

**MEMORANDUM OF UNDERSTANDING
FOR
REAL ESTATE TRANSFER**

This MEMORANDUM OF UNDERSTANDING FOR REAL ESTATE TRANSFER ("Agreement") is made by and between the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington ("Olympia") and the MILITARY DEPARTMENT, STATE OF WASHINGTON, ("Military Department"). Olympia and the Military Department are each a "Party" and are jointly and collectively referred to as the "Parties." This Agreement is effective as of the "Effective Date" (as defined below in Paragraph 15).

RECITALS

A. Olympia is a noncharter code city organized and existing under the laws and Constitution of the State of Washington, and possesses all the rights, privileges and powers granted thereunder.

B. The Military Department is the owner of certain real property commonly located at 515 Eastside Street SE in Olympia, Thurston County, Washington, consisting of approximately 1.72 acres, more or less, and legally described on **EXHIBIT A** attached hereto and by this reference incorporated herein ("Olympia Armory" or "Property").

C. On May 18, 2021, Governor Jay Inslee signed Substitute House Bill 1080 (hereafter "SHB 1080"), Chapter 332, Laws of 2021 of the 67th Legislature, 2021 Regular Session, relating to the Capital Budget of the State of Washington, with an effective date of May 18, 2021.

D. SHB 1080, Chapter 332, Laws of 2021, Section 1137, sets forth an appropriation for the Military Department of \$2,000,000 subject to certain conditions and limitations, to wit: The appropriation in Section 1137 must be deposited in the military department capital account to facilitate the transfer of the Olympia Armory to the City of Olympia for "use as a community asset dedicated to using the arts to support community development, arts education, and economic development initiatives for a minimum of 10 years." The Military Department must reach a memorandum of understanding to transfer the property to the City of Olympia for these purposes by May 30, 2023 ". . . at no cost to the city, except for the city's assumption of closing costs." The memorandum must be reported to the house of representatives capital budget committee, the senate ways and means committee, and the governor's office by June 30, 2023.

E. Pursuant to Section 1137, the Parties enter into this Agreement for transfer of the Olympia Armory by the Military Department, as grantor, to the City of Olympia, as grantee, under certain covenants, terms and conditions that shall run with the land and be binding on all present and future owners or occupiers of the Property, their successors, heirs or assigns, for a period of ten (10) years, as required by law.

F. The signatories to this Agreement are authorized to execute associated documents, to correct legal descriptions if need be, and to correct scrivener's errors and other errors or omissions that are otherwise in substantial conformance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Military Department and Olympia agree as follows:

1. Property. The Military Department, State of Washington, hereby agrees to transfer, grant and convey to the City of Olympia, subject to the terms and conditions set forth herein, the Olympia Armory, legally described on **EXHIBIT A**, subject to the terms, conditions and covenants set forth herein:

1.1 Land. Approximately 1.72 acres, more or less, constituting the entire site commonly known as the Olympia Armory, located in the City of Olympia, Thurston County, Washington, as shown in a sketch on **EXHIBIT B** attached hereto (the "Land"), comprising tax parcel number 78204900000, and more particularly and legally described on **EXHIBIT A** attached hereto (the "Olympia Armory" or "Property"). The City of Olympia agrees that the use of the Property will be restricted by covenants and conditions that shall run with and bind the Property and any present or future owners or occupiers of the Property, and their successors, heirs or assigns, for a period of ten (10) years.

1.2 Appurtenances. All rights, privileges and easements appurtenant to the Property, including without limitation all minerals, oil, gas and other hydrocarbon substances on and under the Land, all development rights, air rights, water, water rights and water stock relating to the Property, and any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Property (all of which are collectively referred to as the "Appurtenances"), subject to covenants and conditions that shall bind the Property as referenced in Paragraph 1.1 above, and existing restrictions, rights and reservations of record.

1.3 Improvements. All improvements and fixtures located on the Property in "as is" condition. If the Military Department desires to remove identified improvements or fixtures from the Property prior to conveyance to Olympia, the Military Department shall provide Olympia with a complete list ("the List") of such improvements or fixtures within fifteen (15) business days of the Effective Date of this Agreement. The List shall be subject to negotiation between the Parties. Use of any improvements on the Property shall be subject to restrictive covenants and conditions as provided in subparagraph 1.1 above.

