

**City of Blaine**  
**Request for Council Action**  
**Meeting Date: July 27, 2020**

**Subject:**           **Consideration of Real Estate Purchase Offer from Nimbus Properties LLC for  
665 Peace Portal Drive**

**Department:**   **City Manager**

**Prepared By:** \_\_\_\_\_  
(Digital Signature)

**Agenda Location:**   ☐ Consent Agenda   ☒ Council Action   ☐ Unfinished Business

---

**Attachments:**

1. Nimbus Properties LLC Offer to Purchase 665 Peace Portal Drive
- 

**Background/Summary:**

In 2019, the City took final action to demolish a long vacant and derelict building at 665 Peace Portal Drive. The City spent \$283,000 overall in staff time, legal fees and direct expenses. Seeking to absolve the estate of the debt, the trustee for the property released the property to the City after demolition. The City owns the property and has no planned use for the site. The property has been determined surplus by the City Council.

The City Council has directed the City Manager to sell the site for development. The City Council adopted a central business district property sale incentive policy that sets parameters for incentivizing rapid development by providing rebates on the purchase price for timely submittal of a building permit application and timely completion of a development project (i.e. receipt of an occupancy permit).

The City listed the property for \$300,000 with Ron Freeman, a local broker. Options for two 6-percent rebates were included in the listing. On July 13, 2020, the City Council considered three offers. Council did not take action on the offers, but directed the City Manager to initiate negotiations with one prospective buyer. The outcome of the negotiations is a revised offer from Nimbus LLC with a purchase price of \$325,000. The offer includes two 6-percent incentives for timely development (one tied to a building permit submittal and one tied to issuance of an occupancy permit). The offer includes 120-day due diligence period for the buyer.

General topics that impact the sale and should be considered in the Council decision are:

1. Offer price in comparison to list price (Offers exceeds list price by \$25,000.)
  2. Inclusion of incentive-based rebate (A total of 12-percent rebate is proposed.)
  3. Buyer's proposed timeline to closing (120-day contingency after mutual agreement)
  4. Buyer's proposed timeline to development start and/or completion (Buyer proposes to start as soon as feasible in order to meet incentive deadlines.)
  5. Buyer's proposed project (Buyer proposes 8 residential units, a taproom, and an event space.)
-

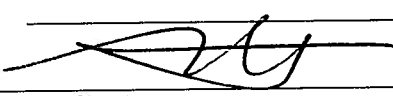
The sale will involve expenses for professional services (legal) which are included in the 2020 Budget. The sale will generate revenue not anticipated in the 2020 Budget, which will result in an increased operating balance unless otherwise allocated by the City Council.

The City Manager recommends that the City Council accept the offer and authorize the City Manager to enter into a purchase and sale agreement with the Nimbus LLC subject to final review of purchase and sale agreement by the City Attorney.

City Manager \_\_\_\_\_ Finance Director \_\_\_\_\_ City Clerk \_\_\_\_\_  
(Digital Signature) (Digital Signature) (Digital Signature)

**VACANT LAND PURCHASE AND SALE AGREEMENT  
SPECIFIC TERMS**

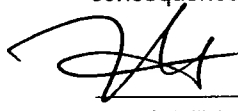
1. **Date:** July 20, 2020 **MLS No.:** 1621886 **Offer Expiration Date:** \_\_\_\_\_
2. **Buyer:** Nimbus Properties LLC and/or **A limited liability company**  
Buyer Buyer Status
3. **Seller:** City of Blaine  
Seller Seller
4. **Property:** Legal Description attached as Exhibit A. Tax Parcel No(s): 415136-499023-0000, \_\_\_\_\_, \_\_\_\_\_  
665 Peace Portal Drive Blaine Whatcom WA 98230  
Address City County State Zip
5. **Purchase Price:** \$ 325,000.00 Three Hundred Twenty-Five Thousand Dollars
6. **Earnest Money:** \$ 5,000.00 ☒ Check; ☐ Note; ☐ Other \_\_\_\_\_ (held by ☐ Selling Firm; ☒ Closing Agent)
7. **Default:** (check only one) ☒ Forfeiture of Earnest Money; ☐ Seller's Election of Remedies
8. **Title Insurance Company:** Chicago Title
9. **Closing Agent:** Chicago Title Company/Kelly Miller Kelly Miller  
Company Individual (optional)
10. **Closing Date:** 12/1/2020; **Possession Date:** ☒ on Closing; ☐ Other \_\_\_\_\_
11. **Services of Closing Agent for Payment of Utilities:** ☒ Requested (attach NWMLS Form 22K); ☐ Waived
12. **Charges/Assessments Levied Before but Due After Closing:** ☐ assumed by Buyer; ☒ prepaid in full by Seller at Closing
13. **Seller Citizenship (FIRPTA):** Seller ☐ is; ☒ is not a foreign person for purposes of U.S. income taxation
14. **Subdivision:** The Property: ☐ must be subdivided before \_\_\_\_\_; ☒ is not required to be subdivided
15. **Feasibility Contingency Expiration Date:** ☒ 120 days after mutual acceptance; ☐ Other \_\_\_\_\_
16. **Agency Disclosure:** Selling Broker represents: ☒ Buyer; ☐ Seller; ☐ both parties; ☐ neither party  
Listing Broker represents: ☒ Seller; ☐ both parties
17. **Addenda:** 35F(Feasibility)

