

AFTER RECORDING RETURN DOCUMENT TO:
City of Bellingham – Planning and Community Development
210 Lottie Street
Bellingham, WA 98225

[†]Reserved for Recording Purposes Only[†]

DOCUMENT TITLE: *Development Agreement*

REFERENCE NUMBER OF RELATED DOCUMENTS: *Comp Plan
Amendment/Rezone (ZON 2010-00008)*

GRANTOR(S): *Padden Trails, L.L.C., a Washington limited liability company*

GRANTEE(S): *City of Bellingham*

ABBREVIATED LEGAL DESCRIPTION: *Portions of Blocks 6, 8, 11, 12, 15 & 16,
PLAT OF HAPPY VALLEY AND OTHERS AS SHOWN IN DETAIL IN EXHIBIT A, ON
PAGES ____ THROUGH ____.*

ASSESSOR'S TAX/PARCEL NUMBERS: **370307 272163 0000**
Additional parcel numbers can be found on page: ____

**DEVELOPMENT AGREEMENT BETWEEN
PADDEN TRAILS L.L.C.
AND THE CITY OF BELLINGHAM**

This Development Agreement ("Agreement") between Padden Trails L.L.C. (the "Developer"), a Washington limited liability company, and the City of Bellingham (the "City"), a Washington municipal corporation, is entered as of the last date of signature below, and effective upon the date of execution by the City of Bellingham.

Recitals

WHEREAS, Developer is the owner of real property legally described as set forth in attached Exhibit "A" (the "Property"). The Property is the same location as the Padden Trails Preliminary Plat approved by Bellingham Hearing Examiner decision #SUB2005-00009 on January 31, 2006; and

WHEREAS, the Developer submitted an application to the City in accordance with Bellingham Municipal Code (BMC) Chapters 20.19 and 20.20 for a Comprehensive Plan Amendment and Rezone (ZON2010-00008) for the Property, all being within Areas 5 and 6 of the Samish Hills Neighborhood; and

WHEREAS, the Developer requested changing the current designation from Residential Single (20,000 square feet per unit density) to Residential Multi Planned (10,000 square feet per unit); and

WHEREAS, in order to establish certain development conditions upon which both of the parties can rely to insure that the development of the Property is consistent with City policies and plans, the and Developer have agreed to enter into a Development Agreement; and

WHEREAS, the Washington State Legislature has authorized the execution of a development agreement between a local government and a person having ownership or control of real property within its jurisdiction (RCW 36.70B.170(1)); and

WHEREAS, a development agreement must set forth the development standards and other provisions that shall apply to and govern and vest the development, use and mitigation of the development of the real property for the duration specified in the agreement (RCW 36.70B.170 (1)); and

1 **WHEREAS**, for the purposes of this development agreement, “development standards”
2 are the requirements of all current applicable City of Bellingham codes and regulations,
3 except as modified by this Agreement; and
4

5 **WHEREAS**, this development agreement is for the purpose of clarifying the specific
6 rights of the Developer; and
7

8 **WHEREAS**, a development agreement must be consistent with the applicable
9 development regulations adopted by a local government planning under chapter 36.70A
10 RCW (RCW 36.70B.170(1)); and
11

12 **WHEREAS**, a Determination of Non Significance (DNS) was issued as a non-project
13 DNS by the SEPA Responsible Official on the 23rd day of September, 2011; and
14

15 **WHEREAS**, the Bellingham Planning and Development Commission has issued a
16 recommendation in favor or approval of the rezone and comprehensive plan
17 amendments requested by the Developer, subject to the terms stated in this Agreement
18 and those certain terms and conditions set forth in the Rezone Ordinance; and
19

20 **WHEREAS**, by Ordinance No. 2012- ____ - ____, the City amended the City Zoning
21 Ordinance and Comprehensive Plan to provide for multi-residential and other uses on
22 the Property, subject to various conditions, and authorized the Mayor to execute this
23 development agreement with the Developer; and
24

25 Now, therefore, the parties agree as follows:
26

27 **Agreement**

28
29 **Section 1. The Proposal.** The Proposal is for the purpose of amending the zoning
30 ordinance and comprehensive plan to allow a mixed use development including single
31 and multi-residential, and other permitted uses on the usable portions of the Property.
32

33 **Section 2. Site Plan.** No specific project at this time is proposed, and will not be
34 proposed until issues relating to critical areas have been further analyzed. No
35 applications will be accepted for any development on the Property until an application
36 for a Final Site Plan review, pursuant to BMC 20.38 (“Site Plan”) has been submitted to
37 the City. The Final Site Plan review process will be used to ensure that the project
38 conforms to the requirements of this Agreement, the Bellingham Comprehensive Plan,
39 and Bellingham Municipal Code Title 20. This restriction shall not prevent the

Developer from processing a critical areas and/or subdivision permits simultaneously with the Final Site Plan review.

