#### AFTER RECORDING RETURN TO:

DKS Boardwalk, LLC 1801 Marigold St. NW Olympia, WA 98502 Attention: Dannielle Knutson

# ASSIGNMENT OF RIGHT-OF-WAY USE AGREEMENT AND OF MAINTENANCE AGREEMENT

**Assignor:** Boardwalk Associates Co-Tenancy Investors

**Property Owner:** City of Olympia, a Washington municipal corporation

Assignee: DKS Boardwalk, LLC, a Washington limited liability company

**Abbreviated Legal** PTN. SW1/4 NW1/4, Section 14, Township 18 North, Range 2 West,

**Description:** W.M.

**Property Tax Parcel No.:** 91000900100

**Auditor's Reference No.:** 4805913

THIS ASSIGNMENT OF RIGHT-OF-WAY USE AGREEMENT AND OF MAINTENANCE AGREEMENT ("Assignment") is made and entered into as of the date of the last signature of the Parties below ("Effective Date"), by and among DKS BOARDWALK, LLC, a Washington limited liability company ("DKS") as Assignee, Boardwalk Associates Co-Tenancy Investors ("Boardwalk"), as Assignor, and the City of Olympia, a Washington municipal corporation ("Olympia"). DKS, Boardwalk and Olympia are referred to collectively herein as "Parties". Boardwalk is a Co-Tenancy and not a general partnership.

#### RECITALS

- A. Within the City of Olympia, there is a platted right-of-way known as Columbia Street, southerly of Corky Avenue and northerly of Olympia Avenue.
- B. Boardwalk owns a two-story building and related appurtenances (collectively "**Building**") within a certain portion of the Columbia Street right-of-way.
- C. The Building is separately and independently owned by Boardwalk as personal property and is separate from the underlying real property. The Building is commonly known as 525 Columbia Street NW, Olympia, Thurston County, Washington, Thurston County Tax Parcel No. 91000900100.
- D. Olympia and Boardwalk entered into a Right-of-Way Use Agreement ("Use Agreement") dated October 7, 2020. This Use Agreement provides the terms by which Boardwalk is entitled to use the Permitted Use Area (defined below) for the Building.
- E. Olympia has determined that the Permitted Use Area of the Columbia Street right-of-way is approximately 20 feet by 140 feet, or a total of 2,820 square feet ("**Permitted Use Area**"). The Permitted Use Area is described and depicted in Exhibit 1 of the Use Agreement. A true and correct copy of the Use Agreement is attached hereto as *Schedule A*.
- F. The Use Agreement may be assigned according to its terms. To secure Boardwalk's release of liability under the Use Agreement, Olympia must consent in writing to the assignment of the Use Agreement. Olympia may not unreasonably withhold its consent if the Assignee is a purchaser for value of the Building.
- G. In addition, and due to the fact that the Percival Landing Boardwalk and the Building are adjacent to one another and structurally connected, Boardwalk and Olympia entered into a separate Maintenance Agreement dated October 28, 2020 ("Maintenance Agreement"). The Maintenance Agreement provides the terms by which Olympia and Assignor will cooperate in, and share in the costs of, maintaining certain elements of the infrastructure described therein. The Maintenance Agreement is, by its terms, binding on the successor or assigns of the Parties to it. A true and correct copy of the Maintenance Agreement is attached hereto as *Schedule B*.
- H. Boardwalk and Dannielle Knutson, an unmarried person, ("Knutson") are the Parties to that certain Commercial & Investment Real Estate Purchase & Sale Agreement dated July 14, 2021, whereby Knutson is purchasing the Building from Boardwalk on the terms and conditions set forth therein. Knutson has assigned her interest under this purchase and sale agreement to DKS. Knutson is the sole Member of DKS.
- I. Knutson is the majority owner and operator of the Budd Bay Café restaurant. Budd Bay Café is located in and currently operating out of the Building. Ms. Knutson is also a longtime owner of two other restaurants located in Thurston County, Washington.
- J. As part of the sale of the Building, Boardwalk desires to assign all of its rights, obligations, and interest in, to and under the Use Agreement and the Maintenance Agreement to DKS on the following terms and conditions.

