



CITY COUNCIL SPECIAL MEETING AGENDA
January 14, 2020 at 6:00 p.m.
City Hall Council Chambers | 210 W. 6th Ave

- 1. CALL TO ORDER**
Roll Call
- 2. APPROVAL OF AGENDA**
- 3. NEW BUSINESS**
 - a. Notice of Intent Annexation AZ 19-01 (Nikitis, LLC.)
- 4. ADJOURNMENT**

The regularly scheduled Kennewick City Council Workshop will begin at 6:30 p.m.
following the Special Meeting.

To assure disabled persons the opportunity to participate in or benefit from City services, please provide twenty-four (24) hour advance notice for additional arrangements to reasonably accommodate special needs.

Please be advised that all Kennewick City Council Meetings are Audio and Video Taped

	Agenda Item Number	3.a.	Council Date	01/14/2020	Consent Agenda	<input type="checkbox"/>
	Agenda Item Type	General Business Item			Ordinance/Reso	<input type="checkbox"/>
	Subject	AZ 19-01 (Nikitis, LLC)			Public Mtg / Hrg	<input type="checkbox"/>
	Ordinance/Reso #		Contract #		Other	<input checked="" type="checkbox"/>
	Project #	AZ 19-01	Permit #	PLN-2019-03543	Quasi-Judicial	<input type="checkbox"/>
	Department	Planning				

Recommendation

Staff recommends that the City Council accept the intent to petition for annexation request accepting the proposed boundary and require the assumption of existing city indebtedness.

Motion for Consideration

I move to accept the intent to petition for annexation request accepting the proposed boundary and require the assumption of existing city indebtedness.

Summary

A Notice of Intent to Petition for Annexation was received from Nikitis, LLC. The proposed annexation area is located south of Interstate 82 and north of Christensen Rd. and is comprised of 1 parcel that is approximately 223 acres in size and the abutting Interstate 82 right of way, for a total of approximately 279 acres. The 2019 assessed valuation of the proposed annexation area is \$1,298,960.

The proposed annexation will be processed utilizing the Petition Method of annexation (RCW 35A.14.120) and this public meeting is required to determine whether the city will:

- 1) accept, reject, or geographically modify the proposed annexation boundary;
- 2) require the simultaneous adoption of zoning regulations; and
- 3) require the assumption of all or any portion of existing city indebtedness.

It is recommended that the City Council accept the letter of intent to petition for annexation and accept the proposed annexation boundary and require the assumption of their pro rata share of existing City indebtedness.

It is not recommended that zoning be adopted for this site until after annexation and further review. Staff is currently finalizing a new industrial zoning district that will likely be applied to the proposed annexation area which includes minimum parcel sizes and limited uses that cater to industries that require large parcels of land.

A supportive decision only means that the Council will allow the proposal to proceed through the petition process.

Alternatives

Reject the intent to petition for annexation request.

Fiscal Impact

None at this time.

Through	Anthony Muai Jan 08, 15:34:34 GMT-0800 2020	Attachments: Agent's Representative Authorization map Staff report 10% Petition - signed
Dept Head Approval	Gregory McCormick Jan 08, 16:00:03 GMT-0800 2020	
City Mgr Approval	Marie Mosley Jan 10, 08:24:44 GMT-0800 2020	
		<input type="checkbox"/> Recording Required?

City Council Meeting

Annexation 19-01

January 14, 2020



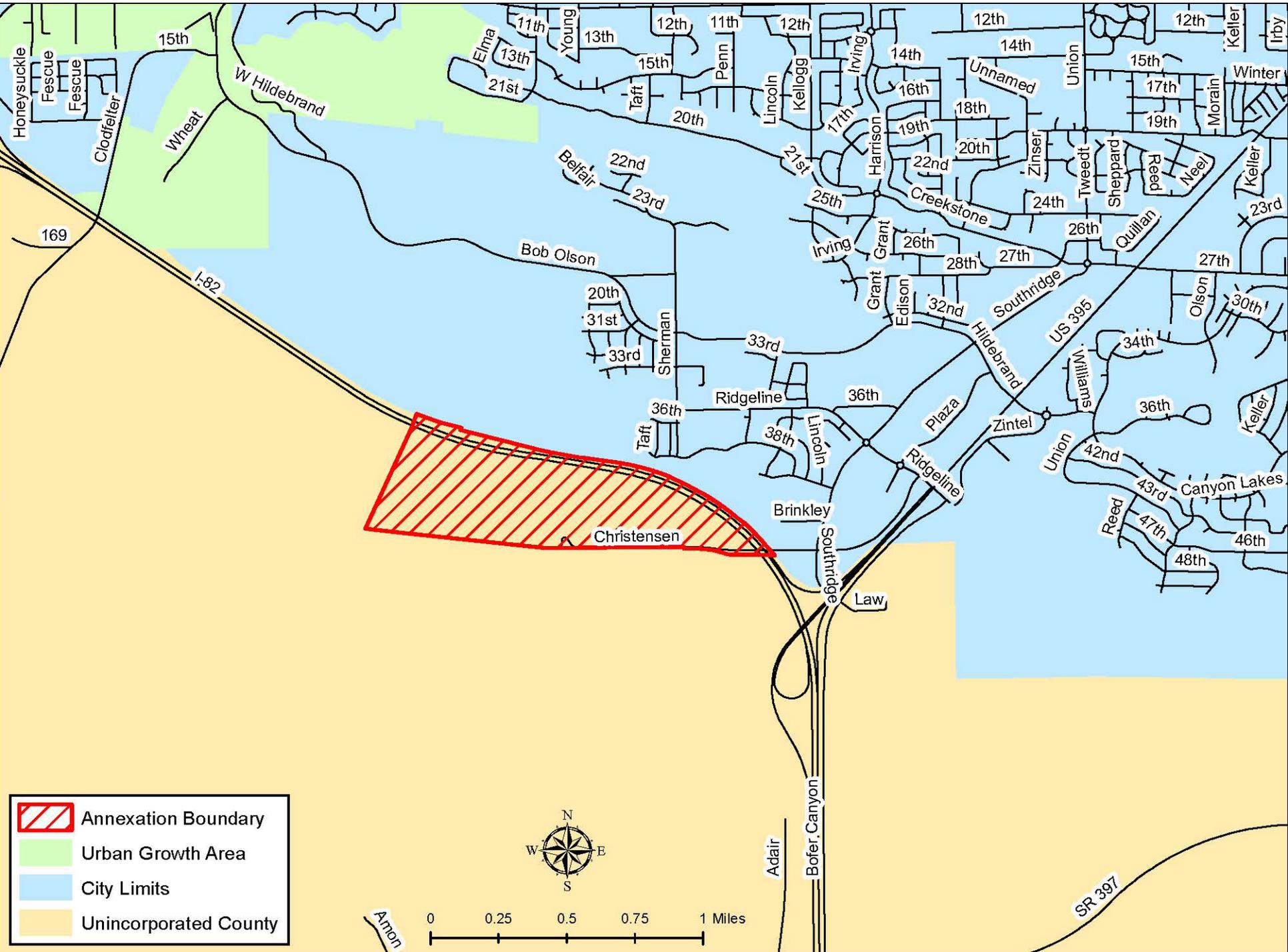
Background

- * **Petitioner:** Nikitis, LLC
- * **Location:** South and West of I-82, north of Christensen Rd
- * **Size:** 279 acres
- * **Existing Land Use:** Vacant land

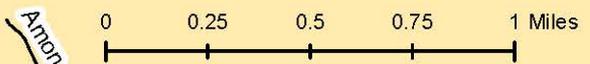
Petition Method

Council to determine:

1. accept, reject, or geographically modify the proposed annexation boundary
 - Recommend accept boundary
2. require the simultaneous adoption of zoning regulations; and
 - Recommend not adopt zoning
3. require the assumption of all or any portion of existing city indebtedness.
 - Recommend requiring the assumption of fair-share of City indebtedness



-  Annexation Boundary
-  Urban Growth Area
-  City Limits
-  Unincorporated County



SR 397

Recommendation

Staff recommends that the City Council accept the petition for annexation request, accepting the proposed boundary and require the assumption of existing City indebtedness.

Next Steps

- * If accepted
 - * 60% petition prepared
 - * Once signed petition is received
 - * Send to County for review
 - * Send 60 day notice
 - * Post site
 - * Hold hearing
- * After adoption
 - * Establish zoning



Community Planning Department

210 West 6th Avenue

Kennewick, WA 99336

Phone: (509) 585-4280

cedinfo@ci.kennewick.wa.us

Annexation 19-01

REQUEST: Annex 279.53 acres

APPLICANT: Nikitis, LLC

OWNER: Nikitis, LLC

DESCRIPTION OF REQUEST

A Notice of Intent to Petition for Annexation was received from Nikitis, LLC. The proposed annexation area encompasses approximately 279.53 acres with an assessed valuation of \$1,298,960. The proposed annexation area involves a single parcel located generally south and west of Interstate 82 and north of Christensen Rd.