Section 3. Term of Agreement. This Agreement shall commence upon the date of execution by the City of Bellingham and shall continue in force for a period of twenty (20) years unless extended or terminated as provided herein. Following the expiration of the term or extension thereof, or if sooner terminated, this Agreement shall have no force and effect, subject however, to post-termination obligations of the Developer or Landowner.

Section 4. Vested Rights of Developer. During the term of this Agreement, unless sooner terminated in accordance with the terms hereof, the rights granted to Developer by this Agreement may not be changed or modified by the City for a period of twenty (20) years from the commencement date of this Agreement or as expressly consented thereto by the Developer. Development applications associated with the Proposal will become full vested at such time a complete land use application is accepted in accordance with Bellingham Municipal Code 21.10.260. Nothing in this Agreement precludes the developer from requesting the City to enter into a subsequent development agreement that specifically addresses development associated with the approved Final Site Plan.

Section 5. Permitted Uses and Design and Development Standards. All development on the Property shall be consistent with the requirements of this Agreement and the applicable ordinances, codes and regulations of the City.

- a. Permitted uses on the Property shall include all uses defined in Bellingham Municipal Code (BMC) Chapter 20.38.050.B.2. and BMC 20.28.
- b. The residential density for the Property is 10,000 square feet per unit which equates to an overall maximum of four hundred ninety-two (492) dwelling units.
- c. The Developer has the discretion to construct the following housing forms:
 - i. A maximum of one hundred (100) multi-family units that are not the infill housing types defined in BMC 20.28; PLUS
 - ii. A maximum of an additional three hundred ninety-two (392) dwelling units using any combination of the following housing forms:
 - a) All single family unit types defined in BMC 20.30;
 - b) Duplexes as defined in BMC 20.32; or
 - c) All infill housing types defined in BMC 20.28.

- 1 iii. Any units not built as multi-family as defined in subsection (i) above may
2 be constructed as any housing form defined in subsection (ii) as long as
3 the overall maximum of four hundred ninety-two (492) units for the
4 Property is not exceeded.
- 5
- 6 d. All structures containing greater than three (3) residential units are subject to the
7 City Design Review Code as specified in BMC 20.25.
- 8
- 9 e. All residential structures shall have sprinklers as per the City Fire Marshall in
10 conformance with BMC 17.20.030 Section 503.1.1.
- 11
- 12 f. Affordable Housing – Developer is granted the option to utilize the provisions of
13 BMC 20.27 to provide affordable housing in the multi-family housing form defined
14 in Section 5.c.i. above, or the infill housing form defined in Section 5.c.ii(c) above.
15 Developer's use of the provisions in BMC 20.27 does not grant a density bonus
16 over and above the maximum number of units defined in Section 5.b above.
17 However, Developer may use any and all other standards and regulations
18 provided in BMC 20.27.
- 19

20 **Section 6. Stormwater.**

21

22 **6.1** The parties acknowledge and agree Developer is obligated to design and
23 construct a storm water management plan that meets Department of Ecology's 2005
24 manual in order to effectively mitigate the storm water impacts of the Property
25 development. The mitigation plan must include both storm water treatment to protect
26 water quality and stormwater detention to maintain predevelopment flows in the affected
27 drainages and streams.

28 **6.2** The parties agree that Developer will be required to treat the stormwater on
29 site of the Property to levels required by law. However, rather than construct
30 stormwater detention ponds, Developer shall be allowed to discharge the treated water
31 into Padden Creek provided that the combined results of the discharge and the affect of
32 the control structure modifications shall comply with the pre-development water flow
33 standards (as described in the Department of Ecology Stormwater Manual, 2005
34 edition) in the downstream portions of Padden Creek and shall not otherwise violate any
35 applicable law or regulation. Conformance with the condition of maintaining pre-
36 development water flows has been demonstrated through an approved basin study
37 entitled "*Proposal to Utilize lake Padden for Padden Trails*" prepared by Engenious
38 Systems, Inc. ("Study"), dated March 30, 2006, and subsequently approved by the City.
39 This Study concludes that, as the result of this development and based upon best
40 available science, no detrimental water quantity impacts beyond what is allowable for

new development is reasonably expected to occur to Padden Creek, Chuckanut Creek and Lake Padden.

