

Table of Contents

Chapter 1

Basic Residential Real Estate Transaction

- I. Scope of Chapter [§ 1.1]
- II. Introduction [§ 1.2]

Step 1: Preliminary Matters

- III. Overview of Preliminary Matters in the Basic Transaction [§ 1.3]
- IV. Checklist for Preliminary Matters: Buyer (Form REA-0128) [§ 1.4]
- V. Checklist for Preliminary Matters: Seller (Form REA-0129) [§ 1.5]

Step 2: Listing and Locating Residential Property

- VI. Overview of Listing and Locating Residential Property [§ 1.6]
- VII. Home for Sale by Owner [§ 1.7]
- VIII. Listing Contract [§ 1.8]
 - A. In General [§ 1.9]
 - B. Agency Relationship [§ 1.10]
 - C. Brokerage Commission [§ 1.11]
 - D. Amendment to Listing Contract [§ 1.12]
- IX. Checklist for Listing Contract (Form REA-0130) [§ 1.13]
- X. Form: Residential Pre-Agency Showing Agreement (WB-50) (Form REA 0131) [§ 1.14]
- XI. Form: Residential Listing Contract—Exclusive Right to Sell (WB-1) (Form REA-0131) [§ 1.15]
- XII. Form: Amendment to Listing Contract (WB-42) (Form REA-0132) [§ 1.16]

Step 3: Offer to Purchase

- XIII. Overview of Offer to Purchase in the Basic Transaction [§ 1.17]
- XIV. Buyer's Drafting Considerations [§ 1.18]
 - A. In General [§ 1.19]
 - B. Financing Contingency [§ 1.20]
 - C. Sale of Existing Property [§ 1.21]
 - D. Appraisal [§ 1.22]
 - E. Property Characteristics [§ 1.23]
 - 1. In General [§ 1.24]
 - 2. Real Estate Condition Report [§ 1.25]
 - 3. Lead-Based Paint Disclosures [§ 1.26]
 - 4. Home Inspection [§ 1.27]
 - 5. Wells and Septic Systems [§ 1.28]
 - 6. Environmental Conditions [§ 1.29]
 - 7. Condition at Closing [§ 1.30]
 - F. Zoning, Permits, and Codes [§ 1.31]
 - 1. In General [§ 1.32]
 - 2. Rezoning, Conditional-Use, or Variance Requirement [§ 1.33]
 - 3. Permit or License Requirement [§ 1.34]
 - 4. Subdivision Regulations and Restrictions [§ 1.35]

- 5. Building Codes [§ 1.36]
 - 6. Land Division Ordinances [§ 1.37]
- XV. Seller's Counteroffers and Conditions to Acceptance [§ 1.38]
 - A. In General [§ 1.39]
 - B. Limitation on Time [§ 1.40]
 - C. Reliance on Warranties and Representations [§ 1.41]
 - D. "As-Is" Purchase [§ 1.42]
 - E. Buyer to Obtain and Pay for Survey [§ 1.43]
 - F. Disclosures and Warranties on Environmental Conditions (Including Lead-Based Paint) [§ 1.44]
 - G. Provision of or Exemption for Real Estate Condition Report [§ 1.45]
 - H. Buyer to Purchase Fuel [§ 1.46]
- XVI. Amendment to or Notice Relating to Offer to Purchase [§ 1.47]
 - A. Amendment [§ 1.48]
 - B. Notice [§ 1.49]
- XVII. Checklist for Offer to Purchase: Buyer (Form REA-0133) [§ 1.50]
- XVIII. Checklist for Offer to Purchase: Seller (Form REA-0134) [§ 1.51]
- XIX. Form: Residential Offer to Purchase (WB-11) (Form REA-0135) [§ 1.52]
- XX. Form: Sample Addendum W—Wetlands (Wisconsin Realtors® Association) (Form REA-0208) [§ 1.53]
- XXI. Form: Residential Real Estate Condition Report (Form REA-0136) [§ 1.54]
- XXII. Form: Counter-Offer (WB-44) (Form REA-0137) [§ 1.55]
- XXIII. Form: Amendment to Offer to Purchase (WB-40) (Form REA-0138) [§ 1.56]
- XXIV. Form: Notice Relating to Offer to Purchase (WB-41) (Form REA-0139) [§ 1.57]
 - A. Form: Cancellation Agreement and Mutual Release (WB-45) (Form REA-0140) [§ 1.58]

Step 4: Financing

- XXV. Overview of Financing in the Basic Transaction [§ 1.59]
- XXVI. Secondary Financing [§ 1.60]
- XXVII. Waiver of Financing Contingency [§ 1.61]
- XXVIII. Checklist for Financing: Buyer (Form REA-0141) [§ 1.62]
- XXIX. Checklist for Financing: Seller (Form REA-0142) [§ 1.63]
- XXX. Letter: To Seller Regarding Satisfaction of Financing Contingency (Form REA-0143) [§ 1.64]

Step 5: Preclosing Matters

- XXXI. Overview of Preclosing Matters in the Basic Transaction [§ 1.65]
- XXXII. Title Considerations [§ 1.66]
 - A. In General [§ 1.67]
 - B. Title Insurance [§ 1.68]
 - 1. Seller [§ 1.69]
 - 2. Buyer [§ 1.70]
- XXXIII. Seller's Marital Property Agreement [§ 1.71]
- XXXIV. Personal Property Security Interests of Record [§ 1.72]
- XXXV. Deed and Bill of Sale [§ 1.73]
- XXXVI. Payoff Statement and Mortgage Satisfaction [§ 1.74]
- XXXVII. Affidavit Regarding Construction Liens and Waiver of Lien [§ 1.75]
- XXXVIII. Survey [§ 1.76]
- XXXIX. Verification of Special Assessments, Building Orders, Completed or Pending Reassessments, and Taxes [§ 1.77]

