To continue to provide public access to meetings, Port of Kennewick will provide telephonic, video access,

and in-person participation options to the public.

To participate by telephone, please call in at: 1-866-899-4679, Access Code: 179-353-461 Or, join on-line at the following link: https://meet.goto.com/179353461

AGENDA

Port of Kennewick Regular Commission Business Meeting

Port of Kennewick Commission Chambers and via GoToMeeting 350 Clover Island Drive, Suite 200, Kennewick Washington

October 28, 2025 2:00 p.m.

- I. CALL TO ORDER
- II. ANNOUNCEMENTS AND ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. PUBLIC COMMENT (Please state your name and address for the public record)
- V. CONSENT AGENDA
 - A. Approval of Direct Deposit and ePayments October 17, 2025
 - B. Approval of Warrant Register Dated October 28, 2025
 - C. Approval of Regular Commission Meeting Minutes October 14, 2025
 - D. Approval to Surplus Property; Resolution 2025-20
- VI. ACTION ITEM
 - A. Columbia Gardens Lease; Resolution 2025-18 (AMBER)
 - B. Daybreak Commons Final Plan, Place Architecture; Resolution 2025-19 (LARRY)
 - C. CEO Proposed Performance Goal #10; Resolution 2025-21 (NICK)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS
 - A. Vista Field
 - 1. Harris & Smith Public Affairs Contract Extension (TANA)
 - B. Kennewick Waterfront
 - 1. Columbia Gardens Demonstration Vineyard (AMBER)
 - C. Partnership with Kennewick Police Department Foundation (SKIP)
 - D. CEO Report (if needed)
 - E. Commission Meetings (formal and informal meetings with groups or individuals)
 - F. Non-Scheduled Items (LISA/BRIDGETTE/TANA/NICK/AMBER/LARRY/MICHAEL/DAVID/CAROLYN/TIM/KEN/TOM/SKIP)
- VIII. PUBLIC COMMENT (Please state your name and address for the public record)
- IX. ADJOURNMENT



DRAFT

OCTOBER 14, 2025 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.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President

Kenneth Hohenberg, Vice President Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer

Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)

Nick Kooiker, CFO/Deputy Chief Executive Officer

Larry Peterson, Director of Planning Amber Hanchette, Director of Real Estate

Michael Boehnke, Director of Operations (via telephone) Bridgette Scott, Executive Assistant (via telephone) Lisa Schumacher, Special Projects Coordinator

David Phongsa, Marketing/Capital Projects Coordinator

Carolyn Lake, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated October 1, 2025
 Direct Deposit and E-Payments totaling \$108,302.50
- **B.** Approval of Warrant Register Dated September 24, 2025
 Expense Fund Voucher Number 107333 for a grand total of \$24,995.78
- C. Approval of Warrant Register Dated October 14, 2025

 Expense Fund Voucher Number 107334 through 107396 for a grand total of \$362,410.74
- D. Approval of Regular Commission Meeting Minutes September 23, 2025
- E. Acceptance of Visa Field Pavilion Project; Resolution 2025-17

<u>MOTION:</u> Commissioner Hohenberg moved to approve the Consent Agenda; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

OCTOBER 14, 2025 MINUTES

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PRESENTATION

A. Kendall Yards Night Market

Mr. Phongsa and Ms. Hanchette presented research from their recent tours to Spokane's Kendall Yards Night Market and the Scale House Market (*Exhibit A*).

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. Daybreak Commons Final Plan, Place Architecture

Mr. Peterson gave a brief history of Daybreak Commons Park at Vista Field and presented a plan for Commission discussion and consideration (*Exhibit B*). Mr. Peterson offered a few options for the tower and playground equipment and stated staff will bring back additional cost information based on today's comments. Additionally, Mr. Peterson inquired if the Commission approved of the placement of the potential ice rink and the landscaping.

Commissioner Moak stated he cannot give an answer as he does not have a clear vision of the rendering and stated previously, he was not in favor of an ice rink at Daybreak Commons.

Commissioner Hohenberg believes the rendering is spot on and it gives flexibility to add other amenities as we move forward and see more activity. Commissioner Hohenberg likes the playground equipment as well and stated the initial plan is good and likes the ability to improve it as we have the funds and resources available. Commissioner Hohenberg would like to see the Port move forward.

Commissioner Novakovich agrees with Commissioner Hohenberg's comments regarding flexibility and likes the thought process behind the ice rink concept and how it considers budget and costs. The Port has the flexibility to start the project and improve the site as funds become available. Commissioner Novakovich stated the playground equipment is great and believes that is something the Port should consider, while staying cost conscious and flexible.

Mr. Arntzen thanked the Commission for the feedback and reiterated the Commission's comments that they liked the base package, which includes design flexibility for the ice rink and the playground. Additionally, if we have a location for a tower, that can be added later.

Commissioner Novakovich stated that is correct

Mr. Arntzen will work with staff on the design plan and alternates and come back with a formal Resolution that includes alternatives and estimated costs.

B. Kennewick Waterfront

1. Columbia Gardens Update

Mr. Phongsa reported that The Local Bite, a Hawaiian food truck, opened at the food truck plaza on October 1, 2025, and stated that the plaza is full.

OCTOBER 14, 2025 MINUTES

DRAFT

2. EHB 1602 Collaborative Food Vendors/Liquors Licensees Update

Ms. Hanchette updated the Commission on the Engrossed House Bill 1602, which allows domestic breweries to subcontract with one or more individuals or entities, including mobile food trucks, to satisfy food service requirements necessary to obtain and maintain a beer and/or wine restaurant license. Ms. Hanchette and Ms. Bader Inglima spoke with Daniel Olsen from the Washington Brewers Guild, for additional insight. Mr. Olsen helped write the bill and stated the food truck plaza is exactly what the bill was intended to serve. The Port submitted comments (*Exhibit C*) and pictures of the food truck plaza to the liquor control board and hope they take our comments into consideration when implementing how permits are issued.

C. CEO Report

Mr. Arntzen reported on the following:

- The KIE land swap has been completed, and the fence has been installed;
- Has been considering revisiting the Columbia Gardens Master Plan for potential revisions.

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

Commissioners reported on their respective committee meetings.

E. Non-Scheduled Items

Mr. Kooiker will be presenting a biennial budget update soon.

Mr. Arntzen stated the Washington Public Ports Association Annual Meeting will be held November 19-21, 2025, in Tacoma. In addition to the Annual Meeting, the New Commissioner seminar will be held on November 18, 2025. Please let Ms. Scott know if you are interested in attending.

Commission Moak stated the Commission recently approved the close out contract for Game Inc. and the Vista Field Pavilion project and inquired when it might be open and the Port can start programming.

Mr. Peterson stated that programming has been put on hold until the Azure parking lot project is completed, which services lots 31-38. We are in the final stages of permitting; however, the pfas issue needs to be resolved before moving forward. Mr. Peterson anticipates a 2026 construction project and then programming can be discussed.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

OCTOBER 14, 2025 MINUTES

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With no further business to bring before the Board; the meeting was adjourned at 3:09 p.m.

APPROVED:	PORT of KENNEWICK BOARD of COMMISSIONERS
	Skip Novakovich, President
	Kenneth Hohenberg, Vice President
	Thomas Moak, Secretary



TRIP

INDIGENOUS EATS

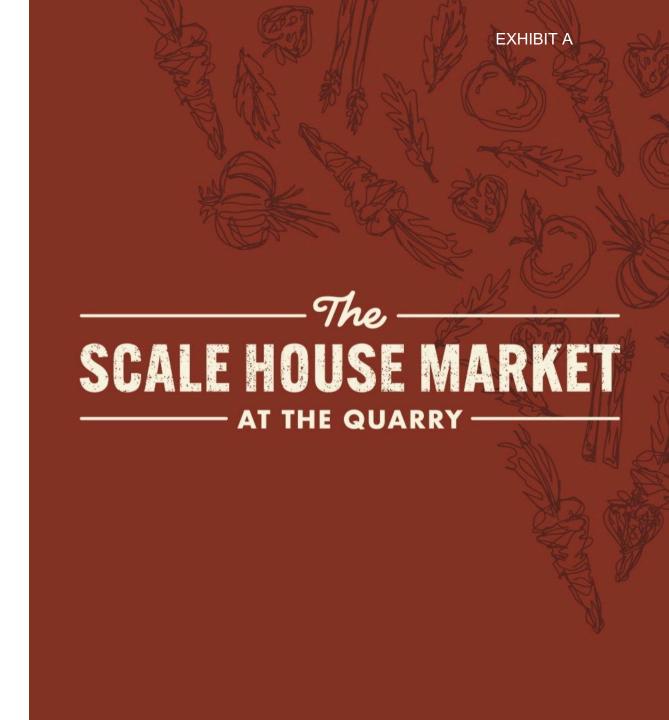
Located in Spokane, our dishes are inspired by Indigenous culture, combining traditional flavors with modern twists to create truly unique comfort food.



THE SCALE HOUSE MARKET

MEET • CONNECT • GROW

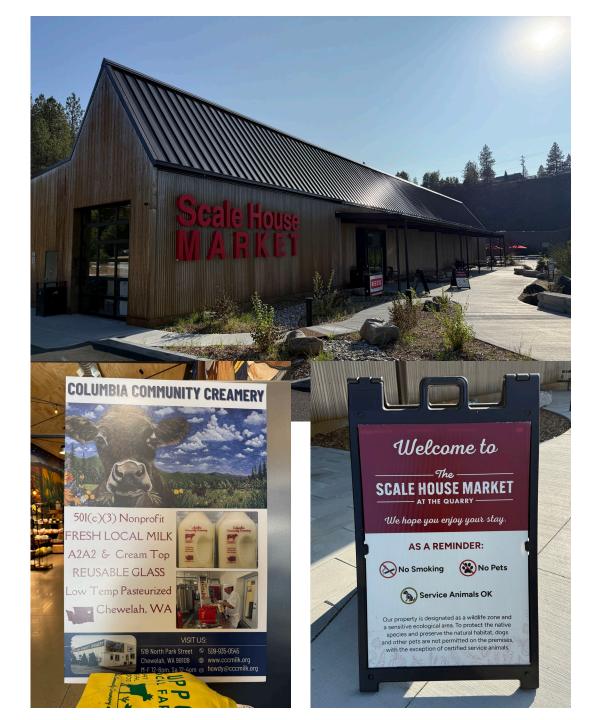
The Scale House Market is an innovative community space located in the heart of Spokane County. This project transforms a landmark building into our region's first permanent, year-round farmers market and agricultural hub.

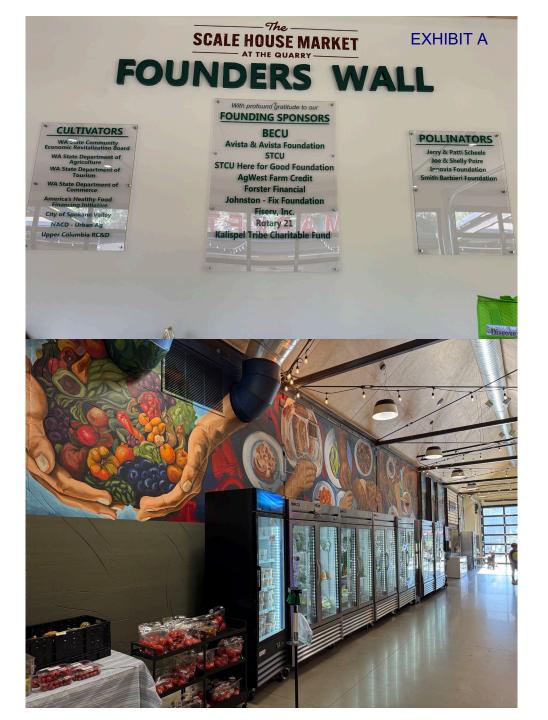




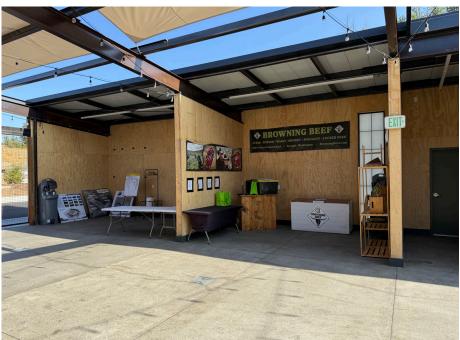


















KENDALLYARDS NIGHT MARKET

The Kendall Yards Night Market is dedicated to bringing community together. We feature Spokane and Inland Northwest farms and artisan food producers, local artists, and local musicians. We strive to strengthen community relationships between consumers and local food producers and artists helping our community to thrive.