6.3 The required structure modifications refer to the sutro weir installed by Developer at the outlet from Lake Padden into Padden Creek as specified in City Public Facilities Construction Permit Application Agreement EV-0064 Padden Dam Weir Improvements (November 15, 2006). The sutro weir regulates the discharge flow rate from Lake Padden into Padden Creek thereby increasing downstream capacity in the Padden Creek stream channel. The City approved and accepted the sutro weir as complete, therefore Developer is permitted to use the increased storm water capacity in Padden Creek in lieu of on-site stormwater detention requirements for that portion of the Property identified in the Study. Any additional stormwater capacity not used for the Property development shall be allocated at the City's discretion according to the following priorities:

- a. Storm water demand for traffic mitigation projects in Section 7 below;
- b. Storm water demand for other road improvements in the Samish neighborhood;
- c. All other public or private construction projects permitted by the City.

Section 7. Traffic. Developer submitted a Traffic Impact Analysis (TIA) performed by Perteet, Inc. (September 2011). The City concludes the TIA complies with transportation concurrency requirements of BMC 13.70.

7.1 Developer and City stipulate to the following projects by the Developer as mitigation for the approved rezone:

- a. Improve the I-5 Northbound off ramp intersection with Connelly Avenue to a signalized intersection.
- b. Provide paved parking spaces within the 33rd Street right-of-way to offset loss of parking spaces in the existing State DOT Park-n-Ride facility due to the improvements to the I-5 Northbound ramp/Connelly intersection above.
- c. Install 4-way stop signs per City traffic standards at the intersection of Connelly Avenue and 34th Street.
- d. Improve 33rd Street, Cody Avenue and 34th Street as previously required in Hearing Examiner Decision Approval SUB2005-00009, Conclusions of Law number 7 through 9.
- e. Improve a sidewalk on one side of Connelly Ave west of 34th Street to the I-5 overpass so that there is a safe and continuous 5' sidewalk.

- f. The above mitigation projects shall be completed prior to the issuance of occupancy permits by the City for the first residential units on the Property.

7.2 In addition to the mitigation projects above, the City and Developer shall make their best effort to propose inclusion of the signalization of the I-5 Northbound off ramp at Connelly Avenue (item a. above) into the City's 6-Year Traffic Improvement Plan during the annual review in 2012 and subsequent years.

7.3 Developer's construction traffic shall access the Property from Connelly Avenue by way of 33rd Street to Kellogg Avenue.

Section 8. City right-of-ways. Existing right-of-ways were dedicated from the parent parcel per the approval of the Happy Valley Addition to Fairhaven, now a part of the consolidated City of Bellingham, as recorded in Volume 3 of Plats, Page 17, records of Whatcom County, Washington. Developer shall document existing right-of-way locations and area of each within the Property boundaries. Development of the Property may require vacating existing City right-of-ways in accordance with City code. Within twelve (12) months of the effective date of this Agreement, Developer shall submit to City an application to vacate right-of-ways to the Developer and propose areas to remain as City right-of-way. City shall review said application according to City code. In consideration of receiving vacated right-of-ways from City, Developer shall dedicate land to City on an equal square foot by square foot basis. The location of said dedication shall be consistent with the Open Space Tract Dedication defined in Section 9.1 below.

Section 9. Parks and Trails – Developer is required to dedicate a minimum of twenty five percent (25%) of the Property as open space as provided in BMC 20.38.050.B.5. Dedication of open space shall occur in two phases:

9.1 Open Space Tract Dedication – Within twelve (12) months of the effective date of this Agreement, Developer shall dedicate to City the Open Space Tract being a minimum of twenty-five percent (25%) of the Property including, but not limited to the following locations, more completely defined on Exhibit ____:

- a. Trail from north side of Lake Padden Park proceeding north along an approved water line route to the 40th street boundary, then northwesterly along the Padden Creek gorge and over an existing culvert to the Kellogg Ave right of way;
- b. Mountain bike trail on the west side of the slope connecting from the northern boundary of Lake Padden down to the trail head parking lot on Kellogg Ave;

- c. Trailhead parking lot for 20 paved parking spaces with maneuvering per Parks standards adjacent the Kellogg Ave right-of-way;
- d. Twenty foot (20) wide easement from new Kellogg Ave trail head parking lot to the eastern edge of I-5 right of way;
- e. Existing Conservation Easement from Developer to City (AF 1981201331); and
- f. Other areas defined by Developer to meet the standard for twenty five percent (25%) of the Property.