BACKGROUND

This property was once zoned and designated in the Benton County Comprehensive Plan as GMA-Agriculture. This zone and designation are used for agricultural lands of long-term commercial significance. The property has not been actively farmed for a number of years. After farming was no longer productive the property was placed in the Conservation Reserve Program (CRP). It has since been removed from that program, in part due to the costs to maintain the property in conformance with CRP rules and regulations.

Benton County recently completed an agricultural lands analysis as part of their periodic update to their comprehensive plan and the proposed annexation area was zoned Rural Lands 5.

On December 3, 2019, the Benton County Board of Commissioners voted unanimously to include the proposed annexation area in the Urban Growth Area.

PROCEDURE

The proposed annexation will be processed utilizing the Petition Method of annexation (RCW 35A.14.120) and this public meeting is required to determine whether the city will:

1. accept, reject, or geographically modify the proposed annexation boundary;
2. require the simultaneous adoption of zoning regulations; and
3. require the assumption of all or any portion of existing city indebtedness.

ANALYSIS

Site Conditions

This parcel does not currently have utilities on site, however they are located near the site north and east of Interstate 82. In addition there are plans in place to extend water and sewer to the site.

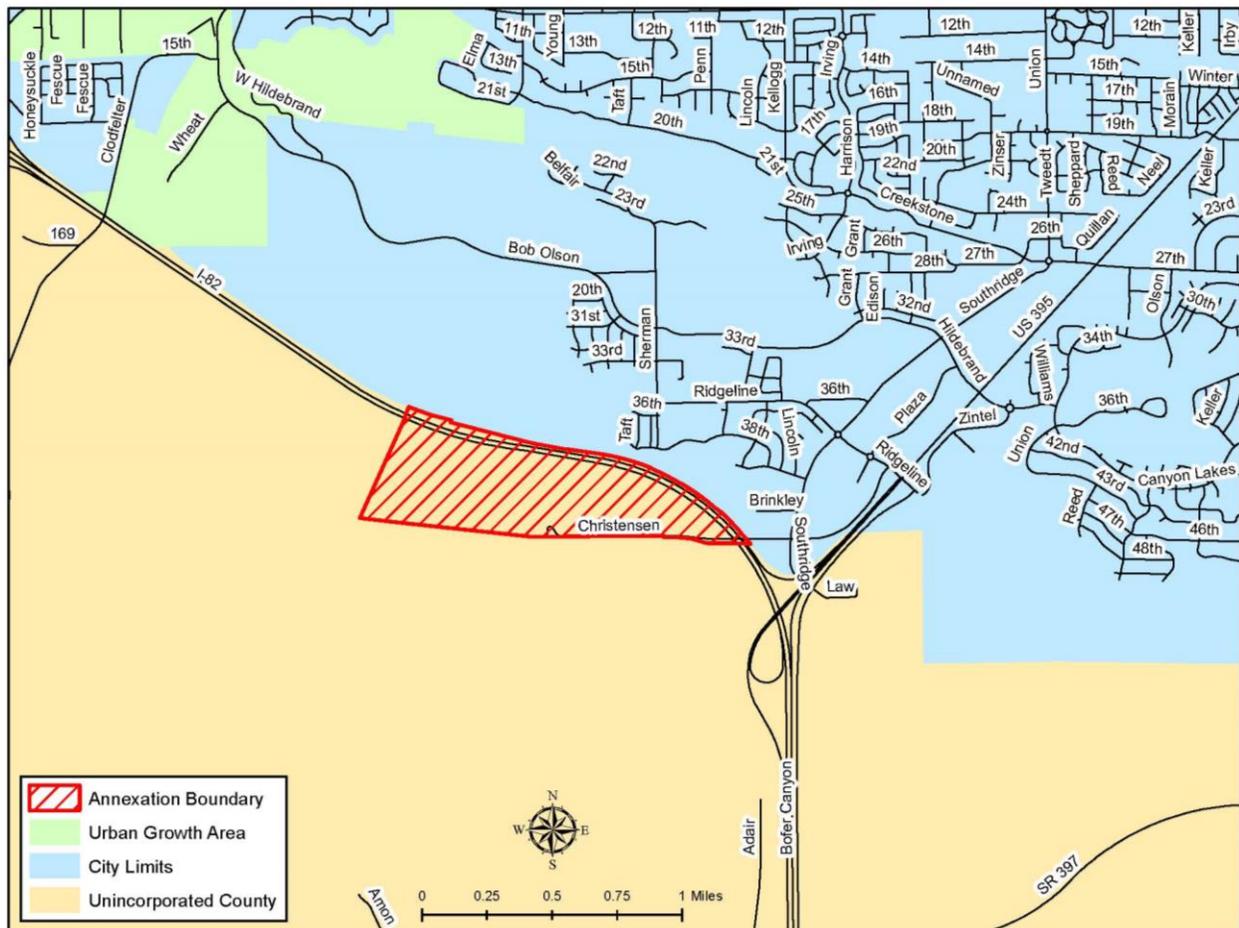
There are erosion hazard areas designated on the site. There are also slopes in excess of 15% however those are located primarily along the north and east property lines of the site abutting the Interstate 82

right of way. These areas are minor in nature and the majority of the proposed annexation area that is not comprised of Interstate 82 right of way is generally flat.

The proposed annexation area is accessed by Christensen Rd., which crosses Interstate 82 from Southridge Blvd.

Boundary

The proposed annexation boundary abuts the City of Kennewick corporate limits to the north and east. It follows the southern section lines of Section 17 and 18, Township 8 North, Range 29 East. The western boundary is east of the edge of Amon Canyon.



Zoning

This area has not been pre-zoned. Zoning is not proposed at this time, but will be established after annexation and further review. Staff is currently finalizing a new industrial zoning district that will likely be applied to the proposed annexation area which includes minimum parcel sizes and limited uses that cater to industries that require large parcels of land.

City Indebtedness

Should the Council decide to accept the petition and begin annexation proceedings, it is important for the petitioners to recognize that it is customary for all properties annexed into the City to assume a pro rata share of the City's outstanding indebtedness as a condition of annexation.

RECOMMENDATION

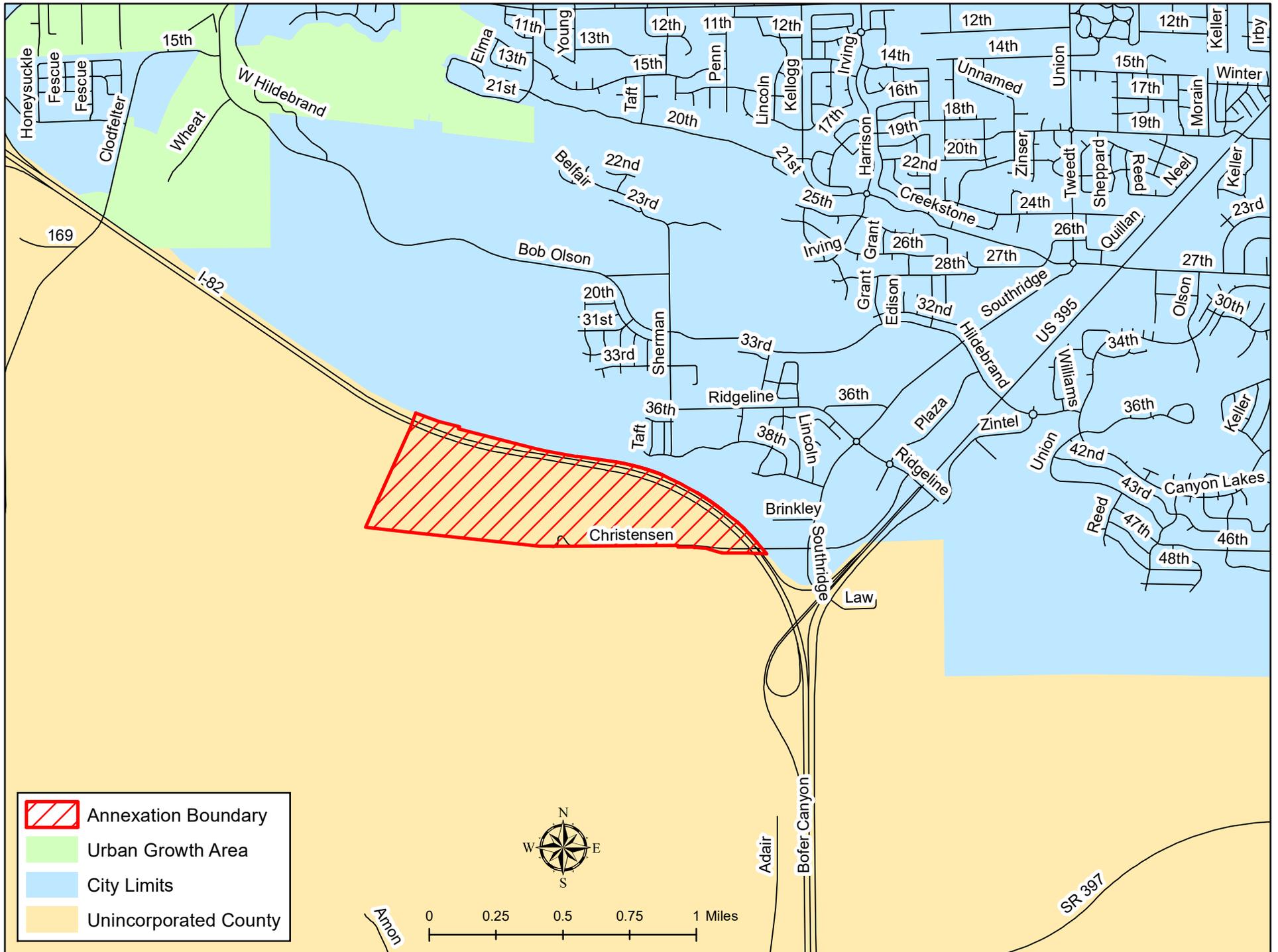
Staff recommends that Council accept this petition for annexation.