XL.	Verification of Floodplain, Wetland, or Shoreland Area Status [§ 1.78]
XLI.	Real Estate Transfer Return [§ 1.79]
XLII.	Occupancy [§ 1.80]
	A. Occupancy Certificate [§ 1.81]
	B. Occupancy Agreement [§ 1.82]
	C. Notice to Existing Tenants [§ 1.83]
XLIII.	Closing Statement [§ 1.84]
XLIV.	Tax Reporting Requirements [§ 1.85]
	A. Reporting Gain on Sale [§ 1.86]
	B. Foreign Investment in Real Property Tax Act in 1980 (FIRPTA) [§ 1.87]
XLV.	Other Matters [§ 1.88]
	A. Utility Services [§ 1.89]
	B. Property Recording and Certificate of Compliance Requirements [§ 1.90]
	C. Homeowner's Insurance [§ 1.91]
	D. Escrow [§ 1.92]
	E. New Federal Reporting Requirements [§ 1.93]
XLVI.	Checklist for Preclosing Matters: Buyer (Form REA-0144) [§ 1.94]
XLVII.	Checklist for Preclosing Matters: Seller (Form REA-0145) [§ 1.95]
XLVIII.	Letter: To Buyer Regarding Closing and Closing Statement (Form REA-0146) [§ 1.96]
XLIX.	Letter: To Seller Regarding Closing and Closing Statement (Form REA-0147) [§ 1.97]
L.	Letter: To Title Insurer Ordering Title Insurance Commitment (Form REA-0148) [§ 1.98]
LI.	Letter: To Unrepresented Buyers Establishing How Title Will Be Taken (Form REA-0149) [§ 1.99]
LII.	Form: Sample Title Commitment (Form REA-0212) [§ 1.100]
LIII.	Form: Warranty Deed (State Bar of Wisconsin Form 1) (Form REA-0150) [§ 1.101]
LIV.	Form: Warranty Deed (State Bar of Wisconsin Form 2) (Form REA-0151) [§ 1.102]
LV.	Form: Quit Claim Deed (State Bar of Wisconsin Form 3) (Form REA-0152) [§ 1.103]
LVI.	Form: Guardian's Deed (State Bar of Wisconsin Form 4) (Form REA-0235) [§ 1.104]
LVII.	Form: Personal Representative's Deed (State Bar of Wisconsin Form 5) (Form REA-0153) [§ 1.105]
LVIII.	Form: Trustee's Deed (State Bar of Wisconsin Form 7) (Form REA-0154) [§ 1.106]
LIX.	Form: Bill of Sale (WB-25) (Form REA-0155) [§ 1.107]
LX.	Form: Discharge and Release of Discriminatory Restriction Affecting Real Property (Form REA-0285) [§ 1.108]
LXI.	Letter: To Buyer's Lender Requesting Note and Mortgage Forms (Form REA-0156) [§ 1.109]
LXII.	Letter: To Seller's Mortgagee Requesting Copy of Mortgage Satisfaction (Form REA-0157) [§ 1.110]
LXIII.	Letter: To Seller's Mortgagee Requesting Payoff Statement (Form REA-0158) [§ 1.111]
LXIV.	Letter: To Municipality Requesting Information on Taxes, Special Assessments, and Building Orders (Form REA-0159) [§ 1.112]
LXV.	Letter: To Municipality Regarding Floodplain, Wetland, and Shoreland Area Status (Form REA-0160) [§ 1.113]
LXVI.	Closing Statements (Form REA-0215, Form REA-0246) [§ 1.114]
LXVII.	Letter: To Buyer Regarding Utilities and Insurance (Form REA-0161, Form REA-0162) [§ 1.115]
LXVIII.	Letter: To Seller Regarding Utilities and Insurance (Form REA-0163) [§ 1.116]
LXIX.	Escrow Agreement (Form REA-0164) [§ 1.117]
LXX.	Certification of Nonforeign Status (Individual) (Form REA-0165) [§ 1.118]
LXXI.	Certification of Nonforeign Status (Entity) (Form REA-0166) [§ 1.119]

Step 6: Closing Matters

- LXXII. Overview of Closing Matters in the Basic Transaction [§ 1.120]
- LXXIII. Loan Closing [§ 1.121]
- LXXIV. Conveyance of Real Property [§ 1.122]
- LXXV. Checklist for Closing: Buyer (Form REA-0167) [§ 1.123]
- LXXVI. Checklist for Closing: Seller (Form REA-0168) [§ 1.124]
- LXXVII. Letter: To Buyer's Lender Regarding Closing Statement (Form REA-0169) [§ 1.125]
- LXXVIII. Letter: To Buyer's Attorney Regarding Closing Documents (Form REA-0170) [§ 1.126]

Step 7: Postclosing Matters

- LXXIX. Overview of Postclosing Matters in the Basic Transaction [§ 1.127]
- LXXX. Recording of Documents [§ 1.128]
- LXXXI. Title [§ 1.129]
- LXXXII. Document Clip [§ 1.130]
- LXXXIII. Income Tax Consequences [§ 1.131]
- LXXXIV. Checklist for Postclosing Matters: Buyer (Form REA-0171) [§ 1.132]
- LXXXV. Checklist for Postclosing Matters: Seller (Form REA-0172) [§ 1.133]
- LXXXVI. Letter: To Title Insurer Ordering Title Insurance Policy (Form REA-0173) [§ 1.134]
- LXXXVII. Sample Owner's Title Policy (Form REA-0216) [§ 1.135]
- LXXXVIII. Index to Buyer's Closing Document Clip (Form REA-0174) [§ 1.136]
- LXXXIX. Index to Seller's Closing Document Clip (Form REA-0175) [§ 1.137]
- XC. Letter: To Buyer Accompanying Document Clip and Explaining Tax Consequences (Form REA-0176) [§ 1.138]
- XCI. Letter: To Seller Accompanying Document Clip and Explaining Tax Consequences (Form REA-0177) [§ 1.139]

