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September 28, 2022

Roger & Sandy Short  
1720 Center Road  
Chimacum, WA 98325

RE: LETTER OF INTENT & ACCESS AGREEMENT

Dear Roger & Sandy,

This non-binding Letter of Intent ("LOI") shall serve as an outline of the potential transaction (the "Transaction") by and between the Port of Port Townsend (the "Port") and Roger & Sandy Short ("Seller"), whereby the Port would purchase from Seller approximately 253 (253) acres of real property and improvements located at 1720 Center Road, Chimacum, Washington, identified by parcel identification numbers: 901233011, 901224001, 901233002, 901233008, 901233010, 901262002 & 901262003 (the "Property").

The Port is governed by a three (3)-member elected Commission. While Port staff is authorized to negotiate Transactions such as this LOI, any final and binding approval of the Transaction set forth herein must be made by the Commission of the Port, in its sole discretion, acting in an open public meeting. Therefore, the negotiation of this Transaction is subject to Port Commission approval, which may or may not be granted.

The following terms set forth the parties mutual understanding with respect to the Transaction:

- 1. Purchase Price:** The purchase price will be established by mutual agreement following the Due Diligence Period. The Port agrees, at its sole expense, to purchase and appraisal of the Property which will be shared with Seller.
- 2. Deed:** The Property will be transferred to the Port via statutory warranty deed free and clear of all encumbrances except those approved by the Port.
- 3. Closing Costs and Escrow:** Jefferson Title Company will serve as escrow. The Port and Seller will split the cost of escrow, Seller will pay for a standard title insurance policy, and Seller will be responsible for the real estate excise tax.
- 4. Environmental Documents and Insurance:** Seller, both during the due diligence period described herein and at any period after Closing reasonably required by Buyer, will cooperate with the Port to locate any records Seller may have concerning past owners of the Property and past insurance policies which may be able to respond to any environmental contamination at the Property.

5. **Access Agreement.** Sellers agree to sign the attached Consent for Access to Property for Brownfields Assessment, attached hereto as Exhibit "A", simultaneously with this Letter of Intent.
6. **Transactional Documents:** Following the Due Diligence Phase and after final terms are mutually agreed upon, the Port will, at its sole expense, have a draft real property purchase and sale agreement with appropriate attachments prepared (the "Transactional Documents").
7. **Due Diligence Period:** Upon execution of the Transactional Documents, the Port shall have a four (4)-month period to conduct whatever due diligence it desires, including inspection of the environmental condition of the Property by Port retained consultants. Seller may observe all testing and the Port will provide Seller with a copy of all test results at no cost to Seller. The Buyer shall be entitled to terminate the Transaction at any time during the due diligence period with no penalty. Seller agrees not to market or sell the Property to any other party during the Due Diligence Period.
8. **Preliminary Commitment for Title Insurance:** Upon execution of this Letter of Intent, Seller will order a preliminary commitment for title insurance and deliver a copy of that preliminary commitment to the Port.
9. **Closing of Transaction:** Subject to receipt of all documents requested by the Port, the Transaction shall close within sixty (60) days after mutual agreement as to the purchase price.
10. **No Assignment of this Letter of Intent:** This Letter of Intent and the rights hereunder may not be assigned by Port.
11. **Good Faith Negotiation:** The parties agree to negotiate in good faith towards the completion and execution of the Transactional Documents.
12. **Construction, Governing Law, and Venue:** The Port and Seller agree that this Letter of Intent will be construed to effectuate the normal and reasonable expectations of sophisticated parties. The parties hereto expressly agree that this Letter of Intent will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Washington. Any action in law or equity relating to this Letter of Intent or the subsequent Transactional Documents shall be instituted and maintained only in Jefferson County Superior Court.
13. **Intent of the Parties - Non-binding Terms:** The parties do not intend that the terms of this Letter of Intent to be binding but rather outline the terms of the Transactional Documents. This Letter of Intent is not intended as, and does not constitute, a binding agreement by any party, nor an agreement by any party to enter into a binding agreement but is merely intended to specify some of the proposed terms and conditions of the Transaction contemplated herein. Neither party may claim any legal rights against the other by reason of the signing of this Letter of Intent or by taking any action in reliance thereon. Each party hereto fully understands that no party shall have any legal obligations to the other, or with respect to the proposed Transaction, unless and until all of the terms and conditions of the proposed Transaction have been negotiated, agreed to by all parties, and set forth in the Transactional Documents which have been approved by the Port Commission, signed, and delivered by all parties. The only legal obligations, which any party shall have, shall be those contained in such signed and delivered Transactional Documents referred to above. This Letter of Intent is not intended to limit the scope or substance of further discussions, or the matters that may be addressed between the

parties or in the Transactional Documents. Furthermore, the Transactional Document terms may vary from those set forth herein, and in the case of any conflict between this Letter of Intent and the final executed Transactional Documents, the Transactional Documents shall control.

14. **Miscellaneous:** This Letter of Intent incorporates all discussions, agreements, and understandings relating to the Transaction to date. It may be amended only in writing executed by the parties hereto. This Letter of Intent may be executed in counterparts, each of which shall be deemed and original and all of which together shall constitute one agreement.
15. **Counterparts and Electronic Transmission:** This Non-Binding Letter of Intent may be signed in counterparts. Electronic transmission of the signed original Letter of Intent, and retransmission of the same, shall be the same as delivery of the original document.

We look forward to moving as quickly as possible to complete the transaction outlined in this Letter of Intent. Please sign below indicating your acceptance.

**PORT OF PORT TOWNSEND**

  
\_\_\_\_\_  
Eron Berg, Executive Director

**SELLER**

  
\_\_\_\_\_  
Roger Dean Short

  
\_\_\_\_\_  
Sandy Short

EXHIBIT A  
**CONSENT FOR ACCESS TO PROPERTY FOR BROWNFIELDS ASSESSMENT**

Property Owner: Roger & Sandy Short	Property Address: 1720 Center Road, Chimacum, Washington, identified by parcel identification numbers: 901233011, 901224001, 901233002, 901233008, 901233010, 901262002 & 901262003 (the "Property")
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Port of Port Townsend, a Washington Special Purpose District (Port), has entered into an LOI with Property Owner at the location described above and desires to complete an environmental assessment of the Property. I, the undersigned, am the owner, their representative, or otherwise control the property at this location.

I hereby give my consent to employees and authorized representatives of The Port of Port Townsend to enter and have access to the property located at the above address. Access is granted to complete those tasks required for the Brownfields Assessment of the Short's property, which may include but are not limited to the following:

1. Meet with site owners or representatives;
2. Conduct a visual inspection;
3. Collect surface soil, subsurface soil, groundwater, and or soil vapor samples;
4. Take photographs of relevant site conditions; and
5. Conduct other actions (e.g. ground-penetrating radar surveying, utility location, etc.) related to the investigation of contamination.

The Port will attempt to provide reasonable advance notice of entry by calling Property Owner at telephone number 360-301-3655 at least 24 hours in advance of entry on the Property.

The term of this consent for access is until January 31, 2023. If additional time is required to complete the work necessary for the Brownfields Assessment, a new consent for access will be requested.

Signature

  
\_\_\_\_\_  
Roger Short

  
\_\_\_\_\_  
Sandy Short