2025 Night Market Wednesday evenings from 5:00-8:00 pm May 21st to September 17th



EXHIBIT A













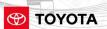


Rock the Nest









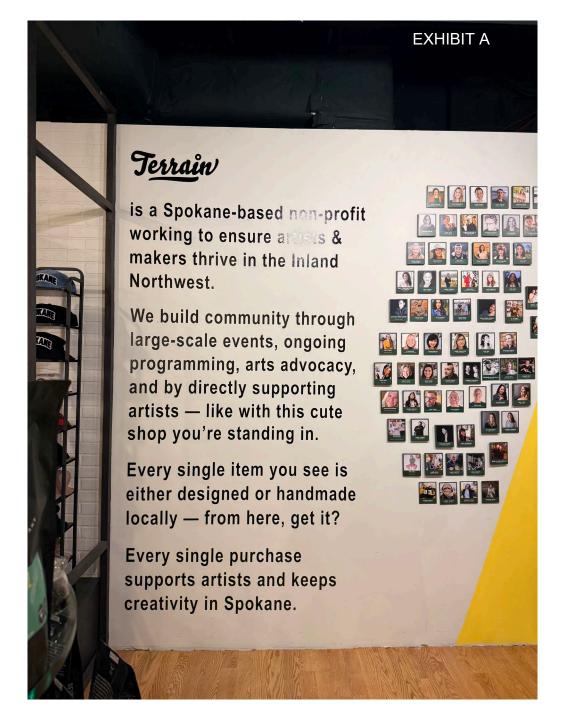




















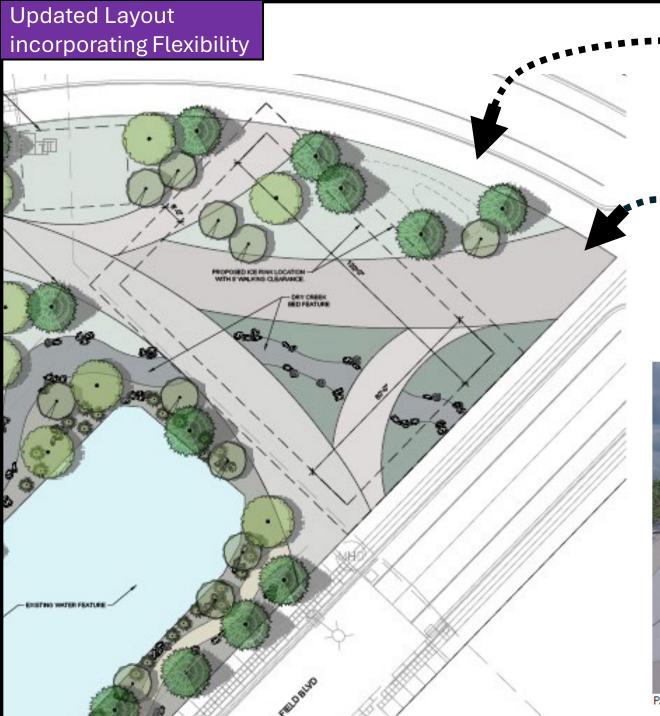
CONCEPT PLANT LEGEND

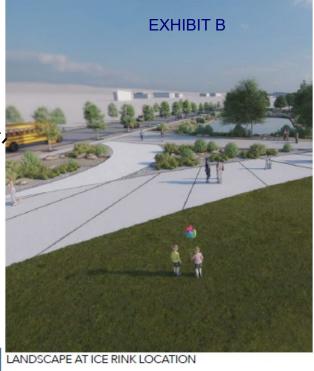


EXHIBIT B

CONCEPT PLAN

LP101







PAVING AT ICE RINK LOCATION

October 14, 2025



BRIDGE AT DRY CREEK



LARGE BERM OPEN SPACE



PREFABRICATED BRIDGE

SEATING



METAL SLAT BENCH

EXHIBIT B



GABION BENCH

LIGHTING AND BOLLARDS



VISTA FIELD METAL AREA LIGHT AND BOLLARDS

Oct. 2025 Layout



AIRCRAFT THEMED PLAYGROUND



Beyond budget

..... currently

ENTRY TOWER CONCEPTS



Port of Kennewick is pleased to offer comments related to EHB1602 regarding independent vendors providing food service to small breweries and the "restaurant/premises" requirements for independent food trucks.

Port of Kennewick applauds the passing of EHB1602 as a means of ensuring a variety of food options are readily available for customers enjoying an alcoholic beverage and providing new partnership options to small businesses entrepreneurs.

In fact, the Port's Columbia Gardens Artisan Village in east Kennewick, WA is exactly the type off collaborative partnership envisioned under the EHB1602 legislation.

Columbia Gardens Artisan Village currently features four tasting rooms (for breweries or wineries), a BBQ kitchen, and a Food Truck Plaza which provides electric power, water, grey-water utilities, oil catchment, and garbage containment under lease to food vendors. This set up was designed so that a variety of food options would be available to those enjoying beverages at the tasting rooms located with Columbia Gardens.

And as we understand it, EHB1602 was created to allow independent food vendors to fulfill the food requirement of the liquor licensees; which is a win-win for both small businesses.

The Food Truck Plaza is built adjacent to four tasting room buildings and has individual stalls accommodating six food trucks with additional space for pop-up vendors. As such, the Columbia Gardens Artisan Village development creates a cluster of small culinary entrepreneurs offering a variety of food options to those visiting the beer/wine tasting rooms.

The Columbia Gardens Artisan Village food vendors DO NOT sell any alcohol (specifically prohibited by their lease with Port of Kennewick); they ARE separate, and independent from any of the beer or wine tasting room spaces, and they DO NOT have access to any of the beer/wine businesses' taxable liquor sales/service/storage spaces.

We are so pleased that EHB1602 was established to recognize the value of this type of collaborative arrangement—whereby the food vendors may deliver/provide/serve a variety of culinary options to the adjacent brewery/winery guests who frequent that picturesque waterfront.

The convenience of brewery/winery businesses having their patrons served by food trucks/artisan village vendors may in fact increase the likelihood of patrons balancing their beverage intake with food consumption.

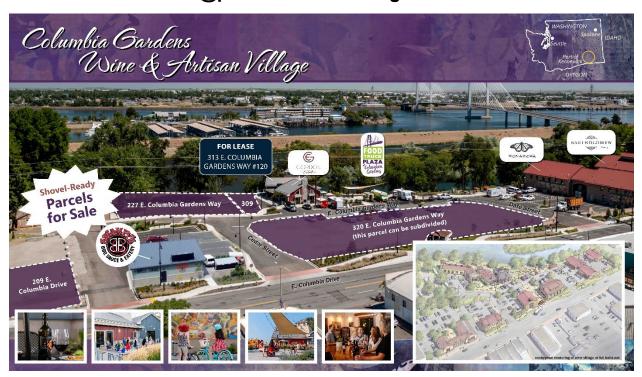
Also, this arrangement will likely spur increased visitation and patronage and foster greater investment by businesses in that targeted redevelopment area; thus, encouraging jobs, vibrancy and tax revenues generated within the historic waterfront district.

We wholeheartedly concur with EHB1602 in that having Columbia Gardens food vendors, who are licensed, regularly inspected, and required to comply with all state and local health and safety regulations, should satisfy the "food requirements" for liquor control purposes. And we trust the rulemaking process would clearly define, allow, and encourage this type of collaboration for public benefit.

We are hopeful these comments will prove beneficial in the rulemaking process—thus supporting and expanding jobs for micro-entrepreneurs.

Indeed, clarification of the visionary intent of EHB1602 can provide a better customer experience with a wider variety of food option; and enable breweries/wineries to stay competitive and attract more visitors without adding unnecessary operational burdens.

Amber Hanchette, Director of Real Estate, Port of Kennewick 509-586-1186 amber@portofkennewick.org



















AGENDA REPORT

TO: Port of Kennewick Commission

FROM: Nick Kooiker, Deputy CEO & Chief Financial Officer

MEETING DATE: October 28, 2025

AGENDA ITEM: Resolution 2025-20 and its Exhibit A, Approval to Surplus

Various Port Assets

I. REFERENCE(S): Resolution 2025-20 and Exhibit A

II. FISCAL IMPACT: Reporting purposes only. Removes various assets from Port's balance sheet for generally accepted accounting principles (GAAP).

III. DISCUSSION:

For Port property disposition, the Port Chief Executive Officer is directed to present to the Commission an itemized list of property along with a written certification that the property is no longer needed for Port purposes. The following asset items have been identified for surplus and disposal.

As part of the Port's standard replacement cycle, five outdated computers have been replaced and are no longer required for Port operations. Staff recommends Commission approval to surplus these items.

The Port completed the remodel of two existing hangars (Assets 936 and 937) at Vista Field, located at 6600 W. Deschutes Avenue. These structures were transformed into open-air pavilions known as the *Vista Field Southern Gateway*. In accordance with GASB guidance, a partial asset disposal is required under generally accepted accounting principles (GAAP) to accurately remove the replaced asset portions from the Port's capital asset records. The Commission formally accepted the Southern Gateway project completion with Resolution 2025-17 on October 14, 2025, which will serve as the disposal date for the partial hangar assets. The Port's CPA will coordinate with GASB and the State Auditor's Office (SAO) to ensure accurate calculations and documentation of the partial disposals.

In addition, the Port's CPA and Operations Director have jointly reviewed the asset depreciation schedule and identified several assets that were replaced or removed during remodels and improvement projects. These include:

• Oak Street Development Buildings DB-A and DB-B – Remodeled on December 31, 2013; several component assets were replaced and need to be removed.

- Vista Field Development Buildings A and B (VFDF-A and VFDF-B) Remodel accepted by Resolution 2025-07 on March 25, 2025; several replaced assets require removal.
- Clover Island Metz Plaza Damaged and demolished December 27, 2023; Assets 1050 and 1113 require removal.
- Clover Island Restroom Substantially replaced during the April 1, 2025 remodel; Asset 31 requires removal.
- Clover Island Road Improvements Significant improvements completed February 28, 2009; several underlying assets were replaced that requires removal.
- **Port Shop Remodel** Completed September 1, 2025; assets 1129, 943, and 1325 were remodeled/demolished or broken that require removal.

IV. STAFF RECOMMENDATION:

Approve Resolution 2025-20 authorizing to surplus and properly dispose of the identified assets in accordance with Port policy and for GAAP accounting purposes.

V. ACTION REQUESTED OF COMMISSION:

I move approval of Resolution 2025-20 authorizing disposal of all assets within Exhibit A and formally allow the accounting department to remove the assets from the balance sheet in accordance with GAAP.

PORT OF KENNEWICK

RESOLUTION 2025-20

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER TO SELL AND CONVEY SURPLUS PROPERTY

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 28th day of October, 2025, a quorum of the Commissioners being present; and

WHEREAS, from time to time it is necessary to surplus items no longer needed for Port District purposes; and

WHEREAS, RCW 53.08.090 provides that the Port Commissioners may authorize the Port Chief Executive Officer to sell and convey surplus property; and

WHEREAS, prior to each such disposition of Port property, the Port Chief Executive Officer is directed to present to the Commission an itemized list of the property and to make written certification that the listed property is no longer needed for Port District purposes.

NOW, THEREFORE, **BE IT RESOLVED** the Port of Kennewick Commissioners authorize the Chief Executive Officer to surplus Port property no longer needed for Port purposes as attached in "Exhibit A".

ADOPTED by the Board of Commissioners of Port of Kennewick this 28th day of October 2025.