The Land, Appurtenances, and Improvements described in Paragraph 1 are herein collectively referred to as the Property.

2. Consideration. The consideration to be given by the City of Olympia to the Military Department for acquisition of the Property shall consist of the City of Olympia's promises, covenants, and assumption of any and all costs related to maintenance, operation,

liability, or preservation of the Property in accord with restrictive covenants as described in Paragraph 1 above, together with the City of Olympia's agreement to accept the Property in its current state or condition, AS IS, without any change, modification, alteration or repair by the Military Department.

3. Closing Date. The Closing (the "Closing") shall be held at the offices of the "Escrow Agent," on a mutually acceptable date not later than thirty (30) business days after waiver or expiration of Contingency as provided in Paragraph 5.4 of this Agreement, unless otherwise agreed to by the Parties. The Escrow Agent shall be Thurston County Title Company, located at 105 8th Avenue SE, Olympia, Washington 98501. On the Closing date, Escrow Agent shall record the Deed to the City of Olympia in substantially the form as provided in **EXHIBIT C** attached hereto. The Military Department and Olympia will use their reasonable best efforts, consistent with and subject to their respective rights and obligations as otherwise set forth in this Memorandum of Understanding for Real Estate Transfer, to cause the Closing to occur on or not later than thirty (30) business days after the waiver or expiration of Contingency as provided in Paragraph 5.4 of this Agreement.

4. Title and Survey Matters.

4.1 Title Binder. Promptly after the Effective Date of this Agreement, Olympia shall, at its option, order a preliminary commitment for an ALTA owner's standard coverage title insurance policy describing the Property, showing all matters of record pertaining to the Property and listing Olympia as the prospective named insured. Such preliminary commitment, supplemental reports and true, correct and legible copies of all documents referred to in such preliminary commitment and supplemental reports as conditions or exceptions to title to the Property are collectively referred to herein as the "Title Binder." Nothing herein shall be construed as imposing any cost obligation upon the Military Department.

4.2 Title Review. Within ten (10) business days of the Effective Date, Olympia shall review the Title Binder and any surveys of the Property, and shall notify the Military Department what exceptions to title, if any, affect the marketability or insurability of the title to the Property or which adversely affect the use of the Property. If the Military Department shall fail to remove any such exceptions objected to by Olympia from title prior to the Closing date, and Olympia is unwilling to take title subject thereto, Olympia may elect to either terminate this Agreement, or take title despite the existence of such exception(s). If Olympia elects to terminate, neither the Military Department nor Olympia shall have any further liabilities, obligations or rights with regard to this Agreement which shall then become null and void and of no further force or effect.

4.3 Title Policy. At Closing, Olympia shall cause the Title Company to issue a standard ALTA owner's policy ("Title Policy") to Olympia, at Olympia's sole cost. The Title Policy shall (a) be satisfactory to Olympia, (b) be issued in the amount of the Property value and (c) insure fee simple, indefeasible title to the Property in Olympia. The Title Policy shall contain endorsements as Olympia may require. Olympia's obligation to close this transaction shall be

contingent on Olympia's approval, in its sole and absolute discretion, of the Title Policy required under this Paragraph 4.

5. Conditions to Olympia's Obligations.

5.1 Inspection of the Property. Olympia and its employees, representatives, consultants and agents shall have the right and permission from the date the Parties sign this Agreement through the Closing Date (or earlier termination of this Agreement) to enter upon the Property or any part thereof at all reasonable times upon three days' prior notice and from time to time for the purpose, at Olympia's cost and expense, of making all tests and/or studies of the Property that Olympia may wish to undertake, including, without limitation, soils tests (including borings), toxic and hazardous waste studies, surveys, structural studies and review of zoning, fire, safety and other compliance matters; provided, however, Olympia shall indemnify and hold harmless the Military Department from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or the Military Department as a direct result of any actions taken by Olympia in connection with the Property, including but not limited to permitting the Military Department to review a written description of Olympia's proposed testing and work to ensure same is properly done and will not exacerbate any existing condition of contamination on the Property. Olympia shall also provide the Military Department with a copy of all soil or environmental test results for the Property. Olympia shall reasonably restore the Property to its condition immediately prior to any invasive testing. The effect of the representations and warranties made by the Military Department in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Olympia or its agents.