- K. Olympia desires to consent to such assignment.
- L. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Use Agreement and the Maintenance Agreement.

#### **AGREEMENT**

In consideration of the foregoing and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

- 1. <u>Assignment</u>. Effective as of the Effective Date, Boardwalk hereby assigns and transfers to DKS all of Boardwalk's rights, obligations, and interest in, to and under the Use Agreement and the Maintenance Agreement.
- 2. <u>Assumption</u>. DKS hereby accepts such assignment and assumes all obligations of Boardwalk from and after the Effective Date under the Use Agreement and the Maintenance Agreement.
- 3. <u>Estoppel by Olympia</u>. Olympia certifies that (i) as of the Effective Date it is not aware of any breach of the Use Agreement and/or the Maintenance Agreement that has been committed by Boardwalk; (ii) a complete and correct copy of the Use Agreement is attached hereto as *Schedule A*; and (iii) a complete and correct copy of the Maintenance Agreement is attached hereto as *Schedule B*.
- 4. <u>Consent of Olympia</u>. Olympia hereby consents to the assignment of the Use Agreement and the Maintenance Agreement effected by this Assignment.
- 5. <u>Release of Liability by Olympia</u>. Olympia hereby fully releases Boardwalk from any further obligation or liability under the Use Agreement and the Maintenance Agreement as of the Effective Date.
- 6. <u>Successors and Assigns</u>. All of the terms, covenants and conditions set forth herein shall be binding upon the Parties hereto, and inure to the benefit of, the Parties hereto and their respective successors and assigns.
  - 7. <u>Effective Date</u>. This Assignment shall become effective as of the Effective Date.
- 8. <u>Counterpart Execution</u>. This Assignment may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same Assignment and shall become effective when one or more counterparts have been executed by each of the Parties hereto and delivered to the others. This Assignment, to the extent signed and delivered by means of a facsimile machine or sent as a PDF document by email, shall be treated in all manner and respects and for all purposes as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. An Electronic or digital signature on this Assignment shall be deemed the same as an original signature in ink.

IN WITNESS WHEREOF, the Parties have executed this Assignment of Right-of-Way Use Agreement and of Maintenance Agreement to be effective as of the Effective Date set forth above.

# **ASSIGNOR**: BOARDWALK ASSOCIATES CO-TENANCY INVESTORS Date:\_\_\_\_\_ Patrick C. Rants, as President of Evergreen By: Olympic Properties, Inc. dba the Rants Group Their: Authorized Representative **ASSIGNEE**: DKS BOARDWALK, LLC Date:\_\_\_\_ By: Dannielle Knutson Its: Sole Member **OLYMPIA:** CITY OF OLYMPIA By: \_\_\_\_\_ Approved as to form: Michael M. Young By: Michael M. Young Deputy City Attorney

STATE OF WASHINGTON	)	
COUNTY OF THURSTON	) ss. )	
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		Notary Public in and for the state of Washington.  Residing at:  My Commission Expires:
STATE OF WASHINGTON COUNTY OF THURSTON	) ) ss. )	
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STATE OF WASHINGTON	)		
	) ss.		
COUNTY OF THURSTON	)		
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# Schedule A The Use Agreement

## RIGHT-OF-WAY USE AGREEMENT BETWEEN THE CITY OF OLYMPIA AND BOARDWALK ASSOCIATES

THIS AGREEMENT is made and entered into as of the date of the last signature affixed hereto, by and between the City of Olympia, a Washington municipal corporation ("Olympia") and Boardwalk Associates, a Washington general partnership ("Boardwalk Associates") (jointly "the Parties"). This Agreement is intended to provide the terms by which Boardwalk Associates may use certain City right-of-way for its structure and attached appurtenances.