PORT of KENNEWICK BOARD of COMMISSIONERS

By:
SKIP NOVAKOVICH, President
By:
KENNETH HOHENBERG, Vice President
By:
THOMAS MOAK, Secretary

RESOLUTION 2025-20

"Exhibit A"

Asset -1	Property Description	Date in Service ▼		Cost 🔻		Book Value ▼	Disposal Reason 🔻	Comments
	Dell Computer	12/01/21		1,292.75	\$		Broken - Dispose	
	Dell Optiplex 9020 Computer	3/10/2015	\$	850.61	\$	-	Broken - Dispose	
	Dell Precision BTX	1/1/2020	\$	1,126.11	\$		Broken - Dispose	
	Dell Lattitude Laptop	11/1/2020	\$	1,520.91	\$	-	Broken - Dispose	
	Dell Precision 3260	12/1/2022	\$	1,758.76	\$	674.19	Broken - Dispose	
_	Hangar Purchase - 6600 W. Deschutes #C	12/31/07		607,425.33	\$		Partially Replaced - Pavillions Remodel	Resolution 2025-17 on 10/14/25
937	Hangar Purchase - 6600 W. Deschutes #B	12/31/07		607,914.00	\$	-	Partially Replaced - Pavillions Remodel	Resolution 2025-17 on 10/14/25
	Engineering DB-A	4/13/99		11,889.50	\$	-	Replaced during Remodel	Replaced on 12/31/13
	Reroof/HVAC DB-A	5/11/99		292.95	\$		Replaced during Remodel	Replaced on 12/31/13
_	Reroof/HVAC DB-A	6/08/99		253.20	\$		Replaced during Remodel	Replaced on 12/31/13
	Reroof/HVAC DB-A	11/09/99		82,049.80	\$		Replaced during Remodel	Replaced on 12/31/13
	Reroof/HVAC DB-A	12/31/99		1,498.85	\$,	Replaced during Remodel	Replaced on 12/31/13
	Reroof/HVAC DB-A	3/14/00		186,597.55	\$		Replaced during Remodel	Replaced on 12/31/13
_	Gutters DB-A	3/31/2003	\$	1,299.60	\$,	Replaced during Remodel	Replaced on 12/31/13
	DB1 HVAC System DB-A	12/31/2005	_	173,394.45	\$		Replaced during Remodel	Replaced on 12/31/13
	Electrical & HVAC DB-B	8/15/88	٧	14,410.98	ب		Replaced during Remodel	Replaced on 12/31/13
	Electrical & HVAC DB-B Electrical Equipment DB-B	4/15/90		847.31			Replaced during Remodel	Replaced on 12/31/13
	Electrical System Improvements DB-B	8/15/90	Г	4,030.10	\$		Replaced during Remodel	Replaced on 12/31/13
		4/15/91		2,228.32	-		Replaced during Remodel	
	Oak Street Development Building DB-B				_			Replaced on 12/31/13
	Oak Street Development Building DB-B	7/15/91 9/15/93		1,038.49	\$		Replaced during Remodel	Replaced on 12/31/13
	Blue Prints DB-B			581.04	_		Replaced during Remodel	Replaced on 12/31/13
	Architects DB-B	11/30/96		775.00	_		Replaced during Remodel	Replaced on 12/31/13
	Engineering DB-B	9/29/98		5,025.90	-		Replaced during Remodel	Replaced on 12/31/13
	Improvements DB-B	11/24/98		4,133.16	\$		Replaced during Remodel	Replaced on 12/31/13
	Title Report DB-B	12/31/98		27.00	\$		Replaced during Remodel	Replaced on 12/31/13
	Title Report DB-B	12/31/98		27.00	\$	18.53	Replaced during Remodel	Replaced on 12/31/13
	Legal Ad DB-B	8/08/00		68.34	\$		Replaced during Remodel	Replaced on 12/31/13
	Engineering DB-B	10/10/00		1,105.61	\$		Replaced during Remodel	Replaced on 12/31/13
	Building Improvements - VFDF A	6/15/90		22,394.84	\$		Replaced during Remodel	Resolution 2025-07 on 3/25/25
	1993 Improvements - VFDF A	11/15/93		13,070.96	\$		Replaced during Remodel	Resolution 2025-07 on 3/25/25
	Contractors & Architect - VFDF A	12/15/93		20,704.45	\$		Replaced during Remodel	Resolution 2025-07 on 3/25/25
	Leasehold Improvements - VFDF A	6/15/94		3,271.73	\$		Replaced during Remodel	Resolution 2025-07 on 3/25/25
_	Roofing - VFDF A	12/15/94		75,294.08			Replaced during Remodel	Resolution 2025-07 on 3/25/25
	Addition to Building-Engineering - VFDF A	12/15/94		583.77			Replaced during Remodel	Resolution 2025-07 on 3/25/25
	Parking Space - VFDF A	2/10/98		286.20	_		Replaced during Remodel	Resolution 2025-07 on 3/25/25
	Building - VFDF A	2/24/98		87,290.51	\$		<u> </u>	Resolution 2025-07 on 3/25/25
372	Engineering - VFDF A	3/24/98		2,128.00	_		Replaced during Remodel	Resolution 2025-07 on 3/25/25
378	Building - VFDF A	4/14/98		62.99	-			Resolution 2025-07 on 3/25/25
401	Engineering - VFDF A	6/23/98		171.00	\$	53.30	Replaced during Remodel	Resolution 2025-07 on 3/25/25
427	Irrigation System - VFDF A	8/25/98		96.45	_	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
650	Flooring - VFDF A	10/10/00		4,000.00	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
734	Bathroom remodel - VFDF A	3/31/03		4,819.00	\$	2,008.01	Replaced during Remodel	Resolution 2025-07 on 3/25/25
735	Wheelchair ramp - VFDF A	5/31/03		1,732.80	\$	729.42	Replaced during Remodel	Resolution 2025-07 on 3/25/25
737	Tile Work-bathroom remodel - VFDF A	11/30/03		2,383.00	\$	1,033.71	Replaced during Remodel	Resolution 2025-07 on 3/25/25
944	Building Improvements - New Door (Keymaster) - VFD	3/31/07		2,726.99	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
501	Engineering VFDF B	12/29/98		1,023.02	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
695	Roof-Mounted Exhaust Fan VFDF B	12/30/02		4,115.40	\$	329.14	Replaced during Remodel	Resolution 2025-07 on 3/25/25
773	Air Compressor - One World Tel. VFDF B	7/27/04		2,722.66	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
807	VFDF #2 Floor Improvements VFDF B	11/30/05		7,911.32	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
901	Lennox Heat Pump VFDF B	5/31/06		2,086.94	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
902	4 t 460 V 30 Amp Air C VFDF B	8/31/06		2,599.20	\$	-	Replaced during Remodel	Resolution 2025-07 on 3/25/25
1050	CI Metz Plaza	12/31/09		141,591.74	\$	-	Damaged - Dispose	Removed 12/27/23
1113	Metz Construction Close Out	3/31/11		1,516.20			Damaged - Dispose	Removed 12/27/23
	Clover Island Restroom	11/15/75		33,913.39			Replaced during Remodel	Subtantially Replaced 4/1/25
21	Sewerline	4/15/72		9,677.50		0.00	Replaced	Replaced in 2/28/2009
	Waterline	12/15/75		19,984.84	+		Replaced	Replaced in 2/28/2009
	Clover Island Road Improvements	12/15/91		45,915.93			Replaced	Replaced in 2/28/2009
_	Clover Island Road Improvements	12/15/92		59,601.96	_		Replaced	Replaced in 2/28/2009
	HVAC Unit 2ton Vision Pro 8000	7/31/12		5,481.01	Ť) Broken - Dispose	Port Shop Remodel 9/1/25
								· · · · · · · · · · · · · · · · · · ·
	Oak St DBLot3 - Markland Pacific	6/30/07		19,059.66	5	10,018.53	Damaged - Demo	Port Shop Remodel 9/1/25

Contractors & Architect - VFDF A	12/15/93	20,704.45	\$ -	Replaced during Remodel	Resolution 2025-07 on 3
easehold Improvements - VFDF A	6/15/94	3,271.73	\$ 681.07	Replaced during Remodel	Resolution 2025-07 on 3
Roofing - VFDF A	12/15/94	75,294.08	\$ -	Replaced during Remodel	Resolution 2025-07 on
Addition to Building-Engineering - VFDF A	12/15/94	583.77	\$ -	Replaced during Remodel	Resolution 2025-07 on
Parking Space - VFDF A	2/10/98	286.20	\$ -	Replaced during Remodel	Resolution 2025-07 on
Building - VFDF A	2/24/98	87,290.51	\$ 26,550.94	Replaced during Remodel	Resolution 2025-07 on
ingineering - VFDF A	3/24/98	2,128.00	\$ 651.70	Replaced during Remodel	Resolution 2025-07 on
Building - VFDF A	4/14/98	62.99	\$ 19.42	Replaced during Remodel	Resolution 2025-07 on
ingineering - VFDF A	6/23/98	171.00	\$ 53.30	Replaced during Remodel	Resolution 2025-07 on
rrigation System - VFDF A	8/25/98	96.45	\$ -	Replaced during Remodel	Resolution 2025-07 on
looring - VFDF A	10/10/00	4,000.00	\$ -	Replaced during Remodel	Resolution 2025-07 on
Bathroom remodel - VFDF A	3/31/03	4,819.00	\$ 2,008.01	Replaced during Remodel	Resolution 2025-07 on
Wheelchair ramp - VFDF A	5/31/03	1,732.80	\$ 729.42	Replaced during Remodel	Resolution 2025-07 on
ile Work-bathroom remodel - VFDF A	11/30/03	2,383.00	\$ 1,033.71	Replaced during Remodel	Resolution 2025-07 on
Building Improvements - New Door (Keymaster) - VFD	3/31/07	2,726.99	\$ -	Replaced during Remodel	Resolution 2025-07 on
ingineering VFDF B	12/29/98	1,023.02	\$ -	Replaced during Remodel	Resolution 2025-07 on
Roof-Mounted Exhaust Fan VFDF B	12/30/02	4,115.40	\$ 329.14	Replaced during Remodel	Resolution 2025-07 on
Air Compressor - One World Tel. VFDF B	7/27/04	2,722.66	\$ -	Replaced during Remodel	Resolution 2025-07 on
/FDF #2 Floor Improvements VFDF B	11/30/05	7,911.32	\$ -	Replaced during Remodel	Resolution 2025-07 on
ennox Heat Pump VFDF B	5/31/06	2,086.94	\$ -	Replaced during Remodel	Resolution 2025-07 on
t 460 V 30 Amp Air C VFDF B	8/31/06	2,599.20	\$ -	Replaced during Remodel	Resolution 2025-07 on
CI Metz Plaza	12/31/09	141,591.74	\$ -	Damaged - Dispose	Removed 12/27/23
Metz Construction Close Out	3/31/11	1,516.20	\$ 25.27	Damaged - Dispose	Removed 12/27/23
Clover Island Restroom	11/15/75	33,913.39	0.00	Replaced during Remodel	Subtantially Replaced 4
Sewerline	4/15/72	9,677.50	0.00	Replaced	Replaced in 2/28/2009
Vaterline	12/15/75	19,984.84	0.00	Replaced	Replaced in 2/28/2009
Clover Island Road Improvements	12/15/91	45,915.93	\$ 101.60	Replaced	Replaced in 2/28/2009
Clover Island Road Improvements	12/15/92	59,601.96	\$ -	Replaced	Replaced in 2/28/2009
IVAC Unit 2ton Vision Pro 8000	7/31/12	5,481.01	0.00	Broken - Dispose	Port Shop Remodel 9/1
Dak St DBLot3 - Markland Pacific	6/30/07	19,059.66	\$ 10,018.53	Damaged - Demo	Port Shop Remodel 9/1
HVAC Upgrades	6/01/21	40,149.42	\$ 27,881.53	Damaged - Demo	Port Shop Remodel 9/1
CFO/Auditor Certification:	Nick Kooi	ker		Date	

Date

AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate

MEETING DATE: October 28, 2025

AGENDA ITEM: 5-Year Lease – Wheat Head Brewing Company

I. REFERENCE(S):

Commercial lease dated November 1, 2025 Resolution 2025-18

II. DISCUSSION:

Through the port's Historic Waterfront District master plan process (June 22, 2021), community and stakeholder feedback led to recommendations for Columbia Gardens that would enhance the thriving winery setting including the addition of breweries.

When space recently became available at 313 E. Columbia Gardens Way Suite 120 in the Columbia Gardens Wine & Artisan Village, staff reached out to a few breweries to gauge their level of interest. Wheat Head Brewing Co. expressed interest in the waterfront opportunity as a complement to their young operation currently experiencing tremendous success in the Horse Heaven Hills of Tri-Cities. www.WheatHeadBrewingCo.com

Owner/Entrepreneurs Loren Miller along with Tina & Trevor Phillips are eager to encourage other small businesses in Columbia Gardens by allowing the Columbia Gardens food trucks and Swampy's BBQ to be their go-to source for food service at *Wheat Head on the Water*.

Terms of Lease:

- 5-year lease beginning November 1, 2025.
 - O Years 1-3 fixed, years 4-5 with a month-to-month option.
- \$1,393.88 per month plus LET.
- 3% annual rent escalation beginning 1/1/2027.
- \$3,540.50 deposit

Port provided space modifications:

- Small walk-in cooler within prep space
- Small 3-bay sink within prep space
- Wall modification beverage system

III. ACTION REQUESTED OF COMMISSION:

Discussion and consideration of a new 5-year commercial lease with Wheat Head Brewing Company. Should the Commission wish to move forward, a suggested motion is as follows:

MOTION: I move approval of Resolution 2025-18 approving a 5-year commercial lease with Wheat Head Brewing Co.; and that all action by port officers and employees in furtherance hereof is ratified and approved; and further, the Port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

PORT OF KENNEWICK

Resolution No. 2025-18

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A FIVE-YEAR COMMERCIAL LEASE WITH WHEAT HEAD BREWING CO.