Chapter 2 Condominium Units

- I. Scope of Chapter [§ 2.1]
- II. Overview of Purchase and Sale of Condominium Units [§ 2.2]
- III. Checklist for Purchase of Condominium Unit (Form REA-0178) [§ 2.3]
- IV. Checklist for Sale of Condominium Unit (Form REA-0179) [§ 2.4]
- V. Step 1: Preliminary Matters [§ 2.5]
- VI. Step 2: Listing and Locating Condominium Units [§ 2.6]
- VII. Step 3: Offer to Purchase [§ 2.7]
 - A. In General [§ 2.8]
 - B. Disclosure Requirements [§ 2.9]
 - C. Contingency on Commencement of Construction [§ 2.10]
 - D. Statement of Outstanding Assessments [§ 2.11]
 - E. Warranty Regarding Notice to Tenants in Conversions [§ 2.12]
 - F. Other Matters [§ 2.13]
- VIII. Step 4: Financing [§ 2.14]
 - A. In General [§ 2.15]
 - B. Land Contract [§ 2.16]
- IX. Step 5: Preclosing Matters [§ 2.17]
- X. Step 6: Closing Matters [§ 2.18]
- XI. Step 7: Postclosing Matters [§ 2.19]
- XII. Form: Residential Condominium Listing Contract (WB-4) (Form REA-0104) [§ 2.20]

- XIII. Form: Residential Condominium Offer to Purchase (WB-14) (Form REA-0180) [§ 2.21]
- XIV. Form: Condominium Land Contract (State Bar of Wisconsin Form 14) (Form REA-0103) [§ 2.22]
- XV. Form: Condominium Deed (State Bar of Wisconsin Form 8) (Form REA-0117) [§ 2.23]

Chapter 3

Vacant Land

- I. Scope of Chapter [§ 3.1]
- II. Overview of Transactions Involving Vacant Land [§ 3.2]
- III. Checklist for Vacant Land: Buyer (Form REA-0181) [§ 3.3]
- IV. Checklist for Vacant Land: Seller (Form REA-0182) [§ 3.4]
- V. Step 1: Preliminary Matters [§ 3.5]
- VI. Step 2: Listing and Locating Vacant Land [§ 3.6]
- VII. Step 3: Offer to Purchase [§ 3.7]
 - A. Overview of Offer to Purchase in Transactions Involving Vacant Land [§ 3.8]
 - B. Description of Property and Rights Being Purchased [§ 3.9]
- VIII. Contingencies and Conditions on Obligation to Close [§ 3.10]
 - A. Financing Commitment Contingency [§ 3.11]
 - B. Property Map [§ 3.12]
 - C. Environmental Assessment [§ 3.13]
 - D. Percolation [§ 3.14]
 - E. Subsoil [§ 3.15]
 - F. Plan Approval [§ 3.16]
 - G. Building Permits and Other Approvals [§ 3.17]
 - H. Utilities [§ 3.18]
 - I. Water Supply [§ 3.19]
- IX. Warranties and Representations [§ 3.20]
 - A. Utilities [§ 3.21]
 - B. Percolation [§ 3.22]
 - C. Subsoil [§ 3.23]
 - D. Water Supply [§ 3.24]
- X. Step 4: Financing [§ 3.25]
 - A. Overview of Financing in Transactions Involving Vacant Land [§ 3.26]
 - B. Seller Financing [§ 3.27]
- XI. Step 5: Preclosing Matters [§ 3.28]
- XII. Step 6: Closing Matters [§ 3.29]
- XIII. Step 7: Postclosing Matters [§ 3.30]
- XIV. Form: Vacant Land Listing Contract (WB-3) (Form REA-0183) [§ 3.31]
- XV. Form: Vacant Land Offer to Purchase (WB-13) (Form REA-0184) [§ 3.32]
- XVI. Form: Vacant-Land Disclosure Report (Form REA-0278) [§ 3.33]

Chapter 4

Unimproved Development Property

- I. Scope of Chapter [§ 4.1]
- II. Overview of Purchase and Sale of Unimproved Development Property [§ 4.2]
- III. Checklist for Unimproved Development Property: Buyer (Form REA-0185) [§ 4.3]
- IV. Checklist for Unimproved Development Property: Seller (Form REA-0186) [§ 4.4]

Step 1: Preliminary Matters

- V. Overview of Preliminary Matters in Transactions Involving Unimproved Development Property [§ 4.5]
- VI. Conveyance of Real Estate [§ 4.6]
 - A. Title [§ 4.7]
 - B. Physical and Environmental Condition of Land [§ 4.8]
- VII. Development of Property [§ 4.9]
 - A. Proposed Use [§ 4.10]
 - B. Project Analysis [§ 4.11]
 - C. Availability of Utilities [§ 4.12]
 - D. Zoning and Other Land Regulations [§ 4.13]
- VIII. Other Matters [§ 4.14]
 - A. Financing [§ 4.15]
 - B. Choice of Development Entity [§ 4.16]
 - C. Alternatives for Transaction (Offer or Option) [§ 4.17]
 - D. Income Tax and Securities Law Implications [§ 4.18]