FINDINGS

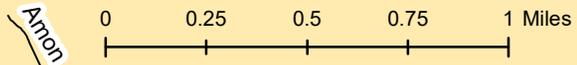
1. The proposed annexation area is part of the Urban Growth Area.
2. There are not utilities on site, however they are nearby and planning has taken place to extend services to this area.
3. Access to the site is from Christensen Rd.
4. There are critical areas in the form of steep slopes (>15%) along the portion of the proposed annexation area abutting Interstate 82. There are also some minor erosion hazard areas within the proposed annexation area. These areas are limited as the majority of the site is flat.
5. Benton County #1 is currently the first responder to this area for fire and emergency medical services. Kennewick Fire Department provides backup. Should the area be annexed, KFD would be the first responder with Benton County #1 providing backup.
6. Benton County Sheriff is currently the first responder to this area. Kennewick Police Department currently provides backup. Should the area be annexed, KPD would be the first responder with Benton County Sheriff providing backup.

EXHIBITS

- A. 10% Petition
- B. Map of Area
- C. Letter from Petitioner



	Annexation Boundary
	Urban Growth Area
	City Limits
	Unincorporated County



Annon

Entity Resolution of Nikitis LLC
Pertaining to Authorizing and Granting Signing Authority
January 1, 2020

Nikitis LLC (the "Company") and a wholly owned subsidiary of Kennewick Industrial Development LLC ("Parent"), by and through its director, Marcus Fullard-Leo and pursuant to Article 5.9 of the Company's Operating Agreement appoints and authorizes Scott Gradisnik to act as its Agent Representative, permitted and authorized to represent the Company and sign any documents necessary for the process of annexing the Company's real property into the City of Kennewick.

By: Nikitis LLC
By: Marcus Fullard-Leo
Its: Manager



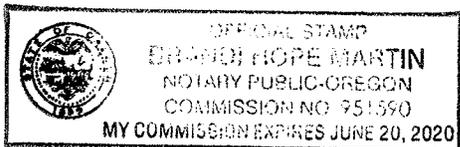
By: Marcus Fullard-Leo
Its: Director

Further approved by PARENT:

By: Kennewick Industrial Development LLC
By: Marcus Fullard-Leo
Its: Parent Company



By: Marcus Fullard-Leo
Its: Director



Name: BRANDI HOPE MARTIN

Notary Public, State of Oregon
My commission expires: JUNE 20, 2020

NOTICE OF INTENTION TO COMMENCE ANNEXATION PROCEEDINGS

The Honorable Mayor and City Council
City of Kennewick
210 W. 6th Ave.
Kennewick, WA 99336

Dear Mayor and City Council:

The undersigned, who are the owners of not less than ten percent (10%) of the acreage for which annexation is sought, hereby advise the City Council of the City of Kennewick that it is the desire of the undersigned owners of the following area to commence annexation proceedings:

The property herein referred to is legally described on Exhibit "A" attached hereto and is geographically depicted on a Benton County Assessor's parcel map on Exhibit "B" further attached hereto.

It is requested that the City Council of the City of Kennewick set a date, not later than sixty (60) days after the filing of this request, for a meeting with the undersigned to determine:

1. Whether the City Council will accept, reject, or geographically modify the proposed annexation;
2. Whether the City Council will require the simultaneous adoption of the zoning for the proposed area in substantial compliance with the proposed Comprehensive Plan as adopted by City of Kennewick; and
3. Whether the City Council will require the assumption of all or any portion of indebtedness by the area to be annexed.

This page is one of a group of pages containing identical text material and is intended by the signers of the Notice of Intention to Commence Annexation Proceedings to be presented and considered as one Notice of Intention to Commence Annexation Proceedings and may be filed with other pages containing additional signatures which cumulatively may be considered as a single Notice of Intention to Commence Annexation Proceedings.

