

The Governor's proclamation 20-28 regarding the Open Public Meetings Act and Public Records Act temporarily prohibits in-person public attendance at meetings subject to the OPMA.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely.

To participate remotely, please call in at: [1-866-899-4679](tel:1-866-899-4679), Access Code: 472-243-925

Or, join on-line at the following link: <https://meet.goto.com/472243925>

AGENDA

Port of Kennewick

Regular Commission Business Meeting

*Port of Kennewick Commission Chambers (via GoToMeeting)
350 Clover Island Drive, Suite 200, Kennewick Washington*

May 24, 2022

2:00 p.m.

I. CALL TO ORDER

II. ANNOUNCEMENTS AND ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF AGENDA

V. PUBLIC COMMENT *(Please state your name for the public record)*

VI. CONSENT AGENDA

A. Approval of Direct Deposit and ePayments Dated May 17, 2022

B. Approval of Warrant Register Dated May 24, 2022

C. Approval of Regular Commission Meeting Minutes May 10, 2022

VII. PRESENTATION

A. Ann Allen, Attorney at Law (**TIM**)

1. Open Public Meetings Act and Public Records Emergency Proclamation Update

2. COVID Work Plan

VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Kennewick Waterfront

1. Columbia Gardens Covenants, Conditions & Restrictions (CC&Rs), Taudd Hume (**AMBER**)

2. Pipeworks Purchase and Sale Update (**AMBER**)

3. Clover Island Inn Proposal Update, Taudd Hume (**AMBER**)

B. Vista Field

1. Grand Opening June 16, 2022 (**TIM**)

C. Pronghorn LLC (JMAC/Twin Tracks) Buyback Clause; Resolution 2022-15 (**AMBER**)

D. State Auditor's Office Update; Resolution 2022-16 (**CAROLYN**)

E. Re-Districting Update (**LARRY/CAROLYN**)

F. Port Commission Rules of Policies and Procedures Update (**TIM**)

G. Commission meetings (formal and informal meetings with groups or individuals)

H. Non-Scheduled Items (**LISA/BRIDGETTE/NICK/LARRY/AMBER/CAROLYN/TIM/KEN/TOM/SKIP**)

IX. PUBLIC COMMENT *(Please state your name for the public record)*

X. ADJOURNMENT

PLEASE SILENCE ALL NOISE MAKING DEVICES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

MAY 10, 2022 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President (via telephone)
Kenneth Hohenberg, Vice President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucy Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Hohenberg led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Hohenberg moved to approve the Agenda as presented; Commissioner Novakovich seconded;*

MOTION: *Commissioner Novakovich moved amend the main motion by tabling Agenda Item 7A, Presentation: Auditor's Office Report; Commissioner Hohenberg seconded; With no further discussion, motion carried. All in favor 2 Ayes (Commissioners Hohenberg and Novakovich): 1 Nay (Commissioner Moak)*

Commissioner Moak inquired the reason behind the amended motion.

Commissioner Novakovich stated we are tabling the presentation.

With no further discussion, the Motion to approve the Amended Agenda is carried unanimously. All in favor 3:0.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 10, 2022 MINUTES

DRAFT

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

A. *Approval of Direct Deposit and E-Payments Dated May 3, 2022*

Direct Deposit and E-Payments totaling \$88,683.35

B. *Approval of Warrant Register Dated May 10, 2022*

Expense Fund Voucher Number 103729 through 103771 for a grand total of \$123,528.60

C. *Approval of Regular Commission Meeting Minutes April 26, 2022*

MOTION: *Commissioner Hohenberg moved to approve the Consent Agenda as presented; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Kennewick Waterfront*

1. *Columbia Gardens Covenants, Conditions & Restrictions (CC&R's)*

Ms. Hanchette outlined the recent revisions to the Covenants, Conditions, and Restrictions for Columbia Gardens. Ms. Hanchette stated with the approved Vista Field CC&R's, she requested if Resolution 2022-14 is approved, that staff be allowed to make minor modifications, such as correcting typos, or inserting drawings. If there is a substantial change to the document, staff will bring back to the Commission with the revisions.

Further Commission and staff discussion commenced regarding the Columbia Gardens CC&R's.

MOTION: *Commissioner Moak moved for approval of Resolution 2022-14, approving Covenants, Conditions, Restrictions, and Easements for Columbia Gardens; and ratify and approve all action by port officers and employees in furtherance hereof; and authorize the port Chief Executive Officer to take all action necessary in furtherance hereof. Commissioner Hohenberg seconded.*

PUBLIC COMMENTS

No comments were made.

With no further discussion, motion carried unanimously. All in favor, 3:0.

2. *Muret-Gaston Winery*

Ms. Hanchette introduced Muret-Gaston Winery, the new tenant of the tasting room at Columbia Gardens. Kyle and Amy Johnson's vineyard is located on Red Mountain and they have additional labels and have been supporters of Columbia Gardens since before there were buildings.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

MAY 10, 2022 MINUTES

DRAFT

3. 1135 Project Update

Ms. Bader Inglima presented photos of the 1135 Shoreline Restoration project on Clover Island.

Mr. Peterson stated the project is at least 14 years in the making and includes partnerships with the City of Kennewick, Benton County, Confederated Tribes of the Umatilla Indian Reservation, Washington State Recreation and Conservation Office, and the US Army Corps of Engineers. The outcome is a beautiful shoreline and now readies Clover Island for further upland development.

B. Vista Field Hangar Update

Mr. Arntzen briefly updated the Commission that staff continues to work on a lean rehabilitation plan for the Vista Field hangars.

C. Washington Public Ports Association (WPPA) Leadership Change

Commissioner Novakovich reported James Thompson, executive director of the WPPA has resigned and Victoria Lincoln has been designated as the interim executive director. Commissioner Novakovich stated Patsy Martin, former executive director for the Port of Skagit will take over as interim executive director as of June 1, 2022. The WPPA Board will conduct a national search for the position.

D. TRIDEC Partnership – ICSC

Mr. Arntzen reported that the Port partnered with TRIDEC for the International Council of Shopping Centers RECON Trade Show in Las Vegas and sent marketing materials for their booth.

E. Commissioner Meetings (formal and informal meetings with groups or individuals)

Commissioners reported on their respective committee meetings.

F. Non-Scheduled Items

Ms. Scott reported that House Bill 1329 was recently signed into law which brings changes to the Open Public Meetings Act and the Public Records Act. Ms. Scott is working with our Human Resources Consultant, Ann Allen, to ensure the Port's compliance. These changes take effect June 1, 2022 and the impacts will be presented at our next meeting.

Mr. Arntzen reported that Ms. Hanchette is working with Taud Hume, Port Real Estate Counsel, to formally close out the lease assignment request from Clover Island Inn and Fortify Holdings.

Mr. Arntzen offered walking tours of any Port properties to the Commissioners.

Mr. Arntzen stated he will be bringing forth opportunities for Commission discussion for the 2023-2024 Work Plan and Budget.

Commissioner Hohenberg stated this was another great meeting and there are a lot of exciting things going on at the Port of Kennewick and he looks forward to keeping up the momentum.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 10, 2022 MINUTES

DRAFT

Commissioner Novakovich reported that RCW 39.59.040 allows port districts to borrow money from the county treasurer and the interest rate is reset every 5 years.

Mr. Kooiker thanked Commissioner Novakovich for that information and stated he reviewed that program when the Port acquired the loan for Vista Field; however, the private bank had a better interest rate available. Mr. Kooiker will evaluate the program the next time the Port takes out a substantial loan.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:07 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Kenneth Hohenberg, Vice President

Thomas Moak, Secretary

**PORT OF KENNEWICK
Resolution No. 2022-14**

**A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS ADOPTING THE
COLUMBIA GARDENS DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

WHEREAS, the Port of Kennewick Commission has undertaken master planning, infrastructure improvements and construction of three development buildings to create a new urbanism oriented mixed-use redevelopment along the Historic Downtown Kennewick Waterfront; and

WHEREAS, the completed and planned redevelopment site involves parcels with certain easements dedicated to the City of Kennewick and unique common areas that require perpetual maintenance by those investing in Columbia Gardens; and

WHEREAS, the Port coordinated with specialized legal counsel and development experts to craft a guiding document containing covenants, conditions, restrictions and easements for those investing in the Columbia Gardens to both assure the perpetual maintenance and funding of certain common area improvements; and

WHEREAS, the Commission has reviewed these documents and deemed the establishment of property owner’s associations for the Columbia Gardens redevelopment project is warranted; and

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby adopts Columbia Gardens Declarations of Covenants, Conditions, Restrictions and Easements for Columbia Gardens as attached hereto and identified as “Exhibit A”; and further authorizes the Port’s Chief Executive Officer to take all actions necessary to implement the Declarations.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 10th day of May, 2022.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

DocuSigned by:
Skip Novakovich
By: _____
SKIP NOVAKOVICH, *President*

DocuSigned by:
Kenneth Hohenberg
By: _____
KENNETH HOHENBERG, *Vice President*

DocuSigned by:
Thomas Moak
By: _____
THOMAS MOAK, *Secretary*

LAST REVISED: 5/6/2022

When Recorded, Return to:

Foster Garvey PC
Attn: Christopher S. Napier
1111 Third Avenue, Suite 3000
Seattle, WA 98112

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
COLUMBIA GARDENS**

Grantor: THE PORT OF KENNEWICK

Grantee: THE PORT OF KENNEWICK

Legal Description SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST
(abbreviated): WILLAMETTE MERIDIAN

Additional on: Exhibit A

Assessor's Tax Parcel ID #: 131903030013002; 131903030015005; 131903030011004;
131903030013003; 131903030011003; 131903030025000;
131903030106009; 131903030106008; 131903030106007;
131903030016002

Reference Nos. of Documents Released or Assigned: N/A

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Exhibit C-1 Certain Common Areas

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**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
COLUMBIA GARDENS**

This Declaration of Covenants, Conditions, Restrictions, and Easements for Columbia Gardens (this “*Declaration*”) is dated May ___, 2022 (this “*Effective Date*”), and is made by THE PORT OF KENNEWICK (“*Declarant*”).

RECITALS

A. Declarant has the authority to execute and record this Declaration as the owner of all of the real property legally described on the attached **Exhibit A** (such real property, together with all existing and future Improvements (as defined below) located thereon, shall be collectively referred to herein as the “*Property*”).

B. The Property is intended to be developed as a commercial development known as Columbia Gardens (“*Columbia Gardens*”).

C. This Declaration is being recorded for the purpose of subjecting the Property to this Declaration including, without limitation, certain covenants, conditions, restrictions, and easements necessary to establish a reasonable arrangement for the maintenance and operation of certain shared areas and improvements within the Property and to enhance and protect the value, desirability and attractiveness of the Property and to provide for an equitable allocations of the costs thereof among the Owners (as defined below) of Parcels (as defined below) within the Property.

AGREEMENT

NOW, THEREFORE, Declarant declares that the Property shall be owned, sold, conveyed, leased, encumbered, occupied, improved, and used subject to this Declaration, which will run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in such Property or any part thereof and shall inure to the benefit of each Owner thereof and their respective successors and assigns.

**ARTICLE 1
DEFINITIONS**

As used in this Declaration, the terms set forth below shall have the following meanings:

1.1 “*Applicable Laws*” means all laws, regulations, ordinances or requirements of the federal, state or local governments or of any other governmental authorities having jurisdiction over the Property.

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1.2 *“Articles”* means the articles of incorporation of the Association. The Articles shall be initially prepared and filed by Declarant and shall contain such terms as Declarant determines necessary or appropriate; provided the terms thereof shall not conflict with the terms of this Declaration or applicable nonprofit corporation laws.

1.3 *“Assessments”* means all assessments and other charges, fines and fees imposed by the Declarant or Association on an Owner of a Parcel in accordance with this Declaration including, without limitation, General Assessments, Special Assessments, and Individual Assessments as described in Article 10.

1.4 *“Association”* means the nonprofit corporation to be formed by the Declarant as provided in this Declaration, which will, after formation, serve as the association of Owners, and its successors and assigns.

1.5 *“Board”* means the board of directors of the Association which, after the Association is formed, will be the body responsible for administration of the Association, the directors of which are selected as provided in this Declaration and the Bylaws.

1.6 *“Bylaws”* means the bylaws of the Association as adopted and amended by the Board from time to time. The Bylaws shall be initially prepared by Declarant and shall contain such terms as Declarant determines necessary or appropriate; provided the terms thereof shall not conflict with the terms of this Declaration or applicable nonprofit corporation laws.

1.7 *“City”* means The City of Kennewick.

1.8 *“Class A Member”* means all Owners with the exception of the Class B Member.

1.9 *“Class B Member”* means the Declarant.

1.10 *“Class B Termination Date”* means the Subsidy Termination Date.

1.11 *“Common Areas”* means all real and personal property, including Parcels, Improvements and easements, that the Owners of all Parcels jointly, or the Association, owns, leases or otherwise holds possessory, easement or use rights in for the common use and enjoyment of the Owners, subject to restrictions that may be described herein or in any amendment to this Declaration. Common Areas shall be designated as such in this Declaration, any amendment to this Declaration, or any conveyance of a Common Area from Declarant to the Association. The Common Areas as of the recording of this Declaration are listed on the attached **EXHIBIT C**.

1.12 *“Common Area Parcels”* means Parcels 1, 2 and 3 and any future Parcel which is predominantly used as a Common Area.

1.13 *“Common Expenses”* shall mean all of the expenses incurred (i) by or on behalf Declarant with respect to the Common Areas or Association or under Section 8.6 and (ii) by or on behalf of the Association from time to time including such reserves, if any, as the Board may deem appropriate from time to time.

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1.14 “*County*” means Benton County, Washington.

1.15 “*Declarant*” means the Port of Kennewick, and its successors and assigns, if a recorded instrument executed by Declarant assigns to the transferee all of the rights reserved to Declarant under this Declaration with respect to the Property.

1.16 “*Declaration*” means this Declaration of Covenants, Conditions, Restrictions, and Easements for Columbia Gardens, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

1.17 “*Development Period*” means the period of time between the date this Declaration is recorded with the Recorder and the earlier of (a) when, in its discretion, Declarant terminates the Development Period, as evidenced by a notice executed by Declarant to that effect and recorded with the Recorder; (b) the Transition Date (as defined below); or (c) the twentieth (20th) anniversary of the recording of this Declaration.

1.18 “*Development-Wide Standards*” means, collectively, (a) the Columbia Gardens Urban Wine & Artisan Village Design Standards as adopted by the Port of Kennewick, as amended from time to time and (b) any written standards, adopted pursuant to this Declaration from time to time (1) establishing design criteria and aesthetic standards for the Improvements on a Parcel visible from the outside and (2) governing conduct, quality, maintenance and repair generally prevalent in Columbia Gardens, including (i) maintenance by Declarant and the Association of the Common Areas, (ii) maintenance by the Owners of the exterior areas of their respective Parcels including, without limitation, decks, window coverings, screening, siding, landscaping, irrigation, sidewalks and lighting and (iii) the performance of functions such as litter clean-up, graffiti removal, and security. The Development-Wide Standards may contain both objective and subjective elements. Although the Development-Wide Standards do not need to be recorded to be effective, the Declarant or the Association may at any time record the Development-Wide Standards, or any amendment to the Development-Wide Standards, in the public record as an additional exhibit to this Declaration.

1.19 “*Eligible Mortgagee*” means any Mortgagee that has filed with the secretary of the Association a written request that it be given copies of notices of any action by the Association that requires the consent of Eligible Mortgagees.

1.20 “*Equivalent Unit*” means a portion of a building as calculated pursuant to the attached **Exhibit B** for voting and assessment purposes.

1.21 “*Foundational Items*” means (i) the portions of Parcel 1 labeled “Right of Way Area” and “Parking Area” on **Exhibit C-1** attached hereto and all streets, drives, sidewalks, hardscape, illumination, landscaping, and improvements thereon; (ii) all sidewalks located on Parcel 1; (iii) all storm drainage facilities located on or serving Parcels 1, 2 and 3; (iv) the portions of the Parcels labeled “Columbia Drive Streetscape” on **Exhibit C-1** attached hereto and all sidewalks, hardscape, illumination, landscaping, and improvements thereon installed by Declarant, the Association or the City; (v) Parcel 2 and all drives, hardscape, illumination, landscaping, and improvements thereon; (vi) Parcel 3 and all drives, hardscape, landscaping, and improvements thereon; (vii) any Parcels or portions thereof that are in the future improved for Common Area parking and all hardscape, illumination, landscaping, storm drainage facilities, and

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improvements thereon; (vi) insurance for the Common Areas and the Association; (vii) security expenses for Common Areas; and (viii) utilities for the Common Areas. Common Expenses for Foundational Items shall include all costs for the operation, maintenance, repair, and replacement thereof including all obligations under any easements or other agreements with the City or County related to the Foundational Items.

1.22 *“General Assessments”* shall have the meaning given that term in Section 10.3.1.

1.23 *“Governing Documents”* means this Declaration, the Articles, the Bylaws, the Rules and Regulations, and any properly adopted amendment to the foregoing documents.

1.24 *“Governmental Authority”* means the City, the County, the State of Washington, the United States of America or other governmental entity or agency that has or acquires jurisdiction over the Property or any portion thereof.

1.25 *“Improvement”* means any structure or improvement of any kind, including but not limited to any building, fence, wall, driveway, signage, monumentation or other item constructed on the Property.

1.26 *“Individual Assessments”* shall have the meaning given that term in Section 10.3.4.

1.27 *“Mortgage”* means a mortgage or deed of trust.

1.28 *“Mortgagee”* means a mortgagee under a mortgage or a beneficiary under a deed of trust.

1.29 *“Operations Fund”* shall have the meaning given that term in Section 10.5.

1.30 *“Owner”* means the Person, including Declarant, owning any Parcel within the Property, but, except as otherwise provided below, does not include a tenant or holder of a leasehold interest or a Mortgagee or other Person holding only a security interest in a Parcel. If a Parcel being sold under a recorded real estate installment sale contract, then upon filing a copy of the contract with the Board, the purchaser (rather than the seller) will be considered the Owner for the purpose of exercising any rights related to such Parcel under this Declaration unless the recorded real estate contract specifically provides to the contrary. If an entire Parcel is subject to a written lease with a term in excess of one year and the lease specifically so provides, then upon filing a copy of the lease with the Board, the lessee (rather than the fee owner) will be considered the Owner during the term of the lease for the purpose of exercising any rights related to such Parcel under this Declaration. The rights, obligations and other status of being an Owner commence upon acquisition of the ownership of a Parcel and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from its obligations incurred prior to termination.