#### RECITALS

- 1. There exists within the City of Olympia a platted right-of-way known as Columbia Street, southerly of Corky Avenue and northerly of Olympia Avenue.
- 2. In June 1987, Olympia and Boardwalk Associates entered into a Right-Of-Way Use Agreement that allowed Boardwalk Associates to place a structure and appurtenances within a certain portion of the Columbia Street right-of-way. The term of that agreement was for 30 years and expired on February 28, 2017.
- 3. Boardwalk Associates is interested in a new Right-Of-Way Use Agreement that would allow continued placement of its existing structure and attached appurtenances within the Columbia Street right-of-way.
- 4. Olympia has determined the right-of-way use area for the existing structure and attached appurtenances is approximately 20 feet by 140 feet, or a total of 2,820 square feet.
- 5. Olympia has determined that continued use of the structure and attached appurtenances within the Columbia Street right-of-way is acceptable subject to the conditions within this Agreement.
- 6. Boardwalk Associates holds a sublease for certain Department of Natural Resources (DNR) aquatic lands; Wedell A. Berg, Jr. is the lessee of those DNR aquatic lands and subleases them to Boardwalk Associates. In August 1987, Boardwalk Associates granted the City of Olympia an easement over part of their subleased aquatic lands for a pedestrian boardwalk adjacent to its building. This boardwalk is part of the broader Percival Landing. The term of the easement was for 30 years and expired in 2017.

- 7. Rather than continuing with an easement from Boardwalk Associates for the Percival Landing boardwalk, Olympia is entering into a sublease directly with Berg for use of that portion of Berg's leased aquatic lands utilized by the City for the Percival Landing Boardwalk.
- 8. Olympia and Boardwalk Associates have a mutual interest in Percival Landing being maintained for public access and use.

#### **AGREEMENT**

- 1. Olympia hereby grants to Boardwalk Associates the right to temporarily use the Columbia Street right-of-way, as described in Exhibit 1, for use of an existing structure and attached appurtenances.
- 2. The term of this Agreement is for 30 years from the date of this Agreement.
- 3. In consideration therefor, Boardwalk Associates shall annually pay to Olympia, on or before November 1 of each year, the amount of Four Thousand Eight Hundred Eighty Seven Dollars and Six Cents (\$4,887.06), plus Washington State Leasehold Tax, if any. Said amount will be proportionately discounted or reimbursed if this Agreement is terminated within any year prior to November 1. At Boardwalk Associates' option, the above amount may be paid in two installments, to wit, Two Thousand Four Hundred Forty Three Dollars and Fifty Three Cents (\$2,443.53) on November 1 and May 1 of each year. The payment will be adjusted with a 4% annual escalation on November 1.
- 4. Boardwalk Associates shall maintain the existing structure and attached appurtenances (as defined in Exhibit 1) at its own expense and shall maintain said facilities in good repair. Olympia is not liable for any costs or expense of construction, maintenance, or otherwise for the existing structure and attached appurtenances by reason of this Agreement. Olympia and Boardwalk Associates may by separate agreement agree to coordinate and share in the costs of maintenance of shared elements of Boardwalk Associates' structure and Olympia's boardwalk.
- 5. Olympia does not warrant that the portion of the structure within the Columbia Street right-of-way will be available in the event of sea level rise and associated potential flooding. This Agreement creates no obligation for Olympia to take any remedial action to allow for on-going use of the structure and attached appurtenances. Boardwalk Associates is solely responsible for and shall bear any loss of use of the structure or attached appurtenances.
- 6. Olympia may construct underground utilities through the entire length and breadth of the Columbia Street right-of-way, but shall, upon completion of any such

- construction during the term of this Agreement, restore the site to the condition created by Boardwalk Associates.
- 7. Boardwalk Associates shall not object to Olympia's direct negotiations of a lease with Berg for the portion of Percival Landing adjacent to Boardwalk Associates' structure, utilized by Olympia for a portion of the Percival Landing boardwalk (shown as "Boardwalk Area" in Exhibit 1).
- 8. Boardwalk Associates shall maintain its outdoor seating area in a manner that complies with Olympia's agreement with the state Recreation and Conservation Office for the construction of Percival Landing (RCO Agreement 84-002D including amendments).
- 9. Boardwalk Associates, and its successors or assigns, shall defend, indemnify, and hold Olympia harmless from any claim, suit, action, damages, liability, or expense incurred by reason of Boardwalk Associates' design, construction, use, repair, or maintenance of the structure and appurtenances. The intent of this paragraph is that Boardwalk Associates, and its successors or assigns, will have full, complete, and exclusive care, maintenance, and responsibility for the premises, the structure and appurtenances, and its design, construction and use; therefore, ensuring that Olympia will incur no expense or liability by reason of Boardwalk Associates' use of the Columbia Street right-of-way which is the subject of this Agreement. Boardwalk Associates shall maintain insurance in sufficient amounts to ensure liability coverage in an amount not less than \$1,000,000 per occurrence.
- 10. This Agreement may be assigned by Boardwalk Associates to any successor in interest taking fee ownership of Boardwalk Associates' structure and appurtenances. To secure a release from liability under this Agreement, Boardwalk Associates shall advise Olympia of such change or assignment and secure Olympia's consent in writing to the assignment of this Agreement. Such consent may not be unreasonably withheld if the assignee is a purchaser for value of the structure and appurtenances.
- 11. This Agreement is in all respects, governed by the laws of the State of Washington. If it is necessary to enforce any of the terms of this Agreement, any action must be brought in Thurston County Superior Court for the State of Washington.
- 12. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit is entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.
- 13. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings, or representations with respect to its subject matter are hereby canceled in their

entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm, corporation, or entity other than the Parties.

- 14. This Agreement may not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it.
- 15. If any term or provision of this Agreement or the application thereof to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, is not affected thereby; and each such term and provision of this Agreement is valid and must be enforced to the fullest extent permitted by law.
- 16. The Recitals set forth above are incorporated by this reference into this Agreement and are made a part hereof.

#### CITY OF OLYMPIA

I hereby declare under penalty of perjury pursuant to the laws of the State of Washington that I have read the foregoing Right-of-Way Use Agreement, I am authorized to execute the same, I know the contents thereof, and I sign the same as my free act and deed.

10/07/2020

Steven J. Burney	10, 01, 2020	
Steven J. Burney	Date	_
City Manager		
Approved as to form:		
Michael M. Young		
Deputy City Attorney		
BOARDWALK ASSOCIATES		
I hereby declare under penalty of perjury pull have read the foregoing Right-of-Way Use know the contents thereof, and I sign the sail	Agreement, I am authoriz	ed to execute the same, I
Patrick Rants	09/25/2020	
Patrick Rants, Boardwalk Associates	Date	_

#### EXHIBIT 1

## **BOARDWALK ASSOCIATES** RIGHT-OF-WAY USE AGREEMENT DESCRIPTION

THAT PORTION OF NORTH COLUMBIA STREET ABUTTING THE OLYMPIA HARBOR AREA, FRONTING LOTS 1 AND 2 OF BLOCK 2 AND B AVENUE WEST, AS SHOWN ON THE OFFICIAL MAPS OF THE OLYMPIA TIDE LANDS ON FILE WITH THE DEPARTMENT OF NATURAL RESOURCES AT OLYMPIA, WASHINGTON, COMMENCING AT A POINT ON THE INNER HARBOR LINE AT THE INTERSECTION OF THE EXTENDED NORTH LINE OF SAID B AVENUE WEST; THENCE ALONG THE INNER HARBOR LINE, SOUTH 04°06'12" EAST, 17.56 FEET TO THE POINT OF BEGINNING; THENCE NORTH 85°53'48" EAST, 11.42 FEET; THENCE SOUTH 50°04'30" EAST, 11.93 FEET;

THENCE SOUTH 04°06'12" EAST, 122.90 FEET;

THENCE SOUTH 40°13'46" WEST, 12.01 FEET;

THENCE SOUTH 85°53'48" WEST, 11.61 FEET TO SAID INNER HARBOR LINE;

THENCE ALONG SAID INNER HARBOR LINE NORTH 04°06'12" WEST, 139.78 FEET TO THE POINT OF BEGINNING;

