Please return to:

Executive Assistant Kennewick Irrigation District 2015 South Ely Street Kennewick, WA 99336

KENNEWICK IRRIGATION DISTRICT RESOLUTION 2016-12

Approving The Boulevard Townhomes Voluntary Mitigation Agreement

A RESOLUTION of the Board of Directors of Kennewick Irrigation District (KID), Benton County, Washington, for the purpose of approving a development agreement with BMB Development Inc., a Washington Corporation (hereinafter "Developer"),

WHEREAS, the Board of Directors of KID (the Board) met in regular session on April 5, 2016 with a quorum present, and

WHEREAS, the Developer is subdividing land into a development known as "The Boulevard Townhomes" consisting 8.10 acres, of which 8.10 acres is classified as irrigable, which are proposed to be subdivided into 57 lots and hereinafter referred to as the "Property."

WHEREAS, the Property is being developed into a residential subdivision within the City of Kennewick boundaries; and

WHEREAS, the Property is owned by the Developer and has an allotment of irrigation water from KID; and

WHEREAS, RCW 58.17.310 requires that irrigation water rights-of-way be provided for each parcel of land, and also requires that, if the subdivision lies within land within an irrigation district classified as irrigable, completed irrigation water distribution facilities for such land may be required by the irrigation district by resolution as a condition for approval of the short plat or final plat by the legislative authority of the city, town, or county; and

WHEREAS, KID Resolution 86-15A requires completed irrigation facilities as a condition for approval of the short plat or final plat; and

WHEREAS, KID Policy 4.19 "Standard Specifications" specifies what comprises completed irrigation facilities; and

WHEREAS, the Developer has made irrigation improvements on the Property, but has not completed the construction of a pond, pump station, and appurtenant facilities to provide pressurized irrigation water to the subdivision as a completed irrigation facility; and

WHEREAS, the Developer and KID mutually agree that it is in each of their best interest for the Developer to contribute funds towards KID's planned regional system in lieu of constructing a pond,

pump station, and appurtenant facilities to service the Property; and

WHEREAS, the Developer desires to contribute funds equal to the mutually agreed cost of completed irrigation facilities, which is \$104,851.80 towards the planned regional system in lieu of construction of a pond, pump station, and appurtenant facilities; and

WHEREAS, the KID cannot approve of any Final Plat phases of the Property unless completed irrigation system are installed or bonded for or the KID Board of Directors approves by resolution an acceptable security that creates a lien against the Property; and

WHEREAS, the parties desire to set forth their agreements on how said Voluntary Mitigation Agreement will be constructed, operated, maintained, replaced, and bettered for their mutual benefit and for the benefit of their heirs, assigns and successors;

NOW, THEREFORE, BE IT RESOLVED that the attached "The Boulevard Townhomes Voluntary Mitigation Agreement" is approved.

RESOLUTION 2016-12 IS HEREBY ADOPTED by the Board of Directors of Kennewick Irrigation District, Benton County, Washington, at a regular open public meeting thereof this 5th day of April, 2016.

David McKenzie

Cone Huffman

Dean Dennis

Patrick McGuire

Kirk Rathbun

THE BOULEVARD TOWNHOMES VOLUNTARY MITIGATION AGREEMENT

THIS AGREEMENT, made and entered into and effective this _______ day of _______, _______ by and between the parties hereto, who are identified as follows:

Brad Beauchamp, BMB Development Inc., a Washington Corporation (hereinafter "Developer"),

and

Kennewick Irrigation District, an irrigation district formed and operated pursuant to RCW Ch. 87.03, referred to herein as "KID,"

Relating to that property in the City of Kennewick "COK" boundaries, County of Benton, and State of Washington, this is legally described as follows:

107891000001000

THAT PORTION OF THE NORTH ONE/HALF OF NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 8, NORTH RANGE 29, LYING NORTH OF KENNEWICK IRRIGATION DISTRICT HIGHLAND FEEDER CANAL LATERAL, HF 1.8 A: EXCEPT PORTION LYING WEST OF FOLLOWING DESCRIBED LINE: BEGINNING AT THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION: THENCE EASTERLY ALONG THE NORTH LINE 639 FEET TOTHE TRUE POINT OF BEGINNING: THENCE ANGLE RIGHT 83° 05' A DISTANCE OF 469 FEET MORE OR LESS TO CENTER LINE OF KENNEWICK IRRIGATION DISTRICT HIGHLAND FEEDER 1.8A LATERAL AND TERMINUS OF SAID LINE. LESS THE EAST 60 FEET TO CITY OF KENNEWICK 2-3-75. AND LESS THAT PORTION OF THE NORTHEAST QUARTER LYING SOUTHERLY OF KENNEWICK IRRIGATION DISTRICT H.F. CANAL AND NORTH OF KENNEWICK IRRIGATION DISTRICT M.C. AND EAST OF FOLLOWING DESCRIBED LINE: THE NORTHWEST CORNER OF BEGINNING AT NORTHEAST QUARTER, THENCE SOUTH 82° 35' EAST ALONG THE NORTH LINE THEREOF 929.10 FEET TO TRUE POINT OF BEGINNING OF SAID DESCRIBED LINE: THENCE SOUTH 09° 08' 30' WEST 1260.25 FEET: THENCE SOUTH 50° 51' 30' EAST 210.40 FEET: THENCE SOUTH 09° 08'30' WEST 260.35 FEET TO A POINT ON THE NORTH RIGHT OF WAY LINE OF KENNEWICK IRRIGATION DISTRICT M. CANAL, THENCE TERMINUS OF SAID DESCRIBED LINE. QUIT CLAIM DEED, 7-18-79, EASEMENT. SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD, 4-16-73. SUBJECT TO EASEMENTS ANDRESTRICTIONS OF RECORD, PUD, 3-25-70. KID ABANDONMENT OF ROW-PER RESOLUTION 94-26,V OL611 PG2575 SUBJECT TO EASEMENTS AND RESTRICTIONS, GTE 5/14/97 AF#97-11167.