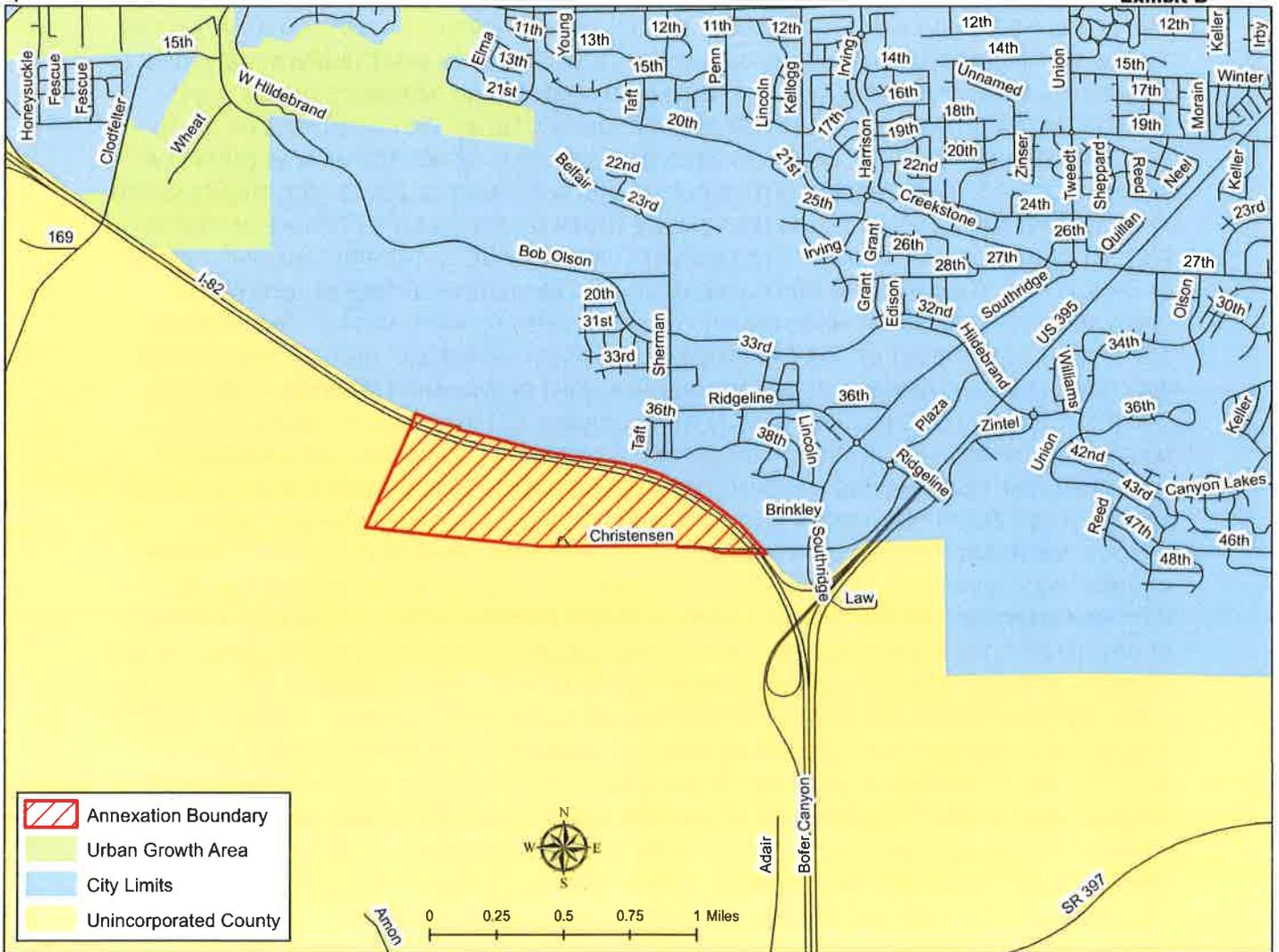
Exhibit A

A PARCEL OF LAND LYING IN THE SOUTH HALF OF THE SOUTHEAST QUARTER, AND THE SOUTHWEST QUARTER OF SECTION 17; THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, AND THE SOUTHEAST QUARTER OF SECTION 18, ALL IN TOWNSHIP 8 NORTH, RANGE 29 EAST OF THE WILLAMETTE MERIDIAN, BENTON COUNTY, WASHINGTON. DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 18, AS ESTABLISHED PER LAND CORNER RECORD, AS RECORDED WITH THE BENTON COUNTY AUDITOR UNDER AUDITOR'S FILE NUMBER 2015-037320, RECORDS OF BENTON COUNTY WASHINGTON; SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $83^{\circ}37'57''$ WEST ALONG THE SOUTH LINE OF SAID SECTION 18 A DISTANCE OF 3357.18 FEET; THENCE NORTH $25^{\circ}16'18''$ EAST A DISTANCE OF 2114.55 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF WASHINGTON STATE HIGHWAY I-82; THENCE ALONG SAID HIGHWAY RIGHT OF WAY THE FOLLOWING COURSES AND DISTANCES, THENCE SOUTH $62^{\circ}24'29''$ EAST A DISTANCE OF 250.93 FEET; THENCE SOUTH $71^{\circ}16'08''$ EAST A DISTANCE OF 355.58 FEET; THENCE SOUTH $71^{\circ}37'38''$ EAST A DISTANCE OF 202.99 FEET; THENCE SOUTH $74^{\circ}51'01''$ EAST A DISTANCE OF 710.27 FEET; THENCE SOUTH $80^{\circ}16'17''$ EAST A DISTANCE OF 706.12 FEET; THENCE SOUTH $82^{\circ}39'46''$ EAST A DISTANCE OF 500.40 FEET; THENCE SOUTH $80^{\circ}22'19''$ EAST A DISTANCE OF 1382.95 FEET; TO A POINT OF CURVATURE WITH A TANGENT CURVE TURNING TO THE RIGHT, HAVING A RADIUS OF 4410.00 FEET; THENCE ALONG SAID CURVE, HAVING AN ARC LENGTH OF 2888.96 FEET, WITH A DELTA ANGLE OF $37^{\circ}32'02''$, A CHORD BEARING OF SOUTH $61^{\circ}36'18''$ EAST, AND A CHORD LENGTH OF 2837.57 FEET TO THE RIGHT OF FOR CHRISTENSEN ROAD AS ESTABLISHED BY THE HIGHWAY RIGHT OF WAY PLANS FOR I-82; THENCE LEAVING SAID HIGHWAY RIGHT OF WAY AND PRECEDING ALONG THE SAID RIGHT OF WAY FOR CHRISTENSEN ROAD THE FOLLOWING COURSES AND DISTANCES, THENCE SOUTH $89^{\circ}34'06''$ WEST A DISTANCE OF 144.48 FEET; TO A POINT OF CURVATURE WITH A TANGENT TURNING TO THE RIGHT, HAVING A RADIUS OF 1910.00 FEET; THENCE ALONG SAID CURVE, HAVING AN ARC LENGTH OF 217.34 FEET, WITH A DELTA ANGLE OF $06^{\circ}31'11''$, A CHORD BEARING OF NORTH $87^{\circ}10'19''$ WEST, AND A CHORD LENGTH OF 217.22 FEET TO A NON-TANGENT LINE; THENCE SOUTH $87^{\circ}59'08''$ WEST A DISTANCE OF 390.23 FEET; THENCE NORTH $83^{\circ}54'43''$ WEST A DISTANCE OF 90.41 FEET; TO A POINT OF CURVATURE WITH A TANGENT CURVE TURNING TO THE LEFT, HAVING A RADIUS OF 2035.00 FEET; THENCE ALONG SAID CURVE, HAVING AN ARC LENGTH OF 231/56 FEET, WITH A DELTA ANGLE OF $06^{\circ}31'11''$, A CHORD BEARING OF NORTH $87^{\circ}10'19''$ WEST, AND A CHORD OF 231.44 FEET TO A TANGENT LINE; THENCE SOUTH $89^{\circ}34'06''$ WEST ALONG A LINE THAT IS PARALLEL TO AND 35.00 FEET NORTHERLY OF THE SOUTH LINE OF SAID SECTION 17 A DISTANCE OF 156.09 FEET; THENCE SOUTH $00^{\circ}25'54''$ EAST A DISTANCE OF 35.00 FEET TO THE SOUTH LINE OF SAID SECTION 17; THENCE SOUTH $89^{\circ}34'06''$ WEST ALONG THE SOUTH LINE OF SAID SECTION 17 A DISTANCE OF 2827.06 FEET TO THE SOUTHWEST CORNER THEREOF, SAID CORNER BEING THE SAID TRUE POINT OF BEGINNING. SUBJECT TO BENTON COUNTY RIGHT OF WAY FOR ROADS. ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD. (BOUNDARY LINE ADJUSTMENT PER AF#2016-036565, 12/01/2016); AND

TOGETHER WITH INTERSTATE 82 RIGHT OF WAY ABUTTING SAID PARCEL OF LAND; AND

TOGETHER WITH CHRISTENSEN ROAD RIGHT OF WAY ABUTTING SAID PARCEL OF LAND AND EXTENDING TO THE CITY OF KENNEWICK CORPORATE LIMITS.

Exhibit B



LIMITED LIABILITY COMPANY AGREEMENT

OF

NIKITIS LLC

a Washington Limited Liability Company

Dated Effective: September 14, 2015

TABLE OF CONTENTS

(The Table of Contents for this Operating Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Operating Agreement.)

ARTICLE I	FORMATION	1
1.1	Name	1
1.2	Certificate of Formation	1
1.3	Duration	1
1.4	Principal Office	1
1.5	Registered Office	1
ARTICLE II	MEMBERS, CONTRIBUTIONS, AND INTERESTS	1
2.1	Names, Addresses, and Initial Membership Interest	1
2.2	Initial Contributions	1
2.3	Units	1
2.4	Other Business of Members	1
2.5	Additional and Substitute Members	2
2.6	Additional Contributions	2
ARTICLE III	CAPITAL ACCOUNTS	2
3.1	Increase in Capital Account	2
3.2	Decrease in Capital Account	2
3.3	Special Allocation for 704(c) Property	3
3.4	Special Allocation for Revaluation	3
3.5	Elections by Tax Matters Member	3
3.6	Net Profits and Net Losses	3
3.7	Special Allocations	3
3.8	Curative Allocations	4
3.9	Compliance with the Code and Regulations	4
3.10	No Interest on Capital Contributions	4
ARTICLE IV	MEMBER MEETINGS	4
4.1	Meetings	4
4.2	Notice of Meeting	4
4.3	Record Date	4
4.4	Quorum	5
4.5	Proxies	5
4.6	Voting	5
ARTICLE V	MANAGEMENT	5
5.1	Number and Qualifications of Managers	5
5.2	Election of Managers	5

