

AGREEMENT CONCERNING THE SEQUIM BAY MARINA PROPERTY

The parties to this agreement are WAYNE ENTERPRISES, a California limited partnership, and the PORT OF PORT ANGELES, (hereinafter "Port") a municipal corporation of the State of Washington.

This Agreement is made in the light of the following facts:

On December 22, 1975 John and Pilar Wayne (hereinafter "the Waynes") deeded some 25 acres of tidelands (hereinafter the "Marina Property") on Sequim Bay in the County of Clallam, State of Washington, to the Port for use by it in constructing and operating a public small boat marina. The deed, a copy of which is attached hereto as Exhibit A, contained a provision that if the construction of the Marina did not commence within five years, the Waynes would have the option to have the property revert to them.

On December 24, 1976 John and Pilar Wayne deeded an additional approximately 3.9 acres of tidelands on Sequim Bay (which shall also for purposes of this Agreement be considered part of the Marina Property). The deed, a copy of which is attached hereto as Exhibit B, contained a similar provision regarding possible reverter if construction was not commenced within five years.

Since then the Port has worked diligently in the preparation of environmental reports, engineering reports, acquisition of other properties, and in various other endeavors to obtain from federal, state and local agencies the necessary

approval to proceed with the construction of the Marina. In the spring of 1979 representatives of the Port met with representatives of the Waynes at the offices of Batjac Productions, Inc. in Beverly Hills, and furnished schedules showing that the construction of the Marina would be commenced well within the 5-year period.

In May, 1979, in connection with a property settlement agreement, Pilar Wayne executed a deed transferring to John Wayne all the interest she had in the Marina Property. A copy of said deed is attached hereto as Exhibit C.

On June 11, 1979 John Wayne died. The Marina Property became a part of his estate and under the terms of his will the Marina Property was left to his seven children. Pursuant to deeds executed by the executors of John Wayne's estate on November 13, 1980, and recorded December 4, 1980, the estate deeded a one-seventh interest in the Marina Property to each of the seven children. Copies of said deeds are attached hereto as Exhibit D.

Subsequently the seven children executed deeds transferring their interest in the property to Wayne Enterprises. Copies of said deeds are attached hereto as Exhibit E.

Due primarily to unanticipated delays in completion of acceptable environmental reports, the Port has not been able to obtain the necessary approvals to construct the Marina and accordingly will not be able to commence construction within the 5-year period provided in the deed from the Waynes conveying the Marina Property to it.

The Port is about to complete another environmental report and assuming that any environmental impacts identified therein can be appropriately mitigated the Port believes that it will be able to obtain the necessary approval and will be able to commence construction on the Marina some time during the year 1981. Both parties to this agreement desire to have the Marina constructed as soon as reasonably possible.

NOW, THEREFORE, the parties agree as follows:

1. The Port recognizes that due to its failure to commence construction of the Marina on or before December 22, 1980, Wayne Enterprises, as the successor to the Waynes, will have the right on and after December 22, 1980 to re-enter the Marina Property as fully as if Wayne Enterprises were the fee owner of the Marina Property.

2. On or before January 31, 1981, the Port will purchase from Wayne Enterprises the hereinafter described property which is now owned by Wayne Enterprises for a consideration of \$ 65,000.00. Said property is adjacent to the Marina Property and the Port desires to use it in the operation of the Marina.

The Port agrees, covenants and will execute all necessary agreements, deeds, covenants, and such other documents as are necessary to obligate the Port to maintain and secure the property and keep such property as an open space to be landscaped in a manner suitable and compatible to the adjacent property as it may be developed from time to time, all such landscaping to be subject to the approval of Wayne Enterprises, which approval shall not be unreasonably withheld.

Wayne Enterprises warrants that it has good title to said property and that it will convey title to said property by statutory warranty deed free and clear of any restrictions other than those put forth herein and those of record acceptable to the Port. It is understood and agreed that the Port intends to utilize this parcel for a drainfield for the septic system servicing the Marina.

Said parcel is described as follows:

The parcel of land consists of .99 acres, more or less, and is shown as "Primary Drainfield Area" and "Reserve Area" on Figure 4 "Development Plan", Page 6, of the Revised Draft Federal Environmental Impact Statement (NEPA)/Draft State Environmental Impact Statement (SEPA) published by the U.S. Army Corps of Engineers and the Port of Port Angeles in November 1980.

The parties agree that a complete legal description to this parcel will be supplied prior to closing.

3. On or before January 31, 1981 Wayne Enterprises will execute a deed to the Port of all the Marina Property free and clear of any interest it now owns therein.

The Port agrees, covenants and will execute appropriate agreements, deeds, or such other documents as are necessary to obligate the Port to operate the Marina Property as other first-class marinas in accordance with standards of the industry including providing adequate security, maintaining appropriate litter control, and posting the boundaries of the Marina Property.

4. The Port agrees that the Marina, if built at Pitship Point, will be named and known as the "John Wayne Marina" and a statement to that effect will be prominently

displayed at an appropriate place on the Marina. The name "John Wayne Marina" will also be displayed on billboards, signs, letterheads, and other material referring to or publicizing the Marina.

5. The Port also agrees to continue all reasonable efforts to obtain the necessary approvals for the construction of, and to commence and complete construction of, the Marina as soon as reasonably possible subject, however, to a full and complete environmental review.

6. The obligations of Wayne Enterprises under this Agreement are conditioned upon the adoption by the Commissioners of the Port of resolutions approving the foregoing.

Wayne Enterprises
Batjac Productions, Inc.

By 
President

Port of Port Angeles

By 
Douglas G. Hendricks
Executive Director