 Buyer's Signature	<u>7/20/2020</u> Date	_____ Seller's Signature	_____ Date
_____ Buyer's Signature	_____ Date	_____ Seller's Signature	_____ Date
<u>250</u> <u>"H" Street</u> <u>PMB 243</u> Buyer's Address		_____ Seller's Address	
<u>Blaine</u> <u>WA</u> <u>98230</u> City, State, Zip		_____ City, State, Zip	
<u>360-778-1219</u> <u>360-778-2735</u> Phone No. Fax No.		_____ Phone No. Fax No.	
<u>Mulder4955@hotmail.com</u> Buyer's E-mail Address		_____ Seller's E-mail Address	
<u>Nimbus Real Estate</u> <u>1973</u> Selling Firm MLS Office No.		_____ Listing Firm MLS Office No.	
<u>Karen Trudel</u> <u>109720</u> Selling Broker (Print) MLS LAG No.		_____ Listing Broker (Print) MLS LAG No.	
<u>(360) 778-1219</u> <u>(951) 834-7561</u> <u>(360) 778-2735</u> Firm Phone No. Broker Phone No. Firm Fax No.		_____ Firm Phone No. Broker Phone No. Firm Fax No.	
<u>Phill@NimbusRealEstate.com</u> Selling Firm Document E-mail Address		_____ Listing Firm Document E-mail Address	
<u>Karen@NimbusRealEstate.com</u> Selling Broker's E-mail Address		_____ Listing Broker's E-mail Address	
<u>125524</u> <u>17808</u> Selling Broker DOL License No. Selling Firm DOL License No.		_____ Listing Broker DOL License No. Listing Firm DOL License No.	