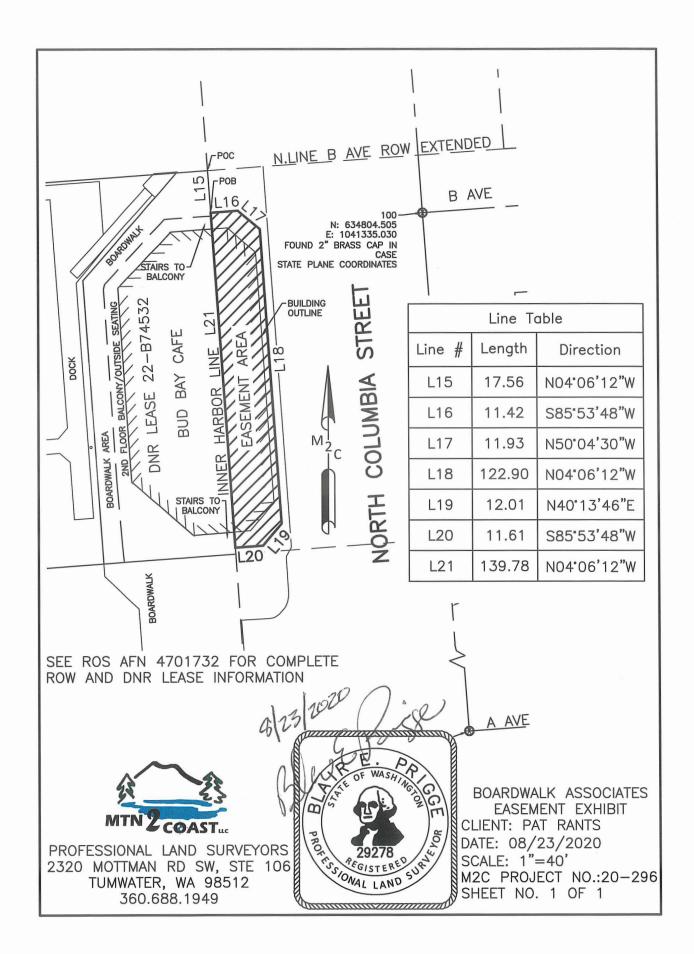
CONTAINING 2,724 SQUARE FEET, MORE OR LESS;

SITUATE IN THE CITY OF OLYMPIA, THURSTON COUNTY, WASHINGTON.

Prepared by:

Blair E. Prigge, PLS MTN2COAST, LLC 360.688.1949 8/23/2020 20-296





# Schedule B The Maintenance Agreement

## MAINTENANCE AGREEMENT BETWEEN THE CITY OF OLYMPIA AND BOARDWALK ASSOCIATES.

THIS AGREEMENT is made and entered into the 28th day of october, 2020, by and between the City of Olympia, a Washington municipal corporation ("Olympia") and Boardwalk Associates, a Washington general partnership ("Boardwalk Associates") (jointly "the Parties"). This Agreement is intended to provide the terms by which the Olympia and Boardwalk Associates will cooperate in, and share in the costs of, maintaining certain elements of the infrastructure described below.

#### **Background**

- 1. Boardwalk Associates subleases certain aquatic lands from Wedell A. Berg, Jr., who holds a lease for aquatic lands from the Washington Department of Natural Resources (DNR). Boardwalk Associates and Olympia also have a right-of-way use agreement allowing Boardwalk Associates to use a portion of the City's Columbia Street right-of-way. Boardwalk Associates owns a building and associated appurtenances which are partly on aquatic lands leased from Berg and partly on Olympia's right-of-way, under the right-of-way use agreement between Olympia and Boardwalk Associates. Boardwalk Associate's sublease area is shown and described in Exhibit A.
- 2. Olympia is subleasing from Berg another portion of Berg's aquatic lands that he leases from DNR for Olympia's Percival Landing boardwalk and associated facilities. Olympia's sublease area is shown and described in Exhibit B.
- 3. Certain portions of Boardwalk Associates' building and associated appurtenances and Olympia's Percival Landing boardwalk and associated facilities are structurally connected.
- 4. Given this structural connection, the parties wish to cooperate in, and as appropriate share in the cost of, maintaining their respective infrastructure.

Therefore, the parties agree as follows:

#### **Agreement**

- 1. Infrastructure maintenance responsibilities:
  - a. Except as provided in c, below, the City shall maintain and repair as necessary its sublease area, including that area designated as Percival Landing and the handrail along the water side of the landing.