1.31 *“Parcel”* means, individually, each of Parcel 1 through 10, inclusive, and any other portion of the Property from time to time, whether improved or unimproved, which is a separate legal lot that may be independently owned and is intended for development with improvements for use and occupancy for commercial uses (including created as the result of

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subdividing or adjusting the boundary lines of any of Parcels). The term shall refer to the land which is part of the Parcel as well as any Improvements thereon. If a Parcel is made subject to a condominium, the entire condominium, as opposed to individual condominium units, shall be deemed the Parcel hereunder and the condominium owners association, as opposed to individual condominium unit owners, shall be deemed the Owner hereunder.

1.32 *“Parcel 1”* means the real property legally described as Parcel 1 on the attached Exhibit A.

1.33 *“Parcel 2”* means the real property legally described as Parcel 2 on the attached Exhibit A.

1.34 *“Parcel 3”* means the real property legally described as Parcel 3 on the attached Exhibit A.

1.35 *“Parcel 4”* means the real property legally described as Parcel 4 on the attached Exhibit A.

1.36 *“Parcel 5”* means the real property legally described as Parcel 5 on the attached Exhibit A.

1.37 *“Parcel 6”* means the real property legally described as Parcel 6 on the attached Exhibit A.

1.38 *“Parcel 7”* means the real property legally described as Parcel 7 on the attached Exhibit A.

1.39 *“Parcel 8”* means the real property legally described as Parcel 8 on the attached Exhibit A.

1.40 *“Parcel 9”* means the real property legally described as Parcel 9 on the attached Exhibit A.

1.41 *“Parcel 10”* means the real property legally described as Parcel 10 on the attached Exhibit A.

1.42 *“Parcels”* means, collectively, all of the Parcels.

1.43 *“Parcel Conveyance”* means the date on which a deed, by which Declarant first conveys a Parcel to a buyer, is recorded with the Recorder.

1.44 *“Person”* means a human being, a corporation, partnership, limited liability company, trustee or other legal entity.

1.45 *“Plat”* means the Record Survey For Boundary Line Adjustment, as recorded under Recording No. 2019-008292, in Benton County, Washington, as amended or supplemented from time to time.

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1.46 ***“Property”*** shall have the meaning given that term in the Recitals.

1.47 ***“Public Areas”*** means any portion of the Common Areas, if any, made available for use on a general or conditional basis by members of the public in any conveyance thereof by the Declarant, in the Plat or in this Declaration.

1.48 ***“Recorder”*** means the Auditor of Benton County, Washington, or such successor agency charged with maintaining the real estate records for property within the County.

1.49 ***“Restricted Areas”*** means portions of the Common Areas, if any, to which the Owners have limited or no access and which are so designated in any conveyance thereof by the Declarant, in the Plat, or in this Declaration, or by the Board acting in accordance with the Governing Documents; provided that no such restriction shall (a) unreasonably interfere with the occupancy, use or enjoyment of, or access to, a Parcel by the Owner thereof or such Owner’s tenants, employees, guests or invitees and (b) are not uniformly applied to all Owners.

1.50 ***“Rules and Regulations”*** means those policies, procedures, rules and regulations adopted by Declarant or the Association pursuant to Section 5.9, as the same may be amended from time to time.

1.51 ***“Special Assessments”*** shall have the meaning given that term in Section 10.3.3.

1.52 ***“Subsidy Termination Date”*** means the earlier of (A) the twentieth (20th) anniversary of the recording of this Declaration and (B) the Parcel Conveyance Date for the last of Parcels 4, 5, 6, 7, 8, 9, or 10.

1.53 ***“Transition Date”*** means the date on which Declarant has conveyed Parcels to third parties that in the aggregate constitute eighty percent (80%) of the then total projected Equivalent Units for Columbia Garden; provided, that once the Transition Date has occurred any subsequent change in the number of Equivalent Units shall not change the Transition Date.

1.54 ***“Voting Member”*** means the Person designated by each Owner that is a Class A Member of the Association to be responsible for casting all votes attributable to Units owned by that Class A Member; provided, however, that if any Parcel is subject to a condominium declaration, the president of the condominium association for such Parcel or the president’s designee shall be the Voting Member for such condominiumized Parcel.

ARTICLE 2 PROPERTY SUBJECT TO THIS DECLARATION

2.1 **Property.** The Property made subject to this Declaration is legally described in the attached **Exhibit A**.

2.2 **Governmental Actions.** Declarant reserves the right with respect to any portion of the Property then owned by Declarant, from time to time, to seek amendments from any Governmental Authority to the ordinances, permits and approvals applicable to Columbia

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Gardens that Declarant may deem to be appropriate in connection with the use and development of such portion of the Property as contemplated in this Declaration.

2.3 Dedications. Prior to the Transition Date, Declarant reserves the right to dedicate any portions of the Property then owned by Declarant to any Governmental Authority, quasi-governmental entity or entity qualifying under Section 501(c)(3) of the Internal Revenue Code or similar provisions, from time to time, for such purposes as Declarant may deem to be appropriate, including, without limitation, for utility stations, streets and roads; sidewalks; pathways; and recreational facilities; and such other purposes as Declarant and such Governmental Authority or quasi-governmental entity shall determine to be appropriate; provided, however, that any such dedication shall not be contrary to this Declaration.

ARTICLE 3 PARCELS; EASEMENTS

3.1 Use and Occupancy. Each Owner of a Parcel shall be entitled to the exclusive use and benefit of such Parcel, except as otherwise expressly provided in this Declaration, but the Parcel shall be bound by, and the Owner shall comply with, the terms, conditions, easements, and restrictions made applicable to such Parcel by this Declaration.

3.2 Easements. In addition to any easements granted herein or shown on the Plat, subject to provisions of this Declaration, Declarant hereby reserves, conveys and/or grants, as applicable, the following easements and rights:

3.2.1 Common Areas. Perpetual non-exclusive easements for the benefit of the Association on, in, to, above, and under the portions of any Parcel not owned by the Association on which any Common Areas are located from time to time for the uses for which such Common Areas are established.

3.2.2 Declarant and Association Functions Easements. Perpetual non-exclusive easements for the benefit of Declarant and the Association on, in, to, above, and under each Parcel and Common Area to permit the Declarant and/or the Association to enter upon the Parcel to perform installation, maintenance, repairs, and replacements of Common Areas and fulfill or perform any functions, rights or responsibilities of Declarant and/or the Association under this Declaration; provided that any such entrance on a Parcel shall not include the interior of any buildings and shall not unreasonably interfere with the use or occupancy thereof by the Owner or its tenants. Declarant and the Association shall also have the right, but not the obligation, to enter upon any Parcel for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with the Governing Documents. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. The entering Person shall promptly repair any damage caused by any such entry and work.

3.2.3 Utility Easements. Perpetual non-exclusive easements for the benefit of Declarant, the Association, each Owner, and, if granted by Declarant, the Association or an Owner, for the benefit of utility providers, for installation, maintenance, repair and replacement of communication, power, gas, drainage, sewage, water, and utility improvements and facilities serving the Common Areas or any Parcel over portions of the Parcels and Common Areas as

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shown on the recorded Plat or as otherwise granted or shown in any recorded document now or hereafter recorded from time to time with the Recorder; provided, after the Parcel Conveyance of a Parcel, no new easements may be granted under this Section 3.2.3 with respect to such Parcel (a) without the prior written consent of the then-Owner and any then-Mortgagee of such Parcel as to the location of any such easement, such consent not to be unreasonably withheld, delayed or conditioned and (b) that materially and adversely affect the value or usage of or access to such Parcel. The Plat and any such recorded document may contain additional rights, obligations and restrictions.

3.2.4 Utility Inspection and Repairs Rights. Upon the request of Declarant, the Association or any Owner, utility service providers and their agents or employees shall have authority to access all Parcels, but not the interior of any buildings constructed thereon, and the Common Areas, on which communication, power, gas, drainage, sewage, water, and utility improvements and facilities are permitted to be located for the purpose of installing, operating, maintaining, improving or constructing such facilities, reading meters, inspecting the condition of pipes and facilities, and completing maintenance, repairs and replacements. Unless the easement granting such utility service provider access to a Parcel provides otherwise, (a) except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner of the Parcel and (b) the utility service provider shall promptly repair any damage caused by any such entry and work.

3.2.5 Easements for Encroachments. Perpetual non-exclusive easements for any encroachment, and for maintenance, repair, replacement, and use of any such encroachment, located between each Parcel and any adjacent Common Areas and between adjacent Parcels due to the unintentional placement or settling or shifting of the Improvements constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than two feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

3.2.6 Future Easements. During the Development Period, Declarant and, after the Development Period, the Association, at any time, reserves the non-exclusive right and power to grant and record such specific additional easements over any portion of the Property as may be necessary, in the discretion of Declarant or Association, as applicable, in connection with the development of any portion of the Property; provided, after the Parcel Conveyance of a Parcel, no new easements may be granted under this Section 3.2.6 with respect to such Parcel (a) without the prior written consent of the then-Owner and any then-Mortgagee of such Parcel as to the location of any such easement, such consent not to be unreasonably withheld, delayed or conditioned and (b) that materially and adversely affect the value or usage of or access to such Parcel.

3.2.7 Future Easements Over Parcel 1. During the Development Period, Declarant and, after the Development Period, the Association, reserves the non-exclusive right and power to grant and record non-exclusive easements on and over Parcel 1 for pedestrian and vehicular ingress, egress and access and utilities for the benefit of the properties adjoining the Property.

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3.3 Easements Retained by Declarant. So long as Declarant owns any Parcel, Declarant shall retain an easement over, under and across the Common Areas in order to carry out management, sales and related activities necessary or convenient for the sale of Parcels; provided, however, that Declarant shall use commercially reasonable efforts to minimize the impact of its exercise of such easement rights on the uses for which any such Commons Area is established. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of Improvements on the Property; provided, however, that no such rights under this Section 3.3 shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to a Parcel by the Owner thereof or such Owner's tenants, employees, guests or invitees.

ARTICLE 4 COMMON AREAS

4.1 Title to Common Areas. With respect to all or any portions of the Common Area Parcels owned by Declarant, Declarant reserves the right, from time to time, to (a) dedicate title to all or any such portions of the Common Area Parcels to the public or any Governmental Authority or (b) after formation of the Association, to convey title to all or any such portions of the Common Area Parcels to the Association (and any such conveyance to the Association shall be free and clear of monetary liens except for nondelinquent taxes and assessments and shall be accepted by, the Association). For clarification, during any period a Common Area is located on a Parcel that is not owned by the Association, the Association and the Owners shall have non-exclusive perpetual easements to use such Common Area for the uses for which they are established as provided in Section 3.2.1 above and Section 4.4 below. The conveyance of any Common Area to the Association by any party other than Declarant shall require the consent of the Class B Member, if any exists.

4.2 Future Common Areas. Without limiting any other rights provided in this Declaration, Declarant and the Association reserves the right and power to create additional Common Areas over any portion of the Property, in the discretion of Declarant or Association, as applicable; provided no additional Common Areas may be created under this Section 4.2 with respect to any Parcel without the prior written consent of the then-Owner (including Declarant if Declarant is the then-Owner) and any then-Mortgagee of such Parcel as to the type and location of any such Common Areas, each at their sole discretion.

4.3 Use of Common Areas. Except as otherwise provided in this Declaration or contained in any deed or other instrument conveying such Common Areas to the Association, the Common Areas shall be reserved for the use and enjoyment of all Owners; provided, notwithstanding anything to the contrary in this Declaration, prior to the Class B Termination Date, Declarant and, after the Class B Termination Date, the Association may lease, license or otherwise grant rights to private parties to occupy (with or without charging rent or fees) portions of the Common Areas (not required for access to the Parcels and not required by applicable laws for parking for the Parcels) for commercial purposes and special events (e.g., rental to food truck operators) on such terms deemed appropriate by Declarant or the Association, as applicable, and the net income therefrom shall be applied first to Common Expenses for non-Foundational Items

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and then to Common Expenses for Foundational Items. Declarant and the Association shall have authority to abate or enjoin any trespass or encroachment upon the Common Areas at any time, by any reasonable means and with or without having to bring legal proceedings.

4.4 Owners' Easements. Subject to provisions of this Declaration, and except for any Restricted Areas, every Owner and such Owner's tenants, employees, guests, and invitees shall have a right and easement in and to the Common Areas for the uses for which they are established, which easement shall be appurtenant to and shall pass with the title to every Parcel.

4.5 Extent of Owners' Rights. The easements and rights of enjoyment in the Common Areas created hereby shall be subject to the following and all other provisions of this Declaration:

(a) Any agreements, documents and instruments recorded against the Common Areas prior to the date this Declaration is recorded with the Recorder;

(b) The Governing Documents;

(c) Any restrictions or limitations contained in any deed or other instrument conveying such Common Areas to the Association;

(d) Easements reserved or granted under this Declaration, shown on the Plat of the Property or reserved or granted in any deed or other instrument conveying such Common Areas to the Association;

(e) Easements granted by Declarant or the Association to Governmental Authorities or companies providing utility and communications services and to police, fire and other public officials and to employees of utility companies and communications companies serving the Property; and

(f) Declarant's and the Association's right to: (i) adopt Rules and Regulations pursuant to Section 5.9 regulating use and enjoyment of the Common Areas, including rules limiting the number of persons who may use the Common Areas; (ii) dedicate or transfer all or any part of the Common Areas, subject to any approval requirements as may be set forth in this Declaration; and (iii) designate areas and facilities of Common Areas as Public Areas or Restricted Areas.

4.6 Enjoyment of Owners' Rights. Subject to the terms of this Declaration and any Rules and Regulations, any Owner may extend the Owner's right of use and enjoyment of the Common Areas to the Owner's employees, guests, invitees, and tenants and the Owner's tenant's employees, guests, and invitees.

4.7 Alienation of the Common Areas. The Association may not encumber, sell or transfer title to the Common Areas owned directly or indirectly by the Association unless such encumbrance, sale or transfer has been approved by the vote or written consent of Owners holding more than fifty percent (50%) of the Class A voting rights, together with the written consent of the Class B member, if any exists; provided the Board may not encumber, sell or

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transfer a Common Area that would unreasonably interfere with the occupancy, use or access to a Parcel by the Owner thereof or such Owner's tenants, employees, guests or invitees.

4.8 Public Areas. Declarant, at the time Declarant designates Common Areas (including designated in this Declaration) or conveys Common Areas to the Association, or thereafter the Association, may designate certain portions of such Common Areas as Public Areas which may be used by members of the public as set forth in this Declaration, such designation or conveyance or as determined by the Board; provided, the designation of a Common Area as a Public Area may not be removed without, prior to the end of the Development Period, Declarant and, after the end of the Development Period, the vote or written consent of Owners holding more than fifty percent (50%) of the Class A voting rights, together with the written consent of the Class B member, if any exists. Such Public Areas may include, by way of example, walkways, trails, drives, parking, parks and open spaces.

4.9 Restricted Areas. During the Development Period, Declarant and, after the Development Period, the Association shall have the right from time to time to restrict the use and occupancy of portions of the Common Areas, or to restrict the times when such Common Areas may be used and occupied, in order to preserve, maintain, repair or replace such Common Areas, or to improve safety and security within such Common Areas or as otherwise reasonably determined by Declarant or the Board, as applicable; provided restrictions for a Common Area (i) may not unreasonably interfere with the occupancy, use or access to a Parcel by the Owner thereof or such Owner's tenants, employees, guests or invitees or (ii) must be uniformly applied to all Owners and, if a Public Area, members of the public.

ARTICLE 5 USE RESTRICTIONS

5.1 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on upon any Parcel, nor shall anything be done or placed on any Parcel which interferes with or jeopardizes the enjoyment of any Parcel or the Common Areas. No unlawful use shall be made of a Parcel nor any part thereof, and all Applicable Laws shall be observed. Without limiting the foregoing, the following uses are prohibited on any Parcel: residential, drive-through businesses, automobile-oriented uses, repair shops, and carwashes (as described in the City's zoning code). Columbia Gardens shall not be subject to RCW 64.90. If Declarant or the Association determines that a thing or use of any Parcel is noxious or offensive, such determination shall be conclusive. Declarant or the Association may direct that steps be taken as is reasonably necessary including, without limitation, the institution of legal action or the imposition of fines to abate any activity, remove anything or terminate any such use.

5.2 Animals. During the Development Period, Declarant and, after the Development Period, the Association may adopt Rules and Regulations governing dogs, cats and other animals use of the Common Areas. Such Rules and Regulations shall be designed to minimize damage and disturbance to Owners, tenants and occupants within the Common Areas, including Rules and Regulations requiring waste removal, leash controls, noise controls, and similar restrictions. Nothing in this provision shall prevent Declarant or the Association from requiring removal of any animal that presents an actual threat to health or safety or from requiring abatement of any animal constituting a nuisance or unreasonable annoyance.

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5.3 Unsightly Conditions. No unsightly conditions shall be permitted to exist on the exterior of any Parcel. Unsightly conditions shall include, without limitation, litter, junk, trash or other debris; broken or damaged furniture or plants; equipment, cans, bottles, ladders, trash barrels, and other such items. No construction debris or waste, plant or grass clippings or other debris of any kind shall be dumped, deposited or placed on any Common Area.

5.4 Vehicles. During the Development Period, Declarant and, after the Development Period, the Association may adopt Rules and Regulations governing parking, storage and maintenance of vehicles within the Common Areas. Without limitation, during the Development Period, Declarant and, after the Development Period, the Association may prohibit parking, storage and/or maintenance of vehicles within Common Areas that are not intended for such purposes.

5.5 Drainage. Following original grading of a Parcel, no drainage waters shall be diverted or blocked from their natural course so as to discharge upon any other Parcel, Common Area or right-of-way. Prior to making any alteration in the drainage system serving a Parcel, the Owner must make application to, and receive approval from, the City.

5.6 Completion of Construction. The construction of any Improvements on any Parcel shall be completed within twelve (12) months following the commencement of construction so as to present a finished appearance when viewed from any angle subject to delays resulting from severe weather conditions or other causes beyond the reasonable control of the Owner. The construction site shall be kept reasonably clean and in workmanlike order during the construction period. All unimproved Parcels shall be kept in a neat and orderly condition, free of brush, vines, weeds and other debris, and grass thereon shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.