Step 2: Listing and Locating Unimproved Development Property

- IX. Overview of Listing and Locating Unimproved Development Property [§ 4.19]
- X. Listing Contract [§ 4.20]
- XI. Buyer Agency Contract [§ 4.21]
- XII. Form: Buyer Agency Agreement (WB-36) (Form REA-0187) [§ 4.22]
 - A. Form: Amendment to Buyer Agency or Tenant Representation Agreement (WB-47) (Form REA-0249) [§ 4.23]

Step 3: Offer to Purchase

- XIII. Overview of Offer to Purchase Unimproved Development Property [§ 4.24]
- XIV. Description of Property and Rights Being Purchased [§ 4.25]
 - A. Real Property [§ 4.26]
 - B. Title Evidence [§ 4.27]
 - 1. In General [§ 4.28]
 - 2. Title Insurance Commitment [§ 4.29]
- XV. Purchase Price [§ 4.30]
 - A. In General [§ 4.31]
 - B. Fixed Price [§ 4.32]
 - C. Price Determined by Gross Acreage [§ 4.33]
 - D. Price Determined by Street Frontage [§ 4.34]
 - E. Price Determined by Authorized Living Units [§ 4.35]
 - F. Method of Payment [§ 4.36]
 - G. Proration of Real Estate Taxes [§ 4.37]
 - H. Assumable Financing [§ 4.38]

	I. Seller Financing [§ 4.39]	
	J. Nonrecourse Financing [§ 4.40]	
XVI.	Contingencies and Conditions on Obligation to Close [§ 4.41]	
	A. Financing Contingency [§ 4.42]	
	B. Appraisal [§ 4.43]	
	C. Property Map, Tests, and Other Materials [§ 4.44]	
	D. Adjoining Parcels and Access (Acquisition or Easement) [§ 4.45]	
	E. Zoning [§ 4.46]	
	F. Building Permits, Other Approvals, and Municipal Impact Fees [§ 4.47]	
	G. Annexation [§ 4.48]	
	H. Private Recorded Restrictions [§ 4.49]	
	I. Environmental Assessment [§ 4.50]	
	J. Percolation [§ 4.51]	
	K. Test Well [§ 4.52]	
	L. Subsoil [§ 4.53]	
	M. Utilities [§ 4.54]	
	N. Floodplain, Wetland, or Shoreland Area Status [§ 4.55]	
XVII.	Warranties and Representations on Condition of Property [§ 4.56]	
	A. Utilities [§ 4.57]	
	B. Easements and Restrictions [§ 4.58]	
	C. Zoning [§ 4.59]	
	D. Violations and Legal Actions Against the Property [§ 4.60]	
	E. Floodplain, Wetland, or Shoreland Area Status [§ 4.61]	
	F. Plan Approval [§ 4.62]	
	G. Public Improvements and Special Assessments [§ 4.63]	
	H. Subsoil [§ 4.64]	
	I. Percolation [§ 4.65]	
	J. Water Supply [§ 4.66]	
	K. Access to Roadways [§ 4.67]	
	L. Seller's Authority to Convey Property [§ 4.68]	
	M. Buyer's Authority to Execute Binding Contract [§ 4.69]	
XVIII.	Other Agreements [§ 4.70]	
	A. Right of Assignment [§ 4.71]	
	B. Indemnification [§ 4.72]	
	C. Liability for Brokerage Commission [§ 4.73]	
	D. As-Is Purchase [§ 4.74]	
	E. Buyer's Reliance on Seller's Warranties and Representations [§ 4.75]	
	F. Restriction on Adjacent Parcel [§ 4.76]	
	G. Easement over Adjacent Parcel [§ 4.77]	
	H. Seller to Cooperate with Buyer's Development Effort [§ 4.78]	
	I. Postponement of Closing [§ 4.79]	
	J. Limitation on Time [§ 4.80]	
	K. Survival of Seller's Warranties and Representations [§ 4.81]	
	L. Offer to Constitute Entire Agreement [§ 4.82]	
	M. Seller to Execute and Deliver Other Documents [§ 4.83]	
	N. Offer to Be Binding on Successors [§ 4.84]	
	O. Typewritten or Handwritten Provisions to Prevail [§ 4.85]	
	P. Attorney Fees for Litigation [§ 4.86]	
	Q. Party to Furnish Opinion of Counsel [§ 4.87]	

Step 4: Financing

- XIX. Overview of Financing Unimproved Development Property [§ 4.88]
- XX. Seller Financing [§ 4.89]
- XXI. Release from Lien [§ 4.90]
 - A. In General [§ 4.91]
 - B. Fixed Price Per Acre [§ 4.92]
 - C. Proportionate Share of Mortgage Attributable to Parcel [§ 4.93]
 - D. Proportionate Share of Sales Price Attributable to Parcel [§ 4.94]
 - E. Requirement that Buyer Prepare Legal Description and Survey Map [§ 4.95]
 - F. Contiguity of Released and Unreleased Parcels [§ 4.96]
 - G. Release of Dedicated Areas [§ 4.97]
 - H. Right to Substitute Collateral [§ 4.98]
- XXII. Land-Contract Financing [§ 4.99]
- XXIII. Joint Venture [§ 4.100]
- XXIV. Regulatory Limitations on Financing [§ 4.101]
- XXV. Construction Lien Problems [§ 4.102]
- XXVI. Income Tax and Securities Law Implications [§ 4.103]