**VACANT LAND PURCHASE AND SALE AGREEMENT  
GENERAL TERMS**

*Continued*

- a. **Purchase Price.** Buyer shall pay to Seller the Purchase Price, including the Earnest Money, in cash at Closing, unless otherwise specified in this Agreement. Buyer represents that Buyer has sufficient funds to close this sale in accordance with this Agreement and is not relying on any contingent source of funds, including funds from loans, the sale of other property, gifts, retirement, or future earnings, except to the extent otherwise specified in this Agreement. The parties shall use caution when wiring funds to avoid potential wire fraud. Before wiring funds, the party wiring funds shall take steps to confirm any wire instructions via an independently verified phone number and other appropriate measures.
- b. **Earnest Money.** Buyer shall deliver the Earnest Money within 2 days after mutual acceptance to Selling Broker or to Closing Agent. If Buyer delivers the Earnest Money to Selling Broker, Selling Broker will deposit any check to be held by Selling Firm, or deliver any Earnest Money to be held by Closing Agent, within 3 days of receipt or mutual acceptance, whichever occurs later. If the Earnest Money is held by Selling Firm and is over \$10,000.00 it shall be deposited into an interest bearing trust account in Selling Firm's name provided that Buyer completes an IRS Form W-9. Interest, if any, after deduction of bank charges and fees, will be paid to Buyer. Buyer shall reimburse Selling Firm for bank charges and fees in excess of the interest earned, if any. If the Earnest Money held by Selling Firm is over \$10,000.00 Buyer has the option to require Selling Firm to deposit the Earnest Money into the Housing Trust Fund Account, with the interest paid to the State Treasurer, if both Seller and Buyer so agree in writing. If the Buyer does not complete an IRS Form W-9 before Selling Firm must deposit the Earnest Money or the Earnest Money is \$10,000.00 or less, the Earnest Money shall be deposited into the Housing Trust Fund Account. Selling Firm may transfer the Earnest Money to Closing Agent at Closing. If all or part of the Earnest Money is to be refunded to Buyer and any such costs remain unpaid, the Selling Firm or Closing Agent may deduct and pay them therefrom. The parties instruct Closing Agent to provide written verification of receipt of the Earnest Money and notice of dishonor of any check to the parties and Brokers at the addresses and/or fax numbers provided herein.
- Upon termination of this Agreement, a party or the Closing Agent may deliver a form authorizing the release of Earnest Money to the other party or the parties. The party(s) shall execute such form and deliver the same to the Closing Agent. If either party fails to execute the release form, a party may make a written demand to the Closing Agent for the Earnest Money. Pursuant to RCW 64.04, Closing Agent shall deliver notice of the demand to the other party within 15 days. If the other party does not object to the demand within 20 days of Closing Agent's notice, Closing Agent shall disburse the Earnest Money to the party making the demand within 10 days of the expiration of the 20 day period. If Closing Agent timely receives an objection or an inconsistent demand from the other party, Closing Agent shall commence an interpleader action within 60 days of such objection or inconsistent demand, unless the parties provide subsequent consistent instructions to Closing Agent to disburse the earnest money or refrain from commencing an interpleader action for a specified period of time. Pursuant to RCW 4.28.080, the parties consent to service of the summons and complaint for an interpleader action by first class mail, postage prepaid at the party's usual mailing address or the address identified in this Agreement. If the Closing Agent complies with the preceding process, each party shall be deemed to have released Closing Agent from any and all claims or liability related to the disbursement of the Earnest Money. If either party fails to authorize the release of the Earnest Money to the other party when required to do so under this Agreement, that party shall be in breach of this Agreement. For the purposes of this section, the term Closing Agent includes a Selling Firm holding the Earnest Money. The parties authorize the party commencing an interpleader action to deduct up to \$500.00 for the costs thereof.
- c. **Condition of Title.** Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing. The following shall not cause the title to be unmarketable: rights, reservations, covenants, conditions and restrictions, presently of record and general to the area; easements and encroachments, not materially affecting the value of or unduly interfering with Buyer's reasonable use of the Property; and reserved oil and/or mining rights. Seller shall not convey or reserve any oil and/or mineral rights after mutual acceptance without Buyer's written consent. Monetary encumbrances or liens not assumed by Buyer, shall be paid or discharged by Seller on or before Closing. Title shall be conveyed by a Statutory Warranty Deed. If this Agreement is for conveyance of a buyer's interest in a Real Estate Contract, the Statutory Warranty Deed shall include a buyer's assignment of the contract sufficient to convey after acquired title. If the Property has been short platted, the Short Plat number is in the Legal Description.
- d. **Title Insurance.** Seller authorizes Buyer's lender or Closing Agent, at Seller's expense, to apply for the then-current ALTA form of standard form owner's policy of title insurance from the Title Insurance Company. If Seller previously received a preliminary commitment from a Title Insurance Company that Buyer declines to use, Buyer shall pay any cancellation fees owing to the original Title Insurance Company. Otherwise, the party applying for title insurance shall pay any title cancellation fee, in the event such a fee is assessed. The Title Insurance Company shall send a copy of the preliminary commitment to Seller, Listing Broker, Buyer and Selling Broker. The preliminary commitment, and the title policy to be issued, shall contain no exceptions other than the General Exclusions and Exceptions in said standard form and Special Exceptions consistent with the Condition of Title herein provided. If title cannot be made so insurable prior to the Closing Date, then as Buyer's sole and exclusive remedy, the Earnest Money shall, unless Buyer elects to waive such defects or encumbrances, be refunded to the Buyer, less any unpaid costs described in this Agreement, and this Agreement shall thereupon be terminated. Buyer shall have no right to specific performance or damages as a consequence of Seller's inability to provide insurable title.