5.2 Appraisal of the Property. Olympia shall have the right to obtain an appraisal at its own expense. Olympia's appraiser may enter onto the property with reasonable notice as is necessary to appraise the Property.

5.3 Approval of the Property. Olympia's obligation to acquire the Property shall be subject to and contingent upon Olympia's approval, in its sole and absolute discretion, prior to the expiration of the Contingency Period, of all aspects of the Property, including, without limitation, the physical condition of the Property.

5.4 Contingency Period. As used herein, the term "Contingency Period" means the period ending at 5:00 p.m. thirty (30) business days following the Effective Date of this Agreement.

5.5 Olympia's Right to Terminate. If Olympia's approval, set forth in Paragraph 5.3 above, is not given in Olympia's sole and absolute discretion, Olympia shall have the right to terminate this Agreement by sending written notice to the Military Department and Escrow Agent (such notice referred to as a "Termination Notice") prior to the expiration of the Contingency Period in Paragraph 5.4 above. If Olympia gives its Termination Notice to the Military Department, this Agreement shall terminate and neither Olympia nor the Military Department shall have any further liability to the other under this Agreement.

5.6 Additional Closing Conditions. Olympia's obligation to acquire the Property shall also be subject to the following conditions that must be satisfied as of Closing.

(i) Prior to Closing, all Contracts (whether written or oral), with respect to the Property shall be terminated in writing. The Military Department shall provide Olympia, prior to Closing, with written termination agreements with respect to any and all contracts or leases for the Property;

(ii) All representations and warranties of the Military Department contained herein, to the best of the Military Department's knowledge, shall be true, accurate and complete at the time of the Closing as if made again at such time;

(iii) The Military Department shall have performed all obligations to be performed by it hereunder on or before Closing (or, if earlier, on or before the date set forth in this Agreement for such performance);

(iv) At Closing, title to the Property shall be in the condition required by Paragraph 5 of this Agreement and Escrow Agent shall deliver the Title Policy to Olympia; and

(v) At Closing, the physical condition of the Property shall be substantially the same as on the date of this Agreement, ordinary wear and tear excepted.

If the conditions set forth in this Paragraph 5 are not satisfied as of Closing and Olympia does not waive the same, Olympia may terminate this Agreement, and thereafter neither Olympia nor the Military Department shall have any further liability to the other under this Agreement.

6. The Military Department's Representations and Warranties. The Military Department hereby makes the following representations and warranties, to the best of the Military Department's knowledge, which representations and warranties shall be deemed made by the Military Department to Olympia also as of the Closing date:

6.1 Title. The Military Department is the sole owner of the Property, except for reservations of record. At Closing, the Military Department shall convey fee simple estate and right, title and interest in and to the Property by statutory warranty deed to Olympia, free and clear of unapproved encumbrances of record, subject to certain restrictive covenants as set forth in **EXHIBIT C** attached hereto and incorporated herein by reference.

6.2 Compliance with Law; Compliance with Property Restrictions. The Property complies in all material respects (both as to condition and use) with all applicable statutes, ordinances, codes, rules and regulations of any governmental authority having jurisdiction over the Property related to zoning, building, subdivision, and engineering.

6.3 Taxes and Assessments. Other than amounts disclosed by the Title Binder, no other property taxes have been or will be assessed against the Property for the current tax year,

and there are no general or special assessments or charges that have been levied, assessed or imposed on or against the Property.

6.4 Foreign Person. The Military Department is not a foreign person as such term is defined in Section 7701(a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Olympia prior to the Closing an affidavit evidencing such fact and such other documents as may be required under the Code.

6.5 Mechanics' Liens. No labor, material or services have been furnished in, on or about the Property or any part thereof as a result of which any mechanics', laborers' or materialmen's liens or claims might arise.