5.3	Authority.....	5
5.4	Other Activities.....	6
5.5	Intentionally Deleted.....	6
5.6	Resignation.....	6
5.7	Removal of Manager by Members.....	7
5.8	Salaries.....	7
5.9	Other Agents.....	7
ARTICLE VI MEETINGS.....		7
6.1	Meeting of Members or Managers.....	7
6.2	Action Without Meeting.....	7
6.3	Meetings by Telephone.....	7
ARTICLE VII ACCOUNTING AND RECORDS.....		8
7.1	Books of Account.....	8
7.2	Fiscal Year.....	8
7.3	Accounting Reports.....	8
7.4	Tax Returns.....	8
ARTICLE VIII DISTRIBUTIONS.....		8
8.1	Distributions to Pay Tax Liabilities.....	8
8.2	Other Distributions.....	8
ARTICLE IX TRANSFER RESTRICTIONS.....		9
9.1	Withdrawal.....	9
9.2	Permitted Transfers.....	9
9.3	Assignee Admitted as Member.....	9
9.4	Other Transfers or Assignments.....	9
9.5	Right of First Refusal.....	10
9.6	Effect of Death of a Member of Assignee.....	10
9.7	Effect of Certain Events.....	10
9.8	Valuation of Member's Units.....	11
9.9	Payment for Member's Units.....	11
9.10	Effect of Purchase of Member's Units.....	12
ARTICLE X DISSOLUTION.....		12
10.1	Events of Dissolution.....	12
10.2	Liquidation Upon Dissolution and Winding Up.....	12
10.3	Distribution of Assets.....	12
10.4	Gains or Losses.....	12
ARTICLE XI INDEMNIFICATION AGREEMENT.....		13
11.1	Indemnification.....	13
11.2	Limitation of Liability.....	13

ARTICLE XII	AMENDMENTS	13
12.1	By Members	13
12.2	By Managers	13
ARTICLE XIII	MISCELLANEOUS SECURITIES ISSUES	13
13.1	Prohibited Market Transfers	13
13.2	Securities Law Legend	14
ARTICLE XIV	DEFINITIONS	14
14.1	Act	14
14.2	Additional Member	14
14.3	Assignee	14
14.4	Board of Managers	14
14.5	Certificate of Formation	14
14.6	Code	14
14.7	Company	14
14.8	Manager(s)	14
14.9	Majority in Interest	15
14.10	Member	15
14.11	Membership Interest	15
14.12	Net Losses	15
14.13	Net Profits	15
14.14	Operating Agreement	15
14.15	Regulations	15
14.16	Substitute Member	15
14.17	Tax Matters Member	15
14.18	Transferee	15
14.19	Transferring Member	15
14.20	Unit	15
ARTICLE XV	MISCELLANEOUS	16
15.1	Additional Documents	16
15.2	Arbitration	16
15.3	Attorney Fees	16
15.4	Counterparts	16
15.5	Governing Law	16
15.6	Exclusive Jurisdiction	16
15.7	Headings	17
15.9	Severability	17
15.9	Third-Party Beneficiaries	17

OPERATING AGREEMENT OF

NIKITIS LLC

The undersigned members have formed a limited liability company (the "Company") under the Washington Limited Liability Company Act (the "Act"). This operating agreement ("Agreement"), as may be amended from time to time, is made and entered into effective September 14, 2015. The undersigned members hereby agree as follows.

ARTICLE I FORMATION

1.1 **Name.** The name of the limited liability company (the "Company") is NIKITIS LLC.

1.2 **Certificate of Formation.** The Certificate of Formation, which complies with the requirements of the Act, was executed and filed for record with the Secretary of State's office of the State of Washington on September 14, 2015.

1.3 **Duration.** The Company will be perpetual, unless earlier dissolved as provided in this Operating Agreement.

1.4 **Principal Office.** The principal office of the Company shall be located at 1505 NE Village Street, Fairview, Oregon 97024, or at any place as the Company may from time to time deem advisable.

1.5 **Registered Agent.** The name and address of the Company's registered agent in the State of Washington shall be Matthew Fullard-Leo located at 2319 SE 343rd Court, Washougal, WA 98671.

ARTICLE II MEMBERS, CONTRIBUTIONS, AND INTERESTS

2.1 **Names, Addresses and Initial Membership Interest.** The names and addresses of each original Member, and the initial Membership Interest of each Member is set forth on Exhibit A attached hereto and made a part hereof.

2.2 **Initial Contributions.** The initial contribution of each Member shall be as set forth on Exhibit B attached hereto and made a part hereof.

2.3 **Units.** A Member's Membership Interest will be represented by Units. The Company will initially be authorized to issue up to Ten Thousand (10,000) Units.

2.4 **Other Business of Members.** Any Member may engage independently or with others in other business and investment ventures of every nature and description and will have no obligation to account to the Company for the business or investments or for business or investment opportunities.

2.5 Additional and Substitute Members. Additional and Substitute Members will only be admitted on the affirmative vote of Members holding a Majority in Interest. This Operating Agreement will be binding upon any person who becomes an Additional or Substitute Member of the Company (including the Member's spouse and lineal descendants) by any method, and the Additional or Substitute Member will, if requested by the Manager or by Members holding a Majority in Interest, execute a counterpart signature page to this Operating Agreement. The parties agree to require the execution of a counterpart of this Operating Agreement as a precondition to the effectiveness of any transfer as provided in ARTICLE IX of this Operating Agreement.

2.6 Additional Contributions. Additional capital contributions will be made in the amounts and at the times as the Members agree by the unanimous vote of the Members. No Member will be required to make any capital contribution because that Member has a negative capital account.

ARTICLE III CAPITAL ACCOUNTS

Separate capital accounts will be maintained by the Company for each Member in accordance with Code Section 704(b) and the Regulations, representing the Members' respective capital contributions to the Company.

3.1 Increase in Capital Account. The capital account of each Member will consist of the Member's initial contribution, increased by the following:

(A) The fair market value of any additional property contributed by the Member to the Company (net of liabilities secured by the contributed property the Company is considered to assume or take subject to under Code Section 752);

(B) Additional contributions by the Member of cash; and

(C) Allocations to the Member of Net Profits, including income and gain as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g).

3.2 Decrease in Capital Account. The capital account of the Member will be decreased by the following:

(A) The amount of money distributed to the Member by the Company pursuant to ARTICLE VIII;

(B) The fair market value of property distributed to the Member by the Company (net of liabilities secured by the property that the Member is considered to assume or take subject to pursuant to Code Section 752); and

(C) Allocations to the Member of Net Losses, including loss and deductions computed for book purposes described in Regulations Section 1.704-1(b)(2)(iv)(g).

3.3 Special Allocation for 704(c) Property. In cases where Code Section 704(c) applies to property of the Company, the Members' capital accounts will be adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv)(g) for allocations to the Members of depreciation, depletion, amortization, gain, and loss, as computed for book purposes, with respect to the property.

3.4 Special Allocation for Revaluation. The capital accounts of the Members may be adjusted to reflect a revaluation of Company property (including intangible assets such as goodwill) on the Company's books, to the extent provided in Regulations Section 1.704-1(b)(2)(iv)(f).

3.5 Elections by Tax Matters Member. The Tax Matters Member may make any and all elections for federal, state, and local tax purposes including, without limitation, any election, if permitted by applicable law:

(A) To adjust the basis of property pursuant to Code Sections 754, 734(b), and 743(b), or comparable provisions of state or local law, in connection with transfers of interests in the Company and Company distributions;

(B) With the consent of a majority of the Members, to extend the statute of limitations for assessment of tax deficiencies against Members with respect to adjustments to the Company's federal, state, or local tax returns; and

(C) To the extent provided in Code Sections 6221 through 6231, to represent the Company, and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company and the Members, and to file any tax returns and to execute any agreements or other documents relating to or affecting the tax matters, including agreements or other documents that bind the Members with respect to the tax matters or otherwise affect the rights of the Company and the Members.

3.6 Net Profits and Net Losses. After giving effect to the special allocations set forth in Section 3.7, Net Profits and Net Losses will be allocated and credited to the Members' respective capital accounts in accordance with their Membership Interests.

3.7 Special Allocations.

(A) Except as provided in Paragraph 3.7(B), in the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain will be specially allocated to each Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the adjusted capital account deficit of the Member as quickly as possible.

(B) Notwithstanding any other provision of this Section 3.7, if there is a net decrease in Company minimum gain for any Company fiscal year, the minimum gain chargeback requirement contained in Regulations Section 1.704-2 will apply and each Member must be allocated items of Company income and gain for that year equal to that Member's share of the net decrease in Company

minimum gain. This Paragraph 3.7(B) is intended to comply with the minimum gain chargeback requirement of the Regulations and will be interpreted consistently therewith.

3.8 Curative Allocations. The allocations set forth in Paragraphs 3.7(A) and 3.7(B) (the “regulatory allocations”) are intended to comply with certain requirements of Code Section 704 and its Regulations. Notwithstanding any other provisions of this ARTICLE III (other than the regulatory allocations), the regulatory allocations will be taken into account in allocating other profits, losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of the allocations of other profits, losses and other items and the regulatory allocations to each Member will be equal to the net amount that would have been allocated to each Member if the regulatory allocations had not occurred.