 7/20/2020

Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date

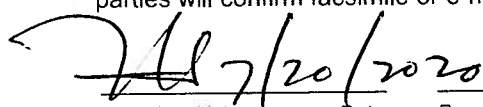
Seller's Initials

Date

**VACANT LAND PURCHASE AND SALE AGREEMENT**  
**GENERAL TERMS**

*Continued*

- e. Closing and Possession.** This sale shall be closed by the Closing Agent on the Closing Date. "Closing" means the date on which all documents are recorded and the sale proceeds are available to Seller. If the Closing Date falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, the Closing Agent shall close the transaction on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. Buyer shall be entitled to possession at 9:00 p.m. on the Possession Date. Seller shall maintain the Property in its present condition, normal wear and tear excepted, until the Buyer is provided possession. Buyer reserves the right to walk through the Property within 5 days of Closing to verify that Seller has maintained the Property as required by this paragraph. Seller shall not enter into or modify existing leases or rental agreements, service contracts, or other agreements affecting the Property which have terms extending beyond Closing without first obtaining Buyer's consent, which shall not be unreasonably withheld.
- f. Section 1031 Like-Kind Exchange.** If either Buyer or Seller intends for this transaction to be a part of a Section 1031 like-kind exchange, then the other party shall cooperate in the completion of the like-kind exchange so long as the cooperating party incurs no additional liability in doing so, and so long as any expenses (including attorneys' fees and costs) incurred by the cooperating party that are related only to the exchange are paid or reimbursed to the cooperating party at or prior to Closing. Notwithstanding the Assignment paragraph of this Agreement, any party completing a Section 1031 like-kind exchange may assign this Agreement to its qualified intermediary or any entity set up for the purposes of completing a reverse exchange.
- g. Closing Costs and Prorations and Charges and Assessments.** Seller and Buyer shall each pay one-half of the escrow fee unless otherwise required by applicable FHA or VA regulations. Taxes for the current year, rent, interest, and lienable homeowner's association dues shall be prorated as of Closing. Buyer shall pay Buyer's loan costs, including credit report, appraisal charge and lender's title insurance, unless provided otherwise in this Agreement. If any payments are delinquent on encumbrances which will remain after Closing, Closing Agent is instructed to pay such delinquencies at Closing from money due, or to be paid by, Seller. Buyer shall pay for remaining fuel in the fuel tank if, prior to Closing, Seller obtains a written statement from the supplier as to the quantity and current price and provides such statement to the Closing Agent. Seller shall pay all utility charges, including unbilled charges. Unless waived in Specific Term No. 11, Seller and Buyer request the services of Closing Agent in disbursing funds necessary to satisfy unpaid utility charges in accordance with RCW 60.80 and Seller shall provide the names and addresses of all utilities providing service to the Property and having lien rights (attach NWMLS Form 22K Identification of Utilities or equivalent).
- Buyer is advised to verify the existence and amount of any local improvement district, capacity or impact charges or other assessments that may be charged against the Property before or after Closing. Seller will pay such charges that are or become due on or before Closing. Charges levied before Closing, but becoming due after Closing shall be paid as agreed in Specific Term No.12.
- h. Sale Information.** Listing Broker and Selling Broker are authorized to report this Agreement (including price and all terms) to the Multiple Listing Service that published it and to its members, financing institutions, appraisers, and anyone else related to this sale. Buyer and Seller expressly authorize all Closing Agents, appraisers, title insurance companies, and others related to this Sale, to furnish the Listing Broker and/or Selling Broker, on request, any and all information and copies of documents concerning this sale.
- i. Seller Citizenship and FIRPTA.** Seller warrants that the identification of Seller's citizenship status for purposes of U.S. income taxation in Specific Term No. 13 is correct. Seller shall execute a certification (NWMLS Form 22E or equivalent) under the Foreign Investment In Real Property Tax Act ("FIRPTA") at Closing and provide the certification to the Closing Agent. If Seller is a foreign person for purposes of U.S. income taxation, 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.
- j. Notices and Delivery of Documents.** Any notice related to this Agreement (including revocations of offers or counteroffers) must be in writing. Notices to Seller must be signed by at least one Buyer and shall be deemed delivered only when the notice is received by Seller, by Listing Broker, or at the licensed office of Listing Broker. Notices to Buyer must be signed by at least one Seller and shall be deemed delivered only when the notice is received by Buyer, by Selling Broker, or at the licensed office of Selling Broker. Documents related to this Agreement, such as NWMLS Form 17C, Information on Lead-Based Paint and Lead-Based Paint Hazards, Public Offering Statement or Resale Certificate, and all other documents shall be delivered pursuant to this paragraph. Buyer and Seller must keep Selling Broker and Listing Broker advised of their whereabouts in order to receive prompt notification of receipt of a notice.
- Facsimile transmission of any notice or document shall constitute delivery. E-mail transmission of any notice or document (or a direct link to such notice or document) shall constitute delivery when: (i) the e-mail is sent to both Selling Broker and Selling Firm or both Listing Broker and Listing Firm at the e-mail addresses specified on page one of this Agreement; or (ii) Selling Broker or Listing Broker provide written acknowledgment of receipt of the e-mail (an automatic e-mail reply does not constitute written acknowledgment). At the request of either party, or the Closing Agent, the parties will confirm facsimile or e-mail transmitted signatures by signing an original document.