5.7 Storm Drains. In order to protect the environment, the following materials shall not be dumped into or allowed to enter any public or private storm water drainage system within the Property: petroleum products; trash; animal waste; chemicals and/or paint; steam cleaning waste; washing uncured concrete for cleaning and/or finishing purposes or to expose aggregate; laundry wastes or other soaps; sewage; heated water; chlorine; degreasers and/or solvents; bark or other fibrous material; antifreeze and/or other automotive products; lawn clippings, leaves or branches; animal carcasses; silt; acids or alkalis; recreational vehicle wastes; dyes; or construction materials. In addition, Owners shall take reasonable steps to minimize the runoff of landscaping chemicals such as pesticides, herbicides and fertilizers into storm drains.

5.8 Pest Control. No Owner shall permit anything or condition to exist upon any Parcel which shall induce, breed or harbor infectious plant diseases or noxious insects or vermin.

5.9 Association Rules and Regulations. In addition to the restrictions in this Declaration, from time to time, during the Development Period, Declarant and, after the Development Period, the Association, with the consent of the Class B Member, if any exists, may adopt, modify or revoke such Rules and Regulations governing the conduct of Persons and the operation and use of Parcels and the Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of all of the Parcels; provided such Rules and Regulations shall (a) have no material adverse effect on the title to any Parcel without

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the consent of the Owner thereof and (b) uniformly apply to all Owners and the Owners' tenants, employees, guests or invitees.

ARTICLE 6 MAINTENANCE OBLIGATIONS

As a Common Expense, during the Development Period, Declarant and, after the Development Period, the Association shall maintain, repair, and replace the Common Areas in good condition and repair and in conformance with the Development-Wide Standards and all easements or other agreements with the City or County related to the Common Areas, which obligations under all such easements or other agreements shall be performed by the Association. Such maintenance, repair and replacement shall include, without limitation: (i) removing all litter, trash, refuse and waste from the Common Areas; (ii) maintaining all landscaping, including lawn and garden care and tree and shrub pruning and mulching contained within the Parcel; (iii) irrigating landscaped areas within the Common Areas; (iv) keeping Common Area exterior lighting in proper working order; (v) painting or staining, as appropriate, and regular maintenance and repair of the Common Areas; (vi) keeping all Common Areas signage in good condition and repair; and (vii) keeping parking areas, driveways, curbs, and gutters in good condition and repair and free of potholes, excessive cracks and weeds.

ARTICLE 7 DESIGN STANDARDS; PARCEL MAINTENANCE

7.1 Design and Construction of Improvements. All Improvements made to a Parcel must comply with the Development-Wide Standards. During the Development Period, Declarant reserves the right to review and approve all construction and modifications of the Improvements for compliance with the Development-Wide Standards. Rights reserved under this Section 7.1 to Declarant may be exercised directly by Declarant or by a design review committee created by Declarant to act on its behalf. At the end of the Development Period, all reserved rights for design review shall be automatically assigned to the Association, and all reserved design review rights. Declarant may earlier assign its rights to the Association or other entity, in whole or in part, at any time, but is not obligated to do so.

7.1.1 Original Construction. No clearing or construction of any type may begin except in accordance with approved plans and specifications. Any modification to the approved plans and specification must be reviewed and approved by an amendment to the application before the modified plans may be used. The plans to be submitted to Declarant or the Association for approval shall include the following:

- (a) the construction plans and specifications, including all proposed clearing and landscaping,
- (b) elevations of all proposed improvements and
- (c) all other items required by Declarant or the Association.

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Declarant or the Association, as applicable, may establish procedures for the review of applications, including review costs and fees, if any, to be paid by the applicant. For review after assignment to the Association, the Board shall set the review Committee's review fees to cover all or part of the expected cost of its operation and shall fund any deficit. Fees shall not be intended to create a surplus, other than an ordinary operating fund for design review to which any excess fees shall be contributed.

7.1.2 Parcel Modification Subject to Review. After the completion of original construction, all modifications (except interior alterations not affecting the external structure or appearance of any building) must be approved in advance. Improvements and modifications subject to review specifically include, but are not limited to, the following:

- (a) painting or other alteration of a building (including doors, windows and trim) other than with originally approved paint and colors;
- (b) replacement of roof or other parts of building other than with duplicates of the original material;
- (c) installation of antennas, satellite dishes or receivers, solar panels or other devices;
- (d) construction of fountains, swimming pools, whirlpools or other pools;
- (e) construction of privacy walls or other fences or gates;
- (f) addition of awnings, flower boxes, shelves, statues, or other outdoor ornamentation; and
- (g) any significant modifications to the landscaping and any removal or substantial pruning of trees or plants

The listing of a category above does not imply that such construction is permitted.

7.2 Owner Maintenance of Parcel. Each Owner shall maintain, repair and replace the Owner's Parcel and Improvements thereon (other than any Common Areas located thereon) in good condition and repair and in conformance with the Development-Wide Standards. Such maintenance shall include, without limitation: (i) promptly removing all litter, trash, refuse and waste from the Parcel; (ii) maintaining all landscaping, including lawn and garden care and tree and shrub pruning and mulching contained within the Parcel; (iii) irrigating landscaped areas within the Parcel; (iv) keeping exterior lighting within the Parcel (i.e., exclusive of lighting in Common Areas to be maintained by the City or the Association, as applicable) in proper working order; (v) painting or staining, as appropriate, and regular maintenance and repair of the exterior of all Improvements on the Parcel; (vi) keeping all signage (exclusive of Common Area signage to be maintained by the Association) that is visible from outside each building in good condition

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and repair; and (vii) keeping parking areas, driveways, curbs, gutters and private lanes in good condition and repair and free of potholes, excessive cracks and weeds.

7.3 Corrective Maintenance. If an Owner fails to maintain its Parcel in conformance with the Development-Wide Standards and pursuant to the requirements of this Declaration, Declarant or the Association may perform the Owner's maintenance responsibilities, after giving the responsible Owner reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of the maintenance performed by Declarant or the Association on behalf of the Owner shall be assessed only against such Owner as an Individual Assessment.

ARTICLE 8 ASSOCIATION; DEVELOPMENT RIGHTS

8.1 Organization. No later than the end of the Development Period, Declarant shall form the Association to be the association of all of the Owners within Columbia Gardens. The Association shall have such property, powers and obligations as are set forth in this Declaration for the benefit of Columbia Gardens and all Owners of Parcels located therein. The Articles of the Association will provide for its perpetual existence but, if the Association is at any time dissolved, as a condition to such dissolution, the Association's obligations hereunder, including with respect to the operation and maintenance of the Common Areas, shall be assigned to and assumed by a non-profit corporation, association, trust, or other organization devoted to purposes consistent with such obligations. In that event, all of the property, powers and obligations of the Association existing immediately prior to its dissolution shall automatically vest in such successor, and such vesting shall thereafter be confirmed by appropriate conveyances and assignments by the original Association.

8.2 Membership. Every Owner of one or more Parcels within the Property shall, upon formation of the Association, be a member of the Association during the entire period of such Owner's ownership. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

8.3 Voting Rights. Upon formation of the Association, the voting rights within the Association shall be allocated as follows:

8.3.1 Allocation of Votes. Each Parcel shall be allocated the number of votes that equal the Equivalent Units determined for the Parcel pursuant to the attached **Exhibit B**.

8.3.2 Classes of Voting Membership. The Association shall have two classes of voting membership:

(a) **Class A.** Class A Members shall be all Owners (including Declarant). Each Class A Member shall be entitled to voting rights for each Parcel owned by such Class A Member as computed in accordance with Section 8.3.1 above.

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(b) Class B. The sole Class B Member shall be Declarant. The Class B Member shall have one Class B vote and shall have such voting rights with respect to such Class B vote, including the right to approve, or withhold approval of, certain actions, as are expressly provided to the Class B Member in the relevant sections of this Declaration and the Governing Documents. The Class B membership shall cease on the Class B Termination Date.

8.3.3 Voting Member. Each Class A Member shall designate in writing to the secretary of the Association a Voting Member who shall be responsible for casting all votes attributable to each Parcel owned by that Class A Member; provided, however, that if any Parcel is subject to a condominium declaration, the president of the condominium association for such Parcel or the president's designee shall be the Voting Member for such Parcel subject to a condominium. The Association is entitled to rely on a written designation delivered to the secretary until a new written designation appointing a different Voting Member is delivered to the secretary of the Association. A Voting Member will cast all votes attributable to its Parcel on matters requiring a membership vote. Voting Members may, but need not, be Owners. If any Class A Member fails to designate a Voting Member, the Class A Member's votes shall not be counted.

8.3.4 Multiple Owners; Ownership by Entities. If a Parcel is owned by more than one Person, all co-Owners shall share the privileges of membership attributable to the Owner of such Parcel, subject to reasonable provisions governing such membership in the Bylaws, and such co-Owners shall appoint a single Voting Member. All such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. Membership rights of an Owner that is not a natural Person may be exercised by any officer, director, partner or trustee, manager or member or by an individual designated from time to time by the Owner in a written notice to the secretary of the Association; provided, however, that the votes of any such entity Owner shall be cast by the Owner's designated Voting Member.

8.3.5 Voting Requirements. Except as otherwise expressly provided in this Declaration, all decisions of the Association requiring the consent or approval of the Owners shall require the approval or consent of (a) Owners holding more than fifty percent (50%) of the Class A voting rights and (b) the Class B member, if any exists. For clarification, prior to formation of the Association, the Owners shall not have any voting rights except under Section 14.4.2.

8.4 General Powers and Obligations. Subject to the terms, provisions and limitations of this Declaration, the Association shall have, exercise and perform all of the following powers, duties and obligations:

(a) The powers, duties and obligations granted to the Association by this Declaration and the other Governing Documents.

(b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Washington.

(c) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Property.

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The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with the provisions in this Declaration, accompanied by any required changes in the Articles or Bylaws made in accordance with such instruments and with the nonprofit corporation laws of the State of Washington.

8.5 Specific Powers and Duties. In each case, subject to the terms, provisions and limitations of this Declaration, the powers and duties of the Association shall include, without limitation, the following:

8.5.1 Maintenance. The Association shall provide for improvement, maintenance, repairs, and replacement of the Common Areas and the other portions of the Property as provided in Article 6 and other provisions of this Declaration.

8.5.2 Insurance. The Association shall obtain and maintain in force certain policies of insurance as provided in Article 12.

8.5.3 Restoring Damaged Improvements. In the event of damage to or destruction of Common Areas or other property which the Association insures, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes. If insurance proceeds are sufficient to cover the costs of reconstruction, the Board shall cause such reconstruction to be completed. If insurance proceeds are not available or insufficient to cover the costs of reconstruction, the Board may levy Special Assessments to cover the shortfall. Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of the Owners.

8.5.4 Rulemaking. Subject to Section 5.9, the Association shall make, establish, promulgate, amend and repeal Rules and Regulations as necessary or desirable.

8.5.5 Assessments. The Association shall adopt budgets and impose and collect Assessments as provided in Article 10.

8.5.6 Development-Wide Standards. The Association shall have the authority to establish a minimum Development-Wide Standards of maintenance and aesthetic appearance for the Property, including, without limitation, the exterior of Parcels and Improvements thereon and Common Areas; provided, however, that such Development-Wide Standards shall (a) have no material adverse effect on the title to any Parcel without the consent of the Owner thereof and (b) be uniformly applied to all Parcels. The Association shall have the authority to enforce such Development-Wide Standards including, without limitation, the right to levy fines which if unpaid shall constitute an Individual Assessment and a lien on the violator's property as set forth in this Declaration. The Association also shall have the right to abate any violations or nonconforming use or activity, which shall not be deemed a trespass, and the costs of which shall be recovered by Individual Assessments.

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8.5.7 Enforcement. The Association may perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this Declaration and the Rules and Regulations.

8.5.8 Employment of Agents, Advisers and Contractors. The Association may employ the services of any Person as managers, hire employees to manage, conduct and perform the business, obligations and duties of the Association and obtain advice and services from such Persons as may be appropriate including, but not limited to, landscape architects, recreational facility professionals, architects, planners, attorneys and accountants, and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of Columbia Gardens; provided, however, that the Association, acting through the Board, shall ensure that any professional manager for Columbia Gardens shall have experience in managing comparable communities, as reasonably determined by the Board.

8.5.9 Borrow Money. The Association may borrow and repay moneys for the purpose of maintaining and improving the Common Areas and, subject to Section 4.7, encumber the Common Areas as security for the repayment of such borrowed money.

8.5.10 Hold Title and Make Conveyances. The Association may acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, and shall accept any real or personal property, leasehold or other property interests within the Property conveyed to the Association by Declarant which are in the interests of Columbia Gardens as reasonably determined by Declarant.

8.5.11 Transfer, Dedication and Encumbrance of Common Areas. Except as otherwise provided in Section 4.7, the Association may, to the extent it determines it to be in the best interests of Columbia Gardens, sell, transfer or encumber all or any portion of the Common Areas, and dedicate or transfer all or any portion of the Common Areas to any public agency, authority, or utility for public purposes.

8.5.12 Joint Use Agreements. The Association may enter into joint use agreements with other associations or Persons relating to the joint use of recreational or other facilities, including the joint use of the Common Areas. The Association may enter into agreements with a third party to provide joint use, management, and administrative services, and to perform such other community related activities as may be agreed upon by the Association and such third party. The expense of providing such services by the Association shall be allocated by agreement between the parties.

8.5.13 Assumption of Other's Maintenance Responsibility. The Association may, but shall not be obligated to, assume maintenance responsibility for property which is the responsibility of another Person (e.g., a local or state governmental authority) other than an Owner if, in the discretion of the Board, the maintenance of such property provides a benefit to Columbia Gardens and/or such property is not otherwise being maintained in accordance with the Development-Wide Standards. The cost of maintenance assumed in accordance with this section may be a Common Expense to be allocated among all Owners, but shall be an Individual Assessments levied only against the benefited parties if such maintenance materially benefits only certain Parcels.

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8.5.14 Security. The Association may, but shall not be obligated to, maintain or support certain activities within Columbia Gardens designed to make the Property more enjoyable or secure than it otherwise might be. Neither the Association, the Declarant nor any managing agent shall be considered insurers or guarantors of security or safety within the Property nor shall either be held liable for any loss or damage by reason of its failure to provide adequate security or the ineffectiveness of security or safety measures undertaken. No representation or warranty is made that any system or measure cannot be compromised or circumvented, nor that any such system or measure will in all cases prevent loss or provide the detection or protection for which it is designed or intended. The Association, the Board and any managing agent are not insurers and each Person using the Common Areas or entering the Property assumes all risks for personal injury and loss or damage to property resulting from acts of third parties.

8.5.15 Other Services. The Association shall take such actions and provide such services as are set forth in any Approved Budget. The Association may also provide or contract for such services as the Board may reasonably deem to be of benefit to the Property.

8.5.16 Relations with Other Property. The Association may enter into contractual agreements or covenants to share costs with other properties or facilities or for maintaining and/or operating shared or mutually beneficial facilities.

8.5.17 Implied Rights and Obligations. The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

8.6 Declarant Powers. Notwithstanding anything in this Declaration to the contrary, during the Development Period, Declarant shall perform all obligations of the Association under this Declaration with respect to the Common Areas and Declarant shall have all powers, rights and remedies of the Association and/or the Board under this Declaration, including, without limitation, the right to adopt Rules and Regulations, adopt budgets and levy Assessments.

8.7 Liability. A member of the Board or an officer, employee, agent or committee member of the Association or Declarant shall not be liable to the Association or any Owner for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of fraud, gross negligence or intentional wrongful acts. In the event any member of the Board or any officer of the Association or Declarant is made a party to any proceeding because the individual is or was a director or officer of the Association or the Declarant for Columbia Gardens and the act or omission forming the basis for proceeding was within the scope of the authority conferred upon him or her by this Declaration, the Owners shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

8.8 Financial Management. Notwithstanding anything herein to the contrary, the Association shall exercise all rights under this Article 8 in substantial compliance with the Approved Budget; provided the foregoing shall not limit the right of the Association to levy Special Assessments or adopt supplemental budgets under this Declaration.

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8.9 Development Rights. During the Development Period, the Declarant reserves the following rights (collectively, the "**Development Rights**"): (a) designate Common Areas on Parcels it owns and (b) change the boundaries of, and subdivide or combine, any Parcels that it owns. In connection with the exercise of its Development Rights to change boundaries, subdivide or combine Parcels, Declarant shall execute and record an amendment to the Declaration and the Plat reflecting any necessary changes to those documents, including but not limited to, listing and showing each new or altered Parcels and its Equivalent Units.

ARTICLE 9 BOARD OF DIRECTORS

Upon formation of the Association, the powers and duties of the Association and the affairs of the Association shall be conducted by its Board as duly elected in accordance with this Article 9 and the Bylaws.

9.1 Selection of the Board. Upon formation of the Association, the Owner of each Parcel (other than the Common Area Parcels) shall designate a member to the Board for such Parcel. Each person so appointed shall serve at the pleasure of the Owner who appointed that person. All members of the Board shall be Owners or, if the Owner is an entity: any officer, director, or employee of a corporation; any partner or employee of a partnership; and member, manager or employee of a limited liability company; or any trustee or beneficiary of a trust. The Board shall elect officers in accordance with the procedures provided in the Bylaws. The members of the Board and officers shall take office upon appointment or election.

9.2 Powers of the Board. Except as provided in this Declaration, the Board shall at all times act on behalf of the Association. The Board may exercise all powers of the Association, except as otherwise provided in this Declaration.

9.3 Voting Requirements. Except as provided in this Declaration, at all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9.4 Managing Agent. Subject to the consent of the Class B Member, if any exists, the Board may contract with an experienced professional managing agent to assist the Board in the management and operation of the Columbia Gardens and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

9.5 Limitations on Board Authority. The Board shall not act on behalf of the Association to amend or terminate this Declaration in any manner that requires the vote or

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approval of the Owners or Eligible Mortgagees or to elect members of the Board or determine the qualifications, powers, and duties, or terms of office of members of the Board.

ARTICLE 10 ASSESSMENTS

10.1 Power to Assess. Declarant and the Association shall levy Assessments as required to fund its obligations and liabilities hereunder and under the other Governing Documents. The Assessments levied pursuant to this Declaration shall be used to fulfill the obligations and liabilities of Declarant and the Association hereunder and under the other Governing Documents.

10.2 Apportionment of Assessments. The Owner of each Parcel, other than Parcels exempted from assessment pursuant to Section 10.4, shall pay their allocated interest, as calculated pursuant to the attached **Exhibit B**, of the General Assessments and Special Assessments, commencing as provided in the attached **Exhibit B**.