9.2 In addition to the land dedication specified in Section 9.2, Developer shall construct the following park improvements prior to approval of any residential occupancy permits, all in accordance with the City *Design Standards for Park and Trail Development* (November 2011):

- a. Trail from the north side of Lake Padden Park proceeding north along an approved water line route to the 40th street boundary, then northwesterly along the Padden Creek gorge and over an existing culvert to the Kellogg Ave right of way, all per adopted Trail Development Standards;
- b. Mountain bike trail on the west side of the slope connecting from the northern boundary of Lake Padden down to the trail head parking lot on Kellogg Ave.
- c. Trailhead parking lot for 20 parking spaces with maneuvering per Parks standards;
- d. Twenty foot (20) wide easement from new Kellogg Ave trail head parking lot to the eastern edge of I-5 right of way;

9.3 Other Open Space and Useable Space Dedication, Park Improvements – Subsequent development applications by Developer shall not be required to make any additional open space dedication. However, at Developer's discretion, Developer may make additional open space or useable space dedications, or construct additional public park improvements. Said dedications beyond the requirements of Section 9.1 or improvements beyond the requirements of Section 9.2 shall be considered by City as a credit towards Park impact fees as provided in BMC 19.04.

Section 10. Impact fees – Impact fees shall be charged and paid to the City in accordance with the provisions of BMC Title 19. In consideration of the traffic mitigation performed by Developer in accordance with Section 7 above, Developer's cost for constructing the traffic mitigation improvements listed in Section 7a through 7e shall be a credit to Developer against traffic impact fees charged by City.

***[Note: remainder of draft from the Cordata LLC / City Development Agreement
recorded at AF 2100101928 on 1/20/2010]***

Section 11. Minor Modifications. The Director may approve minor modifications to the approved permits or the exhibits attached hereto when in accordance with the provisions of the City's codes and consistent with this Agreement. Such minor modifications shall not require an amendment to this Agreement.

Section 12. Termination. This Agreement shall terminate upon the expiration of the term identified in Section 3 or when the Property has been fully developed, which ever first occurs, and all of the Developer's obligations in connection therewith are satisfied as determined by the City. Upon termination of this Agreement, the City shall record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated.

Section 13. Effect upon Termination on Developer Obligations. Termination of this Agreement as to the Developer of the Subject Property or any portion thereof shall not affect any of the Developer's obligations to comply with the City Comprehensive Plan and the terms and conditions or any applicable zoning code(s) or subdivision map or other land use entitlements approved with respect to the Property, any other conditions of any other development specified in the Agreement to continue after the termination of this Agreement or obligations to pay assessments, liens, fees or taxes.

Section 14. Effect upon Termination on City. Upon any termination of this Agreement as to the Developer of the Property, or any portion thereof, the entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the property affected by such termination (provided that vesting of such entitlements, conditions or fees may then be established for such property pursuant to the existing planning and zoning laws).

Section 15. Assignment and Assumption. The Developer shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement.

Section 16. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. The Developer, Landowner and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and

conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of a Developer contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it.

Section 17. Amendmenet to Agreement. This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see RCW 36.70B.200).

Section 18. Releases. Developer, and any subsequent Landowner, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein.

Section 19. Notices. Notices, demands, correspondence to the City and Developer shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated as follows:

City of Bellingham
210 Lottie Street
Bellingham, WA 98225

Padden Trails LLC
C/O Geyer & Associates, Inc.
1008 16th Street
Bellingham, WA 98225

Notice to the City shall be to the attention of both the City Administrator and the City Attorney. Notices to subsequent Landowners shall be required to be given by the City only for those Landowners who have given the City written notice of their address for such notice. The parties hereto may, from time to time, advise the other of new addresses for such notices, demands or correspondence.

Section 20. Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Whatcom County Superior Court.