3.9 Compliance with the Code and Regulations. The provisions of this ARTICLE III regarding the maintenance of capital accounts are intended to comply with Code Section 704(b), as amended, and its Regulations. The Members, upon the affirmative vote of Members holding a Majority in Interest, may modify the method by which capital accounts are maintained, provided the changes are consistent with Code Section 704 and its Regulations.

3.10 No Interest on Capital Contributions. No interest will be paid on capital contributions.

ARTICLE IV MEMBER MEETINGS

4.1 Meetings. A meeting of Members will be held:

(A) If it is called by the Manager; or

(B) If Members holding a Majority in Interest sign, date, and deliver to the Company’s principal office a written demand for the meeting, describing the purpose or purposes for which it is to be held. Meetings of Members will be held at the principal office of the Company or any other place specified in the notice of meeting.

4.2 Notice of Meeting. Notice of the date, time, and place of each Members’ meeting will be given to each Member not earlier than sixty (60) days nor less than ten (10) days before the meeting date. The notice must include a description of the purpose or purposes for which the meeting is called.

4.3 Record Date. The persons entitled to notice of and to vote at a Members’ meeting will be determined as of the record date for the meeting. The record date will be a date selected by the Manager, not earlier than seventy (70) days nor less than ten (10) days before the meeting. If the Manager do not specify a record date, the record date will be the date on which notice of the meeting is first mailed or otherwise delivered.

4.4 Quorum. The presence, in person or by proxy, of Members holding a Majority in Interest will constitute a quorum.

4.5 Proxies. A Member may be represented at a meeting in person or by written proxy.

4.6 Voting. Unless otherwise provided in this Operating Agreement, all actions requiring Member approval must be approved by an affirmative vote of a Majority in Interest.

ARTICLE V MANAGEMENT

5.1 Number and Qualifications of Managers. As provided in the Articles of Organization, the Company will be managed by one or more Managers, which will constitute the Board of Managers. The number of Managers will be the number elected by the Members and acting as such from time to time, but will be neither less than one (1) nor more than three (3). Managers may be individuals or entities, and need not be Members of the Company. The initial Board of Managers consists of Kennewick Industrial Development, LLC.

5.2 Election of Managers. Managers will be elected at a meeting of the Members called for the purpose of electing Managers. The meeting notice must state that the purpose, or one of the purposes, of the meeting is the election of Managers. A Manager will serve for a term ending with the Manager's death, resignation, or removal.

5.3 Authority. Subject to the limitations and restrictions set forth in the Certificate of Formation or in this Operating Agreement, the Manager will have the sole and exclusive right to manage the business of the Company and will have all of the rights and powers which may be possessed by Managers under the Act including, without limitation, the right and power to:

(A) Acquire by purchase, lease, or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(B) Operate, maintain, finance, improve, construct, own, grant options with respect to, sell, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(C) Execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, and operation of property, or in connection with managing the affairs of the Company;

(D) Borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Company, and secure the same by mortgage, pledge, or other lien on any property;

(E) Execute, in furtherance of any or all of the purposes of the Company, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the property;

(F) Prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the property and in connection therewith execute any extensions or renewals of encumbrances on any or all of the property;

(G) Care for and distribute funds to the Members by way of cash, income, return of capital, or otherwise, all in accordance with the provisions of this Operating Agreement, and perform all matters in furtherance of the objectives of the Company;

(H) Contract on behalf of the Company for the employment and services of employees and/or independent contractors, such as lawyers and accountants, and delegate to such persons the duty to manage or supervise any of the assets or operations of the Company;

(I) Engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to property and manager liability) necessary or incidental to, or in connection with, the accomplishment of the purposes of the Company, as may be lawfully carried on or performed by a limited liability company under the laws of each state in which the Company is then formed or qualified;

(J) Take all actions, not expressly proscribed or limited by this Operating Agreement, as may be necessary or appropriate to accomplish the purposes of the Company; and

(K) Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Company or the Members in connection with activities arising out of, connected with, or incidental to this Operating Agreement, and to engage counsel or others in connection therewith.

5.4 Other Activities. Managers may have other business interests and may engage in other activities in addition to those relating to the Company. This section does not change each Manager's duty to act in a manner that the Manager reasonably believes to be in the best interests of the Company.

5.5 Intentionally Deleted.

5.6 Resignation. A Manager may resign at any time by delivering written notice to the Members. The resignation is effective when the notice is delivered, unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Members. The resignation of a Manager who is also a Member will not affect the Manager's rights as a Member and will not constitute a withdrawal of the Member.

5.7 **Removal of Manager by Members.** The Members may remove the Manager with or without cause by the affirmative vote of the Members holding a Majority in Interest. A Manager may be removed by the Members only at a meeting called for the purpose of removing the Manager and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Manager.

5.8 **Salaries.** The salaries and other compensation, if any, of the Managers will be fixed from time to time by vote of the Members holding a Majority in Interest. A Manager will not be precluded from receiving a salary because the Manager is also a Member.

5.9 **Other Agents.** The Manager may, authorize any agent to enter into any lawful contract or to otherwise act on behalf of the Company. Such authority may be general or be confined to specific instances.

ARTICLE VI MEETINGS

6.1 **Meeting of Members or Managers.** Notwithstanding any other provision of this Operating Agreement, if all of the Members or Manager hold a meeting at any time and place, the meeting will be valid without call or notice, and any lawful action taken at the meeting will be the action of the Members or Manager, respectively.

6.2 **Action Without Meeting.** Any action required or permitted to be taken by the Members or the Manager at a meeting may be taken without a meeting if a consent in writing, describing the action taken, is signed by all the Members holding Units or by the Manager, as the case may be, and is included in the minutes or filed with the Company's records of meetings.

6.3 **Meetings by Telephone.** Meetings of the Members or the Manager may be held by conference telephone or by any other means of communication by which all participants can hear each other simultaneously during the meeting, and the participation will constitute presence in person at the meeting.

**ARTICLE VII
ACCOUNTING AND RECORDS**

7.1 **Books of Account.** The Company's books and records, a register showing the names, addresses, and ownership interests of the Manager and Members, a copy of the Certificate of Amendment, as amended, copies of the Company's tax returns for the three most recent years, minutes of any meetings of the Manager or Members, this Operating Agreement, as amended, and any other items required by the Act will be maintained by the Manager at the Company's principal office. Each Member will have access thereto at all reasonable times. The Manager will keep books and records of the operation of the Company that are appropriate and adequate for the Company's business and for the carrying out of this Operating Agreement.

7.2 **Fiscal Year.** The fiscal year of the Company will be the calendar year.

7.3 **Accounting Reports.** Within ninety (90) days after the close of each fiscal year, the Manager will cause each Member to receive an unaudited report of the activities of the Company for the preceding fiscal year, including a copy of a balance sheet of the Company as of the end of the year and a statement of income or loss for the year.

7.4 **Tax Returns.** The Manager will cause all required federal and state income tax returns for the Company to be prepared and timely filed with the appropriate authorities. Within ninety (90) days after the end of each fiscal year, each Member will be furnished a statement suitable for use in the preparation of the Member's income tax return, showing the amounts of any distributions, contributions, gains, losses, profits, or credits allocated to the Member during the fiscal year.

**ARTICLE VIII
DISTRIBUTIONS**

8.1 **Distributions to Pay Tax Liabilities.** Within ninety (90) days after the end of each fiscal year, the Company will make a distribution to the Members in an amount at least equal to their federal and state and local income tax liabilities resulting from the allocation of Profits pursuant to Article III, less (iii) the amount of any distributions made by the Company during the fiscal year (other than distributions made during the fiscal year that were required to be made under the provisions of this Section with respect to a prior fiscal year).

8.2 **Other Distributions.** The Manager will determine the amount of cash, if any, available for additional distributions at such times as the Manager deem advisable. The distribution will be based upon all relevant factors, including, but not limited to, the operating expenses and debt service of the Company, sums expended by the Company for capital expenditures and a reasonable reserve for working capital. Distributions will be made in proportion to the Membership Interests in the Company, as of the date of distribution, unless otherwise agreed by the unanimous vote of the Members.

**ARTICLE IX
TRANSFER RESTRICTIONS**

9.1 Withdrawal. A Member may not withdraw from the Company without the unanimous consent of the Members.

9.2 Permitted Transfers. A Member may transfer all or part of his or her Units as follows:

- (A) To the Company or to any other Member;
- (B) By gift to the Member's spouse or lineal descendants, or to a trust for the benefit of the Member's spouse or lineal descendants or both;
- (C) To a corporation, if immediately after the transfer, the Member making a transfer owns greater than fifty percent (50%) of that corporation's voting shares;
- (D) To a limited liability company or partnership, if immediately after the transfer, the Member making the transfer owns greater than fifty percent (50%) of that entity's voting interests.