10.3 Types of Assessments.

10.3.1 General Assessments. Declarant and the Association is hereby authorized to levy General Assessments against all Parcels to fund the Common Expenses. The amount of the General Assessment allocated to each Parcel shall be determined in the manner described in Section 10.2. In determining the General Assessments, Declarant or the Board may consider any Assessment income expected to be generated from any changes in the status of the then-existing Parcels anticipated during the fiscal year. From and after the fifth (5th) anniversary of the recording of this Declaration until the end of the Development Period, Declarant or, after the end of the Development Period, the Board shall from time to time and at least annually prepare an operating budget for Columbia Gardens and the Association, taking into account the current costs of maintenance and services and future needs of Columbia Gardens and the Association and any previous over Assessment. The budget shall provide for such reserve or contingency funds as Declarant or the Board, as applicable, deems necessary or as may be required by law. Not less than sixty (60) days before the end of the fiscal year, prior to the end of the Development Period, Declarant or, after the end of the Development Period, the Board shall prepare and adopt a budget for the Association for the coming year. Within thirty (30) days after the adoption of a final budget by Declarant or the Board, as applicable, a copy of the final budget shall be sent to each Owner of a Parcel, notice of the amount of the General Assessment to be levied pursuant to such budget, and, after the Development Period, notice of a meeting to consider ratification of the budget. Such meeting shall be held not less than fourteen (14) nor more than sixty (60) days from the mailing of such materials. Prior to the end of the Development Period, the budget and assessments shall not require the consent of Owners of the Parcels. After the end of the Development Period, the final budget shall be ratified unless disapproved by the Class B Member, if such exists, or unless disapproved at a meeting by Owners of Parcels representing at least sixty-seven percent (67%) of the total Class A voting rights in the Association. Such ratification shall be effective whether or not a quorum is present. The budget adopted by the Declarant prior to the end of the Development Period and the budget ratified by the Board, Class B Member, if such exists, and Owners of Parcels after the end of the Development Period, shall be referred to herein as the “*Approved Budget*.” If an Approved

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Budget provides to be inadequate for any reason, prior to the end of the Development Period, Declarant and, after the end of the Development Period, the Board may supplement the budget and adjust the Assessments against the Parcels from time to time during the year; provided any such supplemental budget shall be subject to ratification as provided in this Section 10.3.1 for regular annual budgets.

10.3.2 Failure to Ratify Budget. If any budget after the end of the Development Period is not ratified pursuant to Section 10.3.1, the prior year's budget (including reserves) shall remain in effect, with automatic increases for fixed expenses and for inflationary increases for other expenses until a new budget is ratified.

10.3.3 Special Assessments. Subject to the ratification procedure described in Section 10.3.1, Declarant and the Board may levy during any fiscal year a Special Assessment against Parcels, applicable to that year only, for the purpose of covering all or any part of the cost of any construction or reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of General Assessments. Special Assessments shall be apportioned as provided in Section 10.2 and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board.

10.3.4 Individual Assessments. Without limiting the required Individual Assessments provided for elsewhere in this Declaration, for any Common Expense or any part of a Common Expense benefiting fewer than all of the Parcels Declarant or the Board, as applicable shall endeavor in good faith to assess such expenses exclusively against the Parcels benefited as an Individual Assessment. Individual Assessments shall also include Assessments levied against any Parcel (a) to reimburse Declarant or the Association for costs incurred in bringing such Parcel or its Owner into compliance with the provisions of this Declaration or the Rules and Regulations, (b) for fines or other charges imposed pursuant to this Declaration for violation thereof and (c) to reimburse Declarant or the Association for costs incurred as the result of the Owner of a Parcel or any of its, his or her guests, tenants, licensees, agents, or employees damaging any of the Common Elements as a result of vandalism, intentional damage, negligence, or misuse. This paragraph shall not be used to reduce the obligation of any insurer to Declarant or the Association. Unless otherwise provided by Declarant or the Board, as applicable, an Individual Assessment shall be due thirty (30) days after Declarant or the Board, as applicable has given written notice thereof to the Owner subject to the Individual Assessment.

10.4 Exempt Property. The following property shall be exempt from payment of General Assessments and Special Assessments:

- (a) Common Areas Parcels;
- (b) Any property dedicated to and accepted by any Governmental Authority or public utility; and
- (c) Any other property owned by the Association.

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10.5 Operations Fund. After the end of the Development Period, the Association shall keep all funds received by it as Assessments, other than reserves, separate and apart from its other funds, in an Operations Fund.

10.6 Commencement of Assessment Obligation; Time of Payment. The obligation to pay Assessments under this Declaration shall commence as to each Parcel as provided in the attached **Exhibit B**.

10.7 Payment of Assessments. Assessments shall be not less frequently than quarterly in such manner and on such dates as Declarant or the Board, as applicable, may establish. If any Owner is delinquent in paying any Assessments or other charges levied on the Owner's Parcel more than twice in any fiscal year, Declarant or the Board, as applicable, may require the outstanding balance on all Assessments for the remainder of such fiscal year to be paid in full immediately.

10.8 Personal Obligations for Assessments. Declarant, for each Parcel owned by it within the Property, hereby covenants, and each Owner of any Parcel by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay, prior to the end of the Development Period, to Declarant and, after the end of the Development Period, to the Association all Assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration. Such Assessments, charges and other costs shall also be the personal obligation of the Person who was the Owner of such Parcel at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 11.

10.9 No Waiver. Failure of Declarant or the Board to fix Assessment amounts or rates or to notify each Owner an Assessment shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new Assessment is levied, at which time Declarant or the Association, as applicable, may retroactively assess any shortfalls in collections.

10.10 No Option to Exempt. No Owner may exempt itself from liability for Assessments by non-use of Common Areas, abandonment of its Parcel, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of Declarant, the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

10.11 Certificate. Upon written request, prior to the end of the Development Period, Declarant and, after the end of the Development Period, the Association shall furnish to any Owner liable for any type of Assessment or any Mortgagee of a Parcel a certificate in writing setting forth whether such Assessment has been paid. Such certificate shall be conclusive evidence of payment. The advance payment of a reasonable processing fee for the issuance of such certificate may be required.

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10.12 Inspection of Books and Records. After the end of the Development Period, the Association shall cause to be kept complete and accurate books and records of the receipts and expenditures of the Association, in a form that complies with standard accounting principles. Upon reasonable written request, the Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them, current copies of the books, records, and financial statements of the Association, and the most recent annual audited financial statement, if one is prepared. “*Available*” shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances. The Association may require the requesting party to pay a reasonable charge to pay the cost of making the copies.

10.13 Fiscal Year. The fiscal year under this Declaration and for the Association will be from January 1st through December 31st of each calendar year.

ARTICLE 11 ENFORCEMENT

11.1 Violation of General Protective Covenants. In the event any Owner shall violate any provisions of the Governing Documents, then, prior to the end of the Development Period, Declarant may and, after the end of the Development Period, the Association acting through the Board shall notify the Owner in writing of any such specific violations. If the Owner is unable, unwilling or refuses to comply with the specific directives for remedy or abatement, or the parties cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and after fifteen (15) days’ prior written notice to the Owner (provided no notice or opportunity to be heard shall be required in the event of an emergency threatening personal injury or material property damage), then, prior to the end of the Development Period, Declarant and, after the end of the Development Period, the Association acting through the Board, shall have the right to do any or all of the following:

(a) Assess reasonable fines against such Owner in the manner and amount Declarant or the Board, as applicable, deems appropriate in relation to the violation, which fines shall constitute Individual Assessments for purposes of this Declaration;

(b) Enter the offending Parcel and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such a manner as to make it conform thereto, in which case Declarant or the Association, as applicable, may assess such Owner for the entire cost of the work done, which amount shall be payable to the Declarant or the Association, as applicable, as an Individual Assessment, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings;

(c) Suspend the voting rights and/or the right to use the Common Areas for the period that the violations remain unabated, provided no Owner shall be deprived of access to and from its Parcel in the absence of a foreclosure thereof or court order to such effect; and

(d) Bring suit or action against the Owner to enforce this Declaration.

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11.2 Lien for Assessments. Declarant and the Association shall have a lien against each Parcel to secure payment of delinquent Assessments, as well as interest, late charges (subject to the limitations of Washington law), and costs of collection (including attorneys' fees). Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior and (b) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, but not with respect to assessments that became delinquent before such mortgage was recorded. Such lien may be enforced by suit, judgment, and judicial or non-judicial foreclosure. Sale or transfer of any Parcel shall not affect the Assessment lien or relieve such Parcel from the lien for any subsequent Assessments. However, the sale or transfer of any Parcel pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such Assessments first due after the first Mortgage was recorded and prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Parcel shall not be personally liable for Assessments on such Parcel due prior to such acquisition of title. Such unpaid Assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels subject to Assessments, including such acquirer, its successors and assigns.

11.3 Default in Payment of Assessments; Enforcement of Lien. If an Assessment or other charge levied under this Declaration is not paid within thirty (30) days of its due date, such Assessment or charge shall become delinquent and shall bear interest from the due date at the rate set forth below. In such event Declarant or the Association, as applicable, may exercise any or all of the following remedies:

(a) Suspend such Owner's right to use the Common Areas until such amounts, plus other charges under this Declaration, are paid in full and may declare all remaining periodic installments of any General Assessment and any Special Assessment for the fiscal year immediately due and payable. In no event, however, shall any Owner be deprived of access to and from the Owner's Parcel in the absence of a foreclosure thereof or court order to such effect.

(b) Bid for the Parcel at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Parcel. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens against real property under Washington law. While a Parcel is owned by the Association following foreclosure: (i) no Assessment shall be levied on it and (ii) each other Parcel shall be charged, in addition to its usual Assessment, its pro rata share of Assessments that would have been charged such Parcel had it not been acquired by the Association.

(c) Bring an action to recover a money judgment for unpaid Assessments under this Declaration without foreclosing or waiving the lien described in Section 11.2. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

(d) Exercise any other remedy available to it by law or in equity.

11.4 Interest, Expenses and Attorneys' Fees. Any amount not paid to Declarant or the Association when due in accordance with this Declaration shall bear interest from the due date until paid at a rate of 12% per annum, but not to exceed the lawful rate of interest under the

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laws of the State of Washington. A late charge may be charged for each delinquent Assessment in an amount established from time to time by Declarant or the Board, as applicable. In the event Declarant or the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Board. In the event Declarant or the Association shall bring any suit or action to enforce this Declaration or incurs any costs or collection agency charges to collect any money due under this Declaration or to foreclose a lien, the Owner-defendant shall pay to Declarant or the Association as applicable, all costs and expenses incurred by it in connection with such suit or action, with or without litigation, including attorneys' fees. The prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof or in connection with any bankruptcy proceedings or special bankruptcy issues or remedies.

11.5 Non-Exclusiveness of Remedies. An election by Declarant or the Association to pursue any remedy provided for violation of this Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to Declarant and the Association. In addition, any aggrieved Owner may bring an action against another Owner or the Association to enjoin, abate or remedy any violation of this Declaration by appropriate legal proceedings.

11.6 Dispute Resolution.

11.6.1 Mediation. In the interest of attempting to resolve disputes without the expense and uncertainty of litigation, any claim, controversy or dispute by or among the Declarant, Association or one or more Owners, or any of them, arising out of or related to this Declaration or any of the other Governing Documents, shall be subject to mediation, except as otherwise provided herein. Such mediation shall be non-binding but good faith participation in the mediation shall be a condition precedent to having the dispute resolved by litigation.

11.6.2 Selection of Mediator. The mediation shall be conducted by a single mediator selected by mutual agreement of the parties. The mediator selected shall be neutral and unbiased, except to the extent the mediator's prior relationship with any party is fully disclosed and consented to by the other party or parties. If the parties are unable to agree upon the mediator within twenty (20) business days after a party's demand for mediation, upon application of any party, the regional administrator for the American Arbitration Association responsible for King County, Washington shall designate the mediator.

11.6.3 Mediator's Fees. The fees charged by the mediator shall be shared equally by the parties to the mediation. The mediator's compensation shall include compensation for materials, travel, office assistance and incidentals necessary for the mediator to provide the mediation services.

11.6.4 Excluded Matters. Notwithstanding the foregoing, the following matters shall not be subject to mediation under this Section 11.6:

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(a) actions relating to the collection of fees, Assessments, fines and other charges imposed or levied by Declarant or the Association;

(b) actions to enforce any order, decision or award rendered pursuant to litigation properly brought pursuant to this Section 11.6;

(c) any action by Declarant, the Association or any Owner to obtain equitable relief (e.g., temporary restraining order, injunction, or specific performance) in order to maintain the status quo and preserve Declarant's, the Association's or the Owner's ability to enforce the provisions of this Declaration;

(d) any action for declaratory or injunctive relief which seeks a determination as to applicability, enforcement, clarification, or interpretation of any provisions of the Declaration;

(e) any action between Owners, which does not include Declarant or the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Governing Documents;

(f) any action in which any indispensable party is not subject to this Section 11.6;

(g) any action as to which any applicable statute of limitations would expire within 120 days of a demand for mediation having been given, unless the party or parties against whom the claim is made agree to toll the statute of limitations as to such claim for such period as may reasonably be necessary to comply with the provisions of this Section 11.6;

(h) any action between an Owner and a builder of improvements within such Owner's Parcel; and

(i) any action between an Owner and any tenant, subtenant, or other occupant, guest, or user of such Owner's Parcel.

11.6.5 Survival. The provisions of this Section 11.6 shall survive the transfer by any party of its interest or involvement in Columbia Gardens and any Parcel therein.

ARTICLE 12 INSURANCE

12.1 Owner's Insurance; Damage. Each Owner of a Parcel (other than Declarant) shall carry property insurance for the full replacement cost of all insurable Improvements on the Owner's Parcel (other than Common Elements located on such Parcel), less a reasonable deductible. No Owner is required to carry earthquake or flood insurance. If an Owner elects to repair or to reconstruct such Improvements following a casualty, all such work shall be completed promptly and with due diligence. If an Owner elects not to repair or to reconstruct such Improvements, the Owner shall, within a reasonable time following the casualty as determined by the Board, cause the Improvements to be demolished, shall remove all related debris, and shall

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grade landscape and secure the site. All costs which are not covered by insurance proceeds are the responsibility of the appropriate Owner.

12.2 Association Insurance. From and after the end of the Development Period, the Association shall maintain the following insurance as a Common Expense:

12.2.1 Property. The Association shall obtain and maintain property insurance on the Common Areas for which it has assumed responsibility for maintenance, repair and/or replacement. The face amount of the policy shall be sufficient to cover the full replacement cost of the insured property.

12.2.2 Liability. The Association shall maintain a commercial general liability policy, insuring the Association and its members for damage or injury caused by the negligence of the Association, or its members, employees, agents or contractors acting on its behalf. If generally available at a reasonable cost, the policy shall have at least a \$1,000,000 combined single limit per occurrence or in the aggregate.

12.2.3 Fidelity. At the election of the Board, the Association may maintain fidelity insurance, if generally available at reasonable cost, covering all persons responsible for handling Association funds with such amounts of coverage as determined by the Board.

12.2.4 Directors and Officers. At the election of the Board, the Association shall maintain directors and officers liability insurance coverage with such amounts of coverage as determined by the Board, insuring the Association and its officers, directors and committee members (former, present and future) from liability for actions or decisions for which the Association has the duty to indemnify them.

12.2.5 Standards. All insurance coverage obtained by the Association shall (i) be written with a company authorized to do business in Washington; (ii) be written in the name of the Association as trustee for the benefited parties; (iii) vest in the Board exclusive authority to adjust losses; provided that a Mortgagor having an interest in such losses may participate in settlement negotiations; (iv) provide that it will not be brought into contribution with insurance purchased by individual Owners, occupants or other Mortgagors; (v) if for property insurance, have inflation guard endorsements, if reasonably available; (vi) if containing a co-insurance clause, have an agreed amount endorsement, if reasonably available; (vii) if available, provide for a certificate of insurance to be furnished upon request; (viii) if available, provide that the Association shall be given not less than thirty (30) days' notice prior to any cancellation, non-renewal or substantial modification. The Association shall conduct an annual review of the sufficiency of its insurance coverage by one or more qualified persons, at least one of whom must be familiar with insurable replacement costs in Western Washington.

12.2.6 Employees. If appropriate, the Association shall also obtain worker's compensation and employer's liability coverage to the extent required by law, and such other insurance as the Board deems necessary and advisable.

12.2.7 General Terms. The policies maintained by the Association may contain reasonable deductibles which shall be disregarded in determining whether the insurance meets the coverage requirements hereunder. In the event of an insured loss, the deductible shall

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be treated as a Common Expense in the same manner as the premiums for the applicable insurance. However, if the Board reasonably determines, after notice and an opportunity to be heard under the Bylaws, that the loss results from negligence or willful misconduct of one or more Owners, then the Board may assess the full amount of such deductible against such responsible Owners.

ARTICLE 13 MORTGAGEES

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Parcels. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

13.1 Subordination of Lien to Mortgages. The lien of the Assessments or charges provided for in this Declaration shall be subordinate to the lien of any first Mortgage on such Parcel which was made in good faith and for value and which was recorded prior to the date on which the Assessment sought to be enforced became delinquent. Sale or transfer of any Parcel shall not affect the Assessment lien, but the sale or transfer of any Parcel which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure or nonjudicial sale thereunder shall extinguish any lien of an Assessment that became delinquent after the recording of the Mortgage; provided such unpaid Assessments shall be deemed to be Common Expenses collectible from Owners of all Parcels subject to Assessments, including the acquirer of any Parcel pursuant to a foreclosure or nonjudicial sale. Such sale or transfer, however, shall not release the Owner of a Parcel from liability for any Assessments or charges thereafter becoming due or from the lien of such Assessments or charges thereafter becoming due.

13.2 Notification of Eligible Mortgagee. If an Eligible Mortgagee has requested notice in writing from, prior to the end of the Development Period, Declarant or, after the end of the Development Period, the Association, Declarant or the Board, as applicable, shall notify such Eligible Mortgagee of any Parcel of any default in performance of this Declaration by the Owner which is not cured within sixty (60) days after notice of default to the Owner. Any Eligible Mortgagee shall, upon written request, also be entitled to receive written notice of all meetings of the Association and be permitted to designate a representative to attend such meetings.