 7/20/2020

Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date

Seller's Initials

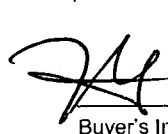
Date



**VACANT LAND PURCHASE AND SALE AGREEMENT  
GENERAL TERMS**

*Continued*

- k. Computation of Time.** Unless otherwise specified in this Agreement, any period of time measured in days and stated in this Agreement shall start on the day following the event commencing the period and shall expire at 9:00 p.m. of the last calendar day of the specified period of time. Except for the Possession Date, if the last day is a Saturday, Sunday or legal holiday as defined in RCW 1.16.050, the specified period of time shall expire on the next day that is not a Saturday, Sunday or legal holiday. Any specified period of 5 days or less, except for any time period relating to the Possession Date, shall not include Saturdays, Sundays or legal holidays. If the parties agree that an event will occur on a specific calendar date, the event shall occur on that date, except for the Closing Date, which, if it falls on a Saturday, Sunday, legal holiday as defined in RCW 1.16.050, or day when the county recording office is closed, shall occur on the next day that is not a Saturday, Sunday, legal holiday, or day when the county recording office is closed. If the parties agree upon and attach a legal description after this Agreement is signed by the offeree and delivered to the offeror, then for the purposes of computing time, mutual acceptance shall be deemed to be on the date of delivery of an accepted offer or counteroffer to the offeror, rather than on the date the legal description is attached. Time is of the essence of this Agreement.
- l. Integration and Electronic Signatures.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No modification of this Agreement shall be effective unless agreed in writing and signed by Buyer and Seller. The parties acknowledge that a signature in electronic form has the same legal effect and validity as a handwritten signature.
- m. Assignment.** Buyer may not assign this Agreement, or Buyer's rights hereunder, without Seller's prior written consent, unless the parties indicate that assignment is permitted by the addition of "and/or assigns" on the line identifying the Buyer on the first page of this Agreement.
- n. Default.** In the event Buyer fails, without legal excuse, to complete the purchase of the Property, then the following provision, as identified in Specific Term No. 7, shall apply:
- i. Forfeiture of Earnest Money.** That portion of the Earnest Money that does not exceed five percent (5%) of the Purchase Price shall be forfeited to the Seller as the sole and exclusive remedy available to Seller for such failure.
- ii. Seller's Election of Remedies.** Seller may, at Seller's option, (a) keep the Earnest Money as liquidated damages as the sole and exclusive remedy available to Seller for such failure, (b) bring suit against Buyer for Seller's actual damages, (c) bring suit to specifically enforce this Agreement and recover any incidental damages, or (d) pursue any other rights or remedies available at law or equity.
- o. Professional Advice and Attorneys' Fees.** Buyer and Seller are advised to seek the counsel of an attorney and a certified public accountant to review the terms of this Agreement. Buyer and Seller shall pay their own fees incurred for such review. However, if Buyer or Seller institutes suit against the other concerning this Agreement, or if the party holding the Earnest Money commences an interpleader action, the prevailing party is entitled to reasonable attorneys' fees and expenses.
- p. Offer.** This offer must be accepted by 9:00 p.m. on the Offer Expiration Date, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, by the other party's broker, or at the licensed office of the other party's broker pursuant to General Term j. If this offer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.
- q. Counteroffer.** Any change in the terms presented in an offer or counteroffer, other than the insertion of or change to Seller's name and Seller's warranty of citizenship status, shall be considered a counteroffer. If a party makes a counteroffer, then the other party shall have until 9:00 p.m. on the counteroffer expiration date to accept that counteroffer, unless sooner withdrawn. Acceptance shall not be effective until a signed copy is received by the other party, the other party's broker, or at the licensed office of the other party's broker pursuant to General Term j. If the counteroffer is not so accepted, it shall lapse and any Earnest Money shall be refunded to Buyer.
- r. Offer and Counteroffer Expiration Date.** If no expiration date is specified for an offer/counteroffer, the offer/counteroffer shall expire 2 days after the offer/counteroffer is delivered by the party making the offer/counteroffer, unless sooner withdrawn.
- s. Agency Disclosure.** Selling Firm, Selling Firm's Designated Broker, Selling Broker's Branch Manager (if any) and Selling Broker's Managing Broker (if any) represent the same party that Selling Broker represents. Listing Firm, Listing Firm's Designated Broker, Listing Broker's Branch Manager (if any), and Listing Broker's Managing Broker (if any) represent the same party that the Listing Broker represents. If Selling Broker and Listing Broker are different persons affiliated with the same Firm, then both Buyer and Seller confirm their consent to Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. If Selling Broker and Listing Broker are the same person representing both parties then both Buyer and Seller confirm their consent to that person and his/her Designated Broker, Branch Manager (if any), and Managing Broker (if any) representing both parties as dual agents. All parties acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency."