6.6 Underground Storage Tanks. The Military Department has no knowledge of (a) subterranean storage or underground storage tanks that exist on the Property, and (b) any previously existing underground storage tanks that have been removed or filled by the Military Department in compliance with applicable law.

6.7 Leases and Other Agreements. The Military Department represents that there are no leases, occupancy agreements, service agreements, licenses, easements, or option agreements with regard to the Property, except those reservations of record.

6.8 Assumption of Liabilities. Olympia, by virtue of the acquisition of the Property, will not be required to satisfy any obligation of the Military Department arising prior to the Closing date.

6.9 Defaults. The Military Department is not in default and there has occurred no uncured event which, with notice, the passage of time or both would be a default, under any contract, agreement, lease, encumbrance, or instrument pertaining to the Property.

6.10 Utilities. The Property is served by water, sewer, gas, and electrical utilities.

6.11 Public Improvements. The Military Department has no knowledge of any federal, state, county, municipal or other governmental plans to change the road system in the vicinity of the Property.

6.12 Subdivision. The conveyance of the Property will not constitute a violation of any subdivision ordinance. The improvements on the Property comply in all material respects with all applicable subdivision ordinances and statutes.

6.13 Due Authority. The Military Department and Olympia have all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the Military Department and/or

Olympia and constitute their legal, valid and binding obligation enforceable against the Military Department and Olympia in accordance with the terms of this Agreement.

6.14 No Omissions. The copies of any documents furnished to Olympia in connection with this transaction are true and complete copies of the documents they purport to be and contain no untrue statement of material fact and do not omit to state any material facts necessary to make the statements contained therein not misleading.

7. Covenants of Olympia. Olympia covenants and agrees as follows:

7.1 Perform Obligations. From the date of this Agreement to the Closing date, Olympia will perform any monetary and non-monetary obligations it has regarding the Property.

7.2 No Liens. From the date of this Agreement to the Closing date, Olympia will not allow any lien to attach to the Property.

7.3 Provide Further Information. From the date of this Agreement to the Closing date, Olympia will notify the Military Department of each event of which Olympia becomes aware affecting the Property or any part thereof immediately upon learning of the occurrence of such event.

8. Closing.

8.1 Time and Place. Provided that all the contingencies set forth in this Agreement have been previously fulfilled, the Closing shall take place at the place and time determined as set forth in Paragraph 3 of this Agreement.

8.2 Documents to be Delivered by the Military Department. For the consideration to the Military Department as described in Paragraph 2 herein, the Military Department shall obtain and deliver to Olympia at Closing the following documents (all of which shall be duly executed and acknowledged where required):

(i) **Title Documents.** Such other documents, including, without limitation, lien waivers, indemnity bonds, indemnification agreements, and certificates of good standing as shall be required by Olympia, or by the Title Company, as a condition to its insuring Olympia's fee simple title to the Property.

(ii) **Authority.** Such evidence as the Title Company shall require as to authority of the Military Department to convey the Property to Olympia.

(iii) **Surveys and Drawings.** Copies of all surveys, site plans and plans and specifications relating to the Property as are in the possession or control of the Military Department, if any.

(iv) **Warranty Deed.** A statutory warranty deed (“Deed”) conveying to Olympia indefeasible title in fee simple absolute to the Property, as specified in **EXHIBIT C** attached hereto and incorporated herein by reference.

(vi) **Restrictive Covenant.** A restrictive covenant or other mutually agreeable document that limits the use of the land and improvements. The restrictive covenant may be part of the Deed as specified in **EXHIBIT C** or be a separate document.

8.3 Documents to be Delivered by Olympia. A restrictive covenant or other mutually agreeable document that limits use of the land and improvements, which may be part of the Deed as specified in **EXHIBIT C** attached hereto or be a separate document.

8.4 Payment of Costs. At Closing, Olympia shall pay all charges for title insurance, recording fees, technology fee and all other escrow fees and costs of Closing.

8.5 Taxes. The Military Department and Olympia are exempt from payment of real property excise taxes for the Property pursuant to WAC 458-61A-205.