13.3 Notice to Association. Upon request, each Owner shall be obligated to furnish to Declarant or the Association the name and address of the holder of any Mortgage encumbering such Owner's Parcel.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 No Implied Obligations. Except as expressly provided herein, nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to improve or develop any of the Property (including Common Areas) or to do so for any particular uses.

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14.2 Additional Covenants. The terms of this Declaration shall govern and control over any conflicting or inconsistent terms in any declaration of covenants, conditions and restrictions, declaration of condominium or other easements, agreements or other instrument affecting any portion of the Property prior to the Effective Date.

14.3 Right to Transfer or Assign Declarant's Rights. Any or all of Declarant's rights and related obligations under this Declaration may be transferred in whole or in part to other Persons in connection with the sale or transfer of all of the remaining Parcels then owned by Declarant; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant then has under this Declaration. No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and recorded with the Recorder with a copy provided to all Owners. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to record any written assignment, but such assignment shall not relieve Declarant from liability with respect to such Person's exercise of such right.

14.4 Amendments.

14.4.1 By Declarant. During the Development Period, Declarant may unilaterally amend this Declaration pursuant to its exercise of Development Rights provided in this Declaration. In addition, during the Development Period, Declarant may unilaterally amend this Declaration for any purpose, provided such amendment (1) has no adverse effect on the title to or value of any Parcel (including the financeability thereof) without the consent of the Owner thereof and any Eligible Mortgagee then holding a Mortgage on such Parcel; and (2) has no adverse effect on any right, privilege, or protection granted to the Owner of any Parcel under this Declaration or the value or usage of an Owner's Parcel without the consent of the Owner thereof and any Eligible Mortgagee then holding a Mortgage on such Parcel.

(a) Examples of amendments which would be deemed to have an adverse effect and would therefore require a vote of the Owners include: (i) a change in the method by which Equivalent Units and Owner interests are calculated; (ii) a change in voting rights or the allocation of Assessments; (iii) a restriction on an Owner's right to use, sell, transfer, mortgage, encumber or lease its Parcel; (iv) a change in the budget ratification process; (v) a change in the restrictions on Declarant's amendment rights; (vi) the addition or withdrawal of property from Columbia Gardens; and (vii) an increase Declarant's rights hereunder.

(b) Examples of amendments which would not be deemed to have an adverse effect and would therefore not require a vote of the Owners include an amendment that is necessary to: (i) bring any provision hereof into compliance with any applicable government statute, rule or regulation, or judicial determination which is in conflict herewith; (ii) enable any reputable title insurance company to issue title insurance coverage with respect to any portion of Columbia Gardens; (iii) enable an institutional or governmental lender, holder, insurer or guarantor of mortgage loans to make, insure or guarantee mortgage loans with respect to property within Columbia Gardens; or (iv) satisfy the requirements of any local, state or federal governmental agency; provided, none of the foregoing amendments in this subsection (b) would result in any of the adverse effects set forth in subsection (a) above.

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(c) Any amendment properly adopted by Declarant shall become effective only upon recordation with the Recorder of an instrument executed by the Declarant setting forth in full the amendment or amendments.

14.4.2 By Owners. This Declaration may be amended by the vote or written consent of Owners of Parcels holding not less than seventy-five percent (75%) of the voting rights held by Class A Member, together with the written consent of the Class B Member, if any exists; provided the following actions shall require the unanimous consent of the Owners of Parcels, together with the written consent of the Class B Member, if any exists: (i) a restriction on an Owner's right to use, sell, transfer, mortgage, encumber or lease its Parcel and (ii) the termination or repeal of this Declaration. Any such properly adopted amendment shall become effective only when executed by the president of the Association and recorded with the Recorder. For clarification, prior to the formation of the Association, the voting rights of the Class A Members for purposes of this Section 14.4.2 shall be determined as if the Association was formed.

14.4.3 Consent of Eligible Mortgagees. Notwithstanding any other provision of this Declaration, the consent of any Eligible Mortgagee then holding a first Mortgage duly recorded against a Parcel shall be required in order to withdraw such Parcel or portion thereof from this Declaration. In addition, the consent of seventy-five percent (75%) of Eligible Mortgagees then holding a first Mortgage duly recorded against any Parcel shall be required in order to (a) repeal or terminate this Declaration or (b) add or materially amend any provision of this Declaration, which governs any of the following: (1) voting rights; (2) Assessments or Assessment liens; (3) rights of an Owner to sell, transfer or lease a Parcel; (4) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, mortgage, encumber, or lease its Parcel, and/or (5) the rights expressly conferred upon Mortgagees in this Declaration with respect to any unsatisfied Mortgage duly recorded against any Parcel. An Eligible Mortgagee who receives a written request from Declarant or the Association to consent to an amendment who does not deliver to Declarant or the Association, as applicable, in accordance with Section 14.12 a negative response within thirty (30) days shall be deemed to have consented to such request, provided Declarant's or the Association's request was delivered in accordance with Section 14.12.

14.5 Duration. Unless repealed or terminated in accordance with the provisions of Section 14.4, this Declaration shall have perpetual duration. If State of Washington law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each, unless repealed in accordance with the provisions of Section 14.4 above.

14.6 Joint Owners. In any case in which two or more Persons share the ownership of any Parcel, regardless of the form of ownership, the responsibility of such Persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such Persons sharing the ownership of any Parcel shall constitute the act or consent of the entire ownership interest; provided, however, that except for votes duly cast by a Voting Member in accordance with Section 8.3.3, if such Persons disagree among themselves as to the manner in which any consent shall be given with respect to a pending matter, any such Person

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may deliver written notice of such disagreement, prior to the end of the Development Period, to Declarant and, after the end of the Development Period, to the Association, and the right of consent involved shall then be disregarded completely in determining the proportion of consents given with respect to such matter.

14.7 Lessees and Other Invitees. Lessees, licensees, invitees, contractors, guests, and other Persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration and the Rule and Regulations restricting or regulating the Owner's use, improvement or enjoyment of the Owner's Parcel, the Common Areas and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such Persons in the same manner and to the same extent as if the failure had been committed by such Owner.

14.8 Notice of Sale or Transfer of Title. Any Owner selling or otherwise transferring title to the Owner's Parcel shall give written notice, prior to the end of the Development Period, to Declarant and, after the end of the Development Period, to the Association, within seven (7) days after such transfer of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as Declarant or the Association, as applicable, may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Parcel, including Assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

14.9 Nonwaiver. Failure by Declarant, the Association or by any Owner to enforce any covenant or restriction in this Declaration contained shall in no event be deemed a waiver of the right to do so thereafter.

14.10 Construction; Severability; Number; Captions. This Declaration shall be governed and construed under the laws of the State of Washington. It shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory sections of this Declaration. Nevertheless, each provision of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

14.11 Terminology and Captions. As used in this Declaration, the singular shall include the plural and the plural the singular, and the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used in this Declaration are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

14.12 Notices and Other Documents. Any notice or other document permitted or required by this Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made 48 hours after having been deposited in the United States mail as certified or registered mail, with postage prepaid, addressed as follows: (a) if to Declarant: its registered office address filed with the Washington Secretary of State; (b) if to the Association: its registered office address filed with the Washington Secretary of State; or (c) if to an Owner, to such Owner at the address as it has registered with the Association or, if no address has been

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registered with the Association, at its registered office address filed with the Washington Secretary of State, or, if no address has been filed with the Washington Secretary of State, at the address maintained by the Benton County Assessor for mailing of tax bills for such Owner's Parcel. The address of a party registered with the Association may be changed at any time by notice in writing delivered as provided in this section.

[signature on following page]

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EXHIBIT A

Legal Description of PropertyPARCEL 1

THAT PORTION OF LOTS 11, 12, 13, 14, AND 15 AND TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 89°18'50" EAST 100.00 FEET ALONG THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 0°48'10" EAST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 90.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 0°48'10" WEST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 72.86 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID RIGHT OF WAY MARGIN NORTH 00°01'10" EAST 23.09 FEET; THENCE NORTH 09°53'46" EAST 36.69 FEET; THENCE NORTH 00°37'14" WEST 2.34 FEET; THENCE NORTH 00°37'14" WEST 81.21 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 60.25 FEET; THENCE NORTHEASTERLY 15.02 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°17'13"; TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 25.25 FEET; THENCE NORTHWESTERLY 32.52 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 73°47'41"; THENCE NORTH 60°07'43" WEST 14.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 27.25 FEET; THENCE NORTHWESTERLY 14.46 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30°23'39"; THENCE SOUTH 89°28'38" WEST 46.45 FEET TO THE WEST LINE OF PARCEL D OF RECORD SURVEY RECORDED IN VOLUME 1 OF SURVEYS, PAGE 4236, RECORDS OF BENTON COUNTY; THENCE NORTH 00°44'20" WEST 40.32 FEET ALONG SAID WEST LINE; THENCE LEAVING SAID WEST LINE NORTH 89°14'16" EAST 47.56 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 65.25 FEET; THENCE SOUTHEASTERLY 34.13 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°58'18"; THENCE SOUTH 60°47'26" EAST 67.75 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 6.75 FEET; THENCE NORTHEASTERLY 10.55 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°30'33"; THENCE NORTH 29°42'01" EAST 12.69 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 10.25 FEET; THENCE NORTHEASTERLY 10.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 59°45'25"; THENCE NORTH 89°27'27" EAST 7.89 FEET; THENCE NORTH 89°27'27" EAST 77.83 FEET; THENCE NORTH 00°39'06" WEST 43.58 FEET; THENCE NORTH 26°20'54" EAST 34.93 FEET TO THE US ARMY CORPS OF ENGINEERS MONUMENTED PROJECT BOUNDARY FOR THE McNARY PROJECT; THENCE SOUTH 55°35'51" EAST 55.83

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FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE SOUTH 66°22'42" EAST 109.39 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE NORTH 88°56'16" EAST 52.81 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE LEAVING SAID MONUMENTED PROJECT BOUNDARY SOUTH 00°41'08" EAST 31.29 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 5.30 FEET; THENCE SOUTHWESTERLY 8.33 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTH 89°18'52" WEST 34.77 FEET; THENCE SOUTH 00°34'30" EAST 169.12 FEET; THENCE SOUTH 05°22'02" EAST 8.03 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 13.17 FEET; THENCE SOUTHEASTERLY 12.84 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 55°50'38" (THE LONG CHORD OF SAID CURVE BEARS SOUTH 61°03'29" EAST 12.33 FEET;) THENCE SOUTH 00°41'10" EAST 1.12 FEET TO THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 89°18'50" WEST 65.31 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE LEAVING SAID RIGHT OF WAY MARGIN NORTH 00°41'10" WEST 1.12 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 11.01 FEET; THENCE NORTHEASTERLY 13.15 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 68°27'13" (THE LONG CHORD OF SAID CURVE BEARS NORTH 57°40'42" EAST 12.39 FEET;) THENCE NORTH 02°27'35" EAST 26.14 FEET; THENCE NORTH 10°48'34" EAST 35.24 FEET; THENCE NORTH 00°38'15" WEST 69.88 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 29.25 FEET; THENCE NORTHWESTERLY 45.96 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'23"; THENCE SOUTH 89°20'23" WEST 214.16 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 29.25 FEET; THENCE SOUTHWESTERLY 45.96 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'48"; THENCE SOUTH 00°41'26" EAST 69.49 FEET; THENCE SOUTH 11°33'11" EAST 36.12 FEET; THENCE SOUTH 00°24'02" EAST 23.29 FEET TO THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 89°18'50" WEST 46.56 FEET ALONG SAID RIGHT OF WAY MARGIN; TO THE TRUE POINT OF BEGINNING.

PARCEL 2

THAT PORTION OF LOT 15 AND TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 1529.84 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 30.00 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 89°18'50" WEST 67.56 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 00°41'10" WEST 1.12 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 13.17 FEET; THENCE NORTHWESTERLY 12.84 FEET ALONG THE ARC OF SAID CURVE THROUGH A

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CENTRAL ANGLE OF 55°50'38" (THE LONG CHORD OF SAID CURVE BEARS NORTH 61°03'29" WEST 12.33 FEET) THENCE NORTH 05°22'02" WEST 8.03 FEET; THENCE NORTH 00°34'30" WEST 169.12 FEET; THENCE NORTH 89°18'52" EAST 34.77 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 5.30 FEET; THENCE NORTHEASTERLY 8.33 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE NORTH 00°41'08" WEST 31.29 FEET TO THE US ARMY CORPS OF ENGINEERS MONUMENTED PROJECT BOUNDARY FOR THE McNARY PROJECT; THENCE NORTH 88°56'16" EAST 38.09 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY TO THE NORTHEAST CORNER OF "NEW LOT 15" AS SHOWN ON RECORD SURVEY RECORDED IN VOLUME 1 OF SURVEYS, PAGE 4574, RECORDS OF BENTON COUNTY; THENCE SOUTH 00°48'10" EAST 221.19 FEET ALONG THE EAST LINE OF SAID "NEW LOT 15" TO THE TRUE POINT OF BEGINNING.

PARCEL 3

THAT PORTION OF LOTS 10 AND 11 AND TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 89°18'50" EAST 100.00 FEET ALONG THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 0°48'10" EAST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 90.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 0°48'10" WEST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE LEAVING SAID RIGHT OF WAY MARGIN CONTINUING NORTH 0°48'10" WEST 61.37 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°48'10" WEST 129.10 FEET; THENCE SOUTH 89°03'04" WEST 2.11 FEET; THENCE NORTH 00°44'20" WEST 6.41 FEET; THENCE NORTH 89°28'38" EAST 46.45 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 27.25 FEET; THENCE SOUTHEASTERLY 14.46 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 30°23'39"; THENCE SOUTH 60°07'43" EAST 14.53 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 25.25 FEET; THENCE SOUTHEASTERLY 32.52 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 73°47'41"; TO THE BEGINNING OF A REVERSE CURVE, CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 60.25 FEET; THENCE SOUTHWESTERLY 15.02 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°17'13"; THENCE SOUTH 00°37'14" EAST 81.21 FEET; THENCE SOUTH 89°13'54" WEST 80.01 FEET TO THE TRUE POINT OF BEGINNING.

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THAT PORTION OF LOTS 12, 13, AND 14, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 89°18'50" EAST 100.00 FEET ALONG THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 0°48'10" EAST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 90.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 0°48'10" WEST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 119.42 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID RIGHT OF WAY MARGIN NORTH 00°24'02" WEST 23.29 FEET; THENCE NORTH 11°33'11" WEST 36.12 FEET; THENCE NORTH 00°41'26" WEST 69.49 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 29.25 FEET; THENCE NORTHEASTERLY 45.96 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'48"; THENCE NORTH 89°20'23" EAST 214.16 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 29.25 FEET; THENCE SOUTHEASTERLY 45.96 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°01'23"; THENCE SOUTH 00°38'15" EAST 69.88 FEET; THENCE SOUTH 10°48'34" WEST 35.24 FEET; THENCE SOUTH 02°27'35" WEST 26.14 FEET;

TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 11.01 FEET; THENCE SOUTHWESTERLY 13.15 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 68°27'13" (THE LONG CHORD OF SAID CURVE BEARS SOUTH 57°40'42" WEST 12.39 FEET); THENCE SOUTH 00°41'10" EAST 1.12 FEET TO THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 89°18'50" WEST 23.09 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 82°40'58" WEST 33.54 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 00°48'10" WEST 5.33 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE SOUTH 89°18'50" WEST 190.58 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING.

PARCEL 5

THAT PORTION OF LOTS 10 AND 11, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

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BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 89°18'50" EAST 100.00 FEET ALONG THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 0°48'10" EAST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 89°18'50" EAST 90.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 0°48'10" WEST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°48'10" WEST 61.37 FEET; THENCE NORTH 89°13'54" EAST 80.01 FEET; THENCE SOUTH 00°37'14" EAST 2.34 FEET; THENCE SOUTH 09°53'46" WEST 36.69 FEET; THENCE SOUTH 00°01'10" WEST 23.09 FEET TO THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 89°18'50" WEST 72.86 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING.

PARCEL 6

THAT PORTION OF LOTS 9 AND 10, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS AND THE TRUE POINT OF BEGINNING; THENCE NORTH 00°48'10" WEST 190.11 FEET ALONG THE WEST LINE OF SAID LOT 9 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°19'44" EAST 100.00 FEET ALONG THE NORTH LINE OF SAID LOT 9 TO THE NORTHEAST CORNER THEREOF; THENCE NORTH 89°05'36" EAST 61.30 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 88°54'37" EAST 7.99 FEET ALONG SAID NORTH LINE; THENCE NORTH 89°03'04" EAST 20.71 FEET ALONG SAID NORTH LINE; THENCE LEAVING SAID NORTH LINE SOUTH 00°48'10" EAST 190.47 FEET TO THE NORTHERLY RIGHT OF WAY MARGIN OF COLUMBIA DRIVE; THENCE SOUTH 00°48'10" EAST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE SOUTH 89°18'50" WEST 90.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE NORTH 00°48'10" WEST 10.00 FEET ALONG SAID RIGHT OF WAY MARGIN; THENCE SOUTH 89°18'50" WEST 100.00 FEET ALONG SAID RIGHT OF WAY MARGIN TO THE TRUE POINT OF BEGINNING.