 7/20/2020

Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date


Seller's Initials

Date

**VACANT LAND PURCHASE AND SALE AGREEMENT  
GENERAL TERMS**

*Continued*

- t. Commission.** Seller and Buyer shall pay a commission in accordance with any listing or commission agreement to which they are a party. The Listing Firm's commission shall be apportioned between Listing Firm and Selling Firm as specified in the listing. Seller and Buyer hereby consent to Listing Firm or Selling Firm receiving compensation from more than one party. Seller and Buyer hereby assign to Listing Firm and Selling Firm, as applicable, a portion of their funds in escrow equal to such commission(s) and irrevocably instruct the Closing Agent to disburse the commission(s) directly to the Firm(s). In any action by Listing or Selling Firm to enforce this paragraph, the prevailing party is entitled to court costs and reasonable attorneys' fees. Seller and Buyer agree that the Firms are intended third party beneficiaries under this Agreement.
- u. Feasibility Contingency.** It is the Buyer's responsibility to verify before the Feasibility Contingency Expiration Date identified in Specific Term No.15 whether or not the Property can be platted, developed and/or built on (now or in the future) and what it will cost to do this. Buyer should not rely on any oral statements concerning this made by the Seller, Listing Broker or Selling Broker. Buyer should inquire at the city or county, and water, sewer or other special districts in which the Property is located. Buyer's inquiry should include, but not be limited to: building or development moratoriums applicable to or being considered for the Property; any special building requirements, including setbacks, height limits or restrictions on where buildings may be constructed on the Property; whether the Property is affected by a flood zone, wetlands, shorelands or other environmentally sensitive area; road, school, fire and any other growth mitigation or impact fees that must be paid; the procedure and length of time necessary to obtain plat approval and/or a building permit; sufficient water, sewer and utility and any service connection charges; and all other charges that must be paid. Buyer and Buyer's agents, representatives, consultants, architects and engineers shall have the right, from time to time during and after the feasibility contingency, to enter onto the Property and to conduct any tests or studies that Buyer may need to ascertain the condition and suitability of the Property for Buyer's intended purpose. Buyer shall restore the Property and all improvements on the Property to the same condition they were in prior to the inspection. Buyer shall be responsible for all damages resulting from any inspection of the Property performed on Buyer's behalf. If the Buyer does not give notice to the contrary on or before the Feasibility Contingency Expiration Date identified in Specific Term No. 15, it shall be conclusively deemed that Buyer is satisfied as to development and/or construction feasibility and cost. If Buyer gives notice this Agreement shall terminate and the Earnest Money shall be refunded to Buyer, less any unpaid costs.
- Seller shall cooperate with Buyer in obtaining permits or other approvals Buyer may reasonably require for Buyer's intended use of the Property; provided that Seller shall not be required to incur any liability or expenses in doing so.
- v. Subdivision.** If the Property must be subdivided, Seller represents that there has been preliminary plat approval for the Property and this Agreement is conditioned on the recording of the final plat containing the Property on or before the date specified in Specific Term No. 14. If the final plat is not recorded by such date, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
- w. Information Verification Period.** Buyer shall have 10 days after mutual acceptance to verify all information provided from Seller or Listing Firm related to the Property. This contingency shall be deemed satisfied unless Buyer gives notice identifying the materially inaccurate information within 10 days of mutual acceptance. If Buyer gives timely notice under this section, then this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.
- x. Property Condition Disclaimer.** Buyer and Seller agree, that except as provided in this Agreement, all representations and information regarding the Property and the transaction are solely from the Seller or Buyer, and not from any Broker. The parties acknowledge that the Brokers are not responsible for assuring that the parties perform their obligations under this Agreement and that none of the Brokers has agreed to independently investigate or confirm any matter related to this transaction except as stated in this Agreement, or in a separate writing signed by such Broker. In addition, Brokers do not guarantee the value, quality or condition of the Property and some properties may contain building materials, including siding, roofing, ceiling, insulation, electrical, and plumbing, that have been the subject of lawsuits and/or governmental inquiry because of possible defects or health hazards. Some properties may have other defects arising after construction, such as drainage, leakage, pest, rot and mold problems. Brokers do not have the expertise to identify or assess defective products, materials, or conditions. Buyer is urged to use due diligence to inspect the Property to Buyer's satisfaction and to retain inspectors qualified to identify the presence of defective materials and evaluate the condition of the Property as there may be defects that may only be revealed by careful inspection. Buyer is advised to investigate whether there is a sufficient water supply to meet Buyer's needs. Buyer is advised to investigate the cost of insurance for the Property, including, but not limited to homeowner's, flood, earthquake, landslide, and other available coverage. Buyer acknowledges that local ordinances may restrict short term rentals of the Property. Brokers may assist the parties with locating and selecting third party service providers, such as inspectors or contractors, but Brokers cannot guarantee or be responsible for the services provided by those third parties. The parties shall exercise their own judgment and due diligence regarding third-party service providers.