8.6 Monetary Liens. The Military Department shall pay or cause to be satisfied at or prior to Closing all monetary liens on or with respect to all or any portion of the Property, including, but not limited to, mortgages, deeds of trust, security agreements, assignments of leases, rents and/or easements, judgment liens, tax liens (other than those for taxes not yet due and payable) and financing statements, except where the Military Department is exempt by statute or administrative rule or regulation.

8.7 Possession. Possession of the Property shall be delivered to Olympia at Closing. The Property, including without limitation the Improvements, shall be delivered to Olympia in AS IS condition.

8.8 Prorations. All amounts required to be prorated hereunder as of Closing, shall be calculated as if Olympia was in possession of the Property as of the date of Closing.

9. Indemnification. The Military Department shall pay, protect, pay the defense costs of, indemnify and hold Olympia and its successors and assigns harmless from and against any and all loss, liability, claim, damage and expense suffered or incurred by reason of (a) the breach of any representation, warranty or agreement of the Military Department set forth in this Agreement, (b) the failure of the Military Department to perform any obligation required by this Agreement to be performed by the Military Department, (c) the ownership, maintenance, and/or operation of the Property by the Military Department prior to the Closing, not in conformance with this Agreement, or (d) any injuries to persons or property from any cause occasioned in whole or in part by any acts or omissions of the Military Department, its representatives, employees, contractor or suppliers that occurred before Closing; provided, however, that nothing in this Paragraph 9 applies to Losses arising out of the presence of Hazardous Substance on, under, above, or about the Property, including Hazardous Substances that migrate or migrated to or from the Property.

10. Casualty. If any fire, windstorm or casualty occurs and materially affects all or any portion of the Property on or after the date of this Agreement and prior to the Closing, Olympia may elect, by written notice to the Military Department, to terminate this Agreement and the escrow created pursuant hereto and be relieved of its obligation to acquire the Property. If Olympia terminates this Agreement, neither Olympia nor the Military Department shall have any further liability to the other hereunder. If Olympia fails to make such election prior to the Closing date, this Agreement shall continue in effect. The Military Department shall forthwith notify Olympia in writing of any such casualty respecting the Property.

11. Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party (collectively, "Notices") shall be in writing and shall be validly given or made to another party if delivered either personally or by FedEx, UPS, USPS or other overnight delivery service of recognized standing, or if deposited with the United States postal service, certified, registered, or express mail with postage prepaid. If such Notice is personally delivered, it shall be conclusively deemed given at the time of such delivery. If such Notice is delivered by FedEx or other overnight delivery service of recognized standing, it shall be deemed given twenty-four (24) hours after the deposit thereof with such delivery service. If such Notice is mailed as provided herein, such shall be deemed given seven (7) days after the deposit thereof in the United States mail. Each such Notice shall be deemed given only if properly addressed to the Party to whom such notice is to be given as follows:

To the Military Department:
Maj. Gen. Bret Daugherty,
Adjutant General, Washington
Military Department, State of Washington
Building 1
1 Militia Drive
Camp Murray, WA 98430-5000
Bret.Daugherty@mil.wa.gov

With a required copy to:
Jim Hickman
Department of Enterprise Services, State of Washington
1500 Jefferson ST SE
P.O. Box 41401
Olympia, WA 98504-1401
Jim.Hickman@des.wa.gov

To City of Olympia: Steven J. Burney, City Manager
City of Olympia
601 4th Avenue East
P.O. Box 1967
Olympia, WA 98507-1967
jburney@ci.olympia.wa.us

With a required copy to: Mark Barber, City Attorney
City of Olympia
601 4th Avenue East
PO Box 1967
Olympia, WA 98507-1967
mbarber@ci.olympia.wa.us

Any party hereto may change its address for the purpose of receiving notices as herein provided by a written notice given in the manner aforesaid to the other Party hereto.

12. Event of Default. In the event of a default under this Agreement by the Military Department (including a breach of any representation, warranty or covenant set forth herein), Olympia shall be entitled, in addition to all other remedies, to seek specific performance of the Military Department's obligations hereunder.

13. Miscellaneous.

13.1 Applicable Law and Venue. This Agreement shall in all respects, be governed by and construed in accordance with the laws of the State of Washington, except to the extent preempted by federal law. Venue for any claim, dispute or action arising out of or relating to this Agreement shall be in the Superior Court of Thurston County for the State of Washington.