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THAT PORTION OF TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 00°48'10" WEST 190.11 FEET ALONG THE WEST LINE OF SAID LOT 9 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°19'44" EAST 100.00 FEET ALONG THE NORTH LINE OF SAID LOT 9 TO THE NORTHEAST CORNER THEREOF; THENCE NORTH 89°05'36" EAST 61.30 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 88°54'37" EAST 7.99 FEET ALONG SAID NORTH LINE; THENCE NORTH 89°03'04" EAST 18.60 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 0°44'20" WEST 6.41 FEET; THENCE NORTH 0°44'20" WEST 40.32 FEET ALONG THE WEST LINE OF PARCEL D OF RECORD SURVEY RECORDED IN VOLUME 1 OF SURVEYS, PAGE 4236, RECORDS OF BENTON COUNTY TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°44'20" WEST, 107.03 FEET ALONG SAID WEST LINE; THENCE SOUTH 89°34'53" WEST, 18.47 FEET ALONG SAID WEST LINE; THENCE NORTH 03°26'43" EAST, 99.78 FEET ALONG SAID WEST LINE TO THE US ARMY CORPS OF ENGINEERS MONUMENTED PROJECT BOUNDARY FOR THE McNARY PROJECT; THENCE SOUTH 62°42'19" EAST, 146.37 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE LEAVING SAID MONUMENTED PROJECT BOUNDARY SOUTH 00°39'06" EAST, 168.20 FEET; THENCE NORTH 60°47'26" WEST, 43.37 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 65.25 FEET; THENCE NORTHWESTERLY 34.13 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 29°58'18"; THENCE SOUTH 89°14'16" WEST, 47.56 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 8

THAT PORTION OF TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 00°48'10" WEST 190.11 FEET ALONG THE WEST LINE OF SAID LOT 9 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°19'44" EAST 100.00 FEET ALONG THE NORTH LINE OF SAID LOT 9 TO THE NORTHEAST CORNER THEREOF; THENCE NORTH 89°05'36" EAST

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61.30 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 88°54'37" EAST 7.99 FEET ALONG SAID NORTH LINE; THENCE NORTH 89°03'04" EAST 18.60 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 0°44'20" WEST 153.76 FEET ALONG THE WEST LINE OF PARCEL D OF RECORD SURVEY RECORDED IN VOLUME 1 OF SURVEYS, PAGE 4236, RECORDS OF BENTON COUNTY; THENCE SOUTH 89°34'53" WEST 18.47 FEET ALONG SAID WEST LINE; THENCE NORTH 03°26'43" EAST 99.78 FEET ALONG SAID WEST LINE TO THE US ARMY CORPS OF ENGINEERS MONUMENTED PROJECT BOUNDARY FOR THE McNARY PROJECT; THENCE SOUTH 62°42'19" EAST 146.37 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 62°42'19" EAST 91.68 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE LEAVING SAID MONUMENTED PROJECT BOUNDARY SOUTH 26°20'54" WEST 52.84 FEET; THENCE SOUTH 00°39'06" EAST 61.49 FEET; THENCE SOUTH 89°20'54" WEST 3.50 FEET; THENCE SOUTH 00°39'06" EAST 10.36 FEET; THENCE SOUTH 89°27'27" WEST 7.89 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 10.25 FEET; THENCE SOUTHWESTERLY 10.69 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 59°45'25"; THENCE SOUTH 29°42'01" WEST 12.69 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 6.75 FEET; THENCE SOUTHWESTERLY 10.55 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°30'33"; THENCE NORTH 60°47'26" WEST 24.38 FEET; THENCE NORTH 00°39'06" WEST 168.20 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 9

THAT PORTION OF TRACT 6, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, SITUATE IN GOVERNMENT LOTS 3 & 4, SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN, CITY OF KENNEWICK, BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 6, TOWNSHIP 8 NORTH, RANGE 30 EAST WILLAMETTE MERIDIAN; THENCE NORTH 89°18'50" EAST 840.65 FEET ALONG THE SOUTH LINE OF SAID SECTION 31; THENCE NORTH 0°41'10" WEST 40.00 FEET TO A POINT ON THE WEST LINE OF LOT 9, SAID REPLAT OF COLUMBIA GARDENS; THENCE NORTH 00°48'10" WEST 190.11 FEET ALONG THE WEST LINE OF SAID LOT 9 TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°19'44" EAST 100.00 FEET ALONG THE NORTH LINE OF SAID LOT 9 TO THE NORTHEAST CORNER THEREOF; THENCE NORTH 89°05'36" EAST 61.30 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 88°54'37" EAST 7.99 FEET ALONG SAID NORTH LINE; THENCE NORTH 89°03'04" EAST 18.60 FEET ALONG THE NORTH LINE OF SAID LOT 10; THENCE NORTH 0°44'20" WEST 153.76 FEET ALONG THE WEST LINE OF PARCEL D OF RECORD SURVEY RECORDED IN VOLUME 1 OF SURVEYS, PAGE 4236, RECORDS OF BENTON COUNTY; THENCE SOUTH 89°34'53" WEST 18.47 FEET ALONG SAID WEST LINE; THENCE NORTH 03°26'43" EAST 99.78 FEET ALONG SAID WEST LINE TO THE US ARMY CORPS OF ENGINEERS MONUMENTED PROJECT BOUNDARY FOR THE McNARY PROJECT; THENCE SOUTH 62°42'19" EAST 238.05 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 62°42'19" EAST 13.67 FEET ALONG SAID MONUMENTED PROJECT BOUNDARY; THENCE SOUTH 55°35'51" EAST 66.12 FEET ALONG SAID MONUMENTED

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PROJECT BOUNDARY; THENCE SOUTH 26°20'54" WEST 34.93 FEET; THENCE SOUTH 00°39'06" EAST 43.58 FEET; THENCE SOUTH 89°27'27" WEST 77.83 FEET; THENCE NORTH 00°39'06" WEST 10.36 FEET; THENCE NORTH 89°20'54" EAST 3.50 FEET; THENCE NORTH 00°39'06" WEST 61.49 FEET; THENCE NORTH 26°20'54" EAST 52.84 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 10

THE WEST 90 FEET OF LOT 16 AND THE SOUTH 20 FEET OF THAT PORTION OF TRACT 7, LYING EAST OF THE NORTHERLY EXTENSION OF WEST LINE OF SAID LOT 16 AND WEST OF THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 90 FEET OF SAID LOT 16, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92 RECORDS OF BENTON COUNTY, WASHINGTON,

EXCEPT PORTION DEEDED TO UNITED STATES OF AMERICA.

TOGETHER WITH:

LOT 16, EXCEPT THE WEST 90 FEET THEREOF, AND EXCEPT THE SOUTH 10 FEET THEREOF CONDEMNED FOR STREET PURPOSES BY CITY OF KENNEWICK UNDER SUPERIOR COURT CASE NO. 7650; ALL OF LOT 17, EXCEPT THE SOUTH 10 FEET THEREOF CONDEMNED FOR STREET PURPOSES BY CITY OF KENNEWICK UNDER BENTON COUNTY SUPERIOR COURT CASE NO. 7650; AND THAT PORTION OF TRACT 7 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 16; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 16, 90 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING EAST ALONG THE NORTH LINE OF SAID LOTS 16 AND 17 TO THE NORTHEAST CORNER OF LOT 17; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 17, EXTENDED TO THE SOUTHERLY MEANDER LINE OF THE COLUMBIA RIVER; THENCE WESTERLY ALONG THE SOUTHERLY MEANDER LINE OF SAID RIVER TO A POINT DUE NORTH OF THE TRUE POINT OF BEGINNING; THENCE SOUTH TO THE TRUE POINT OF BEGINNING.

EXCEPT THE NORTH PORTION OF EACH SAID LOTS AND PARCELS HERETOFORE CONVEYED TO THE UNITED STATES OF AMERICA; ALL BEING IN REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92 RECORDS OF BENTON COUNTY, WASHINGTON,

TOGETHER WITH THE EAST 10 FEET OF THE FOLLOWING DESCRIBED PARCEL OF LAND:

LOT 15 AND THE SOUTH 20 FEET OF THAT PORTION OF TRACTS 6 AND 7 LYING BETWEEN THE NORTHERLY EXTENSIONS OF THE WEST AND EAST LINES OF SAID LOT 15, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON.

EXHIBIT B**Formula for Assessments and Voting Rights****A. Determination of Equivalent Units**

Assessment obligations and voting rights under this Declaration shall be based upon the number of "Equivalent Units" allocated to a particular Parcel.

Each Parcel within the Property (other than the Common Area Parcels) shall be allocated one (1) Equivalent Unit for each 1,000 gross square feet of demised space in building(s) located on such Parcel rounded to the nearest 100 square feet. For clarification, the Common Area Parcels, which primary use is for Common Areas, shall not be allocated any Equivalent Units.

For purposes of calculating Equivalent Units, gross square footage shall be computed by measuring from the outside faces of exterior walls, disregarding cornices, pilasters, buttresses, etc., that extend beyond the wall faces. Gross square footage shall include each above- or below-grade floor, mezzanine and penthouse. The footprints of stairways, elevator shafts, and vertical duct shafts are to be counted as gross area on each floor through which they pass. Gross square footage shall exclude: (i) covered patios, porches or balconies and (ii) portions of upper floors eliminated by spaces or lobbies that rise above single-floor ceiling height.

Prior to the end of the Development Period, Declarant and, after the end of the Development Period, the Association shall determine Equivalent Units.

B. Calculation of Assessments

The allocated interest of any Assessment levied hereunder for each Parcel shall be computed by multiplying the total amount to be assessed by a fraction, the numerator of which is the total of the Equivalent Units allocated to such Parcel and the denominator of which is the sum of all such Equivalent Units allocated to all Parcels. For clarification, the Common Area Parcels, which primary use is for Common Areas, shall not have an allocated interest of any Assessment and shall not be required to pay Assessments.

Prior to the end of the Development Period, Declarant and, after the end of the Development Period, the Association shall calculate allocated interests for Assessments.

C. Payment of Assessments

Notwithstanding any to the contrary in this **Exhibit B** and this Declaration:

(1) Declarant shall (i) until the fifth (5th) anniversary of the recording of this Declaration, pay all Common Expenses and (ii) after the fifth (5th) anniversary of the recording of this Declaration until the Subsidy Termination Date, pay thirty-five percent (35%) of the Common Expenses for the Foundational Items and one hundred percent (100%) of all other Common Expenses; provided, notwithstanding the foregoing, an Owner of Parcel shall remain one hundred percent (100%) liable for the following (payable within thirty (30) days after Declarant has given written notice thereof to such Owner): (a) reimburse

Declarant or the Association for costs incurred in bringing such Parcel or its Owner into compliance with the provisions of this Declaration or the Rules and Regulations, (b) pay to Declarant or the Association for fines or other charges imposed pursuant to this Declaration for violation thereof and (c) to reimburse Declarant or the Association for costs incurred as the result of the Owner of a Parcel or any of its, his or her guests, tenants, licensees, agents, or employees damaging any of the Common Elements as a result of vandalism, intentional damage, negligence, or misuse. This paragraph shall not be used to reduce the obligation of any insurer to Declarant or the Association.

(2) Until issuance of the certificate of occupancy for the initial building constructed on a Parcel, Declarant shall pay any Assessments levied against such Parcel; provided, notwithstanding the foregoing, the Owner of Parcel shall (within thirty (30) days after Declarant has given written notice thereof to such Owner: (a) reimburse Declarant for any Assessments or costs incurred in bringing such Parcel or its Owner into compliance with the provisions of this Declaration or the Rules and Regulations, (b) pay to reimburse Declarant for fines or other charges imposed pursuant to this Declaration for violation thereof and (c) to reimburse Declarant for any Assessments or costs incurred as the result of the Owner of a Parcel or any of its, his or her guests, tenants, licensees, agents, or employees damaging any of the Common Elements as a result of vandalism, intentional damage, negligence, or misuse. This paragraph shall not be used to reduce the obligation of any insurer to Declarant or the Association. For clarification, this paragraph only applies to the initial building constructed on a Parcel and after issuance of the certificate of occupancy for the initial building constructed on a Parcel, the Owner of such Parcel (and not Declarant) shall be responsible for all Assessments against such Parcel even if the initial building constructed on a Parcel is damaged or destroyed.

D. Initial Allocated Interest

The initial number of Equivalent Units allocated to each Parcel before the Improvements thereon have received a certificate of occupancy are as follows:

Parcel	Equivalent Units
1	0
2	0
3	0
4	10.0
5	1.0

6	5.5
7	5.5
8	3.5
9	2.7
10	12.4
TOTAL:	40.6

If the boundaries between two Parcels are relocated or a Parcel is subdivided in two Parcels prior to the issuance of a certificate of occupancy for the Improvements on such Parcels, the above initial number of Equivalent Units for such Parcels shall be adjusted based on the actual Improvements and/or anticipated future Improvements on the Parcels involved, as applicable, and an amendment to this Declaration stating the adjusted initial number of Equivalent Units for such Parcels shall be recorded.

E. Recalculation of Equivalent Units

Upon issuance of the certificate of occupancy for the Improvements on a Parcel, Equivalent Units will be recalculated under Section A of this **Exhibit B**. The Owner shall provide all reasonably requested information regarding the Improvements constructed on the Parcel, including the gross square footage of buildings constructed on its Parcel. The Equivalent Units allocated to such Parcel shall then be recalculated under Section A of this **Exhibit B** and the Owner of such Parcel shall be notified in writing of the recalculation. Unless the Owner notifies Declarant or the Board, as applicable, in writing within thirty (30) days following its receipt of the notice that it objects to the recalculation of Equivalent Units, Declarant's or the Board's determination, as applicable, shall be final. Declarant or the Board, as applicable, shall give any Owner that objects to the calculation of Equivalent Units for its Parcel the opportunity to be heard to contest the recalculation.

Following the determination of Equivalent Units for a Parcel upon issuance of the certificate of occupancy for a Parcel, Declarant or the Board, as applicable, shall have the authority to modify its determination of Equivalent Units for the Parcel as a result of subsequent development of the Parcel or other information which comes to Declarant's or the Board's attention. Declarant or the Board, as applicable, shall, provide written notice to the Owner of any such Parcel and the Owner shall have the right to object as provided in the preceding paragraph; provided, however, that no adjustments need to be made in any Assessment previously levied to reflect any such recalculation of Equivalent Units.

Unless the Declarant or the Association elects otherwise, the recalculation of Equivalent Units

shall only occur annually as of January 1st of the applicable calendar year.

F. Voting Rights

The percentage of the total voting power allocated to each Parcel in the Association shall be computed by dividing the Equivalent Units allocated to such Parcel by the total Equivalent Units allocated to all Parcels eligible to vote.

EXHIBIT C**Common Areas**

1. The portion of Parcel 1 labeled “Right of Way Area” on **Exhibit C-1** attached hereto for purposes of streets, drives and sidewalks. The portion of Parcel 1 labeled “Parking Area” on **Exhibit C-1** for purposes of parking and areas for operation of privately-owned food trucks, other similar uses and special events. The portion of Parcel 1 labeled “Recreational Area” on **Exhibit C-1** for purposes of recreational and open space improvements and uses and special events. The portions of the Parcels labeled “Columbia Drive Streetscape” on **Exhibit C-1** attached hereto for purposes of walkways, sidewalks, broadwalks, trails, trees, vegetation, landscaping, irrigations and utility systems and facilities.

The portion of Parcel 1 labeled “Right of Way Area” on **Exhibit C-1** attached hereto may only be used for streets, drives and sidewalks providing access to the Parcels unless consented to by (i) all Owners served by such streets and sidewalks, (ii) all Eligible Mortgagees then holding a first Mortgage duly recorded against any such Parcels served by such streets and sidewalks and (iii) the Class B member, if any exists.

Declarant, during the Development Period, and the Association, after the Development Period, reserve the right, from time to time to change the configuration and uses of the portions of Parcel 1 labeled “Parking Area” and “Recreational Area” including, without limitation, altering, removing, replacing, and/or adding improvements.

2. Parcels 2 and 3 for purposes of parking and, to the extent not required by applicable laws for parking for the Parcels, for purposes of special events and other uses.
3. All walkways, sidewalks, broadwalks, trails, trees, vegetation, landscaping, irrigations and utility systems and facilities, and other improvements installed by Declarant or the Association located on any Common Area.
4. All utilities, storm water drainage, detention and conveyance systems and facilities, and other infrastructure and facilities installed by Declarant, the Association or utility companies located on any Common Area or Parcels from time to time serving (i) the Common Areas and/or (ii) more than one Parcel.
5. All exterior lighting systems and facilities installed by Declarant, the Association or utilities companies located on any Common Area or Parcel from time to time serving the (i) Common Areas and/or (ii) more than one Parcel.
6. Any project identification, traffic, wayfinding, and directional signage located on any Common Area or any Parcel from time to time serving the Common Areas and/or more than one Parcel.

EXHIBIT C-1

Certain Common Areas

For: The Port of Kennewick
From: Ann Allen, Attorney at Law
Re: Washington Ready Update

Last September 28, the Port's plan related to employment practices and reopening related to the COVID-19 pandemic was discussed at a regular meeting of the Board of Port Commissioners. The following information is provided as an update to that plan that continues to evolve. The state of emergency proclaimed at the state level due to the pandemic continues to remain in effect. Proclamation 20-05 (February 29, 2020) *et seq.* The Port of Kennewick has also declared a local emergency due to this circumstance on March 24, 2020. Resolution No. 2020-6. In the last two months, however, various proclamations of the Governor and have been terminated and rescinded as have the guidance documents provided by the state Department of Health (DOH) and Department of Labor and Industries (L&I). These changes have and will alter the plan set by the Port of Kennewick as discussed below.

I. Safe Workplace Practices: All employers must provide a place of employment free of recognized hazards that are causing or likely to cause serious injury or death to employees. RCW § 49.17.060. On this basis, the Port of Kennewick must continue to assess the risks COVID-19 present in the workplace. This assessment will include evaluation of infection, hospitalization, and death statistics related to the virus in the Tri-Cities area. The following practices must continue to be applied.

A. Cleaning/Hygiene: Employers must continue to ensure that employees entering the workplace have handwashing facilities and supplies. Further, work surfaces should be regularly cleaned and sanitized as before. L&I Requirements and Guidance for Preventing Covid-19, April 21, 2022.

B. Employee Education: Employees should be kept up to date as to the best approaches to prevent the spread of the virus. L&I Requirements and Guidance for Preventing Covid-19, April 21, 2022.

C. Exclusion: Employers must continue to ensure that workers that have COVID-19 or are suspected to have the virus return only after applying applicable isolation and/or quarantine actions and periods as set out by the DOH. L&I Requirements and Guidance for Preventing Covid-19, April 21, 2022.

D. Notification: Employees must still be given written notice if they had close contact with a person at work that tested positive for COVID-19.

II. High Risk Employees: The Health Emergency Labor Standards Act (HELSEA) continues to apply throughout this or any similar state of emergency. Employees at a high risk of severe illness from COVID-19 due to age or underlying condition may continue to seek accommodation that will protect them from the risk of exposure. Accommodation may take the form of remote work, for example. Where an accommodation is not available, the employee may take all

available leave options in the order chosen by the employee, until the state of emergency ends, or an accommodation is available. RCW § 49.17.064.

