

ADDENDUM C TO WB-14 RESIDENTIAL CONDOMINIUM OFFER TO PURCHASE

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

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

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

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

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

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

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

21 _____
22 (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.

23 RESIDENTIAL CONDOMINIUM CONCEPTS

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

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

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

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

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

53 ■ **Limited Common Elements:** The Limited Common Elements are Common Elements that are identified in the Declaration or plat
 54 as reserved for the exclusive use of less than all of the Unit owners. Typically, a Limited Common Element will be reserved for the
 55 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,
 56 may be subject to restrictions stated in the Declaration, Bylaws or Condominium rules and regulations. Limited Common Elements
 57 may include features like a storage area, patio, balcony, garage parking space, or a boat slip.

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

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

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

Residential Condominium Concepts was developed and distributed by the Wisconsin REALTORS® Association (2005).

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