13.2 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder, to carry out the intent of the Parties hereto.

13.3 Modification or Amendment, Waivers. No amendment, change or modification of this Agreement shall be valid, unless in writing and signed by all of the Parties hereto. No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision in this Agreement. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

13.4 Entire Agreement and No Third Party Beneficiaries. 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 or corporation other than the Parties hereto.

13.5 Attorneys' Fees. Should either party bring suit to enforce this Agreement, or the restrictive covenants and conditions set forth in the Deed attached hereto as **EXHIBIT C**, the substantially prevailing party in such lawsuit shall be entitled to an award of its reasonable attorneys' fees and costs incurred in connection with such lawsuit.

13.6 Construction. Captions are solely for the convenience of the Parties and are not a part of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both parties had prepared it. If the date on which Olympia or the Military Department is required to take any action under the terms of this Agreement and it is not a business day, the action shall be taken on the next succeeding business day.

13.7 Partial Invalidity and Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, 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, shall not be affected thereby; and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13.8 Survival. The covenants, agreements, obligations to indemnify, representations and warranties made in this Agreement shall survive the Closing unimpaired and shall not merge into the Deed and the recordation thereof.

13.9 Time. Time is of the essence of every provision of this Agreement.

13.10 Force Majeure. Performance by the Military Department or Olympia of their obligations under this Agreement shall be extended by the period of delay caused by force majeure. Force majeure is war, natural catastrophe, strikes, walkouts or other labor industrial disturbance, order of any government, court or regulatory body having jurisdiction, shortages, blockade, embargo, riot, civil disorder, or any similar cause beyond the reasonable control of the Party who is obligated to render performance (but excluding financial inability to perform, however caused).

13.11 Recitals. The Recitals above are incorporated by this reference into this Agreement as if fully set forth herein.

14. Counterparts. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Additionally, (i) the signature pages taken from separate individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (ii) a facsimile signature or an electronically scanned signature, or an electronic or digital signature where permitted by law, shall be deemed to be an original signature for all purposes. All executed counterparts of this Agreement shall be deemed to be originals, but all such counterparts, when taken together, shall constitute one and the same Agreement.

15. Effective Date. The term, "date of this Agreement," or "date hereof," or "Effective Date," as used herein shall mean the later of the following dates: (1) the date of the Military Department's signature; or (2) the date of Olympia's signature.

GRANTOR:

MILITARY DEPARTMENT, State of Washington

By: Bret D. Daugherty
Print Name: Maj. Gen. Bret D. Daugherty
Its: Adjutant General, Washington
Date: 12/17/21

GRANTEE:

CITY OF OLYMPIA, a Washington municipal corporation

By: _____
Print Name: Steven J. Burney
Its: City Manager
Date: _____

Approved as to form:

Mark Barber
Mark Barber, City Attorney

EXHIBIT A

Legal Description

LOTS 1 THROUGH 10, INCLUSIVE, BLOCK 49 OF SWAN ADDITION TO OLYMPIA, AS RECORDED IN VOLUME 1 OF PLATS, PAGE 37. TOGETHER WITH VACATED ALLEY ABUTTING SAID LOTS.

