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CBA Form PS2-A
 Addendum to Bus. Op.
 Agreement
 Rev. 4/2011
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BUSINESS OPPORTUNITY REAL ESTATE ADDENDUM

The following is part of the Business Opportunity Purchase and Sale Agreement (the "Agreement") dated _____, 20____ between _____ ("Buyer") and _____ ("Seller"), regarding the business commonly known as _____ (the "Business"). In conjunction with the purchase and sale of the Business, Buyer agrees to buy and Seller agrees to sell the real property and all improvements thereon located in the City of _____, _____, County, Washington, legally described on attached Exhibit A (the "Property").

1. **PURCHASE PRICE.** The portion of the purchase price allocated to the Property is _____ Dollars (\$_____).
2. **FEASIBILITY CONTINGENCY.** The feasibility contingency set forth in the Agreement shall also include Buyer's satisfaction, in Buyer's sole discretion, concerning all aspects of the Property, including its physical condition; the presence or absence of any hazardous substances; the contracts and leases affecting the Property; the potential or actual financial performance of the Property, the availability of government permits and approvals; and, in general, the feasibility of the Property for Buyer's intended use. Buyer's inspection rights shall include an inspection of the property and its improvements, including without limitation, their structural condition, presence of hazardous materials, pest infestations, soil condition, sensitive areas, wetlands, or other matters affecting the feasibility of the Property for Buyer's intended use. Buyer shall not perform any invasive testing including environmental inspections beyond a Phase I assessment or contact other tenants or property management personnel without obtaining the Seller's prior written consent, which shall not be unreasonably withheld. Otherwise,
3. **DISCLOSURE STATEMENT.** Buyer waives the right to receive a seller disclosure statement ("Form 17-Commercial") if required by RCW 64.06. However, if Seller would otherwise be required to provide Buyer with a Form 17-Commercial, and if the answer to any of the questions in the section of the Form 17-Commercial entitled "Environmental" would be "yes," then Buyer does not waive the receipt of the "Environmental" section of the Form 17-Commercial which shall be provided by Seller.
4. **TITLE INSURANCE.**
 - a. **Title Report.** Seller authorizes Buyer, its Lender, Listing Broker, Selling Broker or Closing Agent, at Seller's expense, to apply for and deliver to Buyer a standard extended (standard, if not completed) coverage owner's policy of title insurance. If an extended coverage owner's policy is specified, Buyer shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by _____ (a title company of Seller's choice, if not completed). If Seller previously received a preliminary commitment from a title insurer that Buyer declines to use, Buyer shall pay any cancellation fee owing to the original title insurer. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed.
 - b. **Permitted Exceptions.** Buyer shall notify Seller of any objectionable matters in the title report or any supplemental report within the earlier of: (1) twenty (20) days after Mutual Acceptance of this Agreement; or (2) the expiration of the Feasibility Period. This Agreement shall terminate and Buyer shall receive a refund of the earnest money, less any costs advanced or committed for Buyer, unless within five (5) days of Buyer's notice of such objections (1) Seller agrees, in writing, to remove all objectionable provisions or (2) Buyer notifies Seller that Buyer waives any objections which Seller does not agree to remove. If any new title matters are disclosed in a supplemental title report, then the preceding termination, objection and waiver provisions shall apply to the new title matters except that Buyer's notice of objections must be delivered within five (5) days of delivery of the supplemental report and Seller's response or Buyer's waiver must be delivered within two (2) days of Buyer's notice of objections. The closing date shall be extended to the extent necessary to permit time for these notices. Buyer shall not be required to object to any mortgage or deed of trust liens, or the statutory lien for real property taxes, and the same shall not be deemed to be Permitted Exceptions; provided, however, that the lien securing any financing which Buyer has agreed to assume shall be a Permitted Exception. Except for the foregoing, those provisions not objected to or for which Buyer waived its objections shall be referred to collectively as the "Permitted Exceptions." Seller shall cooperate with Buyer and the title company to clear objectionable title

Initials: BUYER: _____ DATE: _____ SELLER: _____ DATE: _____
 BUYER: _____ DATE: _____ SELLER: _____ DATE: _____



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matters but shall not be required to incur any out-of-pocket expenses or liability other than payment of monetary encumbrances not assumed by Buyer and proration of real property taxes, and Seller shall provide an owner's affidavit containing the information and reasonable covenants requested by the title company. The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

5. PRORATION OF ADDITIONAL CLOSING COSTS. Seller shall pay the real estate excise tax and the premium for the standard coverage owner's policy of title insurance. Real and personal property taxes and assessments payable in the year of closing; rents on any existing tenancies; interest; mortgage reserves; utilities; and other operating expenses shall be pro-rated as of closing. Buyer shall pay all costs of financing including the premium for the lender's title policy. Security, cleaning, and any other unearned deposits on tenancies, and remaining mortgage or other reserves shall be assigned to Buyer at closing.

a. Unpaid Utility Charges. Buyer and Seller WAIVE DO NOT WAIVE (do not waive if neither box is checked) the right to have the Closing Agent disburse closing funds necessary to satisfy unpaid utility charges affecting the property pursuant to RCW 60.80. If "Do Not Waive" is checked, then attach CBA Form UA ("Utility Charges" Addendum) to this Agreement.

6. SELLER'S ADDITIONAL REPRESENTATIONS. Seller represents to Buyer that, to the best of Seller's knowledge, there are no pending or threatened notices of violation of building, zoning, or land use codes applicable to the Property, and that Seller is not aware of any concealed material defects in the Property except: _____. The risk of loss or damage to the Property shall be Seller's until closing. Except as otherwise specified in the Agreement, i) Seller makes no other representations or warranties regarding the Property; ii) Seller disclaims and Buyer hereby waives any and all representations and warranties of any kind, express or implied, concerning the Property or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, occupancy rate or any other matter of similar or dissimilar nature relating in any way to the Property, including the warranties of fitness for a particular purpose, tenantability, habitability and use; (iii) Buyer otherwise takes the Property "AS IS;" and (iv) Buyer represents and warrants to Seller that Buyer has sufficient experience and expertise such that it is reasonable for Buyer to rely on its own pre-closing inspections and investigations.

7. FIRPTA—TAX WITHHOLDING AT CLOSING. Closing Agent is instructed to prepare a certification (CBA or NWMLS Form 22E, or equivalent) that Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act. Seller agrees to sign this certification. If Seller is a foreign person, and this transaction is not otherwise exempt from FIRPTA, Closing Agent is instructed to withhold and pay the required amount to the Internal Revenue Service.

8. CONVEYANCE. Title shall be conveyed by a Statutory Warranty Deed subject only to the Permitted Exceptions. If the Agreement is for conveyance of Seller's vendee's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a contract vendee's assignment sufficient to convey after acquired title.

9. ADDITIONAL PROVISIONS. The terms of the Agreement remain unchanged except as supplemented in this Addendum or as follows: _____.

Initials: BUYER: _____ DATE: _____ SELLER: _____ DATE: _____
 BUYER: _____ DATE: _____ SELLER: _____ DATE: _____