Step 5: Preclosing Matters

- XXVII. Overview of Preclosing Matters in Transactions Involving Unimproved Development Property [§ 4.104]
- XXVIII. Review of Property Map [§ 4.105]
- XXIX. Review of Title Evidence [§ 4.106]
- XXX. Other Due Diligence [§ 4.107]

Step 6: Closing Matters

- XXXI. Overview of Closing Matters in Transactions Involving Unimproved Development Property [§ 4.108]

Step 7: Postclosing Matters

- XXXII. Overview of Postclosing Matters in Transactions Involving Unimproved Development Property [§ 4.109]
- XXXIII. Postclosing Development Agreements [§ 4.110]
- XXXIV. Condominium Declaration and Declaration of Covenants and Restrictions [§ 4.111]
- XXXV. Brokerage Agreements [§ 4.112]
- XXXVI. Recording Document [§ 4.113]

Chapter 5

Improved Commercial Property

- I. Scope of Chapter [§ 5.1]
- II. Overview of Purchase and Sale of Improved Commercial Property [§ 5.2]
- III. Checklist for Improved Commercial Property: Buyer (Form REA-0189) [§ 5.3]
- IV. Checklist for Improved Commercial Property: Seller (Form REA-0190) [§ 5.4]

Step 1: Preliminary Matters

- V. Overview of Preliminary Matters in Transactions Involving Commercial Property [§ 5.5]

- VI. Conveyance of Real Estate [§ 5.6]
 - A. In General [§ 5.7]
 - B. Options to Purchase and Letters of Intent [§ 5.8]
 - C. Rental Unit Energy Efficiency Standards [§ 5.9]
- VII. Conveyance or Expansion of Existing Business [§ 5.10]
 - A. Zoning and Other Land Regulations [§ 5.11]
 - B. Assignability of Licenses and Permits [§ 5.12]
 - C. Acquisition of Personal Property [§ 5.13]
 - D. Terms of Ongoing Leases and Other Contracts [§ 5.14]
 - E. Analysis of Operating Statements and Expected Income [§ 5.15]
 - F. Insurance Requirements [§ 5.16]
- VIII. Development of New Business [§ 5.17]
 - A. In General [§ 5.18]
 - B. Condition and Suitability of Land and Improvements [§ 5.19]
- IX. Other Matters [§ 5.20]
 - A. Financing [§ 5.21]
 - B. Choice of Development Entity [§ 5.22]
 - 1. In General [§ 5.23]
 - 2. Sole Proprietorship [§ 5.24]
 - 3. General Partnership and Limited Partnership [§ 5.25]
 - 4. C Corporation [§ 5.26]
 - 5. S Corporation [§ 5.27]
 - 6. Limited Liability Company [§ 5.28]
 - 7. Limited Liability Partnership [§ 5.29]
 - C. Income Tax and Securities Law Implications [§ 5.30]

Step 2: Listing and Locating Commercial Property

- X. Overview of Listing and Locating Commercial Property [§ 5.31]
- XI. Commercial Listing Contract [§ 5.32]
- XII. Business Listing Contract [§ 5.33]
- XIII. Exclusive-Agency Contract [§ 5.34]
- XIV. Open Listing Contract [§ 5.35]
- XV. Form: Commercial Listing Contract—Exclusive Right to Sell (WB-5) (Form REA-0188) [§ 5.36]
- XVI. Form: Business Listing Contract—Exclusive Right to Sell (WB-6) (Form REA-0251) [§ 5.37]

Step 3: Offer to Purchase

- XVII. Overview of Offer to Purchase Improved Commercial Property [§ 5.38]
- XVIII. Description of Property and Rights Being Purchased [§ 5.39]
 - A. In General [§ 5.40]
 - B. Real Property [§ 5.41]
 - C. Personal Property [§ 5.42]
 - D. Title Evidence [§ 5.43]
 - 1. In General [§ 5.44]
 - 2. Title Insurance Commitment [§ 5.45]
 - E. Accounts Receivable [§ 5.46]
 - F. Business Name [§ 5.47]
 - G. Licenses and Permits [§ 5.48]

XIX.	Purchase Price [§ 5.49]
	A. In General [§ 5.50]
	B. Allocation of Payments [§ 5.51]
	C. Method of Payment [§ 5.52]
	D. Proration of Real Estate and Personal Property Taxes [§ 5.53]
	E. Proration of Income, Rents, and Other Charges [§ 5.54]
	F. Allocation of Income from Leases [§ 5.55]
	G. Assumable Financing [§ 5.56]
	H. Seller Financing [§ 5.57]
	I. Nonrecourse Financing [§ 5.58]
XX.	Contingencies and Conditions on Obligation to Close [§ 5.59]
	A. Financing Contingency [§ 5.60]
	B. Appraisal [§ 5.61]
	C. Property Inspection (Including Environmental Site Assessment) [§ 5.62]
	D. Property Map, Tests, and Other Materials [§ 5.63]
	E. Adjoining Parcels (Acquisition or Easement) [§ 5.64]
	F. Leases, Contracts, and Other Agreements [§ 5.65]
	G. Operating Licenses and Permits [§ 5.66]
	H. Building Permits and Other Approvals [§ 5.67]
	I. Zoning [§ 5.68]
	J. Acceptance Requires Ratification by Other Parties [§ 5.69]
XXI.	Warranties and Representations on Condition of Property and Business [§ 5.70]
	A. Structural and Nonstructural Conditions [§ 5.71]
	B. Utilities [§ 5.72]
	C. Easements and Restrictions [§ 5.73]
	D. Private Recorded Restrictions [§ 5.74]
	E. Zoning [§ 5.75]
	F. Violations and Legal Actions Against the Property [§ 5.76]
	G. Ordinances, Orders, and Regulations [§ 5.77]
	H. Floodplain, Wetland, or Shoreland Area Status [§ 5.78]
	I. Historic Status [§ 5.79]
	J. Public Improvements and Special Assessments [§ 5.80]
	K. Condition of Personal Property [§ 5.81]
	L. Title to Personal Property [§ 5.82]
	M. Leases and Occupancy Agreements [§ 5.83]
	N. Service and Maintenance Contracts [§ 5.84]
	O. Licenses and Permits [§ 5.85]
	P. Waiver of Construction Liens [§ 5.86]
	Q. Outstanding Financing [§ 5.87]
	R. Operating Statements [§ 5.88]
	S. Insurance [§ 5.89]
	T. Employee Information [§ 5.90]
	U. Seller's Authority to Convey Property [§ 5.91]
	V. Buyer's Authority to Execute Binding Contract [§ 5.92]
XXII.	Other Agreements [§ 5.93]
	A. Right of Assignment [§ 5.94]
	B. Indemnification [§ 5.95]
	C. Liability for Brokerage Commission [§ 5.96]
	D. Assignment of Right, Title, and Interest in Contracts [§ 5.97]
	E. Seller to Cooperate with Applications for Licenses, Permits, and Approvals [§ 5.98]