9.3 Assignee Admitted as Member. Upon a transfer permitted under Section 9.2 above, the Assignee will not be admitted as a Substitute Member, will not participate in the management of the Company, and will only be entitled to receive distributions and return of capital and to the allocated net profits and net losses attributable to the Units, unless the Assignee executes a counterpart of this Operating Agreement and any other document the Manager may reasonably require. Any such Assignee, will hold the Units subject to all the provisions of this Operating Agreement.

9.4 Other Transfers or Assignments. In the event of a transfer or assignment of Units other than the permitted transfers specified in Section 9.2 above, or in the event of a Members withdrawal, the Assignee will not be admitted as a Substitute Member, will not participate in the management of the Company, and will only be entitled to receive distributions and return of capital and to the allocated net profits and net losses attributable to the Units. Any Assignee under this ARTICLE IX will hold the Units subject to all the provisions of this Operating Agreement.

9.5 Right of First Refusal.

(A) Within ninety (90) days following the transfer or assignment of a Member's Units, the Company may purchase the Assignee's Units and the Assignee will sell such Units to the Company. Upon an election by the Company to purchase the Units from an Assignee, the value of the Assignee's Units will be determined by taking the Assignee's Units over all Units and multiplying by the book value of the Company's assets as stated in the Company's federal income tax return filed for the taxable year immediately preceding the transfer or assignment.

(B) Should the Assignee wish at any time to transfer or assign Units to a third party, the Assignee will give the previous transferor Member notice of the proposed transaction and the transferor Member will have the right, within twenty-one (21) days of receiving the notice, to reacquire the Units in exchange for the money or other property, if any, originally received by the transferor Member from the Assignee in exchange for the Units.

9.6 Effect of Death of a Member of Assignee.

(A) Within one hundred and eighty (180) days following the death of a Member, the deceased Member's estate or successor-in-interest may sell and the Company will purchase, or the Company may purchase and the deceased Member's estate or successor-in-interest will sell, the deceased Member's Units, according to the provisions of Sections 9.8 and 9.9.

(B) If the deceased Member's estate or successor-in-interest exercises its option under Paragraph A above, the remaining Members holding a Majority in Interest may elect to dissolve the Company by giving notice to the deceased Member's estate or the successor-in-interest within forty-five (45) days following the exercise of the option. If the remaining Members elect to dissolve the Company, the deceased Member's estate or successor-in-interest will be treated as an Assignee of the deceased Member's Units pending the dissolution of the Company.

(C) On the death of a Member, if neither the Company, the deceased Member's estate, nor successor-in-interest exercise their options under Paragraph A above, the deceased Member's estate or successor-in-interest will become a Substitute Member.

(D) Within one hundred and eighty (180) days following the death of an Assignee, the Company may purchase and the deceased Assignee's estate or successor-in-interest will sell the deceased Assignee's Units, according to the provisions of Sections 9.8 and 9.9, subject to a ten percent (10%) discount in the value of the Units, and substituting the term "Assignee" for "Member" as appropriate.

9.7 Effect of Certain Events. Upon the occurrence of any of following events listed in this Section 9.7, the Members may within one hundred twenty (120) days elect to purchase the interest of the affected Member pursuant to the

provisions of Sections 9.8 and 9.9. The election will be at the sole discretion of the remaining Members and will require their unanimous consent. The events are:

- (A) A Member becomes bankrupt;
- (B) A Member who is a natural person becomes incompetent;

(C) A Member becomes totally disabled. For the purposes of this Operating Agreement, a Member will be deemed totally disabled if disability is determined under a disability insurance policy then in force for the Company. The Member will continue to be deemed totally disabled until the issuing insurance company ceases to recognize the disability for purposes of the policy. If there is no disability policy then in force, a Member will be deemed to be totally disabled if a physician, licensed to practice in the State of Washington and selected by the Manager, determines that the afflicted Member has not for a period of six consecutive months been able to perform substantially all of his or her Company duties.

- (D) The termination of a trust or an estate that is a Member; or

(E) The dissolution of a corporation or other organization that is a Member.

9.8 Valuation of Member's Units. Upon an election by the Company to purchase the Units of a Member to Sections 9.6 or 9.7, the value of the affected Units will be determined by multiplying the Member's Membership Interest by the fair market value (the amount that could reasonably be expected to be realized upon sale) net of liabilities of all Company assets. The total will then be adjusted to reflect any minority, marketability, or control effect on valuation. The fair market value of the Company assets will be determined by agreement between the remaining Members and the affected Member or the affected Member's estate or successor-in-interest. In the event agreement as to the value of the Company's assets cannot be obtained, the fair market value of the Company's assets will be determined by appraisal. The Company will first select an appraiser who will value the Company's assets. The affected Member or the affected Member's estate or successor-in-interest may elect, either before or after the Company's appraiser has submitted a report, to select another appraiser. In the event the two appraisers fail to reach agreement on the fair market value of the Company's assets, the two appraisers will mutually select a third appraiser whose determination of the value of the Company's assets will be binding on the Company and the affected Member or the affected Member's estate or successor-in-interest. The appraisers shall also determine the appropriate discounts to reflect any minority, marketability or control effect on valuation.

9.9 Payment for Member's Units. The purchase price for a Member's Units purchased pursuant to Sections 9.6 or 9.7 will be paid in sixty (60) substantially equal, consecutive monthly payments, including principal and interest. Interest will accrue at the prime rate in effect on the date of the event giving rise to the election to purchase as quoted by the Wall Street Journal or, if

that publication becomes unavailable, another reputable source chosen by the Members. The first payment will be made not later than ninety (90) days following the date the value of the Units is determined. The Company may prepay the remaining amount of the purchase price at any time.

9.10 Effect of Purchase of Member's Units. A Member will cease to be a Member upon the Company's election to purchase the Member's Units pursuant to Sections 9.6 or 9.7.

ARTICLE X DISSOLUTION

10.1 Events of Dissolution. Except as otherwise provided in this Operating Agreement, the Company will dissolve upon:

(A) The time for dissolution specified in the Certificate of Formation; or

(B) Approval of dissolution by the affirmative vote of Members holding a Majority in Interest.

10.2 Liquidation Upon Dissolution and Winding Up. Upon the dissolution of the Company, the Manager will wind up the affairs of the Company. A full account of the assets and liabilities of the Company will be taken. The assets will be promptly liquidated and the proceeds thereof applied as required by the Act. With approval by the affirmative vote of Members, the Company may, in the process of winding up the Company, elect to distribute property in kind.

10.3 Distribution of Assets. During the liquidation of the Company, the Members will continue to share Net Profits and Net Losses in the same proportions as before dissolution. In settling accounts after dissolution, the proceeds from the liquidation of the Company's assets will be applied as follows:

(A) To creditors of the Company, in the order of priority as provided by law;

(B) To Members who are creditors of the Company, in such proportion as the outstanding debt held by each Member bears to all outstanding debt held by Members.

(C) To the Members with respect to their positive capital account balances.

10.4 Gains or Losses. During liquidation, any gain or loss on the disposition of the Company's property will be credited or charged to the Members in accordance with the provisions of ARTICLE III. Any property distributed in kind in liquidation will be valued and treated as though the property were sold for its fair market value and the cash proceeds distributed. The difference between the value of the property distributed in kind and its book value to the Company will be treated as a gain or loss on the sale of the property to be allocated between the Members pursuant to ARTICLE III.

**ARTICLE XI
INDEMNIFICATION AGREEMENT**

11.1 Indemnification. The Company will indemnify its Manager to the fullest extent permissible under Washington law, as the same exists or may hereafter be amended, against all liability, loss and costs (including, without limitation, attorney fees) incurred or suffered by the person by reason of or arising from the fact that the person is or was a Manager of the Company, or is or was serving at the request of the Company as a Manager, director, officer, partner, trustee, employee, or agent of another foreign or domestic limited liability company, corporation, partnership, joint venture, trust, benefit plan, or other enterprise. The Company may, by action of the Members or Manager, provide indemnification to Members, employees and agents of the Company who are not Managers. The indemnification provided in this Section will not be exclusive of any other rights to which any person may be entitled under any statute, bylaw, agreement, resolution of Members or Manager, contract, or otherwise.

11.2 Limitation of Liability. Managers of the Company will not be liable to the Company or its Members for monetary damages for conduct as Manager except to the extent that the Act, as it now exists or may hereafter be amended, prohibits elimination or limitation of Manager liability. No repeal or amendment of this Section or of the Act will adversely affect any right or protection of a Manager for actions or omissions before the repeal or amendment.