- b. Except as provided in c, below, Boardwalk Associates shall maintain and repair as necessary its sublease area.
- c. Maintenance of or repair to a shared structure (a structure that support both facilities in Olympia's sublease area and facilities in Boardwalk Associate's sublease area) will be jointly completed by Olympia and Boardwalk Associates, with the costs of such maintenance or repair proportionally shared based upon a square footage of the area supported by structure requiring maintenance or repair.
- d. The necessity of and responsibility for maintenance of or repair to a shared structure will be determined by agreement of the parties or through structural engineering inspection initiated by either party. The party undertaking such inspection will provide a copy of any inspection report to the other party and allow receiving party to accept the determination or hire a structural engineer to dispute the initiating party's findings. Any dispute over the necessity of and responsibility for maintenance or repairs must be resolved as provided in section 3 below.
- 2. Payment for shared maintenance or repair costs: When one party performs maintenance or repairs, or incurs maintenance or repair expenses, for a shared structure, that party shall send an invoice to the other party for that other party's share of the maintenance or repairs. The invoice must detail the costs and expenses incurred. The other party shall pay their share of the costs of the maintenance or repair within 30 days of receipt of the invoice. Any dispute over maintenance or repair costs incurred by one party must be resolved as provided in section 3 below.
- 3. Dispute resolution: Any dispute related to this Agreement must be resolved as follows:
  - a. The parties will attempt to settle any dispute arising out of or related to this Agreement through consultation and negotiation in good faith in a spirit of mutual cooperation. Such matters will be initially addressed by the Parks Director of Olympia and the Manager of Boardwalk Associates, who shall attempt to resolve the dispute through good faith negotiations by telephone or in person as may be agreed. If they fail to resolve the dispute within 30 days after either party notifies the other of the dispute, then the matter will be escalated to the City Manager of Olympia and the Manager of Boardwalk Associates or their designees for resolution. They will use attempt to resolve the dispute through good faith negotiations by telephone or in person as may be agreed. If they fail to resolve the dispute within 30 days after it is referred to them and do not mutually agree to extend the time for negotiation, then the dispute will be submitted to mediation under subsection b, below.
  - b. If a dispute is not resolved as provided in subsection a, above, then the parties shall proceed to mediation before mediator selected by agreement of the parties.

- Each party shall bear an equal share of the mediation costs unless the parties agree otherwise.
- c. If and only if the parties do not resolve the dispute through mediation under subsection b, above, the parties may proceed to litigate the dispute in Thurston County superior court.
- 4. Term and termination: The term of this Agreement begins on the date of last signature and continues for 30 years, unless earlier terminated. This Agreement will earlier terminate automatically if the parties' structures that are structurally connected cease to be so connected, or if such structures cease to exist. Otherwise, this Agreement may be earlier terminated only by mutual agreement of the parties.

### 5. Other matters:

- a. This Agreement is binding on any successor or assign of a party.
- b. This Agreement is governed by the laws of the State of Washington. If it is necessary to enforce any of the terms of this Agreement, any action must be brought in Thurston County Superior Court for the State of Washington.
- c. Should either party bring suit to enforce this Agreement, the prevailing party in such lawsuit is entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.
- d. This Agreement constitutes the entire understanding and agreement of the Parties with respect to its subject matter and any and all prior agreements, understandings, or representations with respect to its subject matter are hereby canceled in their entirety and are of no further force or effect. The Parties do not intend to confer any benefit under this Agreement to any person, firm, corporation, or entity other than the Parties.
- e. This Agreement may not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared it.
- f. If any term or provision of this Agreement or the application thereof to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, is not affected thereby; and each such term and provision of this Agreement is valid and must be enforced to the fullest extent permitted by law.
- g. This Agreement may be modified or amended only by written agreement, signed by both parties.

h. Notices: Any notice require to be given related to this Agreement must be sent to:

For the City of Olympia: Olympia Parks, Arts & Recreation Attn: Parks Director PO Box 1967 Olympia, WA 98507-1967 For Boardwalk Associates The Rants Group 724 Columbia St. NW Suite 140 Olympia, WA 98501

Signed

#### **CITY OF OLYMPIA**

Signature: Steven J Burney	
Steven J. Burney, City Manager	
Approved as to form:	
Michael M. Young	
Deputy City Attorney	
BOARDWALK ASSOCIATES	
Signature: Pat Kants	
Pat Rants, the Rants Group	