hereinafter referred to as the "Property."

WHEREAS, the Property is being developed into a residential subdivision ("Subdivision") within the COK boundaries; and

WHEREAS, the Property is owned by the Developer and has an allotment of irrigation water from KID; and

WHEREAS, the Property is proposed for subdivision into a development known as "The Boulevard Townhomes" consisting 8.10 acres, of which approximately 8.10 acres is classified as irrigable, which are proposed to be subdivided into 57 lots; and

WHEREAS, RCW 58.17.310 requires that irrigation water rights-of-way be provided for each parcel of land, and also requires that, if the subdivision lies within land within an irrigation district classified as irrigable, completed irrigation water distribution facilities for such land may be required by the irrigation district by resolution as a condition for approval of the short plat or final plat by the legislative authority of the city, town, or county; and

WHEREAS, KID Resolution 86-15A requires completed irrigation facilities as a condition for approval of the short plat or final plat; and

WHEREAS, KID Policy 4.19 "Standard Specifications" specifies what comprises completed irrigation facilities; and

WHEREAS, the Developer has made irrigation improvements on the Property, but has not completed the construction of a pond, pump station, and appurtenant facilities to provide pressurized irrigation water to the subdivision as a completed irrigation facility; and

WHEREAS, the City of Kennewick requires completed irrigation water distribution facilities as a condition of approval for the subdivision; and

WHEREAS, the Developer and KID mutually agree that it is in each of their best interest for the Developer to contribute funds towards KID's planned regional system in lieu of constructing a pond, pump station, and appurtenant facilities to service the Subdivision; and

WHEREAS, the Developer desires to contribute funds equal to what would be the mutually agreed cost of constructing completed irrigation facilities, which is \$104,581.80 toward the planned regional system in lieu of constructing a pond, pump station, and appurtenant facilities at Developer's expense to service the Subdivision; and

WHEREAS, the KID cannot approve of any Final Plat phases of the Subivision unless completed irrigation systems are installed or bonded for, or the KID Board of Directors approves by resolution an acceptable security that creates a lien against the Property; and

WHEREAS, the parties desire to set forth their agreements on how said Voluntary Mitigation Development Agreement will be constructed, operated, maintained, replaced, and bettered for their mutual benefit and for the benefit of their heirs, assigns and successors; NOW THEREFORE:

The Developer's Obligations. Developer:

- a. Shall pay to the KID a total sum of \$1,248.90 within thirty (30) days from the date of the agreement, an amount mutually agreed upon by KID and Developer, in lieu of the costs to presently install the completed irrigation facilities for the Subdivision. The mutually agreed upon amount accounts for the following:
 - \$103,332.90 in labor and materials for the replacement and installation of a 16-inch pipeline in accordance with KID's planned regional system.
- b. Agrees to hold harmless and indemnify KID and its officers, agents, consultants, contractors, representatives, attorneys, insurers and employees from any all claims judgments, damages, penalties, fines, costs, liabilities or losses arising from or related to any design specifications herein or approval given hereunder. This hold harmless and indemnification provision applies to claims of negligence and any other theory of liability related to or arising out of this Agreement or otherwise raised against KID that involve the Subdivision that is the subject of this agreement.

2. KID Obligations. KID shall:

- a. Provide a proportionate share of available irrigation water to the Subdivision starting in April 2016, per the normal operating rules, regulations, and practices of KID.
- 3. <u>Water Rights Unaffected; Pump Ownership Remains</u>. This Agreement does not create, grant, transfer, modify or affect any water rights of the Developer or KID.
- 4. Other Rights and Obligations Not Affected. No rights or obligations of the parties or to which the Property is subject are modified or affected hereby. Without limiting the generality of the foregoing, the Property, and all lots subsequently created from the Property, shall continue to be assessed in accordance with KID assessment rate structure and practices as they now exist and as they may be amended in the future.
- 5. Entire Agreement; Severability; Modification; Waiver: This agreement contains the entire agreement of the parties and supersedes and replaces any and all prior or contemporaneous agreements or understandings, written or oral, express or implied, between the parties concerning the subject matter of this agreement. Should any term or provision of this Agreement, or any part thereof, be held unenforceable for any reason, such unenforceable term or provision, or part thereof, shall not affect the remainder of this contract, it being agreed the

THE BOULEVARD TOWNHOMES VOLUNTARY MITITGATION AGREEMENT-- Page 3 of 7

provisions hereof are severable. This Agreement shall not be subject to modification except by written agreement signed by both parties. Failure of either party to enforce any of the provisions of this agreement shall not be construed as a waiver by that party of any such provisions or of the right of such party to thereafter strictly enforce each and every provision of this agreement.