**ARTICLE XII
AMENDMENTS**

12.1 By Members. The Members may amend or repeal the provisions of this Operating Agreement by unanimous agreement of the Members set forth in writing or by action taken at a meeting of Members called for that purpose. This Operating Agreement may not be amended or repealed by oral agreement of the Members.

12.2 By Managers. The Manager may not amend or repeal the provisions of this Operating Agreement.

**ARTICLE XIII
MISCELLANEOUS SECURITIES ISSUES**

13.1 Prohibited "Market" Transfers. Each Member hereby covenants and agrees with the Company for the benefit of the Company and all other Members that

(A) The Member is not currently making a market in the Units;

(B) The Member will not transfer any Units upon an established securities market or a secondary market (or the substantial equivalent) within the meaning of Code Section 7704(b) (and any regulations, proposed regulations, revenue rulings or other official pronouncements of the Internal Revenue Service or Treasury Department that may be promulgated or published); and

(C) In the event the regulations, revenue rulings, or other pronouncements treat any or all arrangements which facilitate the selling of a Units which are commonly referred to as “Matching Services” as being a secondary market or substantial equivalent thereof, the Member will not transfer any Units through a Matching Service that is not approved in advance by the Company.

13.2 Securities Law Legend. Each Member hereby agrees that the following legend may be placed upon the Units, any counterpart of this Operating Agreement, or any other document or instrument evidencing ownership of the Units:

THE SECURITIES DESCRIBED HEREIN (1) HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER FEDERAL OR STATE SECURITIES LAWS, (2) HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO OR IN CONNECTION WITH THE SALE OR DISTRIBUTION THEREOF, AND (3) MAY NOT BE SOLD OR OTHERWISE DISPOSED OF WITHOUT AN EFFECTIVE FEDERAL REGISTRATION STATEMENT AND STATE QUALIFICATION RELATED THERETO OR AN OPINION OF COUNSEL FURNISHED AT HOLDER'S EXPENSE IN FORM AND SUBSTANCE AND FROM COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES THAT SUCH REGISTRATION AND QUALIFICATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE LAW.

ARTICLE XIV DEFINITIONS

Capitalized words and phrases used in this Operating Agreement will have the following meanings:

14.1 “*Act*” means the Washington Limited Liability Company Act, as amended.

14.2 “*Additional Member*” means an Assignee who has been admitted to the Company as a member pursuant to the terms of the Operating Agreement.

14.3 “*Assignee*” means the holder of Units upon any transfer of the Units without being admitted to the Company as a Substitute Member.

14.4 “*Manager*” means the Manager of the Company.

14.5 “*Certificate of Formation*” means the Certificate of Formation of NIKITIS LLC, a Washington Limited Liability Company, as amended from time to time.

14.6 “*Code*” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

14.7 “*Company*” means NIKITIS LLC , a Washington Limited Liability Company.

14.8 “*Manager(s)*” means an individual or entity elected by the Members to serve as the Manager.

14.9 “*Majority in Interest*” means the Units which taken together exceed one-half (1/2) of the aggregate of all the Units then issued and outstanding.

14.10 “*Member*” means any holder of Units in the Company who has become an initial Member, a Substitute Member or and Additional Member pursuant to the terms of this Operating Agreement.

14.11 “*Membership Interest*” of a Member equals the percentage determined by dividing the total number of Units owned by the Member by the total of Units owned by all Members.

14.12 “*Net Losses*” means the net loss of the Company, computed in accordance with Code Section 703, applied consistently with prior periods.

14.13 “*Net Profits*” means the net income of the Company, computed in accordance with Code Section 703, applied consistently with prior periods.

14.14 “*Operating Agreement*” means the Limited Liability Company Agreement of NIKITIS LLC , a Washington Limited Liability Company, as amended from time to time.

14.15 “*Regulations*” means the regulations issued by the U.S. Treasury Department under the Code.

14.16 “*Substitute Member*” means an Assignee who has been admitted to the Company as a Member following a permitted or other transfer.

14.17 “*Tax Matters Member*” means the party designated pursuant to the Code to receive all notices from the Internal Revenue Service which pertain to the tax affairs of the Company and referred to in the Code as the Tax Matters Partner. Unless otherwise required by law, the Manager will serve as the Tax Matters Member. If the Manager may not serve as Tax Matters Member, the Members will select an individual to serve in that capacity.

14.18 “*Transferee*” means a third person or entity to whom a Transferring Member sells, transfer, encumbers, assigns, or otherwise disposes of all or any part of the Member’s Membership Interest in the Company.

14.19 “*Transferring Member*” means a Member who voluntarily sells, transfers, encumbers, assigns, or otherwise disposes of all or any part of the Member’s membership Interest in the Company to any third person or entity.

14.20 “*Unit*” means the representative measurement of ownership in the Company and represents the right of a Member or Assignee to an allocated share, expressed as a percentage, of the economic benefits of the Company, including net profits, net losses, and distributions, and the right to vote on matters as to which the Operating Agreement requires or permits the Members to vote upon.

**ARTICLE XV
MISCELLANEOUS**

15.1 Additional Documents. Each Member will execute such additional documents and take such actions as are reasonably requested by the Manager in order to complete or confirm the transactions contemplated by this Operating Agreement.

15.2 Arbitration. Any dispute among the Members or among the Members and the Company concerning this Operating Agreement will be settled by arbitration before a single arbitrator, using the rules of commercial arbitration of the American Arbitration Association. Arbitration will occur in Portland, Oregon. The parties will be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure, subject to limitation by the arbitrator to secure just and efficient resolution of the dispute. If the amount in controversy exceeds \$10,000, the arbitrator's decision will include a statement specifying in reasonable detail the basis for and computation of the amount of the award, if any. A party substantially prevailing in the arbitration will also be entitled to recover the amount for its costs and attorney fees incurred in connection with the arbitration as will be determined by the arbitrator. Judgment upon the arbitration award may be entered in any court having jurisdiction. Nothing herein, however, will prevent a Member from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

15.3 Attorney Fees. Notwithstanding Section 15.1 above, if a suit, action, arbitration or other proceeding of any nature whatsoever (including, without limitation, any bankruptcy proceeding) is instituted in connection with any controversy arising out of this Operating Agreement or to interpret or enforce any rights under this Operating Agreement, the prevailing party will be entitled to recover its attorney fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith, as determined by the arbitrator or by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

15.4 Counterparts. This Operating Agreement may be executed in two or more counterparts, which together will constitute one agreement.

15.5 Governing Law. This Operating Agreement will be governed by Oregon law.

15.6 Exclusive Jurisdiction. It is agreed that the Circuit Court of the State of Oregon, in and for the County of Multnomah, will be the sole and exclusive forum for the resolution of any disputes arising among any of the Members. The Company and each of the Members expressly and unconditionally confer jurisdiction for the resolution of any and all disputes upon the court. In the event that any litigation commenced in the court is properly removable to a Federal Court under the laws of the United States of America, the removal will take place if the legal basis for removal exists; provided, however, that the parties to this Operating Agreement

agree that the exclusive venue of the Federal forum for the resolution of any disputes will be the United States District Court for Oregon, located in Portland, Oregon.

15.7 **Headings.** Headings in this Operating Agreement are for convenience only and will not affect its meaning.

15.8 **Severability.** The invalidity or unenforceability of any provision of this Operating Agreement will not affect the validity or enforceability of the remaining provisions.

15.9 **Third-Party Beneficiaries.** The provisions of this Operating Agreement are intended solely for the benefit of the Members and will create no rights or obligations enforceable by any third party, including creditors of the Company, except as otherwise provided by applicable law.

ADOPTED as of the date first written above by the undersigned, constituting all of the members.

COMPANY MEMBERS:

KENNEWICK INDUSTRIAL DEVELOPMENT, LLC
(A WASHINGTON LIMITED LIABILITY COMPANY)

By: 

Marcus Fullard-Leo
Its Director

EXHIBIT A

<u>Member and Address</u>	<u>Initial Membership Units</u>
KENNEWICK INDUSTRIAL DEVELOPMENT, LLC c/o Marcus Fullard-Leo, Director 1505 NE Village Street Fairview, Oregon 97024	10,000 Units

EXHIBIT B

Member and Address

Initial Contribution

KENNEWICK INDUSTRIAL DEVELOPMENT, LLC
c/o Marcus Fullard-Leo, Director
1505 NE Village Street
Fairview, Oregon 97024

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