 7/20/2020

Buyer's Initials

Date

Buyer's Initials

Date

Seller's Initials

Date


Seller's Initials

Date

**EXHIBIT "A"**  
**[Legal Description of Property]**

THE NORTH 12 FEET OF A TRACT OF LAND LAYING BETWEEN LOTS 5 AND 6 (OTHERWISE DESCRIBED AS ALL OF SAID TRACT LAYING BETWEEN LOTS 5 AND 6, EXCEPT THE SOUTH 5 FEET THEREOF) AND ALL OF LOTS 6 AND 7, CAIN'S WATERFRONT ADDITION TO BLAINE, AS PER THE MAP THEREOF, RECORDED IN BOOK 4 OF PLATS, PAGE 5, IN THE AUDITOR'S OFFICE OF WHATCOM COUNTY, WASHINGTON, EXCEPT THE GREAT NORTHERN RAILWAY COMPANY'S RIGHT OF WAY AND SUBJECT TO AN EASEMENT FOR A BOARDWALK RECORDED IN WHATCOM COUNTY AUDITOR FILE NO. 2016-1100417.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

 7/20/2020

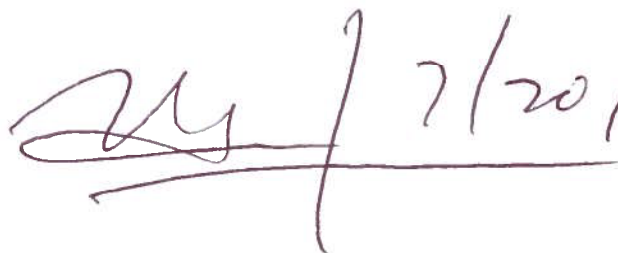


# Peace Portal Tap Room and Grill/Event Center Building

- 3 floors
- Main floor tap house and grill/ event center
- Lower floor four suites
- Upper floor four suites

## Features of building

- Main floor floor to ceiling windows front and back, allowing those on Peace Portal Drive to see both the marina and the water. Spectacular sunsets on the bay will be viewed by all.
- Large windows front and back will open up weather permitting, allowing the ocean breeze in.
- Live music will be regularly featured on the stage.
- Main floor will basically be dividable into two rooms, allowing for patrons of the restaurant to coexist with event center groups, such as wedding receptions, corporate seminars, service clubs.
- Divider will be removed on days when entire space can be used for live concerts or dances on weekends or other special days.
- Suites up and down will be affordable yet luxurious, and be offered as either BNBs or long term rentals (for examples, see Nimbus Lux 1 & 2 on Air BNB site, our two BNBs directly above Barleans and The Oyster House).
- Gateway Taproom and Grill, a creation of Gary Slavin, will manage the restaurant and the event center; Nimbus Real Estate will manage the BNBs as well as long term rentals. Discussions between Gary and Nimbus are already well underway and looking very positive for Gateway to occupy the entire main floor, as they began those discussions before the current property became available.

 7/20/2020



7/20/2020



665 PEACE PORTAL - MAIN FLOOR BUILDING PROPOSAL

66' X 8' PATIO DECK

BUILDING 66' X 60' = 3960 sq ft.