III. Remote Work Model: Over the past two years, employers around the world have had the opportunity to rethink the concept of employee productivity. Many employers have found that employees are more productive working remotely and have determined it best to utilize a remote work structure permanently. Examples of employers making this approach permanent include tech companies such as Alphabet, Apple, Meta, and Microsoft. Additionally, organizations in the retail, service, and even manufacturing sectors are creating new remote work models to suit their individualized business needs while allowing employees who are not required to be physically present to choose whether they will work remotely, on employer premises, or will apply a hybrid model. Organizations moving forward with such full or partial plans include Amazon, Capital One, Coca-Cola, Deloitte, REI, Siemens, StateFarm, the US Air Force, and the US Navy. At this time, given the success the Port's employees have had working remotely, the employer is reviewing the matter and intends to move forward with a permanent remote work plan that allows those who are not required to be physically present on Port premises to choose to work in the office, remotely, or a combination of the two. This step allows the organization to eliminate the uncertainty employees currently face while the emergency conditions continue to apply due to the pandemic with no indication as to when these circumstances will change. It also allows the Port to be a leader in this area by applying a flexible model to employment relations while ensuring the organization serves its community with the greatest care and efficiency.

IV. Mask Requirements: The face covering requirement applied to indoor spaces in Washington State was rescinded on March 12, 2022. Proclamation 20-25.19. Thus, masking is not currently required for commissioners, employees, or members of the public entering Port facilities. The Proclamation has been replaced with DOH guidance documents. It is possible that masking may be required in particular counties should infection, hospitalization, and death rates rise to critical levels in those locales.

V. Vaccine Verification or Requirements: There is currently no requirement applicable to the Port of Kennewick that requires that the organization verify or require vaccination of commissioners, employees, or members of the public entering Port facilities or participating in open public meetings.

VI. Open Public Meetings: On April 29, 2022, Governor Inslee terminated and rescinded Proclamation 20-28 (March 24, 2020) which suspended the provisions of the state's Open Public Meetings Act (OPMA) that hindered the holding of meetings remotely. The suspension was originally meant to continue so long as a state of emergency applied. Due to legislative changes to the OPMA, the rescission and termination of the proclamation is effective June 1, 2022. Proclamation 20-28.16 (April 29, 2022).

Engrossed Substitute House Bill 1329 became law on March 24, 2022. The legislation revised or amended several sections of the current OPMA and added several new sections. Some of the provisions became effective immediately and address circumstances applicable during a state of emergency. Other modifications to the law apply on a more generalized basis. The specific terms are discussed below.

A. Portions of the Law Now in Effect:

1. Emergency Circumstances: If an emergency has been declared at a federal, state, or local level, the organization may determine that the meetings cannot safely be held with public attendance. In that case, the organization may hold meetings without a physical location or may limit the number of attendees.

2. Remote Participation of the Governing Board During an Emergency: In such cases, the members of the governing body may attend remotely so long as the approach taken allows for real-time verbal communication. An option to listen to the meeting must be provided members of the public. The technology applied must be readily available without additional cost to members of the public who will be listening in. Required notice of the meeting must also include instructions as to the use of such technology.

3 Public Access in Emergent Circumstances: In no circumstance may members of the public be required to register for attendance or fill out questionnaires to attend meetings either in person or remotely. The organization may be required to take additional steps, however, to ensure safety of the public in these cases.

4. Interruptions: Nothing in the law prohibits the governing body from stopping people from speaking if they have not been recognized to speak.

5. Notice of Meetings:

a. Regular Meetings: The prior requirements for providing notice of meeting dates as set by law, ordinance, or by-laws continues to apply RCW § 42.30.070. Agendas for regular meetings must be posted on the organization’s website at least twenty-four hours prior to the meeting. RCW § 42.30.077.

b. Special Meetings: The procedures related to the calling of special meetings also generally remains the same. RCW § 42.30.080. Notices of such meetings must be provided the members of governing body twenty-four hours prior to the meeting unless a waiver is on file for the individuals. In addition to posting the notice to the public on the organization’s website, a notice must be prominently displayed at the main entrance of the agency’s principal location. During a declared emergency, the physical posting may be waived if the meeting will be held remotely.

6. Adjournment: The governing body may adjourn any regular or special meeting to a time and place specified in the order of adjournment. RCW § 42.30.090. That notice needs to be posted on the door where the meeting was held unless the meeting has been held remotely due to a declared emergency.

B. Provisions of the OPMA that are Effective June 9, 2022: These new provisions and revisions are effective on an ongoing basis and apply when an emergency has not been declared. Some of the provisions of the law are mandatory and others are essentially aspirational as discussed below.

1. Meetings Must Have a Physical Location: Unless an emergency has been declared, all meetings must have a physical location. This allows members of the public to attend the meeting at that location to observe and provide comment. In order to comply with these provisions, the Port has taken steps to ensure that a physical location at the Port’s offices is open to the public for attendance even if some or all of the Commissioners and staff are not physically present at the location. At least two staff members will be present during that time. Technology will be utilized on premises to allow members of the public

to observe the meeting and provide comment. The audio portion of the meeting will be recorded and posted on the Port's website.

2. The Governing Body May Attend Remotely: Commissioners and staff may attend meetings remotely so long as the public is able to observe the meeting in real-time. A new section added to the prior law encourages public entities to increase the ability of the public to observe and participate in meetings through technological means that allow remote access by readily available methods that do not require additional costs for such access. RCW 42.30.030(2).

3. Recordings: A new section has been added to the law to encourage recording of meetings. Those recordings should then be provided online for at least six months. The Port already meets this standard.

4. Executive Sessions: The law already allows the use of executive sessions for certain purposes during both regular and special meetings. The new law has added a purpose to include consideration of proprietary or confidential data collected or analyzed pursuant to chapter 70. RCW § 42.30.110. The amendment also makes clear the requirement that the announced purpose of the meeting must be entered into the minutes of the meeting. The Port already meets this standard.

5. Public Comment: The governing body is required to take public comment prior to taking any final action at a regular meeting, absent an emergency. Public comment may be taken orally. The public may also be provided an opportunity to provide comments in writing prior to the meeting. If written comments are to be accepted, the governing board must set a reasonable deadline for receipt of comments and then they must be distributed to each member of the board. Additionally, the governing body must allow any individual who has difficulty attending due to a disability, limited mobility, or other reason, to provide oral comments remotely if comments are being accepted at the given meeting. The Port already meets this standard. The governing body may put reasonable limits on the time available for comment to ensure orderly conduct of business. The taking of public comment is recommended by the law for special meetings. Such opportunities are not required or recommended during an emergency.



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Operations & Real Estate

MEETING DATE: May 24, 2022

AGENDA ITEM: 2017 Land Sale to Pronghorn, LLC (JMAC)

I. REFERENCE(S):

Resolution 2017-11
Resolution 2019-08
Resolution 2021-11
Vicinity Map

II. BACKGROUND:

On June 13, 2017, the Port Commission authorized the sale of 34.66 acres of vacant land to Pronghorn LLC (JMAC) in the Port's Twin Tracks Industrial Park. At the time, JMAC intended to construct a cement batch plant to augment their other lines of business.

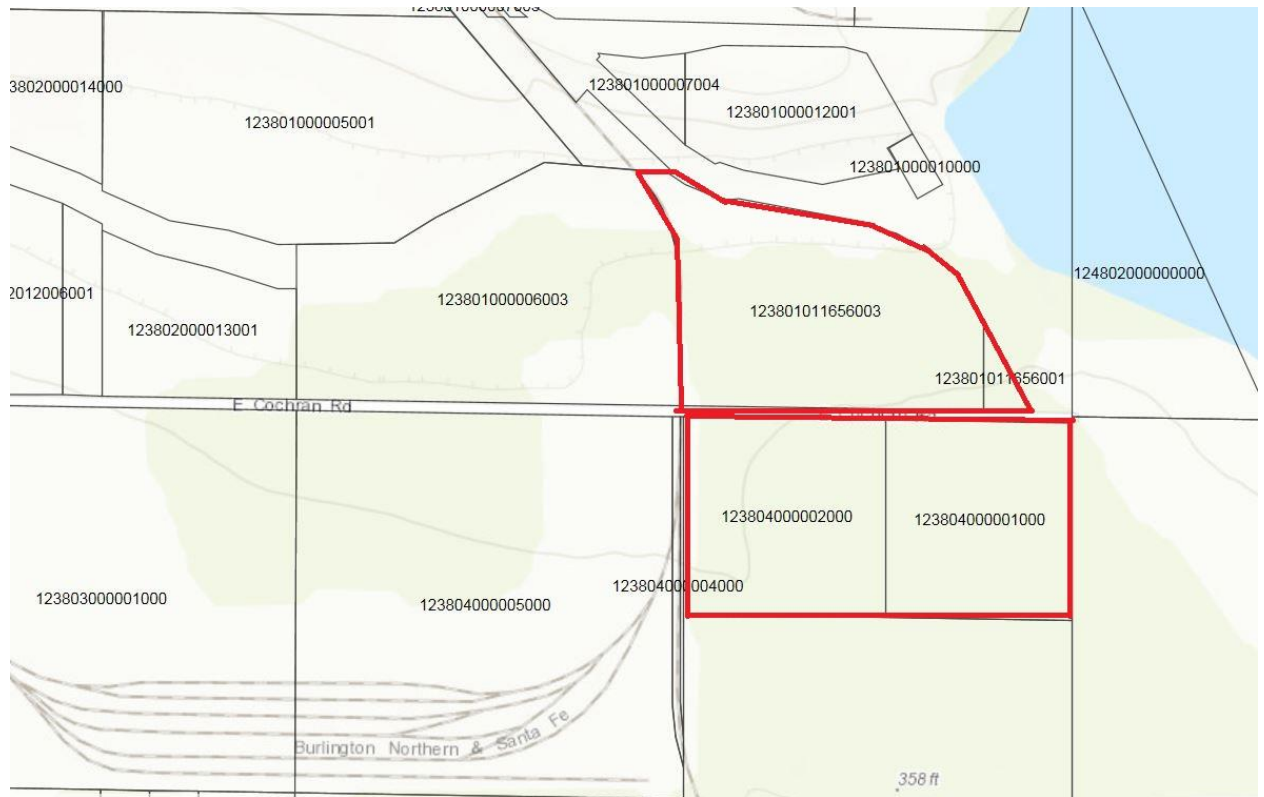
As with many businesses, the COVID19 pandemic impacted the company's planning efforts and changed the dynamics of their industry causing JMAC to pivot development of the property to an industrial use with warehousing, storage, and laydown yards to meet current demand in the Tri-Cities.

According to Mike Johnson, representative for JMAC, "Our intent is to provide space for vendors who will serve the new businesses coming into the Tri-Cities area and backfill the current need for these kinds of spaces. We have quotes and are researching Benton County guidelines for construction, permitting, etc."

III. ACTION REQUESTED OF COMMISSION:

Motion: I move for approval of Resolution 2022-15, releasing Pronghorn LLC from their purchase and sale agreement buyback clause and allow Pronghorn to pursue other industrial uses as allowed by Benton County zoning; and authorize the port Chief Executive Officer to take all action necessary in furtherance hereof.

EXHIBIT A



PORT OF KENNEWICK

RESOLUTION No. 2017-11

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH PRONGHORN LLC

WHEREAS, Pronghorn LLC (Purchaser), has offered to purchase approximately 34.66 acres of the area graphically depicted on “*Exhibit A*” at the Twin Tracks Industrial Park, in Richland, Washington from the Port of Kennewick (Seller) for \$4,443 per acre or approximately \$154,000; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port’s best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port’s needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute a Purchase and Sale Agreement with Pronghorn LLC and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port’s needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of June, 2017.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


SKIP NOVAKOVICH, President

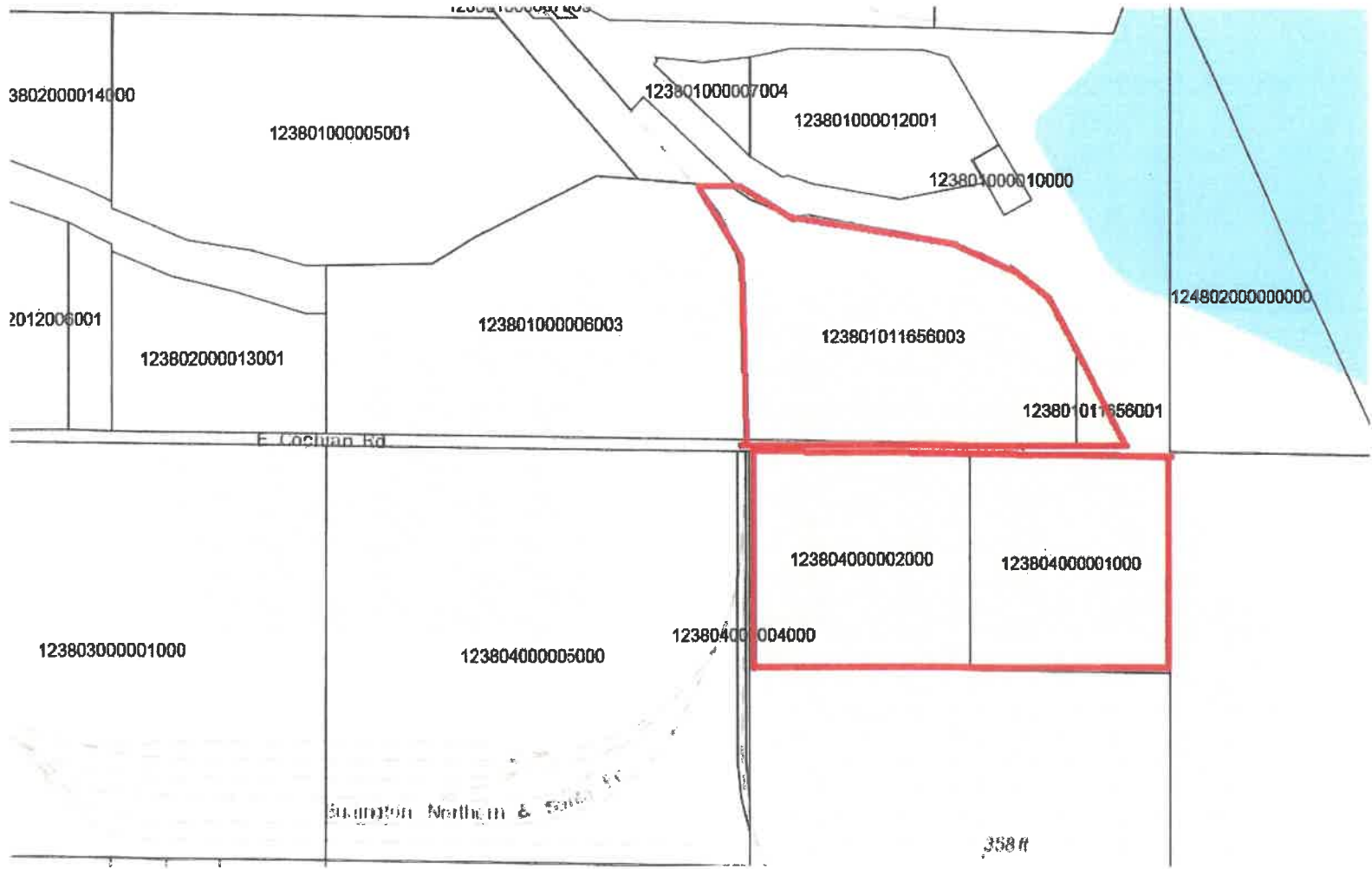
By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary

Pronghorn LLC Land Sale
Resolution 2017-11; Exhibit A



PORT OF KENNEWICK

RESOLUTION No. 2019-08

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
A 24 MONTH EXTENSION OF OBLIGATION TO CONSTRUCTION FOR A
2017 LAND SALE TO PRONGHORN LLC**

WHEREAS, Pronghorn LLC (Purchaser), purchased 34.66 acres of vacant land from the Port of Kennewick on June 13, 2017 in Kennewick, Washington and graphically depicted on “*Exhibit A*”; and

WHEREAS, a restriction to the Statutory Warranty Deed recorded September 13, 2017 allows the Port of Kennewick the option to repurchase the property should the Purchaser not develop the property within eighteen months of closing; and

WHEREAS, the Port Commission agrees to a 24 month extension of obligation to construct per PSA section 10.1 of the original agreement.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorize the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the extension as specified above.


ADOPTED by the Board of Commissioners of the Port of Kennewick on the 23rd day of April, 2019.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


THOMAS MOAK, President

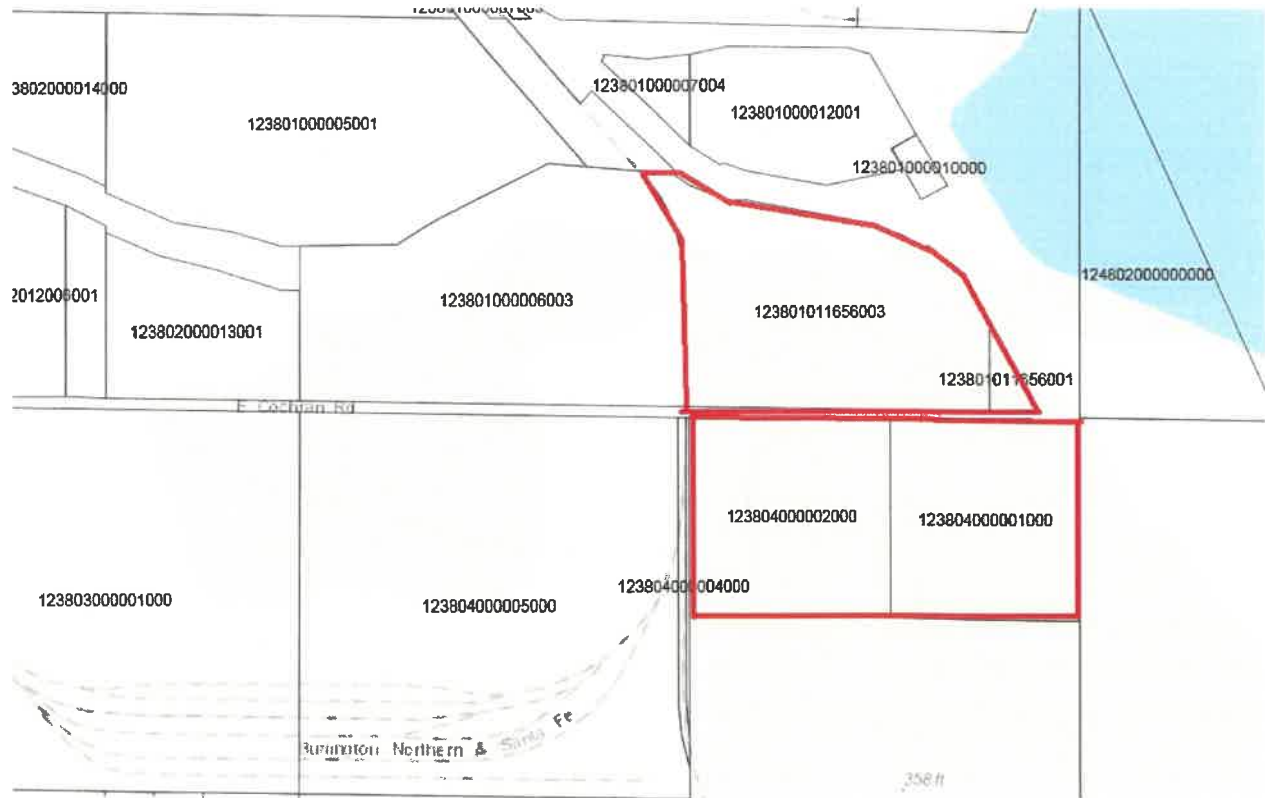
By:


DON BARNES, Vice President

By:


SKIP NOVAKOVICH, Secretary

Resolution 2019-xx
Exhibit A



PORT OF KENNEWICK

RESOLUTION No. 2021-11

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
AN EXTENSION OF OBLIGATION TO CONSTRUCT CLAUSE
FOR A 2017 LAND SALE TO PRONGHORN LLC***

WHEREAS, Pronghorn LLC (Purchaser), purchased 34.66 acres of vacant land from the Port of Kennewick on June 13, 2017 in Kennewick, Washington and graphically depicted on “*Exhibit A*”(the “Property”); and

WHEREAS, a restriction to the Statutory Warranty Deed recorded September 13, 2017 allows the Port of Kennewick the option to repurchase the Property should the Purchaser not develop the Property within eighteen months of closing; and

WHEREAS, on April 23, 2019 through Resolution 2019-08 the Port Commission approved a 24-month extension (expiration April 23, 2021) of the Purchaser’s Obligation to Construct as specified under Section 10.1 of the Purchase and Sale Agreement; and

WHEREAS, on May 25, 2021 the Port Commission agreed to further extend the Purchaser’s Obligation to Construct as specified under Section 10.1 of the Purchase and Sale Agreement to July 31, 2022; and

WHEREAS, the Port Commission also agrees to expand the uses for the Property specified in the Purchaser’s Obligations to Construct as described in Section 10.2 of the Purchase and Sale Agreement to include asphalt recycling, warehousing and ancillary uses (office, laydown yard, bullpen space).