Section 21. Third Party Challenge. In the event any legal action or special proceeding is commenced by any person or entity other than a party or a Landowner to challenge this Agreement or any provision herein, the City may elect to tender the defense of such lawsuit or individual claims in the lawsuit to Developer and/or Landowner(s). In such event, Developer and/or Landowners shall indemnify the City, hold the City harmless from and defend the City from all costs and expenses incurred in the defense of such lawsuit or individual claims in the lawsuit, including but not limited to, attorneys' fees and expenses of litigation, and damages awarded to the prevailing party or parties in such litigation. The Developer and/or Landowner shall not settle any lawsuit without the consent of the City. The City shall act in good faith and shall not unreasonably withhold consent to settle.

Section 22. Specific Performance. The parties specifically agree that damages are not an adequate remedy for breach of this Agreement, and that the parties are entitled to compel specific performance of all material terms of this Development Agreement by any party in default hereof.

Section 23. Severability. If any phrase, provision or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the resolution adopting this Development Agreement, and either party in good faith determines that such provision or provisions are material to its entering into this Agreement, that party may elect to terminate this Agreement as to all of its obligations remaining unperformed.

EXECUTED, this ____ day of _____, 2012 by

Development:

City of Bellingham:

Padden Trails LLC

Notary Page and attest blocks

Attachments:

EXHIBIT “A” – Legal Description

EXHIBIT “B” – Property Survey

EXHIBIT “C” – Open Space & Trail Map

EXHIBIT “D” – Traffic Mitigation Location Map

EXHIBIT "A" - LEGAL DESCRIPTION

**EXHIBIT A TO REAL ESTATE TRANSFER
AND STORM WATER AGREEMENT**

5 pages

Order No.: W-79316

SECOND REPORT

LEGAL DESCRIPTION OF THE PROPERTY INCLUDED IN THE PADDEN
TRAILS PLAT

PARCEL A:

LOTS 12 TO 19, INCLUSIVE, BLOCK 6; LOTS 12 TO 19, INCLUSIVE, BLOCK 8; LOTS 1 TO 15, INCLUSIVE, BLOCK 11; LOTS 7 TO 15, INCLUSIVE, BLOCK 12; LOTS 1 TO 30, INCLUSIVE, BLOCK 13; LOTS 1 TO 30, INCLUSIVE, BLOCK 14; LOTS 1 TO 30, INCLUSIVE, BLOCK 15; AND LOTS 1 TO 30, INCLUSIVE, BLOCK 16. EXCEPT THAT PORTION DEEDED TO THE CITY UNDER AUDITOR'S FILE NO. 1221737. AND EXCEPT THAT PORTION DEDICATED TO THE CITY OF BELLINGHAM FOR ROADS AS RECORDED UNDER AUDITOR'S FILE NOS. 2010402286, 2010700608 AND 2010901650. AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAYS UNDER AUDITOR'S FILE NOS. 974086 AND 914999.

ALL TOGETHER WITH THE ABUTTING HALF OF VACATED PORTIONS OF COLLEGE STREET, WILKIN STREET AND 34TH STREET, AS VACATED IN ORDINANCE NO. 2001-04-018, AS RECORDED UNDER AUDITOR'S FILE NOS. 2010700608 AND 2010901650.

AND TOGETHER WITH VACATED STREETS AS VACATED IN ORDINANCE NO. 7361 AS WOULD ATTACH BY OPERATION OF LAW.

ALL IN PLAT OF THE AMENDED HAPPY VALLEY ADDITION, FAIRHAVEN, WASHINGTON, NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 17, RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

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LEGAL DESCRIPTION, continued
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SECOND REPORT

PARCEL B:

LOTS 1 TO 15, INCLUSIVE, BLOCK 1; LOTS 1 TO 11, INCLUSIVE, AND LOTS 14 AND 15, BLOCK 2; LOTS 1 TO 15, INCLUSIVE, BLOCK 3; LOTS 9 TO 15, INCLUSIVE, BLOCK 4; LOTS 12 TO 15, INCLUSIVE, BLOCK 5; LOTS 14 AND 15, INCLUSIVE, BLOCK 7; LOTS 14 AND 15, BLOCK 8; LOTS 1 TO 15, INCLUSIVE, BLOCK 9; LOTS 1 TO 15, INCLUSIVE, BLOCK 10; LOTS 1 TO 15, INCLUSIVE, BLOCK 11; LOTS 1 TO 15, INCLUSIVE, BLOCK 12; LOTS 1 TO 15, INCLUSIVE, BLOCK 13; LOTS 1 TO 15, INCLUSIVE, BLOCK 14; LOTS 1 TO 15, INCLUSIVE, BLOCK 15; LOTS 1 TO 10, INCLUSIVE, AND LOTS 13 TO 15, INCLUSIVE, BLOCK 16; LOTS 1 TO 12, INCLUSIVE, BLOCK 17; LOTS 1 TO 13, INCLUSIVE, AND LOT 15, BLOCK 18; LOTS 1 TO 7, INCLUSIVE, AND LOTS 9 TO 15, INCLUSIVE, BLOCK 19; LOTS 1 TO 15, INCLUSIVE, BLOCK 20; LOTS 1 TO 15, INCLUSIVE, BLOCK 21; LOTS 1 TO 15, INCLUSIVE, BLOCK 22; LOTS 1 TO 15, INCLUSIVE, BLOCK 23; LOTS 1 TO 15, INCLUSIVE, BLOCK 24; LOTS 1 TO 15, INCLUSIVE, BLOCK 25; LOTS 1 TO 15, INCLUSIVE, BLOCK 26; LOTS 13 TO 15, INCLUSIVE, BLOCK 27; LOTS 1 TO 12, INCLUSIVE, BLOCK 29; LOTS 1 TO 3, INCLUSIVE, BLOCK 30; LOT 9, BLOCK 31; AND LOTS 1 AND 2, BLOCK 32. EXCEPT THAT PORTION DEEDED TO CITY UNDER AUDITOR'S FILE NO. 1221737.

ALL TOGETHER WITH THE ABUTTING HALF OF VACATED PORTIONS OF COLLEGE STREET, WILKIN STREET AND 34TH STREET, AS VACATED IN ORDINANCE NO. 2001-04-018, AS RECORDED UNDER AUDITOR'S FILE NOS. 2010700608 AND 2010901650.

AND EXCEPT THAT PORTION DEDICATED TO THE CITY OF BELLINGHAM FOR ROADS AS RECORDED UNDER AUDITOR'S FILE NOS. 2010402286, 2010700608 AND 2010901650.

EXCEPTING FROM THE ABOVE PORTION THEREOF, CONVEYED TO THE STATE OF WASHINGTON BY DEED 923229; AND EXCEPT THAT PORTION CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAYS BY DEED RECORDED UNDER AUDITOR'S FILE NO. 923232;

ALL IN PLAT OF VALLEY PARK ADDITION TO NEW WHATCOM AND BELLINGHAM, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 59, RECORDS OF WHATCOM COUNTY, WASHINGTON.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

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PARCEL C:

LOTS 1 TO 12, INCLUSIVE, BLOCK 1; LOTS 1 TO 12, INCLUSIVE, BLOCK 2; LOTS 1 TO 12, INCLUSIVE, BLOCK 3; LOTS 1 TO 12, INCLUSIVE, BLOCK 4; LOTS 1 TO 4, INCLUSIVE, BLOCK 12; LOTS 1 TO 12, INCLUSIVE, BLOCK 13; LOTS 1 TO 12, INCLUSIVE, BLOCK 14; LOTS 1 TO 12, INCLUSIVE, BLOCK 15; LOTS 1 TO 12, INCLUSIVE, BLOCK 16; LOTS 1 TO 12, INCLUSIVE, BLOCK 17; LOTS 1 TO 12, INCLUSIVE, BLOCK 18; LOTS 1 TO 12, INCLUSIVE, BLOCK 19; LOTS 1 TO 3, INCLUSIVE, BLOCK 20; LOTS 1 TO 7, INCLUSIVE, AND LOTS 9 TO 12, INCLUSIVE, BLOCK 31; AND LOTS 1 TO 12, INCLUSIVE, BLOCK 32.

ALSO, THAT PORTION OF LOTS 4 AND 5, BLOCK 6, NORTH OF THE NEW STATE HIGHWAY, EXCEPT THE EAST 135 FEET THEREOF.