WHEREAS, the Port of Kennewick (the "Port") owns certain real estate and improvements located at 313 E. Columbia Gardens Way, Suite 120, Kennewick, WA 99336 (the "Property"); and

WHEREAS, the Port of Kennewick (Port) is authorized by state law to enter into leases of real property upon such terms and conditions as the Port Commission deems proper; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed lease attached hereto as **Exhibit A** (the "Lease Agreement"), and find it is in proper form, and it is in the Port's best interest.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve the attached Lease Agreement with Wheat Head Brewing Company LLC related to the Property.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action all action necessary and can pay all expenses necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the <u>28th</u> day of <u>October</u>, <u>2025</u>.

PORT of KENNEWICK

ROARD of COMMISSIONERS

	of commission and
By:	
	SKIP NOVAKOVICH, President

By: _____

KENNETH HOHENBERG, Vice President

By:_____

THOMAS MOAK, Secretary

COMMERCIAL PROPERTY LEASE AGREEMENT

PORT OF KENNEWICK, LANDLORD

AND

WHEAT HEAD BREWING COMPANY, LLC, TENANT

313 E. COLUMBIA GARDENS WAY #120, KENNEWICK
COLUMBIA GARDENS WINE & ARTISAN VILLAGE

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PORT OF KENNEWICK LEASE AGREEMENT (Commercial Property)

THIS COMMERCIAL LEASE (this "Lease Agreement"), is entered into this <u>1st</u> day of <u>November</u>, 2025 (the "Effective Date"), by and between the <u>PORT OF KENNEWICK</u>, a Washington municipal corporation (as "Landlord") and <u>WHEAT HEAD BREWING</u> <u>COMPANY LLC</u>, a Washington Limited Liability Company (as "Tenant"), who may be collectively referred to herein as the "Parties."

RECITALS

- A. Landlord is the sole owner of the Premises described below, and desires to lease the Premises to a suitable Tenant for a business purpose; and
- B. Tenant desires to lease the Premises described below for the purpose of taproom; and
- C. The Parties desire to enter a lease agreement defining their rights, duties and liabilities relating to the Premises; and

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the Parties agree as follows:

AGREEMENT

BASIC LEASE PROVISIONS

The following Basic Lease Provisions are hereby incorporated herewith as part of this Lease Agreement:

1.	Effective Date:	November 1, 2025.
2.	Landlord:	Port of Kennewick, a Washington municipal Corporation
3.	Tenant:	WHEAT HEAD BREWING COMPANY LLC
4.	Premises:	The Premises shall mean the real property
		located at 313 E. Columbia Gardens Way #120, Kennewick WA 99336, as described on Exhibit "A" attached hereto and incorporated herein by

		reference, and any improvements located thereon.
5.	Permitted Use:	Check all that apply: Light manufacturing; Wholesale receiving/shipping; Administrative offices Other: X (Describe) Taproom
6.	Term:	Commencing on the Lease Commencement Date and terminating on the Expiration Date.
7.	Lease Commencement Date:	The date which is the <u>earlier</u> of (a) <u>November 1, 2025</u> , and (b) the date Tenant begins using the Premises for any reason.
8.	Expiration Date:	October 31, 2030.
9.	Annual Price Per Square Foot:	\$13.50 psf
		3% annual rent escalation beginning 1/1/2027.
		See exhibit D – calculation spreadsheet
10.	Total Square Feet Leased:	1,239 SF
11.	Base Monthly Rent (without LET):	11/1/2025, 12/1/2025, 1/1/2026 \$178.97 per month Leasehold Tax Only
		2/1 - 12/31/2026 \$1,393.88 1/1 - 12/31/2027 \$1,435.69 1/1 - 12/31/2028 \$1,478.76 1/1 - 12/31/2029 \$1,523.12 1/1 - 10/31/2030 \$1,568.82
12.	Leasehold Tax (LET):	Current Washington State Leasehold Tax shall be added to Base Rent. Current effective rate is 12.84% (as of 2025).

13. Total	1/1 - 1/1 -	12/31/2026 \$1,572.85 12/31/2027 \$1,620.03 12/31/2028 \$1,668.64 12/31/2029 \$1,718.69 10/31/2030 \$1,770.25
14.	Monthly Utilities:	See Article 7.
15.	Rent Due Date:	The Lease Commencement Date and the first day of each month thereafter.
16.	Financial Security:	Check all that apply: X\$ 3,540.50 deposit; Corporate surety bond; X Personal Guaranty (Exhibit B); Other financial security:
17.	Landlord's Address for Notices and Rent Payments: Tenant's Address for Notices:	Port of Kennewick 350 Clover Island Drive, Suite 200 Kennewick, WA 99336 Wheat Head Brewing Co.
		c/o Tina Phillips 92308 E. Locust Grove Rd, Kennewick, WA 99338
18.	Exhibits:	Exhibit A: Legal Description of Premises Exhibit B: Personal Guaranty Form Exhibit C: Standard Sign Criteria Exhibit D: Calculation Spreadsheet Exhibit E: Tenant Improvements

ARTICLE 1 PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Premises, which Premises are more particularly described in the Basic Lease provisions above.

ARTICLE 2 USE OF PREMISES

Tenant shall occupy and use the Premises for such uses as described in the Basic Lease provisions above. Tenant may not use the Premises for any other business purpose except as may be authorized in writing by Landlord at Landlord's sole discretion. No smoking shall be allowed within any portion of the Premises and within twenty-five (25) feet of all entryways.

Landlord shall give Tenant and its authorized representatives, the nonexclusive and reasonable right to use the Common Areas in Tenant's ordinary course of business, provided however, that such use is consistent with the purposes of the Common Areas. The term "Common Areas" means areas and facilities outside the Premises that are provided for the general use and convenience of Tenant and of other Tenants and their respective authorized representatives, guests, and invitees. Common Areas include, without limitation, landscaped areas, public lobbies and hallways, sidewalks, loading areas, parking areas, service corridors and restrooms. Tenant shall not store any items or objects in Common Areas except as authorized in writing by Landlord.

Tenant shall not create, maintain nor permit on the Premises any nuisance and shall, at Tenant's expense, at all time keep the Premises in an orderly, clean, sanitary and safe condition.

ARTICLE 3 TERM

The Term hereof shall commence on the Lease Commencement Date defined in the Basic Lease Provisions and shall terminate on the Expiration Date defined in the Basic Lease Provisions, unless earlier terminated pursuant to the terms herein. The Parties understand and agree that after the completion of the first thirty-six (36) months of the Term, Tenant may elect, in writing, to convert this Lease Agreement to a month-to-month arrangement for the remaining twenty-four (24) months of the Term. Notwithstanding the foregoing, this Lease Agreement shall expire no later than October 31, 2030 (the "Expiration Date").

ARTICLE 4 RENT

4.1 <u>Amount of Payments.</u> On or before the first day of each month of this Lease, Tenant shall pay to Landlord the Total Monthly Rent and all other assessment, charges, and fees as provided in this Article 4 and as otherwise set forth in this Lease, at the Landlord's address set forth in the Basic Lease Provisions.

- 4.2 <u>Late Fee.</u> If any sums payable by Tenant to Landlord under this Lease Agreement are not received by the fifteenth (15th) day of the month in which they are due, Tenant shall pay Landlord an additional amount for the cost of collecting and handling such late payment as a late fee in an amount equal to the greater of (i) Fifty Dollars (\$50.00), or (ii) five percent (5%) of the overdue amount.
- 4.3 <u>Interest.</u> In addition to any applicable late fees, 12% APR interest (1% per month), shall be applied to the total unpaid balances calculated from the original due date to the date of payment.
- 4.4 Non-Sufficient Funds (NSF). If a Tenant check is returned by the bank for any reason, Tenant shall pay a NSF fee of Fifty Dollars (\$50) for administrative costs related to collecting and handling such returned check. The Tenant shall also pay any associated bank fees charged to the Port related to the returned check. Landlord may require, at Landlord's sole discretion that Tenant's future payments be made by cash, cashier's check or money order.

Landlord and Tenant hereby agree that these charges represent a fair and reasonable estimate of what the Landlord might incur by reason of Tenant's late or NSF payment. These fees are due and payable with the current rent payment. Landlord's acceptance of any late charge, interest or NSF fee shall not be deemed an extension of the date rent is due or prevent Landlord from exercising any other rights or remedies under this Lease.

The Landlord reserves the right to revise its policy regarding late payment, interest and NSF check charges without notice to Tenant.

ARTICLE 5 FINANCIAL SECURITY

In compliance with the requirements of the state law, Tenant agrees that it will secure the performance of the rental portion of this Lease Agreement by providing a Personal Guaranty in the form as set forth in Exhibit "B" and one or more of the following: (1) a deposit in the amount set forth in the Basic Lease Provisions, or (2) procuring and maintaining, during the term of this Lease, a corporate surety bond ("Bond"), or (3) by providing other financial security satisfactory to Landlord.

The Bond shall be in a form and issued by a surety company acceptable to Landlord and shall comply with the requirements of Washington law. Tenant shall obtain such Bond and forward evidence thereof to Landlord within fourteen (14) days of execution of this Lease, but in no event later than the Lease Commencement Date. Failure to comply with this requirement shall be grounds for immediate termination of this Lease Agreement without notice by Landlord. Such Bond shall be kept in effect during the term of this Lease; failure to comply with this requirement shall render Tenant in default. The Bond shall be increased to reflect any increases in Rent.

Upon any default by Tenant of its obligations under this Lease, Landlord may collect on the Bond to offset the Tenant's liability to Landlord. Collection on the Bond shall not relieve Tenant of liability, shall not limit any of Landlord's other remedies, and shall not reinstate or cure the default or prevent termination of the Lease Agreement because of the default.

ARTICLE 6 TAXES & ASSESSMENTS

- 6.1 <u>Property Taxes.</u> Landlord will pay property tax on Premise's real property and any building or structure that is permanently attached to the real property, unless such building or structure is added after the Effective Date of this Lease Agreement at the request of Tenant.
- 6.2 <u>Personal Property Taxes</u>. Tenant shall pay when due all license fees, public charges, taxes and assessments on the Tenant-owned trade fixtures, furniture, other fixtures, equipment, inventory and all other personal property of or being used by Tenant in the Premises, whether or not owned by Tenant.
- Additional Taxes/Assessments; Leasehold Excise Tax (LET). Tenant shall also pay: (a) all special taxes and assessments (including irrigation assessments) or license fees now or hereafter levied, assessed or imposed by law or ordinance, by reason of Tenant's use of the Premises; (b) all business and occupation tax and any tax, assessment, levy or charge assessed on the Rent paid under this Lease; (c) the statutory leasehold excise tax imposed in connection with the Rent due hereunder or otherwise due as a consequence of this Lease; and (d) any excise, transaction, sales, privilege, or other tax (other than net income and/or estate taxes) now or in the future imposed by the city, county, state or any other government or governmental agency upon Landlord and attributable to or measured by the Rent or other charges or prorations payable by Tenant pursuant to this Lease.

ARTICLE 7 UTILITIES

Tenant shall be solely responsible to Landlord for the payment of all assessments, charges and/or fees pertaining to the Premises, including but not limited to, water assessments, charges for public utilities, license and permit fees which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees to Landlord when due.

Landlord shall pay all assessments, charges and/or fees for shared sewer, garbage, common area utilities and maintenance. Landlord shall pay water assessments if water is not separately metered to the Premises. Tenant shall be solely responsible for payment of all separately metered electrical and water assessments charged to the Premises. Tenant shall pay all such charges directly to utility provider when due. Tenant shall be solely responsible for all separately metered electrical and water assessments which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees when due.

Electricity Meters Assigned to Tenar	nt: <u>23971</u>
Water Meters Assigned to Tenant:	<u>n/a</u>

<u>Interruptions</u>: There shall be no abatement of rent and Landlord shall not be liable for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Landlord's reasonable control or in cooperation with governmental request or directions.