EXHIBIT B

Sketch of Olympia Armory Property

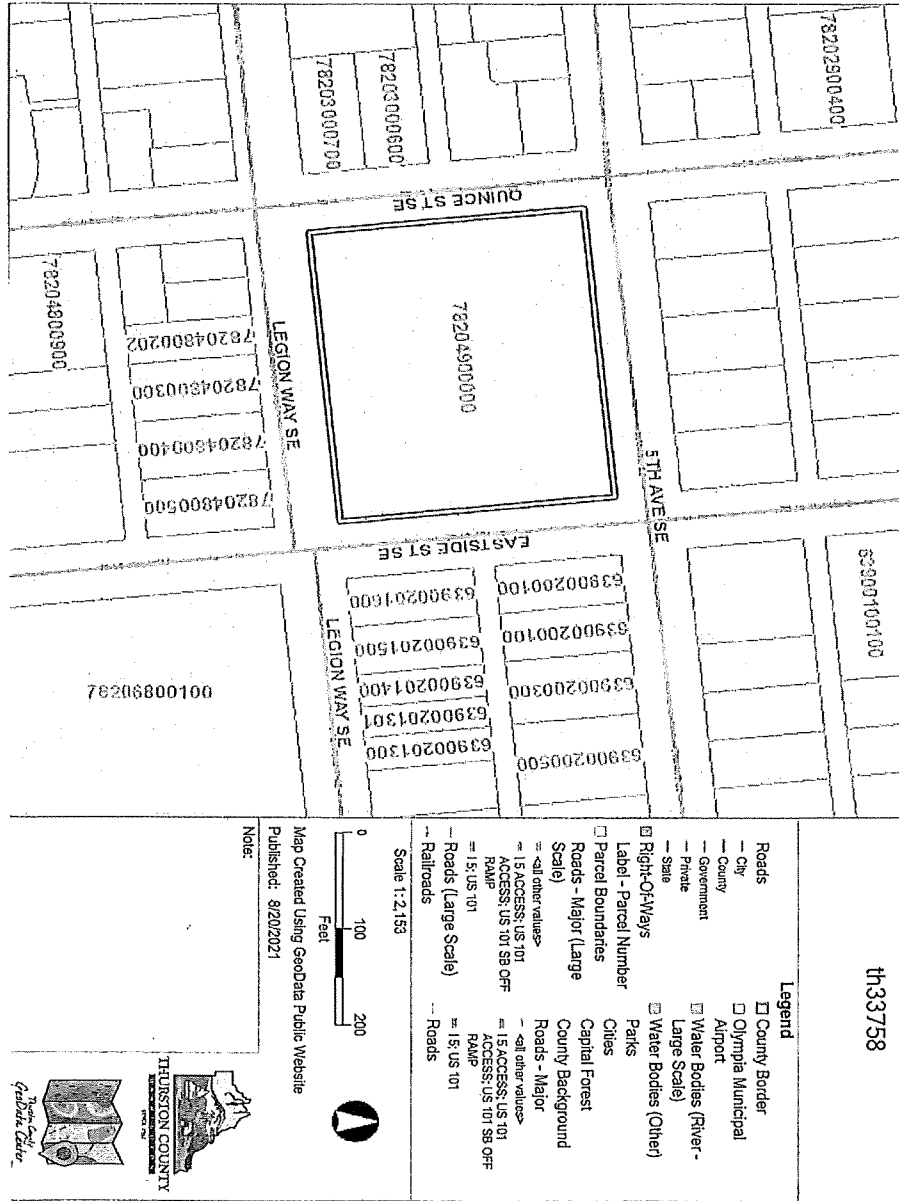


EXHIBIT C

Form of Deed and Restrictive Covenants

AFTER RECORDING MAIL TO:

Legal Department
City of Olympia
601 4th Avenue E
P.O. Box 1967
Olympia, WA 98507-1967

Document Title:	Statutory Warranty Deed
Grantor:	Military Department, State of Washington
Grantee:	City of Olympia, a Washington municipal corporation
Abbreviated Legal Description:	Lots 1 through 10, Inclusive Blk 49 Swan Add to Olympia
Assessor's Tax Parcel Number:	78204900000

The Grantor, **MILITARY DEPARTMENT, STATE OF WASHINGTON**, for and in consideration of good and other valuable considerations and pursuant to Substitute House Bill (SHB) 1080 relating to the capital budget, Chapter 332, Laws of 2021, Section 1137, hereby conveys and warrants to the **CITY OF OLYMPIA**, Grantee, a Washington municipal corporation, the following described real estate and all appurtenances, improvements, and rights thereto, situated in the County of Thurston, in the State of Washington (hereafter referred to as the "Property"), including all after acquired title:

See legal description in EXHIBIT A attached hereto.

Subject to the following:

RESTRICTIVE COVENANTS

As additional consideration and as required by SHB 1080, Chapter 332, Laws of 2021, Section 1137, Grantor declares and Grantee agrees that the Property legally described above shall be held, transferred, sold, conveyed, leased, used and occupied by Grantee subject to the following covenants and restrictions:

The Property, commonly known as the Olympia Armory, and legally described in **EXHIBIT A** attached hereto, shall be used by Grantee as a community asset dedicated to using the arts to support community development, arts education, and economic development initiatives for a period of ten (10) years.