F.	Liquidated Damages upon Buyer's Default [§ 5.99]
G.	Rental Unit Energy Efficiency Standards [§ 5.100]
H.	Postponement of Closing [§ 5.101]
I.	Damage to Property [§ 5.102]
J.	Buyer's Reliance on Seller's Warranties and Representations [§ 5.103]
K.	Survival of Seller's Warranties and Representations [§ 5.104]
L.	Offer to Constitute Entire Agreement [§ 5.105]
M.	Seller to Execute and Deliver Other Documents [§ 5.106]
N.	Offer to Be Binding on Successors [§ 5.107]
O.	Typewritten or Handwritten Provisions to Prevail [§ 5.108]
P.	Attorney Fees for Litigation [§ 5.109]
Q.	Buyer's Reliance on Disclosure Materials [§ 5.110]
R.	Buyer's Reliance on Its Own Inspection and Tests [§ 5.111]
XXIII.	Obligations and Rights Until Closing [§ 5.112]
A.	Buyer to Have Access for Inspection and Testing [§ 5.113]
B.	Maintenance of Property and Business Until Closing [§ 5.114]
C.	Seller's Right to Enter into New Leases Before Closing [§ 5.115]
D.	Estoppel Letters from Tenants [§ 5.116]
E.	Estoppel Certificate from Contracting Parties [§ 5.117]
XXIV.	Obligations at Closing [§ 5.118]
A.	Conveyance of Real Property [§ 5.119]
B.	Conveyance of Personal Property [§ 5.120]
C.	Assignment of Leases [§ 5.121]
D.	Transfer of Security Deposits and Rental Payments [§ 5.122]
E.	Assignment of Contract Rights [§ 5.123]
F.	Notification to Tenants Regarding Sale of Property [§ 5.124]
G.	Assignment of Accounts Receivable [§ 5.125]
H.	Assignment of Guaranties and Warranties [§ 5.126]
I.	Assignment of Licenses and Permits [§ 5.127]
XXV.	Form: Commercial Listing Offer to Purchase (WB-15) (Form REA-0191) [§ 5.128]
XXVI.	Form: Offer to Purchase—Business with Real Estate (WB-16) (Form REA-0192) [§ 5.129]

Step 4: Financing

XXVII.	Overview of Financing Developed Commercial Property [§ 5.130]
XXVIII.	Conventional Financing [§ 5.131]
XXIX.	Seller Financing [§ 5.132]
XXX.	Joint Ventures [§ 5.133]

Step 5: Preclosing Matters

XXXI.	Overview of Preclosing Matters in Transactions Involving Commercial Property [§ 5.134]
XXXII.	Matters Related to Real Property [§ 5.135]
A.	Title Evidence [§ 5.136]
B.	Survey and Environmental Site Assessment [§ 5.137]
C.	Rental Unit Energy Efficiency Standards [§ 5.138]
XXXIII.	Matters Related to Personal Property [§ 5.139]
A.	Bill of Sale [§ 5.140]
B.	UCC Filing Searches [§ 5.141]
XXXIV.	Matters Related to Leases and Contracts [§ 5.142]
A.	Assignment of Rents, Leases, and Security Deposits [§ 5.143]
B.	Tenant Estoppel Letters [§ 5.144]

- C. Notice to Tenants [§ 5.145]
 - D. Assignment of Maintenance and Service Contracts [§ 5.146]
- XXXV. Other Matters [§ 5.147]
 - A. Assignment of Guaranties and Warranties [§ 5.148]
 - B. Other Assignments [§ 5.149]
 - C. Insurance [§ 5.150]
 - D. Financial Documentation [§ 5.151]
- XXXVI. Personal Property Security Agreement (Form REA-0193) [§ 5.152]
- XXXVII. Form UCC-1 (Form REA-0227) [§ 5.153]
- XXXVIII. Form UCC-3 (Form REA-0228) [§ 5.154]
- XXXIX. Form UCC-11 (Form REA-0229) [§ 5.155]
- XL. Seller's Assignment of Rents, Leases, and Security Deposits (Form REA-0194) [§ 5.156]
- XLI. Tenant Estoppel Letter (Form REA-0195) [§ 5.157]
- XLII. Seller's Notice to Tenants (Form REA-0196) [§ 5.158]
- XLIII. Seller's Assignment of Maintenance and Service Agreements (Form REA-0197) [§ 5.159]
- XLIV. Seller's Assignment of Guaranties and Warranties (Form REA-0198) [§ 5.160]
- XLV. Buyer's Assignment of Rents and Leases (Form REA-0199) [§ 5.161]