ARTICLE 8 INSURANCE

- 8.1 <u>Insurance.</u> Tenant, at its own expense, shall provide and keep in force all insurance deemed appropriate for the purposes that the Premises are to be used and with companies reasonably acceptable to Landlord, including but not limited to the following:
 - (c) Commercial General Liability Insurance. Commercial General Liability (CGL) insurance for the benefit of Landlord and Tenant jointly against liability for bodily injury and property damage for a combined single limit of not less than One Million Dollars (\$1,000,000) for any one occurrence for this location, including coverage for contractual liability and personal injury, with a \$2,000,000 aggregate limit;. Landlord reserves the right to require higher liability limits and/or to change insurance requirements at any time during the term of the lease with thirty (30) days' notice to Tenant.
 - (d) <u>Statutory Workers' Compensation</u>. Statutory Workers' Compensation, including at least \$250,000 Employer's Contingent Liability (Stop Gap) coverage in Tenant's commercial general liability insurance.
 - (e) <u>Automobile Liability Insurance.</u> Automobile Liability Insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000, including all owned, non-owned and hired vehicles and covering claims for damages because of bodily injury or death of any person or property damage arising out of ownership, maintenance or use of any motor vehicle.
 - (f) Property Insurance. Property insurance covering all leasehold improvements to the Premises, furniture, fixtures, equipment, inventory and other personal property located on the Premises (and, at Landlord's election, on all buildings and other improvements now or hereafter existing at the Premises) in an amount of not less than one hundred percent (100%) insurable replacement value minimum co-insurance of 80%, "Special Form—Causes of Loss", with Flood Insurance if Landlord reasonably deems such insurance to be necessary or desirable, and replacement cost coverage to protect against loss of owned or rented equipment and tools brought onto or used at the Property by Tenant.
- 8.2 <u>Requirements.</u> The foregoing insurance requirements shall be placed with an insurance company or companies admitted to do business in the State of

Washington and shall have an A.M. Best's rating of A-/ or better. Tenant shall furnish Landlord with a copy of the certificate of such policies before the Commencement Date of this Lease Agreement and, upon request by Landlord, shall provide proof satisfactory to Landlord that all such policies are in full force and effect. Tenant's liability insurance policies shall list Landlord as an additional insured and Tenant's property insurance policies shall reflect Landlord as a loss-payee as its interests may appear, and all of Tenant's insurance policies shall be primary and non-contributing with any insurance carried by Landlord. Such policies shall not be cancelable or materially altered without forty-five (45) days' prior written notice to Landlord. In addition, the policies shall provide for ten (10) days' written notice to Landlord in the event of cancellation for non-payment of premium. Tenant's failure to deliver the policies or certificates to Landlord as required above shall constitute an event of default pursuant to Article 24 hereof.

8.3 <u>Mutual Waiver of Subrogation.</u> Each party hereby waives, and each party shall cause their respective property insurance policy or policies to include a waiver of such carrier's entire right of recovery (i.e., subrogation) against the other party, and the officers, directors, agents, representatives, employees, successors and assigns of the other party, for all claims which are covered or would be covered by the property insurance required to be carried hereunder or which is actually carried by the waiving party.

8.4 <u>Destruction or Condemnation.</u>

8.4.1 <u>Damage and Repair.</u> If the Premises are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease Agreement shall not terminate. The Premises shall not be deemed untenantable if less than twenty-five percent (25%) of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate this Lease Agreement and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease Agreement as provided herein, or (b) restore the Premises to their previous condition. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenantable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises under this Article 8.4.1, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, subtenants, agents, servants, employees, guests, invitees or visitors. Provided, Landlord complies with its obligations under this Article, no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence or willful misconduct.

8.4.2 Condemnation. If the Premises are made untenantable by eminent domain, or conveyed under a threat of condemnation, this Lease Agreement shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises that does not render the Premises untenantable, then this Lease shall continue in full force and effect and the base monthly rental shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

ARTICLE 9 ACCEPTANCE AND CARE OF PREMISES

Tenant has inspected the Premises and accepts the Premises "AS IS" in its present condition and acknowledges that Landlord is not responsible to provide, and has made no representations or warranties that it will provide, any improvements to the Premises whatsoever, except as set forth in <u>Article 10</u>, Alterations and Improvements, below. Tenant shall, at its sole cost, keep the Premises in as good working order, cleanliness, repair, and condition, as that which existed at the Lease Commencement Date. In the event that Tenant fails to comply with the obligations set forth in this <u>Article 9</u>, Landlord may, but shall not be obligated to, perform any such obligation on behalf

of, and for the account of Tenant, and Tenant shall reimburse Landlord for all costs and expenses paid or incurred on behalf of Tenant in connection with performing the obligations set forth herein. Tenant expressly waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

ARTICLE 10 ALTERATIONS AND IMPROVEMENTS

- 10.1 The Parties anticipate that Landlord, at Landlord's own cost and expense, shall make, or cause to be made, the improvements to the Premises disclosed on **Exhibit**E. In the event that Landlord does not have the following improvements completed by 1/31/2026, Tenant's payment of the leasehold excise tax only as Base Monthly Rent (as described in Section 11 of the Basic Lease Provisions) shall continue on a month-to-month basis until said tenant improvements are completed:
 - 1. Prep room modification: Landlord's construction of a walk-in cooler, which shall include, if necessary, securing all permits, mechanical drawings/professional engineering, electrical and plumbing.
 - 2. Prep room wall modification: Landlord's construction of wall penetration, 12-tap system installation.
 - 3. Installation of a small 3-bay sink.
- 10.2 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. After such consent has been given, unless otherwise agreed upon in writing, any fixture permanently affixed to and intended to be a component of the Building, structure, or improvement on land, whether by alteration, improvement or addition made by Tenant upon the Premises, although at Tenant's own cost and expense, shall, at the option of Landlord, remain upon the Premises at the expiration of this lease and become the property of Landlord in fee simple, without other action or process of law. Notwithstanding the above, Tenant may remove any unaffixed items, equipment, trade fixtures, or any item owned separately from the real property that it attaches to the Premises upon expiration of lease, so long as Tenant repairs any damage caused to the Premises by such removal. All alternations, additions or improvements must be made in a good, firstclass, workmanlike manner and in a manner that does not disturb the Landlord or other tenants (i.e., any loud work must be performed during non-business hours, unless prior written consent is given by Landlord and or other tenants) and Tenant must maintain appropriate liability and builder's risk insurance throughout the construction. Tenant does hereby agree to defend, indemnify and hold Landlord harmless from and against all claims for damages or death of persons or damage or destruction of property arising out of the performance of any such alterations, additions or improvements made by or on behalf of Tenant. Under no circumstances shall Landlord be required to pay, during the Term of this Lease and any extensions or renewals thereof, any ad valorem or property tax on such alterations, additions,

improvements or repairs. Landlord agrees to assign to Tenant any rights it may have against the contractor of the Premises with respect to any work performed.

ARTICLE 11 ACCIDENTS AND INDEMNIFICATION

Tenant shall indemnify Landlord and hold it harmless from and against, and shall defend with counsel acceptable to Landlord, any and all suits, actions, damages, claims, liability, and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or from the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees, or concessionaires; provided that Tenant shall not be liable to Landlord to the extent such damages, liability, claims or expenses are caused by or result from the negligence or intentional misconduct of Landlord. Tenant understands and agrees that the duty to defend arises immediately upon the presentment of a claim or controversy from a third party, and is not otherwise dependent upon the adjudication of such claim by a court or other tribunal with jurisdiction.

Tenant hereby expressly waives claims against Landlord, and Landlord shall not be responsible or liable at any time, for any loss or damage to Tenant's personal property or to Tenant's business, including any loss or damage to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting, or adjoining property, unless and only to the extent due to Landlord's gross negligence or intentional misconduct, and in no event shall Landlord be liable for Tenant's consequential damages. Tenant shall use and enjoy the Premises and improvements at its own risk, and hereby releases Landlord, to the full extent permitted by law and except as expressly provided above, from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage.

Solely for the purpose of effectuating the indemnification obligations under this Lease Agreement, and not for the benefit of any third parties (including but not limited to employees of Tenant), Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Furthermore, the indemnification obligations under this Lease Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Tenant shall cause Contractors and their subcontractors and material suppliers to execute similar waivers of industrial insurance immunity. The Parties, by their execution hereof, acknowledge that the foregoing provisions of this <u>Article 11</u> have been specifically and mutually negotiated between the Parties.

ARTICLE 12 COMPLIANCE WITH LAWS

Tenant shall comply fully at its sole expense with all federal and state laws and local or city ordinances (including all applicable zoning ordinances) now or hereafter in force with respect to the Premises and Tenant's activities therein. Tenant warrants and represents to Landlord that Tenant shall use the Premises only for lawful purposes.

ARTICLE 13 MAINTENANCE

Tenant shall keep the premises in a neat, clean, and sanitary condition at all times. Tenant shall keep all improvements to the Premises in good condition.

- 13.1 <u>Janitorial</u>. Tenant will provide janitorial service inside the Premises, restrooms and window washing on inside of windows. Landlord will provide janitorial service for common area restrooms, entry, hallways and exterior window washing.
- 13.2 <u>Landscaping and Common Area Sweeping</u>. Landlord, at its cost, will provide landscaping care and common area repairs, maintenance, and sweeping outside the building.
- Other Maintenance and Repairs. Landlord will maintain exterior of building (except for overhead and/or sliding doors, if any), roof, foundation, and electrical (except for lightbulbs and light fixture ballasts), heating and plumbing, in a good state of repair. Tenant shall pay the reasonable cost of repairs of all damage caused by Tenant, its agents, servants, employees, or invitees within ten (10) days of receipt of an invoice stating the repairs performed and the cost thereof. Tenant shall be responsible for all minor plumbing repairs and maintenance including but not limited to plumbing line blockages and minor leaks. Tenant shall be responsible to replace all light bulbs and light fixture ballasts located in Tenant's leased space. Tenant shall be responsible for the maintenance and repair of all overhead and/or sliding doors located in Tenant's Premises. Landlord shall be responsible for maintenance of lighting in Tenant's shared Premises. Landlord shall be responsible for testing and maintaining interior fire sprinkler systems, smoke detectors, fire extinguishers and alarm systems.
- 13.4 <u>HVAC</u>. HVAC and all mechanical systems shall be in satisfactory operating condition and will be maintained by Landlord during the term of the Lease Agreement.

ARTICLE 14 LANDLORD'S ACCESS

Landlord shall have the right to inspect the Premises at all reasonable times and enter the same for purposes of cleaning, repairing, inspecting, altering, exhibiting, or improving the Premises, but nothing contained in this Lease shall be construed so as to impose any obligation on Landlord to make any repairs, alterations or improvements not otherwise expressly set forth elsewhere herein.

The Landlord reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses will not unduly interfere with the use of the Premises by Tenant.

ARTICLE 15 SIGNS AND ADVERTISING

Tenant shall not inscribe, post, place, or in any manner display any sign, notice, picture, poster or any advertising matter whatsoever anywhere in or about the Premises, without first obtaining Landlord's written consent thereto. Landlord shall have the right to remove any sign or signs in order to paint the building occupied by Tenant or Premises or in order make any other repairs or alterations and will thereafter reinstall the sign(s). Nothing in this Section shall be construed to require or obligate Landlord, at any time or in any manner, to make any repairs or alterations to a greater degree than otherwise required of Landlord in <u>Article 10</u> or <u>Article 13</u>.

ARTICLE 16 WASTE AND UNLAWFUL USE

Tenant shall not commit or suffer any waste upon the Premises, or make or suffer any nuisance, undue or unseemly noise, or otherwise, and will not do or permit to be done in or about the Premises anything which is illegal, unlawful, or dangerous, or which will increase Landlord's insurance rates upon the Premises.

ARTICLE 17 SUCCESSORS

All the covenants, agreements, terms and conditions contained in this Lease Agreement shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors, marital communities and assigns. Any assignment or subletting of the Premises or any interest in this Lease Agreement shall not relieve Tenant of primary responsibility for the performance of the terms and payment of the sums to be paid by Tenant hereunder.

ARTICLE 18 HAZARDOUS MATERIALS

Tenant shall not dispose of or otherwise allow the release of any hazardous waste or materials in, on, or under the Premises, or any adjacent property. Tenant represents and warrants to Landlord that Tenant's intended use of the Premises does not involve the use, production, or disposal of any hazardous waste or materials. As used herein, "hazardous waste or materials" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state, or local statute, regulation, rule or ordinance now or hereafter in effect. In the event Tenant brings or uses hazardous waste or materials on the Premises in violation of this Article 18, Tenant shall, at its sole cost, properly dispose of all such hazardous waste or materials. Tenant shall be responsible for complying with all federal, state and local laws and regulations in regard to the handling of and disposing of hazardous waste or materials, and agrees to indemnify, defend, and hold Landlord harmless from and against all losses, costs, and expenses (including but not limited to site cleanup, investigation, and remediation costs and attorneys fees and costs related thereto) arising from a breach by Tenant of its obligations under this Article 18.

ARTICLE 19 ASSIGNMENT AND SUBLETTING

Tenant shall not transfer, dispose, assign, mortgage, or hypothecate this Lease Agreement, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof (any of which, a "**Transfer**") without the prior written consent of Landlord in each instance, which may be given, withheld, or conditioned in Landlord's sole discretion. In no event shall Tenant be released or relieved of any liability hereunder due to any Transfer whether or not consented to by Landlord.

Landlord shall have the right to transfer, dispose, assign, mortgage, or hypothecate this Lease Agreement, in whole or in party without the prior written consent of the Tenant. See also Landlord rights to terminate this Lease Agreement as set forth in <u>Article 23</u> below.