FURTHER, the Port Commission extends the Port of Kennewick’s Option to Repurchase the Property to September 19, 2023.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to expand the uses for the Property to those specified above, and to extend the deadlines for the Purchaser’s Obligation to Construct and the Port’s Option to Repurchase as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 8th day of June 2021.

RESOLUTION No. 2021-11
PAGE 2

PORT of KENNEWICK
BOARD of COMMISSIONERS

By: DocuSigned by:
DN Barnes
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DON BARNES, President

By: DocuSigned by:
Skip Novakovich
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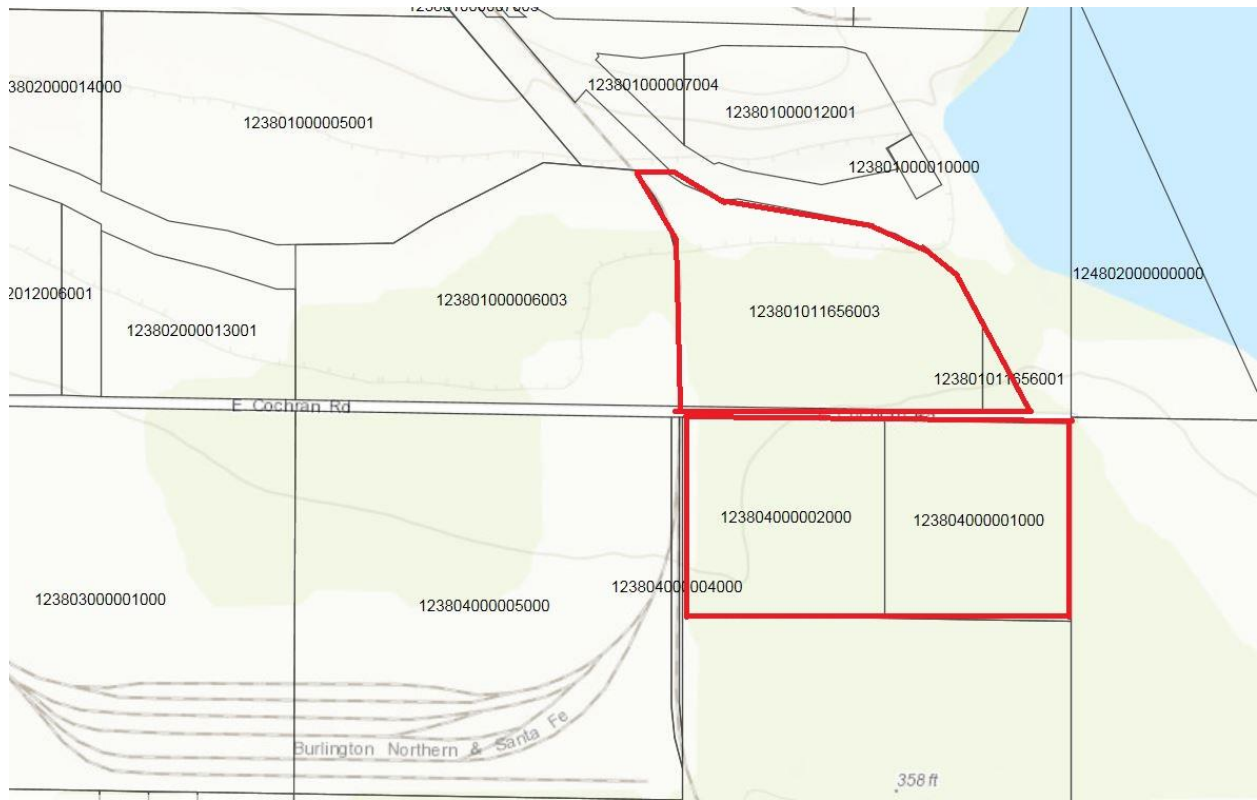
SKIP NOVAKOVICH, Vice President

By: DocuSigned by:
Thomas Moak
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TOM MOAK, Secretary

	2017	2018	2019	2020	2021	2022	2023
<i>60 month Repurchase Period</i>	September 13, 2017 – September 13, 2022						
<i>18-month obligation to construct deadline.</i>	Expiration April 13, 2019						
<i>24-month extension on obligation to construct. (Approved 4/23/2019)</i>			April 23, 2019 – April 23, 2021				
<i>Extension approved on obligation to construct Approved 5/25/2021. (371 days)</i>					May 25, 2021 – July 31, 2022		
<i>Repurchase period extension by commission approval 5/25/2021. (371 days)</i>						September 13, 2022 – September 19, 2023	

Resolution 2021-11
Exhibit A



PORT OF KENNEWICK

RESOLUTION No. 2022-15

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
BUYBACK CLAUSE RELEASE TO PRONGHORN LLC**

WHEREAS, Pronghorn LLC (Purchaser), purchased 34.66 acres of vacant land from the Port of Kennewick on June 13, 2017 in Kennewick, Washington and graphically depicted on “*Exhibit A*”; and

WHEREAS, a restriction to the Statutory Warranty Deed recorded September 13, 2017 allows the Port of Kennewick the option to repurchase the property should the Purchaser not develop the property within eighteen months of closing; and

WHEREAS, on April 23, 2019 through Resolution 2019-08 the Port Commission approved a 24-month extension (expiration April 23, 2021) of the Purchaser’s Obligation to Construct as specified under Section 10.1 of the Purchase and Sale Agreement; and

WHEREAS, on May 25, 2021 the Port Commission agreed to further extend the Purchaser’s Obligation to Construct as specified under Section 10.1 of the Purchase and Sale Agreement to July 31, 2022; and

WHEREAS, the Port Commission agrees to release Pronghorn LLC of the buyback clause in favor of construction of a future industrial use on the property.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby agrees to release Pronghorn LLC of the buyback clause in favor of construction of a future industrial use on the property and authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the extension as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 24th day of May, 2022.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: _____

SKIP NOVAKOVICH, President

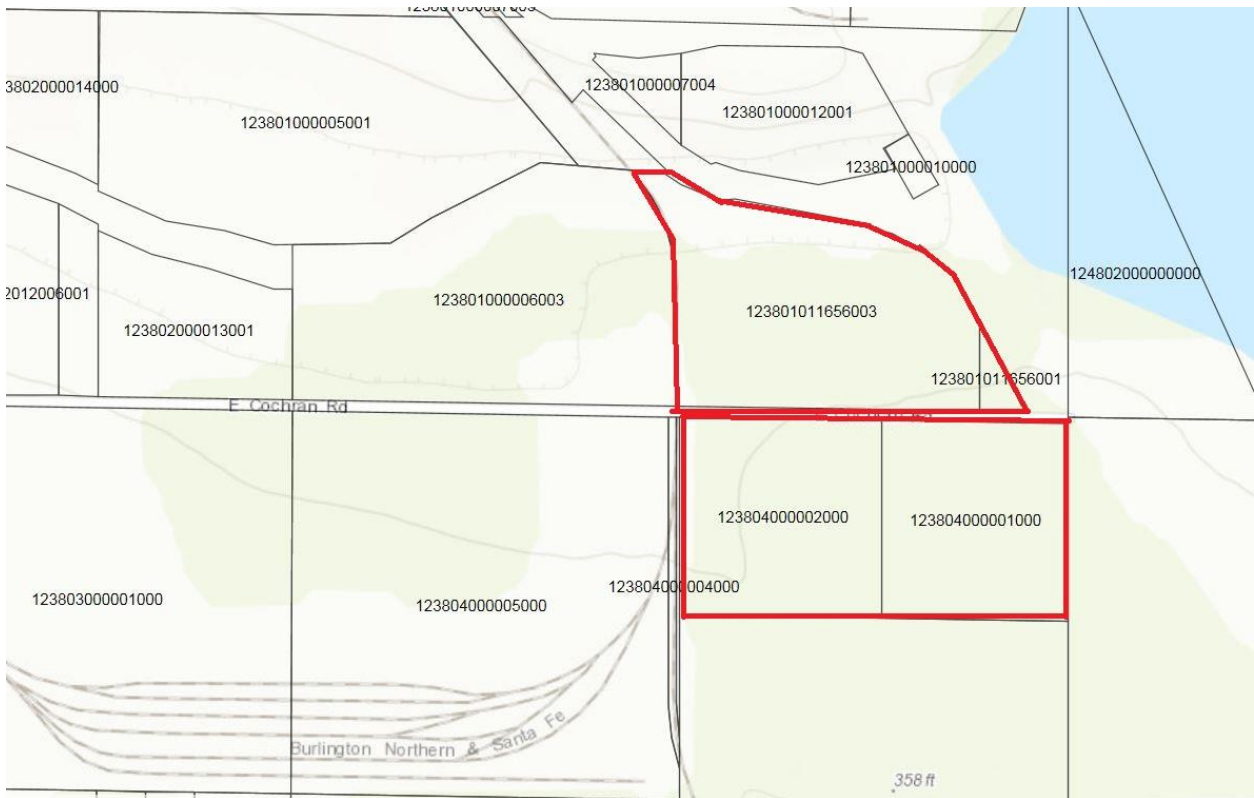
By: _____

KENNETH HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary

Resolution 2022-15
Exhibit A





AGENDA REPORT

TO: Port Commission
FROM: Tim Arntzen, CEO
MEETING DATE: May 24, 2022
AGENDA ITEM: Resolution 2022-16

I. REFERENCE(S): Resolution #2022-16

II. FISCAL IMPACT: \$48,815.25

III. DISCUSSION:

On May 25, 2021, the Commission voted to repay former Commissioner Barnes' legal fees related to a complaint alleging misconduct (the Citizen's Complaint). Commissioner Novakovich and staff questioned the propriety of repayment and Commissioner Novakovich abstained from voting for repayment. On January 19, 2022 the State Auditor's Office (SAO), during its routine audit of port operations, concluded that repayment was not authorized by law. The SAO issued the port a "management letter" related to the repayment and suggested that the port conduct further review to determine whether the former commissioner should be required to repay the port. That legal review has been conducted. It indicates that the Commission has the discretion to not seek repayment for legal fees. Although the legal opinion is well-reasoned, it is not binding on the SAO.

IV. ACTION REQUESTED OF COMMISSION:

Motion: I move that the Port Commission not seek repayment of legal fees related to the "Citizen's Complaint" from former Commissioner Barnes. I further move to approve all action by port officers and employees in furtherance hereof; and direct the Port CEO to take all action necessary in furtherance hereof.

PORT OF KENNEWICK

RESOLUTION No. 2022-16

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK
RELATED TO REPAYMENT OF LEGAL FEES***

WHEREAS, on May 25, 2021, the Commission voted to repay former Commissioner Barnes’ legal fees expended with respect to a complaint alleging misconduct (the Citizen’s Complaint); and

WHEREAS, Commissioner Novakovich abstained from the vote for repayment; and

WHEREAS, the State Auditor’s Office (SAO) concluded that repayment was not authorized by law; and

WHEREAS, the SAO issued the Port a “management letter” related to the repayment and suggested the Port determine whether the former Commissioner should be required to repay the Port; and

WHEREAS, legal review has been conducted, indicating that the Commission has the discretion to not seek repayment for legal fees; and

WHEREAS, the Commission is cognizant that the SAO is not bound by a Port legal opinion.

NOW, THEREFORE, BE IT RESOLVED that the Port Commission directs the Port CEO to not seek repayment of legal fees from former Commissioner Barnes, which were paid by the Port with respect to the “Citizen’s Complaint”; and further ratify and approve all action by Port officers and employees in furtherance hereof; and directs the Port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 24th day of May 2022.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____

SKIP NOVAKOVICH, President

By: _____

KEN HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary

LEGAL MEMORANDUM

To: Tim Arntzen, CEO, Port of Kennewick
From: Carolyn Lake, GLG PLLC
Date: 5/13/22
Re: Port Redistricting Overview

Redistricting Introduction, Purpose & Criteria

State Law (RCW 29A.76.010) requires the Port of Kennewick, along with all other counties, municipal corporations, and special purpose districts to assess their district boundaries every ten years, based on population information from the most recent federal decennial census.

The primary goals of redistricting are to re-assess whether the district areas from which Commissioners are elected (1) encompass balanced populations, i.e., to the extent possible hold equal populations of residents, and (2) are drawn based on logical geographical boundaries.

The specific criteria of State law are:

- (a) each commissioner district shall be as nearly equal in population as possible,
- (b) each district shall be as compact as possible, (avoiding circuitous, meandering, or finger-like boundaries),
- (c) each district shall consist of geographically contiguous,
- (d) Population data may not be used for purposes of favoring or disfavoring any racial group or political party, and
- (e) To the extent feasible district boundaries shall coincide with existing recognized natural boundaries and shall, to the extent possible, preserve existing communities of related and mutual interest.

Past Port Redistricting

At the Port of Kenwick, Commission district boundaries were previously revised in 1992 following the 1990 Census, were reviewed in 2000, at which time a determination was made that the district boundaries were consistent with State law requirements, and most recently, the Port district boundaries were updated in 2011 after Census data statistically demonstrated that the Port's population had substantially increased. Due to the growth at that time, primarily in south Kennewick, south Richland and West Richland, the previous current district boundaries were determined to no longer reflect an equal division of population as required by State law. As a result, after conducting the population and geographical analysis, holding the required a public hearing and receiving comments, the Commission adopted Resolution 2011-46 on November 22, 2011, which adopted the current district boundaries.

Current Proposed Redistricting Process

When redistricting was last undertaken, the Port utilized the computer mapping capabilities of an engineering firm (JUB Engineering) to create a draft boundary scenario which encompass the criteria of State law. Records from that year reflect that the public, the Port Commission and Port Management believed that process worked well, so it's proposed that the current redistricting assessment follow that process.

The Port has or will obtain the most recent Federal Census data. That data will be reviewed to determine the numbers of persons residing within the Port district. That number will be divided by three representing the number of Port districts to determine the ideal or target Commission district population. District boundaries will be proposed that best balance the target population within the three districts and which meet state law geographical criteria.

As applied to the Port of Kennewick, State law requires the Port complete this action by November 15, 2022. A public meeting on any new proposed districts must be held at least one week before adopting the Plan and be preceded by at least ten day's public notice.

Note: An appeal of the new districts can be lodged by any registered voter residing in an area affected by the redistricting plan. The appeal is to superior court and the deadline to appeal is fifteen days after the plan's adoption. The appeal must specify the reason or reasons alleged why the proposed plan is not consistent with the applicable redistricting criteria. Then:

- If the superior court finds the plan to be consistent with the requirements of this section, the plan shall take effect immediately.
- If the superior court determines the plan does not meet state law requirements, the Court remands the plan for further or corrective action within a specified and reasonable time period.
- If the superior court finds the appeal is frivolous or filed solely for purposes of harassment or delay, it may impose appropriate sanctions, including attorneys' fees and costs to the Port

For the current process, recommended Commission touch points include regular updates on the work, a workshop in September, the public hearing in October on the new districts' configurations if that action is deemed necessary to meet state law requirements, and last, if applicable, the Commission's adoption of a Resolution adopting the new district boundaries in late October.

Ultimately, when the Port District boundaries are finalized, all associated information is transmitted to the County Auditor for use in future election processes. Please advise if more information would be useful.

Memorandum

To: Commission
From: Tim Arntzen, CEO
Date: May 24, 2022
Re: Review of Port Commission Rules of Policy And Procedure

As I am sure each commissioner is aware, last year the then majority of the port commission authorized a full-blown review of virtually all port policies and other written documents, great and small. The task would have required a year to complete and likely would have taken focus from important community-driven objectives. The process would have been at substantial public expense as well.

In January, the current commission majority voted to not pursue the project and to remain focused on objectives of community importance, such as the opening of Vista Field.

By way of background, the initial policies were created in 2011 to address a few real-life situations that occurred during that time frame. The law firm of Foster Pepper was hired to review and re-write our policies; and they presented the document to the commission for adoption in 2011. The policies were slightly modified in in 2016 and again approved by the commission.

There is much wisdom in the majority decision to not attempt a global re-write of virtually all port policies and procedures. However, I recognize that a brief, “high altitude” review of the major policy document is prudent; and I have asked port counsel Carolyn Lake to provide that review. I will present all work product on this matter to the commission for review and potential action.