Step 6: Closing Matters

- XLVI. Overview of Closing Matters in Transactions Involving Commercial Property [§ 5.162]

Step 7: Postclosing Matters

- XLVII. Overview of Postclosing Matters in Transactions Involving Commercial Property [§ 5.163]

Chapter 6

Land-Contract Financing

- I. Scope of Chapter [§ 6.1]
- II. Overview of Land-Contract Financing [§ 6.2]
- III. Checklist for Land Contract: Buyer (Form REA-0200) [§ 6.3]
- IV. Checklist for Land Contract: Seller (Form REA-0201) [§ 6.4]
- V. Step 1: Preliminary Matters [§ 6.5]
- VI. Step 2: Listing Contract [§ 6.6]
- VII. Step 3: Offer to Purchase [§ 6.7]
 - A. In General [§ 6.8]
 - B. Contingency on Land-Contract Financing [§ 6.9]
 - C. Counteroffer Making Sale Contingent on Land Contract [§ 6.10]
- VIII. Step 4: Land Contract [§ 6.11]
 - A. In General [§ 6.12]
 - B. Effect of Underlying Mortgage [§ 6.13]
 - C. Effect of Prepayment [§ 6.14]
- IX. Step 5: Preclosing Matters [§ 6.15]
- X. Step 6: Closing Matters [§ 6.16]

- XI. Step 7: Postclosing Matters [§ 6.17]
 - A. In General [§ 6.18]
 - B. Preparation of Deed [§ 6.19]
 - C. Title [§ 6.20]
- XII. Form: Land Contract (State Bar of Wisconsin Form 11) (Form REA-0202) [§ 6.21]

Chapter 7

Option to Purchase

- I. Scope of Chapter [§ 7.1]
- II. Overview of Option to Purchase [§ 7.2]
- III. Checklist for Option to Purchase: Buyer (Form REA-0203) [§ 7.3]
- IV. Checklist for Option to Purchase: Seller (Form REA-0204) [§ 7.4]
- V. Form: Option to Purchase (WB-24) (Form REA-0205) [§ 7.5]

Chapter 8

Marital Property Considerations

- I. Scope of Chapter [§ 8.1]
- II. Ownership Versus Management and Control [§ 8.2]
 - A. In General [§ 8.3]
 - B. Rights of Third-Party Bona Fide Purchasers [§ 8.4]
- III. Property Classification [§ 8.5]
 - A. In General [§ 8.6]
 - B. Predetermination-Date Property [§ 8.7]
 - 1. In General [§ 8.8]
 - 2. Deferred Marital Property [§ 8.9]
 - 3. Examples of Predetermination-Date Property [§ 8.10]
 - C. Postdetermination-Date Property [§ 8.11]
 - 1. In General [§ 8.12]
 - 2. Gifts, Bequests, and Trust Distributions [§ 8.13]
 - 3. Exchanges and Appreciation of Individual Property [§ 8.14]
 - 4. Specifically Designated Property [§ 8.15]
 - D. Mixed Property [§ 8.16]
- IV. Requirements for Conveying Good Title [§ 8.17]
 - A. In General [§ 8.18]
 - B. Effect of Marital Property Agreements [§ 8.19]
 - C. Gifts [§ 8.20]
- V. Alternatives for Taking Title [§ 8.21]
 - A. In General [§ 8.22]
 - B. Statutory Presumptions [§ 8.23]
 - 1. In General [§ 8.24]
 - 2. Marital Property [§ 8.25]
 - 3. Homestead [§ 8.26]
 - 4. Joint Tenants [§ 8.27]
 - 5. Tenants in Common [§ 8.28]
 - C. Marital Property [§ 8.29]

- D. Survivorship Marital Property [§ 8.30]
 - E. Individual Property [§ 8.31]
- VI. Reclassification of Property [§ 8.32]
- VII. Unilateral Statement [§ 8.33]
- VIII. Marital Property Agreements [§ 8.34]
- IX. Disposition of Property upon Death of Spouse [§ 8.35]
 - A. In General [§ 8.36]
 - B. Survivorship Marital Property [§ 8.37]
 - C. Marital Property [§ 8.38]
 - D. Third-Party Interest in Marital Property [§ 8.39]
- X. Division of Property upon Divorce [§ 8.40]
- XI. Appendix 1: Summary of Title, Classification, Management and Control, and Rights of Survivorship [§ 8.41]

Chapter 9

Environmental Considerations

- I. Introduction [§ 9.1]
- II. Scope of Chapter [§ 9.2]
- III. Overview of Environmental Laws [§ 9.3]
- IV. Hazardous Substances—Federal Superfund Law (CERCLA) [§ 9.4]
 - A. In General [§ 9.5]
 - B. Potentially Responsible Parties (PRPs) [§ 9.6]
 - 1. In General [§ 9.7]
 - 2. Owners and Operators [§ 9.8]
 - a. Current Owners and Operators [§ 9.9]
 - b. Former Owners [§ 9.10]
 - c. Current and Former Owners for Acts of Lessee [§ 9.11]
 - d. Future Owners [§ 9.12]
 - e. Tenants [§ 9.13]
 - f. Lenders and Fiduciaries [§ 9.14]
 - (1) Lenders [§ 9.15]
 - (2) Fiduciaries [§ 9.16]
 - g. Developers and Contractors [§ 9.17]
 - h. Officers and Directors [§ 9.18]
 - i. Shareholders and Parent Corporations [§ 9.19]
 - j. Successor Corporations [§ 9.20]
 - k. Federal and Municipal Governments [§ 9.21]
 - 3. Generators [§ 9.22]
 - 4. Transporters [§ 9.23]
 - C. Options for Cleanup and Recovery of Costs [§ 9.24]
 - 1. Government Response Actions [§ 9.25]
 - 2. Government Injunctive Actions and Unilateral Administrative Orders [§ 9.26]
 - 3. Government and Private Party Actions [§ 9.27]
 - 4. Joint and Several Liability [§ 9.28]
 - 5. Cost Recovery and Contribution Claims [§ 9.29]