ALL IN PLAT OF ADSIT'S FIRST ADDITION TO FAIRHAVEN, WASHINGTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 2 OF PLATS, PAGE 27, RECORDS OF WHATCOM COUNTY, WASHINGTON; EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF WASHINGTON FOR HIGHWAYS UNDER AUDITOR'S FILE NO. 923232.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL D:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 37 NORTH, RANGE 3 EAST OF W.M., LYING WESTERLY OF THE WATER COMPANY'S RIGHT-OF-WAY.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL E:

THAT PORTION OF BLOCKS 3, 4, 5, 6, 7 AND 11, PLAT OF VALLEY PARK ADDITION TO NEW WHATCOM AND BELLINGHAM, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 59, RECORDS OF WHATCOM COUNTY, WASHINGTON, LYING WITHIN THE FOLLOWING DESCRIBED TRACT:

Continued on next page

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LEGAL DESCRIPTION, continued

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SECOND REPORT

PARCEL E, CONTINUED:

A STRIP OF LAND, 200 FEET IN WIDTH, EXTENDING FROM HIGHWAY ENGINEER'S STATION LR 1374+00 NORTHWESTERLY TO HIGHWAY ENGINEER'S STATION LR 1383+00, THE SOUTHWESTERLY LINE OF WHICH IS PARALLEL WITH AND 200 FEET NORTHEASTERLY, WHEN MEASURED AT RIGHT ANGLES, AND/OR RADIALLY TO THE LR LINE CENTERLINE OF PRIMARY STATE HIGHWAY NO. 1, LAKE SAMISH TO FIELDING STREET, IN BELLINGHAM. EXCEPT THAT PORTION DEEDED BACK TO JACARANDA LAND CORPORATION UNDER AUDITOR'S FILE NO. 1309586, DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOTS 8, 9, 10 AND 11, BLOCK 6, SAID PLAT, LYING NORTHEASTERLY OF THAT RIGHT-OF-WAY LINE DRAWN PARALLEL WITH AND 200 FEET NORTHEASTERLY, WHEN MEASURED RADIALLY, FROM THE LR LINE SURVEY OF STATE HIGHWAY ROUTE NO. 5, LAKE SAMISH TO FIELDING STREET, IN BELLINGHAM.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL F:

THOSE PORTIONS OF LOTS 8, 9, 10 AND 11, BLOCK 6, PLAT OF VALLEY PARK ADDITION TO NEW WHATCOM AND BELLINGHAM, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 59, RECORDS OF WHATCOM COUNTY, WASHINGTON, LYING NORTHEASTERLY OF THAT RIGHT-OF-WAY LINE DRAWN PARALLEL WITH AND 200 FEET NORTHEASTERLY, WHEN MEASURED RADIALLY, FROM THE LR LINE SURVEY OF STATE HIGHWAY ROUTE NO. 5 LAKE SAMISH TO FIELDING STREET, IN BELLINGHAM.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

PARCEL G:

LOTS 23 AND 24, BLOCK 1, AND LOT 24, BLOCK 2, PLAT OF ORCHARDS FIRST ADDITION TO FAIRHAVEN, NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 2 OF PLATS, PAGE 41, RECORDS OF WHATCOM COUNTY, WASHINGTON; EXCEPT THAT PORTION OF SAID LOT 24, BLOCK 2, CONVEYED TO THE STATE OF WASHINGTON BY INSTRUMENT RECORDED UNDER WHATCOM AUDITOR'S FILE NO. 910685.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

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SECOND REPORT

PARCEL H:

THAT PORTION OF BLOCK 10, PLAT OF AMENDED HAPPY VALLEY ADDITION, FAIRHAVEN, WASHINGTON, NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 3 OF PLATS, PAGE 17, RECORDS OF WHATCOM COUNTY, WASHINGTON, LYING EAST OF STATE HIGHWAY AS DEEDED TO THE STATE OF WASHINGTON FOR HIGHWAY BY DEED RECORDED UNDER AUDITOR'S FILE NO. 914576.

SITUATE IN WHATCOM COUNTY, WASHINGTON.

... END OF EXHIBIT "A" ...

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ASSESSOR'S PARCEL NUMBERS

370307272163	370307274193	370307275211	370307275222
370307279126	370307280112	370307309124	370307323159
370307325109	370307333194	370307341047	370307272163
370307274193	370307275211	370307275222	370307279126
370307280112	370307309124	370307323159	370307325109
370307333194	370307341047	370307345090	370307353108
370307353124	370307361108	370307378109	370307379010
370307382160	370307389048	370307398184	370307399010
370307404211	370307411076	370307415123	370307417157
370307420010	370307421211	370307457009	370307463009
370307475024	370307477009	370307483006	370307483047
370307499009	370307503092	370307511092	370318382577
370318464560	370318496524	370318496524	370318501556
370318533556	370318552477	370318564525	370318566510

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