents. Seller has 5 business days following receipt of Buyer's request for missing documents to deliver the requested documents. Buyer may rescind the sale within 5 business days of the earlier of Buyer's receipt of requested missing documents or the deadline for Seller's delivery of the documents [Wis. Stat. § 703.33(4)(b)].

■ REAL ESTATE CONDITION REPORT. Lines 104-115 of the WB-14 Residential Condominium Offer to Purchase are supplemented with the following information:

A condominium addendum to the Real Estate Condition Report must be furnished in compliance with Wis. Stat. § 709.02(2), attached to the Real Estate Condition Report and delivered to the Buyer. A copy of the executive summary also must be included with the condominium addendum to the Real Estate Condition Report unless this is a small condominium electing § 703.365(8) disclosure requirements.

By initialing and dating below, each party acknowledges that they have read and acknowledge receipt of a copy of this Addendum. (Seller's initials below shall not constitute the acceptance or other disposition of the Offer or this Addendum).

_____	_____	_____	_____
(Buyer(s) Initials)	(Date)	(Seller(s) Initials)	(Date)

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No representation is made as to the legal validity of any provision or the adequacy of any provision in any specific transaction.

RESIDENTIAL CONDOMINIUM CONCEPTS

In general terms, residential Condominiums take what otherwise might have been an apartment, townhouse or house, and permits individual sales of the separate dwelling Units. All of the dwelling Unit owners own the common areas together and collectively pay for the upkeep and other common expenses. A Condominium, however, is not like living in an apartment because the owner is usually responsible for the maintenance and repair of everything within the Unit - the property manager does not take care of it, as would be the case with a tenant. To understand Condominium ownership, an understanding of certain key concepts is needed.

■ Declaration: The Declaration is a written document that creates a Condominium from one or more parcels of real estate. In the Declaration, the owner declares his or her property to now be a Condominium. The Declaration divides the property into several smaller parcels: Units, which are individually owned, and the Common Elements, which are owned in common by all of the Unit owners together. The Declaration sets out what percentage of ownership interest in the Common Elements is assigned to each Unit, and the number of votes that the owner of each Unit has in the Association.

■ Declarant: The Declarant is the builder or developer who declares his or her property to be a Condominium by recording the Declaration and plat maps. The Declarant may reserve a period of "Declarant Control" that gives the Declarant time to finish construction of the Condominium project and/or to sell the Units. During this period, the Declarant exercises the powers and responsibilities of the Association through its exclusive right to appoint the directors to the Association board. As the Units are sold to purchasers, elections are held at different intervals and the Unit owners (other than the Declarant) elect an increasing number of the directors. Declarant Control lasts up to ten years in expandable Condominiums and up to three years in other Condominiums.

■ Unit: A Unit is the part of the Condominium that is privately owned and used by the Unit owner. A Unit owner has exclusive ownership and possession of his or her Unit. The statutes define Unit in terms of cubicles of air, enclosed spaces located on one or more floors, and rooms. A Unit may also include structural parts of a building (walls, wood frame) or a Unit may be a whole building, a building plus the surrounding land, or just land (similar to a lot). Units may also include separate areas that are some distance apart. For example, a Unit may include a dwelling plus a storage area, patio or parking space. The boundaries of each Unit are defined in the Declaration, which may describe the perimeter walls, sometimes known as the "perimetric boundaries," the upper boundaries and the lower boundaries. Generally, everything within these boundaries will be part of the Unit. Therefore, each Unit's boundaries may impact the Unit owner's maintenance responsibilities, ability to make improvements or alterations, and insurance liability.

■ Common Elements: Common Elements means everything else in the Condominium that is not a Unit. In a typical residential Condominium, the Common Elements may include the land, the exterior and common areas of buildings (entranceway, halls, elevator, meeting room, etc.), landscaping, roads, any outside parking areas, outdoor lighting, any recreational facilities (swimming pool, tennis courts, clubhouse, etc.) and all other common areas and amenities.

■ Limited Common Elements: The Limited Common Elements are Common Elements that are identified in the Declaration or plat as reserved for the exclusive use of less than all of the Unit owners. Typically, a Limited Common Element will be reserved for the use of just one Unit. Basically, you don't own it individually, but you are the only one who may use it. This exclusive use, however, may be subject to restrictions stated in the Declaration, Bylaws or Condominium rules and regulations. Limited Common Elements may include features like a storage area, patio, balcony, garage parking space, or a boat slip.

■ Percentage Interests: Every Unit owner shares in the ownership of the Common Elements with the other owners. Each Unit is allotted a portion of this ownership interest called the Percentage Interests. The Percentage Interests are stated in the Declaration and come automatically with the ownership of a Unit. The Percentage Interests often determine the share of common expenses that the Unit owner must pay for the repair and maintenance of the Common Elements and for the operation of the Association. Percentage Interests may be an equal percentage for all Units, in proportion to the square footage of the Units, based upon the location or value of the Units, or based upon some other formula stated in the Declaration.

■ Association: The Association is the entity that the Unit owners use to act together as a group to manage and maintain the Condominium property and finances. This group will be either a nonstock, nonprofit corporation or an unincorporated Association. Every Unit owner is automatically a member of the Association and votes for the Association directors who, on behalf of the Association, manage and maintain the Common Elements, adopt budgets and set the amount of the fees or assessments paid by the Unit owners for the Association's common expenses. The Association directors typically are responsible for the maintenance of the Condominium property, including lawn and garden care, snow removal, painting, roofs, and amenities such as swimming pools and tennis courts. They are responsible for collecting assessment fees, maintaining books and records, overseeing reserve funds, preparing financial reports, and filing tax returns. The board of directors is responsible for enforcing the rules and providing disclosure materials for Unit sales. Some or all of these functions may be delegated to a Condominium manager or other professionals such as accountants.

■ Assessment Fees: The Association sets a budget for all of the Condominium expenses and divides those expenses among the Unit owners. These fees are called "common assessments" or "condo maintenance fees" and typically are paid monthly. The Association may also create reserves for future maintenance and repairs.

Residential Condominium Concepts was developed and distributed by the Wisconsin REALTORS® Association (2005).
Drafted by: Attorneys Debra Peterson Conrad (WRA) and Lisa M. Pardon (Brennan, Steil & Basting, S.C.)