It is the express intent of the Grantor and Grantee that the provisions of the Restrictive Covenants stated herein shall be deemed to run with the land and shall pass to and be binding upon Grantee's successors in title, including any subsequent purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the Property and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner, assignee, trustee, trustor, or lessee of any portion of the Property and any other person or entity having any right, title or interest therein, for the aforesaid period of time.

GRANTOR:

MILITARY DEPARTMENT, STATE OF WASHINGTON

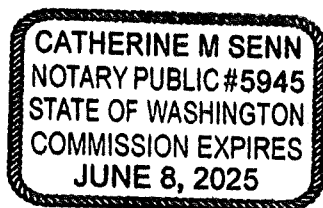
By: Bret D. Daugherty
Maj. Gen. Bret D. Daugherty,
Adjutant General, Washington

STATE OF WASHINGTON)

COUNTY OF Pierce) : ss.

On the 7th day of December 2021, before me, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Maj. Gen. Bret D. Daugherty, to me known to be the Adjutant General of the Military Department, State of Washington, who executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of the Military Department, State of Washington, for the uses and purposes therein mentioned and on oath states that he is authorized to execute the said instrument.

WITNESS my hand and official seal the day and year first above written.



Catherine M. Senn
Signature
Print Name: CATHERINE M. SENN
NOTARY PUBLIC in and for the State
of Washington, residing at TACOMA
My commission expires 8 June 2025

**EXHIBIT A
TO STATUTORY WARRANTY DEED**

LOTS 1 THROUGH 10, INCLUSIVE, BLOCK 49 OF SWAN ADDITION TO OLYMPIA,
AS RECORDED IN VOLUME 1 OF PLATS, PAGE 37. TOGETHER WITH VACATED
ALLEY ABUTTING SAID LOTS.

AMENDMENT NO. 1
TO
MEMORANDUM OF UNDERSTANDING
FOR REAL ESTATE TRANSFER

This AMENDMENT NO. 1 to the Memorandum of Understanding for Real Estate Transfer (“Agreement”) is made by and between the CITY OF OLYMPIA, a municipal corporation organized under the laws of the State of Washington (“Olympia”) and the MILITARY DEPARTMENT, STATE OF WASHINGTON (“Military Department”), jointly referred to as “the Parties,” to modify and amend the Memorandum of Understanding for Real Estate Transfer.

1. Modification. The Parties wish to amend the Memorandum of Understanding for Real Estate Transfer (“Agreement”) pursuant to Paragraph 13.3 of the Agreement, as regards the Closing Date and time to permit removal of field equipment and other possessions of the Military Department located within a structure on the Property.

2. Closing Date. The Closing Date in Paragraph 3 of the Agreement between the Parties is hereby modified and amended to provide that Closing will occur on February 28, 2022. All other terms and conditions in Paragraph 3 remain unchanged.

3. Removal of Field Equipment. The Parties further agree to amend and modify the Agreement, so the Military Department has until March 31, 2022, at 11:59 p.m. to remove the Military Department’s field equipment and other possessions from a structure located on the Property commonly referred to as “the Barn.” Storage of such field equipment and other possessions after Closing shall be at no cost to the Military Department. However, the Military Department assumes all liability and risk of loss for its field equipment and other possessions following Closing and transfer of possession of the Property to Olympia. Olympia agrees not to enter “the Barn” until after March 31, 2022.

[The remainder of this page is left intentionally blank. Signatures follow on next page.]

GRANTOR:

MILITARY DEPARTMENT, State of Washington

By: Bret D. Daugherty
Print Name: Maj. Gen. Bret D. Daugherty
Its: Adjutant General, Washington
Date: 12/7/21

GRANTEE:

CITY OF OLYMPIA, a Washington municipal corporation

By: _____
Print Name: Steven J. Burney
Its: City Manager
Date: _____

Approved as to form:

Mark Barber _____
Mark Barber, City Attorney