ARTICLE 20 SURRENDER OF POSSESSION

- 20.1 <u>Surrender.</u> At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Premises in substantially the as good condition or better as they were at the Lease Commencement Date, and shall remove all of its personal property, furniture, non-permanent fixtures installed by or for Tenant, Tenant's equipment, and all cabling and wiring installed by or for Tenant. Tenant's obligations shall include the repair of any damage occasioned by the installation, maintenance or removal of Tenant's personal property, furniture, non-permanent fixtures installed by or for Tenant, and Tenant's equipment.
- 20.2 Removal of Property. In the event of any entry in, or taking possession of, the Premises or upon the termination of this Lease Agreement, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property remaining on the Premises, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the Tenant thereof, with the right to sell such stored property, as per applicable statutory requirements. The proceeds of such sale shall be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, with the balance, if any, to be paid to Tenant.
- 20.3 <u>Holding Over.</u> If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease Agreement, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease Agreement and Tenant shall pay an amount due on the first of each month of the holdover period, without reduction for partial months during the holdover, equal to 150% of the greater of: (1) the monthly Total Monthly Rent (including Leasehold Tax), and any other charge due, for the monthly period immediately preceding the holdover; or (2) the fair market value for gross monthly

rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease Agreement shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from Tenant's holdover. Nothing herein shall be construed as Landlord's consent to such holding over. During the holdover Tenant shall remain responsible for payment of all utilities, taxes, and other assessments, charges and/or fees due under this Lease Agreement.

ARTICLE 21 NOTICES

All notices, requests and demands to be made hereunder shall be in writing at the address set forth in the Basic Lease Provisions, as applicable, by any of the following means: (a) personal service (including service by recognized overnight delivery/courier service, such as UPS or FEDEX); or (b) registered or certified first class mail, return receipt requested. Such addresses may be changed by written notice to the other party given in the same manner provided above. Any notice, request, or demand sent pursuant to clause (a) of this <u>Article 21</u> shall be deemed received upon such personal delivery or service (or the date of refusal, if personal service or delivery is refused), and if sent pursuant to clause (b), shall be deemed received three (3) days following deposit in the mails.

ARTICLE 22 LIENS AND ENCUMBRANCES

Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of the use and occupancy of the Premises by Tenant. Should Tenant fail to discharge any lien of the nature described in this <u>Article 22</u> Landlord may, at Landlord's election, pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title and the cost thereof shall be immediately due from Tenant as rent under this Lease Agreement.

ARTICLE 23 LANDLORD'S TERMINATION RIGHT

Notwithstanding anything to the contrary elsewhere in the Lease Agreement, in the event that Landlord elects to use the Land and/or Premises for industrial development or other public or port-related purposes, Landlord shall have the right to terminate this Lease Agreement by providing sixty (60) days' written notice. If Landlord elects to terminate the Lease Agreement early as provided herein, the early termination date chosen by Landlord shall operate as if that date is the Expiration Date set forth in the Basic Lease Provisions. The Parties recognize that the foregoing early termination right is important to Landlord and that any delay caused by the failure of Tenant to vacate the Premises pursuant to this <u>Article 23</u> when required can cause irreparable harm to the Landlord and future tenants. Therefore, Landlord and Tenant agree that time is of the essence of

this <u>Article 23</u> and that if any dispute arises between Landlord and Tenant with respect to the provisions of this <u>Article 23</u>, any other provisions of this Lease Agreement notwithstanding, Tenant will vacate the Premises on or before the early termination date selected by Landlord, and Tenant shall be deemed to have waived any rights in law or equity to possession of the Premises.

In the event of the insolvency or bankruptcy of the Tenant, Landlord may, at Landlord's option, immediately take full possession of the premises to the exclusion of all persons. Exercising such option shall not alleviate Tenant's obligations under this Lease Agreement and Landlord shall have the right to seek all remedies set forth in this Lease Agreement.

ARTICLE 24 DEFAULT AND REMEDIES

- 24.1 <u>Default.</u> The occurrence of any one or more of the following events shall constitute a material breach and default of this Lease Agreement (each, an "Event of **Default**"):
 - (a) If Tenant, or any successor or assignee of Tenant while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.
 - (b) If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Tenant, or if a receiver or trustee shall be appointed of all or substantially all of the property of Tenant, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 30 days after the institution or appointment.
 - (c) If Tenant shall fail to pay Landlord any Rent or Leasehold Tax when the same shall become due and shall not make the payment within 20 days after notice by Landlord to Tenant.
 - (d) If Tenant shall fail to perform or comply with any of the conditions of this Lease and if the nonperformance shall continue for a period of 30 days after notice of nonperformance given by Landlord to Tenant or, if the performance cannot be reasonably had within the 30-day period, Tenant shall not in good faith have commenced performance within the 30-day period and shall not diligently proceed to completion of performance.
 - (e) If Tenant shall vacate or abandon the Premises except as permitted under this Lease.

24.2 Remedies.

(a) <u>Re-entry and Termination.</u> Upon and during the continuance of an Event of Default, Landlord, in addition to any other remedies available to

Landlord at law or in equity, at Landlord's option, may without further notice or demand of any kind to Tenant or any other person:

- 1. Declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim to the Premises; or
- 2. Without declaring this Lease Agreement ended, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid Rent, Leasehold Tax, and other charges, which have become payable, or which may thereafter become payable; or
- 3. Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease Agreement and all of the rights of Tenant in or to the Premises.
- (b) Express Termination Required. If Landlord re-enters the Premises under the provisions of this Article, Landlord shall not be deemed to have terminated this Lease Agreement, or the liability of Tenant to pay any Rent, Leasehold Tax, or other assessments, charges and/or fees thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions of this Lease Agreement, by any such re-entry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that Landlord had elected to terminate this Lease Agreement. Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of Washington State and surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election is evidenced by a written notice to Tenant) be deemed to be a termination of this Lease Agreement.
- (c) <u>Damages.</u> If Landlord elects to terminate this Lease Agreement pursuant to the provisions of this Article, Landlord may recover from Tenant as damages, the following:
 - 1. The worth at the time of award of any unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees which had been earned at the time of such termination; plus
 - 2. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other charges which would have been earned after termination until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus
 - 3. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees due

- for the balance of the Lease Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided; plus
- 4. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease Agreement or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus
- 5. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by the laws of Washington State.
- (d) <u>Definitions.</u> As used in <u>Paragraphs 24.20</u>) and <u>24.20</u>) above, the "worth at the time of award" is computed by allowing interest at the rate of twelve percent (12%) per annum compounded monthly. As used in <u>Paragraph 24.20</u>) above, the "<u>worth at the time of award</u>" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Property at the time of award plus one (1) percentage point.
- (e) No Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease Agreement shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition of this Lease Agreement. The subsequent acceptance of Rent, Leasehold Tax, and other charges due hereunder shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease Agreement, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease Agreement shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.
- 24.3 <u>Interest.</u> Any sum accruing to Landlord under the terms and provisions of this Lease Agreement which shall not be paid when due shall bear interest at the interest rate provided herein from the date the same becomes due and payable by the terms and provisions of this Lease Agreement until paid, unless otherwise specifically provided in this Lease Agreement. The interest rate which shall apply shall be the

lesser of (i) twelve percent (12%) per annum (1% per month), or (ii) the highest rate allowed by applicable law.

ARTICLE 25 ATTORNEYS' FEES AND COSTS

If the Tenant requests an amendment to this Lease Agreement or other revision to the Landlord's standardized terms or forms, Tenant agrees that it shall pay the Landlord for all costs and legal fees incurred by the Landlord as the result of request.

If either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease Agreement or for the declaration of any rights hereunder, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as determined by the court. If either party ("secondary party") without its fault is made a party to litigation instituted by or against the other party (the "primary party"), the primary party shall pay to the secondary party all costs and expenses, including reasonable attorneys' fees, incurred by the secondary party in connection therewith.

ARTICLE 26 MISCELLANEOUS

<u>Miscellaneous Provisions.</u> The following miscellaneous provisions shall apply to this Lease Agreement:

- (a) Time is of the essence hereof.
- (b) If any portion of this Lease Agreement shall be deemed void, illegal or unenforceable, the balance of this Lease Agreement shall not be affected thereby.
- (c) This Lease Agreement shall be interpreted according to the laws of the State of Washington. The Parties agree that the Superior Court of the State of Washington for Benton County shall have sole jurisdiction over any question, claim, loss or injury arising hereunder.
- (d) Tenant acknowledges that, except as expressly set forth in this Lease Agreement, that neither Landlord nor any other person has made any representation or warranty with respect to the Premises.
- (e) This Lease Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of both Parties hereto, except as otherwise provided for herein;
- (f) Landlord does not by this Lease Agreement, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise.
- (g) The paragraph and section headings hereof are for convenience only and shall not be used to expand or interpret the meaning of any part of this Lease Agreement.

- (h) Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control, including labor disputes, civil commotion, war, governmental regulations or controls, epidemics, pandemics, fire or other casualty, inability to obtain any material or service, or acts of God.
- (i) This Lease Agreement and the Exhibits, Riders, and/or Addenda, if any, attached hereto, constitute the entire agreement between the Parties. This Lease Agreement covers in full each and every agreement of every kind or nature whatsoever between the Parties hereto concerning this Lease Agreement and all preliminary negotiations, inducements, representations, and agreements of whatsoever kind or nature are merged herein, and there are not oral agreements or implied covenants. Both Parties represent they have had the opportunity to seek legal counsel prior to signing this Lease Agreement. All Exhibits, Riders, or Addenda mentioned in this Lease Agreement are incorporated herein by reference. No subsequent amendment to this Lease Agreement shall be binding upon Landlord or Tenant unless reduced to writing and signed by both Parties. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section.
- broker with regard to this Lease Agreement and that they have no knowledge of any broker being instrumental in bringing about this Lease Agreement transaction. Each party shall indemnify the other against any expense as a result of any claim for brokerage or other commissions made by any broker, finder, or agent, whether(j) or not meritorious, employed by them or claiming by, through or under them. Tenant acknowledges that Landlord shall not be liable for any representations of Landlord's leasing agent or other agents of Landlord regarding this Lease Agreement transaction except for the representations and covenants of Landlord expressly set forth in this Lease Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement as of the Effective Date written above.

LANDLORD:
PORT OF KENNEWICK, a Washington
Municipal corporation, by authority of its Commissioners

By:		
Т	Fim Arntzen, Chief Executive Officer	

Approved:	Approved as to Form:
Nick Kooiker, Chief Financial Officer	Taudd Hume, Port Counsel
TENANT: WHEAT HEAD BREWING COMPANY, LLC, a Washington Limited Liability Company	
By: DocuSigned by: EBC135090BE84DB Loren Miller	
Its:Member	

STATE OF WASHINGTON		
COUNTY OF	SS.	
who appeared before me, and said on oath stated that said person wa the _MEMBER of	ve satisfactory evidence that LOREN MILLER I person acknowledged that said person signed to a suthorized to execute the instrument and ackrew the such that the such that said person signed to a such that said person signed to a such that said person signed to a such that said person signed to such that said person such that said person signed that said person said	this instrument, nowledged it as t, a Washington
Dated this	day of	, 202
	(Signature of Notary)	
	(Legibly Print or Stamp Name of N	Jotary)
	Notary public in and for the State of Washi	0
	My appointment expires	
STATE OF WSHINGTON COUNTY OF BENTON	SS.	d
appeared before me, and said per oath stated that said person was at Chief Executive Officer of Port	eve satisfactory evidence that Tim Arntzen is to son acknowledged that said person signed this athorized to execute the instrument and acknow of Kennewick , a Washington municipal corpor ty for the uses and purposes mentioned in the integral of the said person signed this said person signed the said person signed th	instrument, on ledged it as the ration, to be the
Dated this	day of	, 202
	(Signature of Notary)	
	(Legibly Print or Stamp Name of N	Jotary)
	Notary public in and for the State of Washi	ngton, residing
	My annointment expires	<u>-</u>



Certificate Of Completion

Envelope Id: F6A65F92-68DD-48F9-A075-0182FB8C9313

Subject: Complete with Docusign: Wheat Head Brewing - Lease Agreement (v.10.21.25).pdf

Source Envelope:

Document Pages: 30 Certificate Pages: 5

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed

Envelope Originator: Lisa Schumacher 350 Clover Island Drive

Suite 200

Kennewick, WA 99336 lisa@portofkennewick.org IP Address: 71.94.216.214

Record Tracking

Status: Original

10/21/2025 12:50:33 PM

Security Appliance Status: Connected

Storage Appliance Status: Connected

Holder: Lisa Schumacher

lisa@portofkennewick.org

Pool: StateLocal

Pool: Port of Kennewick

Location: DocuSign

Location: Docusign

Signer Events

Loren Miller

lindakomiller17@gmail.com

secretary **MCBones**

Security Level: Email, Account Authentication

(None)