- 6. <u>Injunctive Relief.</u> The Developer agrees and stipulates that irreparable injury will result to KID if Developer fails to fully perform all of their obligations, and agree that if Developer breaches this agreement or fails to fully perform an obligation herunder, KID shall be entitled to an injunction to restrain further breach and/or to force performance. Said injunctive relief shall be in addition to any other remedies KID may have.
- 7. Personal Warranty of Representative Authority. Each person signing this Agreement in a representative capacity individually and personally promises, covenants, represents and warrants that he or she has full authority to bind his or her principle to the terms of the Agreement, and hereby promises to hold the other parties hereto harmless from any claim or allegation that said person lacked such authority.
- 8. Attorney's Fees: In case litigation or arbitration is instituted arising directly or indirectly out of this Agreement, the substantially prevailing party or parties shall be awarded its reasonable attorney's fees, costs (including witness fees, expert witness fees and court reporter fees), at trial and on any appeal plus estimated interest accumulation on attorney fees and costs. In addition, in the event of arbitration, the substantially prevailing party shall be awarded its share of the arbitrator's fee.
- Disputes, Default, Breach, Mediation and Arbitration. In the event any party 9. alleges any failure to agree, default or breach against the other arising out of this Agreement and they are unable to resolve the same by direct negotiation within seven (7) days of written notification of same, then the following mediation and arbitration provisions shall apply. In the event of any such claims or disputes over this Agreement, and as a condition precedent to the commencing of any legal action on said Agreement, the parties agree that they will first submit said dispute to mediation and arbitration in Kennewick, Washington. Upon demand for mediation by either party, a single mediator shall be selected by agreement of the parties or, if the parties are unable to agree, by the presiding judge of Benton County Superior Court. Within ten (10) days of demand for mediation by a party, a mediator shall be selected by the parties. If the parties cannot agree on a mediator, either party may submit a request to the Benton County Superior Court presiding judge to appoint a mediator in compliance with this Agreement. The mediation shall held within forty-five (45) days of selection of the mediator. If mediation is not successful, the mediator shall thereafter become an arbitrator and shall make a decision on the dispute within ten (10) days of the mediation. The mandatory arbitration rules of the Benton/Franklin County Superior Courts shall be binding as to procedure, except as to the unique right of appeal which is not applicable. The limited right of appeal under the general arbitration laws of the State of Washington shall apply.

- 10. <u>Jurisdiction and Venue</u>: Any <u>litigation arising under, related to, or in connection with this Agreement shall occur solely in the state court of appropriate subject matter jurisdiction for Benton County, State of Washington, and in no other court.</u>
- 11. Term of the agreement: This agreement shall expire in five (5) years, though the obligations of Developer to pay any remaining amount due, plus interest, which shall continue to accrue, and to provide a deed of trust and keep the land free of other interests or liens shall survive the expiration of this agreement.
- 12. <u>Scrutiny</u>. This Agreement has been submitted to the scrutiny of all parties and their respective legal counsel and shall be given a fair and reasonable interpretation in accordance with the words hereof without consideration or weight being given to its being drafted by or for one of the parties. If in fact one of the parties has not submitted this Agreement to the scrutiny of their legal counsel, such party stipulates that, despite having had the opportunity to do so, they waived the same and elected to proceed without the benefit of such legal review.

IN WITNESS WHEREOF, the parties execute this Agreement as follows.

DEVELOPER:
BMB Development Inc.
BY Bul Beauchamp, PRESIDENT Date Signed: 4.12, 2016
STATE OF WASHINGTON)
COUNTY OF Becton): ss
On this D day of Apeco, 2016, before me personally appeared Bradbeaux haup, to me known to be the president of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed m official seal this
NOTARY PUBLIC, State of Washington Residing at Across Alla (19) My Commission Expires Alla (19)

KENNEWICK IRRIGATION DISTRICT:

By: Charles Freeman, its Secretary Manager	Date:	
By: David McKenzie, President of the Board	Date: <u>5 Apr</u> , 2016 of Directors	
As approved by Resolution of the Board of Don April 5, 2016	Directors in a regularly scheduled Board meeting	
STATE OF WASHINGTON) : ss COUNTY OF Becetor)		
On this day of April, 2016, before me personally appeared Chades Freenen flacid McKenzie, to me known to be the president of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.		
official seal this day of Apeel	I, I have hereunto set my hand and affixed my, 2016.	
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