	D. Defenses to Liability and Reallocation of Financial Responsibility [§ 9.30]
	1. In General [§ 9.31]
	2. Innocent Landowner [§ 9.32]
	3. Indemnification, Hold Harmless, and Similar Agreements [§ 9.33]
	4. Inability to Pay [§ 9.34]
	E. Exemptions from Liability [§ 9.35]
	F. Federal Brownfields Initiatives [§ 9.36]
V.	Hazardous Substances—Wisconsin Spill Law [§ 9.37]
	A. In General [§ 9.38]
	B. Definition of a Hazardous Substance [§ 9.39]
	C. Definition of Discharge [§ 9.40]
	D. Responsible Party [§ 9.41]
	E. Notification [§ 9.42]
	F. Restoration and Prevention [§ 9.43]
	G. Exemption for Local Governmental Units, Voluntary Parties, Lenders, and Representatives, and for Off-Site Discharges [§ 9.44]
	1. Local Governmental Units [§ 9.45]
	2. Voluntary Parties [§ 9.46]
	3. Lenders [§ 9.47]
	4. Representatives [§ 9.48]
	5. Off-Site Discharges [§ 9.49]
	H. Hazardous Substances—Wisconsin’s Mini-Superfund Law [§ 9.50]
	1. In General [§ 9.51]
	2. Parties Liable for Release of Hazardous Substances [§ 9.52]
	3. Nature of Liability for Release of Hazardous Substances [§ 9.53]
	4. Defenses to Liability [§ 9.54]
VI.	Wisconsin Brownfields Initiatives [§ 9.55]
	A. In General [§ 9.56]
	B. Site Assessment Grants for Local Governments [§ 9.57]
	C. Environmental Remediation Tax Incremental Financing [§ 9.58]
	D. Brownfields Grant Program [§ 9.59]
VII.	Hazardous Substances—Wisconsin Cleanup Regulations [§ 9.60]
VIII.	Common-Law Liability in Wisconsin [§ 9.61]
	A. In General [§ 9.62]
	B. Tort Causes of Action [§ 9.63]
	1. Negligence [§ 9.64]
	2. Strict Liability [§ 9.65]
	3. Trespass [§ 9.66]
	4. Nuisance [§ 9.67]
	5. Application of Economic Loss Doctrine to Tort Claims [§ 9.68]
	C. Statute of Limitation for Tort Claims [§ 9.69]
	D. “As-Is” Clauses and Breach-of-Contract Causes of Action [§ 9.70]
	E. Statute of Limitation for Contract Claims [§ 9.71]
IX.	Wetlands and Shorelands [§ 9.72]
	A. In General [§ 9.73]
	B. Regulation of Wetlands [§ 9.74]
	C. Regulation of Shoreland-Wetland Areas [§ 9.75]

X.	Storage Tanks [§ 9.76]
A.	In General [§ 9.77]
B.	Wisconsin Regulations [§ 9.78]
1.	In General [§ 9.79]
2.	Applicability [§ 9.80]
3.	Requirements [§ 9.81]
4.	PECFA Program [§ 9.82]
C.	Lender Liability for UST Issues [§ 9.83]
XI.	Historic Fill Sites and Landfills [§ 9.84]
XII.	Environmental Compliance and Permits [§ 9.85]
A.	In General [§ 9.86]
B.	Water [§ 9.87]
C.	Regulation of Storm Water [§ 9.88]
D.	Air Pollution [§ 9.89]
E.	Emergency Planning and Community Right To Know [§ 9.90]
F.	Solid and Hazardous Waste [§ 9.91]
G.	The Green Tier Program [§ 9.92]
XIII.	Additional Environmental Issues Affecting Real Estate Transactions [§ 9.93]
A.	In General [§ 9.94]
B.	Asbestos [§ 9.95]
C.	Vermiculite [§ 9.96]
D.	Lead in Paint and Drinking Water [§ 9.97]
E.	Radon [§ 9.98]
F.	Electromagnetic Fields [§ 9.99]
G.	Toxic Substances [§ 9.100]
H.	Mold [§ 9.101]
I.	Endangered Species and Invasive Species [§ 9.102]
J.	Vapor Intrusion [§ 9.103]
XIV.	Tips for Minimizing Liability of Parties to the Real Estate Transaction [§ 9.104]
A.	In General [§ 9.105]
B.	Environmental Assessments and Audits [§ 9.106]
1.	Environmental Assessments [§ 9.107]
2.	Environmental Audits [§ 9.108]
C.	Minimizing Buyer's Liability [§ 9.109]
D.	Minimizing Seller's Liability [§ 9.110]
E.	Minimizing Lender's Liability [§ 9.111]
F.	Minimizing Landlord's Liability [§ 9.112]
G.	Minimizing Tenant's Liability [§ 9.113]
H.	Minimizing Real Estate Licensee's Liability [§ 9.114]
I.	Minimizing Attorney's Liability [§ 9.115]

Index