Signature

Signatures: 2

Initials: 0

Signature Adoption: Drawn on Device Using IP Address: 170.39.207.215

COPIED

Timestamp

Sent: 10/21/2025 12:52:08 PM Viewed: 10/22/2025 6:53:40 AM Signed: 10/22/2025 6:55:29 AM

Electronic Record and Signature Disclosure:

Accepted: 10/22/2025 6:53:40 AM

ID: e483bead-cf24-413b-8c4c-0149a708b3e1

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Tina Phillips

tina509miller@gmail.com

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 10/20/2025 11:27:49 AM

ID: d7e16efa-702e-410a-9285-c6b34dc093fa

Sent: 10/21/2025 12:52:08 PM Viewed: 10/21/2025 5:59:21 PM

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps	
Signing Complete	Security Checked	10/22/2025 6:55:29 AM	
Completed	Security Checked	10/22/2025 6:55:29 AM	
Payment Events	Status	Timestamps	
Electronic Record and Signature Disclosure			

EXHIBIT "A"

(Legal Description)

PTN: 131903030106007

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 MERID

COMMONLY KNOWN AS

313 E, Columbia Gardens Way Suite 120, Kennewick WA

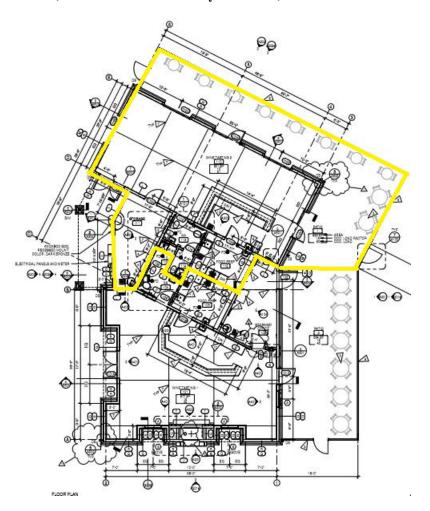


EXHIBIT "B"

PERSONAL GUARANTY TO THE PORT OF KENNEWICK

TO GUARANTEE PERFORMANCE OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as personal guarantor, is firmly bound unto the Port of Kennewick, a municipal corporation, in the sum of all monthly rent, plus leasehold tax, and any other assessments, charges and/or fees due as per Lease Agreement dated November 1, 2025.

The conditions of this obligation are as follows:

WHEREAS, on or about <u>November 1, 2025</u>, <u>LOREN MILLER</u>, as <u>Member</u>, entered into a commercial lease agreement with the PORT OF KENNEWICK on behalf of <u>Wheat Head Brewing Company</u>, <u>LLC</u> (the "Tenant") related to the premises as described in **Exhibit "A"** therein, which Lease Agreement provides for the payment of monthly rent, leasehold tax, and other assessments, charges and/or fees (the "Lease Agreement"); and

WHEREAS, the laws of the State of Washington require a bond to the Port of Kennewick in accordance with the terms of RCW 53.08.085, for a minimum of the amount of one year's rent; and

WHEREAS, this personal guaranty incorporates the Lease Agreement hereinabove referred to.

NOW THEREFORE, the undersigned agrees that in place of such bond called for under RCW 53.08.085, that he/she/they agree to each be jointly and severally personally liable for the payments of rent and other applicable costs disclosed therein, and do hereby guarantee the payment of all sums due from the Tenant upon demand and without protest to the Port of Kennewick.

DATED this <u>lst</u> day of _	November	_, 2025.
	GUARANTORS: Docusigned by:	
•	Name: LOREN MILLER	

EXHIBIT "C"

(Standard Sign Criteria)

These sign specifications have been established for the purpose of assuring outstanding building and for the mutual benefit of all Tenants. Conformance will be strictly enforced and into conformance at the full expense of Tenant.

The Port of Kennewick Director of Planning and Development is to administer and interpret the sign specifications, but is not empowered to authorize any departure from such specifications.

All permits for signs and their installation shall be obtained by the Tenant or his representative. Tenant shall be responsible for all costs and expenses of signage, including but not limited to the construction and design thereof and of Landlord's approval, and the fulfillment of all requirements and specifications.

All signage shall be designed to harmonize with the color scheme and existing signage of the overall building project. Professional sign drawings to be approved by the Port prior to installation.

No sign cabinets (transformers) or exposed conduit permitted on exterior face of sign or building. No 'can' or 'box' signs will be permitted.

All signs installed on Building shall be subject to the approval of the Port of Kennewick, City of Kennewick, and other agencies with jurisdiction over such matters.

EXHIBIT "D"

(Lease Calculation)

WHEAT HEAD ON THE WATER			313 E. Columbia Gardens Way #120								
STARTING 11/1/2	025										
	SF	Ren	t / year	Rei	nt / mo	Mon	thly Rent w/o LET	LET	-	Mont	thly Rent w/ LET
11/1-1/31/2026	1239							\$	178.97		
2/1 - 12/31/2026	1239	\$	13.50	\$	1.13	\$	1,393.88	\$	178.97	\$	1,572.85
1/1 - 12/31/2027	1239	\$	13.91	\$	1.16	\$	1,435.69	\$	184.34	\$	1,620.03
1/1 - 12/31/2028	1239	\$	14.32	\$	1.19	\$	1,478.76	\$	189.87	\$	1,668.64
1/1 - 12/31/2029	1239	\$	14.75	\$	1.23	\$	1,523.12	\$	195.57	\$	1,718.69
1/1 - 10/31/2030	1239	\$	15.19	\$	1.27	\$	1,568.82	\$	201.44	\$	1,770.25

EXHIBIT "E"

(Tenant Improvements)

Tenant Improvements by Port of Kennewick:

Completed by 1/31/2026:

- 1) Prep room modification: Walk-in cooler construction, permit, mechanical drawing/professional engineer, electrical, plumbing.
- 2) Prep room wall modification: Wall penetration and tap installation.
- 3) Installation of small 3-bay sink.

• <u>Completed by 6/30/2026</u>:

1) Transition a portion of 227 and 309 E. Columbia Gardens Way to grass public space until parcel sells for future development.



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson

MEETING DATE: 10/28/25

AGENDA ITEM: Resolution 2025-19 Daybreak Commons Design Direction

I. REFERENCE(S): Resolution 2025-19

II. FISCAL IMPACT: None

III. **DISCUSSION:** The Commission initiated design of the Vista Field Daybreak Commons open space area on March 25, 2025, then in August 2025 expressed interest in assuring design flexibility which allowed for conversion of a portion of the site to accommodate an outdoor skating rink. These design concepts were contemplated at the September 25, 2025, and October 14, 2025, Commission meetings.

The 2025-2026 budget adopted via Resolution 2024-28 allocated \$1,500,000 for Daybreak Commons construction improvements. Cost estimates prepared by Place Landscape Architecture, LLC include estimates of construction costs, factors for typical contractor overhead & profit, applicable Washington State Sales Tax and a 20% contingency. Below is the summary of those "all in" cost estimates.

\$1,410,000 BASE BID

\$176,000 Add Alternative A (airplane themed play structure)

\$160,000 Add Alternative B (beacon/tower)

\$85,000 Add Alternative C (cover/shade structure)

\$1,831,000 Total Base Bid + Alternative A, B and C

Discussion and direction regarding acceptance of the base bid design and Commission's intent that some, none, or all the proposed vertical elements {airplane themed play structure, beacon/tower, shade structure} be included in the bid documents as Add Alternate(s) as needed.

IV. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2025-19 accepting the Daybreak Commons design including add alternatives (A, B, C) as depicted in Exhibit A. In addition, I move approval of goal #1 of the CEO's 2025/26 goals and objectives and further ratify and approve all action by port officers and employees in furtherance hereof.

PORT OF KENNEWICK

Resolution No. 2025-19

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACCEPTS THE DESIGN CONCEPT FOR VISTA FIELD DAYBREAK COMMONS

WHEREAS, the Commission via passage of Resolution 2025-09 selected Place Landscape Architecture, LLC to assist in design and preparation of biddable construction documents for the public open space improvements of the Vista Field Daybreak Commons area; and

WHEREAS, the Commission desired flexibility to be incorporated into the design to allow for future conversion of a portion of the site to accommodate an outdoor ice-skating rink and a revised site plan with inherent flexibility was presented to the Port Commission at the Commission's regular meeting on October 14, 2025; and

WHEREAS, the Commission was also presented with design visions for unique elements beyond those included in the base bid, which could be incorporated into the bid documents as Add Alternative(s); and

NOW THEREFORE, BE IT RESOLVED the Port of Kennewick Commission does hereby accepts the design of the Daybreak Commons as depicted in Exhibit A.

BE IT HEREBY FURTHER RESOLVED that the Port of Kennewick Commission does hereby direct the vertical elements of airplane themed play structure, beacon/tower and shade structure be included in the bid documents as Add Alternate(s).

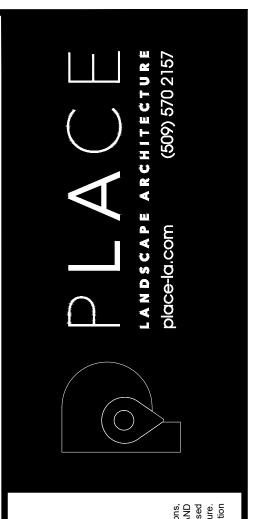
BE IT HEREBY FRUTHER RESOLVED the Board of Commissioners of the Port of Kennewick hereby accepts Goal #1 of the CEO's 2025/26 Goals and Objectives, Present Design for Daybreak Commons, as complete.

ADOPTED by the Board of Commissioners of Port of Kennewick on the <u>28th</u> day of October, 2025. **PORT OF KENNEWICK**

	BOARD OF COMMISSIONERS
Ву:	
	SKIP NOVAKOVICH, President
Ву:	
	KENNETH HOHENBERG, Vice President
Ву:	

THOMAS MOAK, Secretary





PLACE #: DATE DRAWN REVIEWED 25-019 10-09-2025 VERIFY SCALE BAR MEASURES ONE INCH ON ORIGINAL DRAWING

SCHEMATIC DESIGN 10.09.2025

LANDSCAPE SITE PLAN

sheet: 01 of: 01



PAVING AT ICE RINK LOCATION



LANDSCAPE AT ICE RINK LOCATION





BRIDGE AT DRY CREEK



LARGE BERM OPEN SPACE



PLAY AREA (NO PLAY STRUCTURE)



SEATING

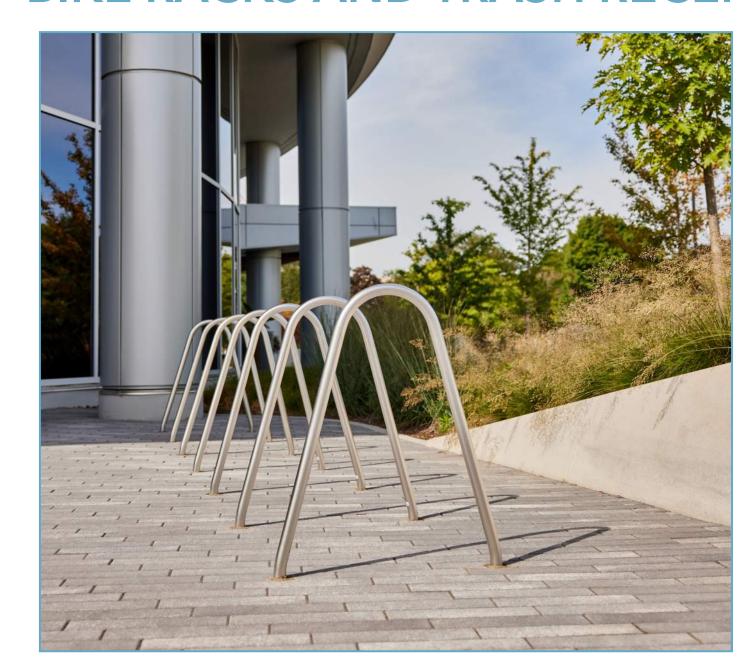


METAL SLAT BENCH



GABION BENCH (2 MAXIMUM)