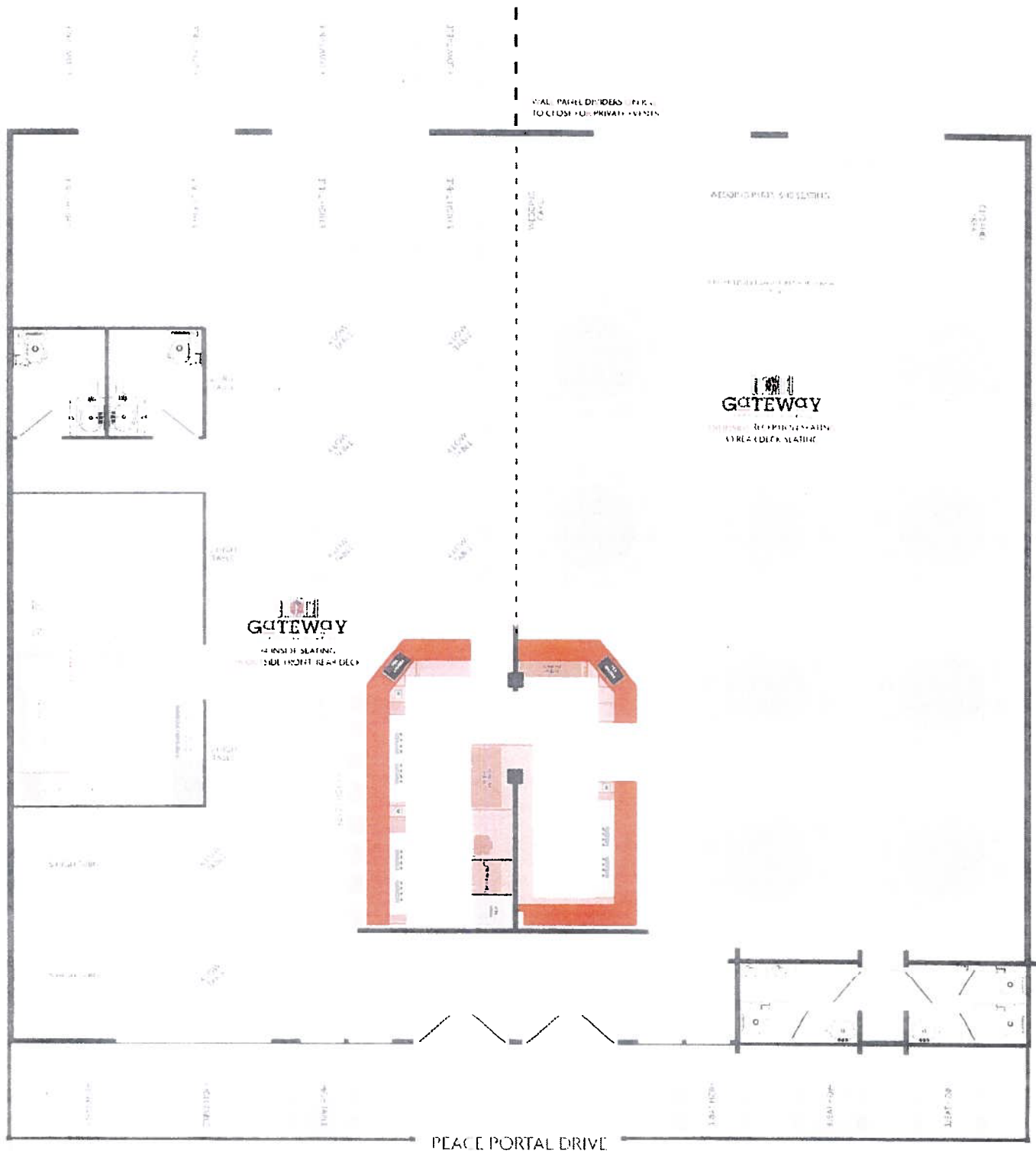



EXHIBIT "B"

(Buyers Intent to Develop)

Buyers offer intended to include development incentives that are outlined in listing agreement. Please see attached.

 7/20/2020

## Exhibit to Listing Agreement City of Blaine / Freeman Real Estate

June 24, 2020

The City of Blaine desires to encourage development to the property being sold and has asked that Brokers disclose the following conditions to potential purchasers.

- A successful buyer shall be eligible to receive a 6-percent rebate on the purchase price upon submittal of a complete building permit for a zoning compliant mixed use structure (residential and commercial) with a minimum of two square feet of occupied space for every square foot of property, provided such submittal is received within 6 months of closing. The "rebate shall be the set percentage of the final purchase price with said funds held in escrow post-closing pending fulfillment of this condition or returned to the City if the conditions is not timely satisfied.
- A successful buyer shall be eligible to receive a 6-percent rebate on the purchase price upon Issuance of a Temporary or Final Occupancy Permit by the City of Building Official under applicable building codes for the full proposed occupied space of the building applied for no later than one (1) year (365 days) after issuance of the building permit or such other date agreed upon by the City and the Buyer in the Purchase Sale Agreement.

[MJ]

06/25/2020

24 / 7/20/2020