BIKE RACKS AND TRASH RECEPTACLES



POLISHED STEEL BIKE RACK



DUAL METAL RECEPTACLE

LIGHTING AND BOLLARDS



VISTA FIELD METAL AREA LIGHT AND BOLLARDS

SITE AND PLAY STRUCTURES



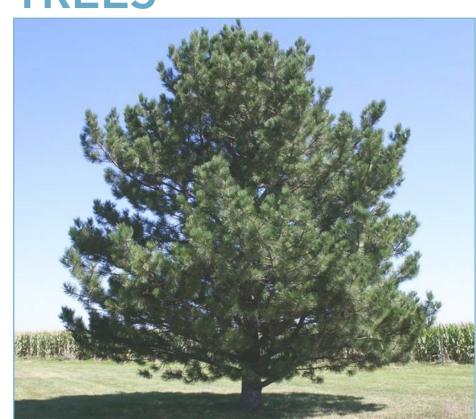
REMOVABLE BOLLARD



PREFABRICATED BRIDGE



TREES



AUSTRIAN PINE



ARMSTRONG GOLD MAPLE



HERITAGE RIVER BIRCH



BUR OAK



COMMON HACKBERRY



BALD CYPRESS



CITY SPRITE ZELKOVA



SHRUBS



CRIMSON PYGMY BARBERRY



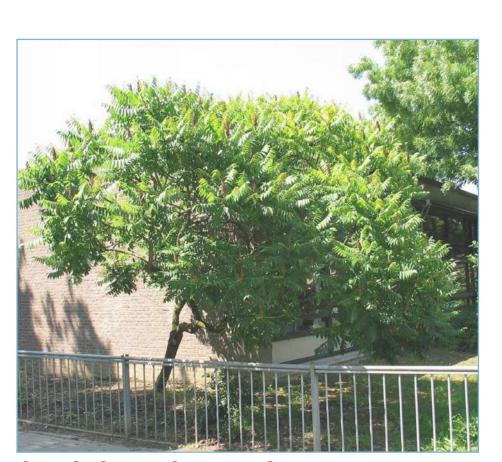
BIG SAGEBUSH



SALTBUSH



BITTERBRUSH



SMOOTH SUMAC



WAX CURRANT

GRASSES



BLUE GRAMA GRASS



IADHO FESCUE



SANDBERG BLUEGRASS



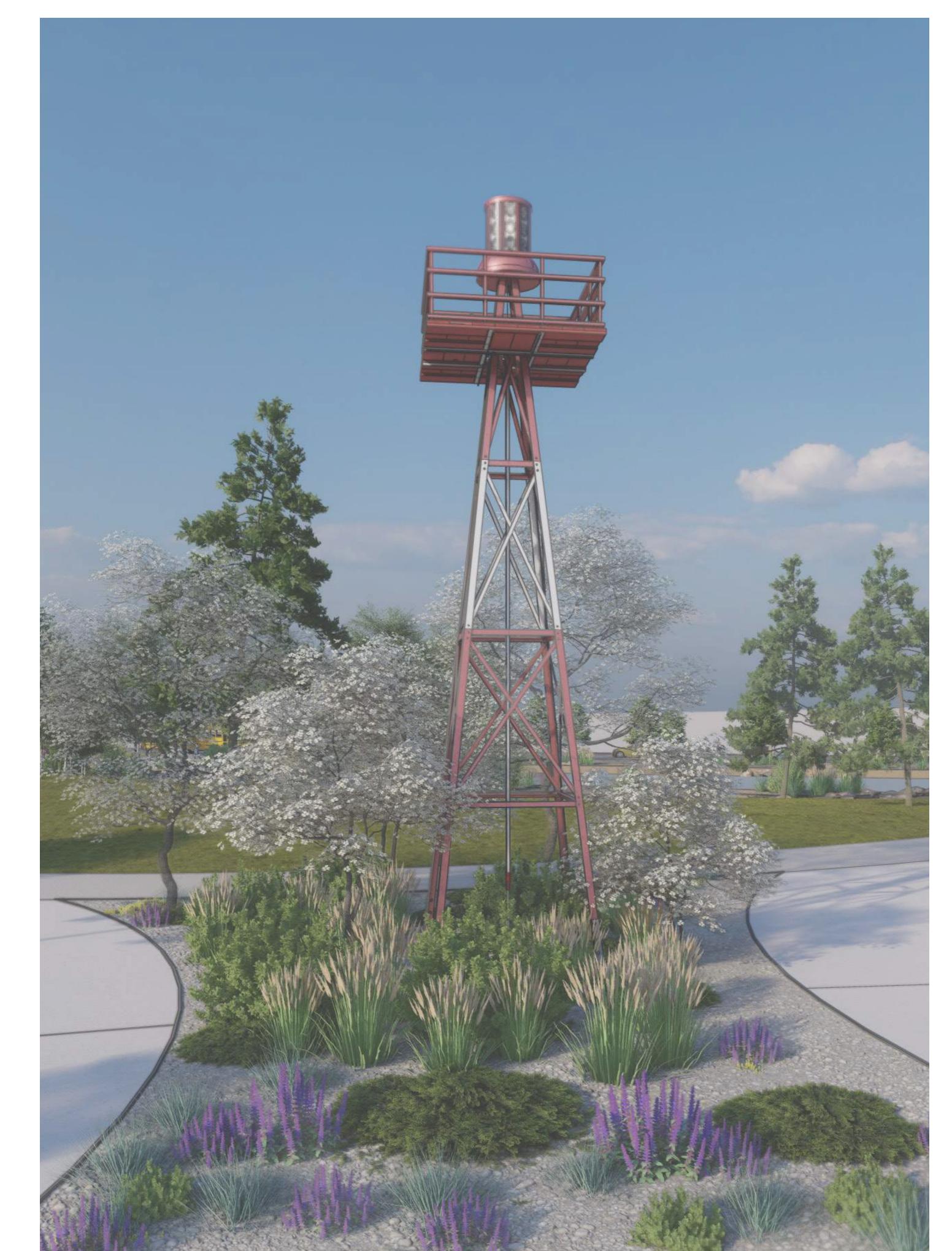


AIRCRAFT THEMED PLAY AREA



DESIGN INSPIRATION











Resolution 2025-19 Exhibit A

NORTH VIEW



NORTH VIEW 2



ENTRY TOWER





DESIGN INSPIRATION

VIEW FROM NW CORNER



VIEW FROM SE



AGENDA REPORT

TO: Port of Kennewick Commission

FROM: The CEO Evaluation Committee:

Port Commissioner Ken Hohenberg,

Port Deputy CEO & Chief Financial Officer Nick Kooiker and

Port General Legal Counsel Carolyn Lake

MEETING DATE: October 28, 2025

AGENDA ITEM: Action by Commission: Motion to Approve Resolution 2025-21 and its

Exhibit B, Approving Committee's Recommended Update to CEO

Goals to Address Flexible Goal #10

I. REFERENCE(S): Exhibit A, CEO's Goals & Objectives

Exhibit B, Proposed Goal #10 Proposed Resolution 2025-21

II. FISCAL IMPACT: None

III. DISCUSSION:

The Port Commission oversees the annual evaluation of the Port's Chief Executive Officer's ("CEO") performance pursuant to the CEO's Employment Agreement, and pursuant to Resolution 2022-19, by which the Commission authorized a CEO Evaluation Committee.

The CEO Evaluation Committee is made up of the Port's Chief Financial Officer, Port Attorney, and one Commissioner to serve a 2-year term. The current CEO Evaluation Committee consists of Port Commissioner Ken Hohenberg, Port Chief Financial Officer Nick Kooiker and Port General Legal Counsel Carolyn Lake.

One duty of the Evaluation Committee is to recommend, for Commission approval, annual CEO Goals. The Commission last updated the Port CEO Goals on October 22, 2024. Goal #10 of the 2025-2026 CEO Goal was a flexible Goal, whereby CEO is to "Identify and present one additionally beneficial project or ROI partnering opportunity to commissioners."

IV. COMMITTEE RECOMMENDATION:

The CEO Evaluation Committee recommends that the Commission approve the proposed goal in fulfillment of the Flexible Goal #10, which relates to assembling and managing an expert environmental team while leading the port through the process of addressing a PFAS discovery at Vista Field, and attached as Exhibit "B".

I move that the C the Flexible Goal		goal in fulfillment of
-OR-		
□ Other:		·

PORT OF KENNEWICK

Resolution No. 2025-21

A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS UPDATING THE PORT'S CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

WHEREAS, the Commission last approved goals and objectives for the Port Chief Executive Officer ("CEO") on October 22, 2024, as shown on the attached Exhibit A; and

WHEREAS, Goal #10 of the 2025-2026 CEO's Goal was a flexible Goal, whereby the Port CEO is to "Identify and present one additionally beneficial project or ROI partnering opportunity to commissioners."; and

WHEREAS, the Port CEO has identified a proposed goal in fulfillment of the Flexible Goal #10, which is to assemble and manage an expert environmental team while leading the port through the process of addressing a PFAS discovery at Vista Field; and

WHEREAS, the Evaluation Committee reviewed and recommends adoption of the proposed goal as the Flexible Goal #10, which is attached as **Exhibit B**; and

WHEREAS, the Commission desires to formally accept the proposed goal as the Flexible Goal #10.

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby accepts the proposed goal in fulfillment of the Flexible Goal #10, attached as Exhibit B.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 28th day of October 2025.

PORT of KENNEWICK BOARD of COMMISSIONERS

By:	
	SKIP NOVAKOVICH, President
By:	
	KENNETH HOHENBERG, Vice President
By:	
	THOMAS MOAK Secretary

EXHIBIT A DATE:	CEO Goals & Ol October 28, 2025	CEO Goals & Objectives (update on 2023/24 ongoing goals) October 28, 2025			
GOAL & OBJECTIVE		TACTICAL STEPS	ACTION	STATUS	COMMENTS
		2023/202	2024 Goals and Objectives	jectives	
Vista Field	2023/24 GOAL	Complete Vista Field Development building exterior improvements	Considered complete when presented to Commission.	Completed	Commission approved public works contract on 9/24/24. Estimated completion February 2025. Approved by Commission on 3/25/25. Resolution 2025-07
Kennewick Waterfront	2023/24 GOAL	Prepare and market one clover island lot for lease.	Considered complete when presented to Commission.	Work in Process	Shoreline improvements have been completed. This task has been delayed significantly due to the amount of interest in the Port's Vista Field Project. As such, general staffing and financial resource allocations have been utilized at Vista Field in lieu of Clover Island.
Kennewick Waterfront	2023/24 GOAL	Market for sale, and sell or lease one lot in the Kennewick waterfront area which includes willows, cable greens, and columbia drive	Considered complete when presented to Commission.	Work in Process	This task has been delayed significantly due to the amount of interest in the Port's Vista Field Project. As such, general staffing and financial resource allocations have been utilized at Vista Field in lieu of Kennewick Waterfront Projects.
		2025/2026	Goals and	Objectives	
Vista Field	2025/26 GOAL	Present design for Daybreak Commons.	Considered complete when presented to Commission.	Work in Process	
Vista Field	2025/26 GOAL	-Collaborate with BlueChart's contractors to present a plan for the first stage of amenities at Vista Field.	Considered complete when presented to Commission.	Work in Process	
Vista Field	2025/26 GOAL	Present a plan for identification and recruitment of one new academic, governmental, or institutional user at Vista Field.	Considered complete when presented to Commission.	Completed	Approved by Commission on 2/25/25, Resolution 2025-05
District Wide	2025/26 GOAL	Develop plan to accommodate staffing/office needs long term (potential renovation of office space).	Considered complete when presented to Commission.	Completed	Approved by Commission on 3/25/25. Resolution 2025-11
District Wide	ta .	Update historical background for comp scheme, including history with tribe.	Considered complete when presented to Commission.	Work in Process	

GOAL & OBJECTIVE	2025/26 GOAL		ACTION Considered complete when presented to	STATUS Work in Process	
Kennewick Waterfront	6	Perform marina safety analysis (electrolysis; stray current, etc.) by use of qualified contractor.	when presented to Commission.		Work in Process
21 Visto Riold	2025/26 GOAL	Complete construction of Woonerf North & Woonerf South parking lots at Vista Field.	Considered complete when presented to Commission.		Work in Process
	2025/26 GOAL		Considered complete		
District Wide	8	Update Comprehensive Scheme of Development	when presented to Commission.		Completed Approved by Commission on 3/11/25. Resolution 2025-06
21	2025/26 GOAL		Considered complete		
District Wide	9	Propose and vet potential alternative artwork projects.	when presented to Commission.		Completed Approved by Commission on 2/11/25. Resolution 2025-02
21	2025/26 GOAL	Elevible Coal-Identificand present one additionally beneficial project of ROI portroving	Considered complete		
District Wide	i		when presented to Commission.		Work in Process

Resolution 2025-21 Exhibit "B"

Goal: Assemble and manage an expert environmental team while leading the port through the process of addressing a PFAS discovery at Vista Field, including sampling, analysis, Department of Ecology communication, mitigation planning, cost recovery models, and Commission, stakeholder and media communications.

Measurement: Considered complete upon:

- a. Selecting, contracting and managing an expert environmental response team;
- b. Coordinating and overseeing internal and external Port members of the responsive team,
- c. Identification of scope and methodology acceptable to Dept of Ecology.
- d. Completion of phase 1 soil sampling;
- e. Creation, as needed, of an actionable mitigation plan;
- f. Consideration of cost recovery options, tempered with Port philosophy, marketing and community values and expectations; and
- g. Timely, responsible, and transparent communications with Commission, Port team, stakeholders and media throughout the process.