



Contract Coversheet

Contract: C2000929
Amendment: N/A

Supplier Parberry Enviro Solutions Inc	Department Planning-Communi	Originator Heather Aven	
Classification Misc General	Project Name Parberry, Inc Development Agreement - 1st Amended	Project Manager Tara Sundin	
Original Amount \$0.00	Maximum Amount	Total Agreement Change	Current Amendment Amount
Type NF - Non-Financial	Structure ST - Standard	Agreement Type NONFIN - Non-Financial Contract	
Termination Date 6/30/2029	Amended Termination Date	Compliance Type	
Retainage %	Retainage Comments		
Renewal Date	Renewal Notes		
Legacy Contract 2019-0116			

Additional Contract Notes:

First Amended Development Agreement - Parrberry, Inc.

Contacts:

Tara Sundin - tsundin@cob.org

10/14/20 *Finance*
10/15/20 *Sen*

When Recorded, Return to:

City of Bellingham
Amy Kraham
Office of the City Attorney
210 Lottie Street
Bellingham, WA 98225

**FIRST AMENDED AND RESTATED
DEVELOPMENT AGREEMENT BETWEEN
PARBERRY AND THE CITY OF BELLINGHAM**

Grantor:	Parberry's Inc., Northwest Recycling, Inc., and Parberry Family Limited Partnership		
Grantee:	City of Bellingham		
Legal Description (abbreviated):	LOTS 7, 8, 9 AND 10, BLOCK 3, PLAT OF THE TOWN OF NEW WHATCOM SUPPLEMENTAL AS THE SAME IS SHOWN AT PAGE 42, BOOK 1 OF PLATS, OFFICIAL RECORDS OF WHATCOM COUNTY AUDITOR Additional legal description for this parcel and full legal descriptions for additional parcels in Exhibit 1 attached hereto		
Assessor's Tax Parcel ID #:	3803300373390000 20 additional Tax Parcel ID numbers in Exhibit 1 attached hereto	3803300443110000, 3803300313070000 and 3803300383200000	
Reference Nos. of Documents Released or Assigned:			

This FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") between PARBERRY'S INC., a Washington corporation, NORTHWEST RECYCLING, INC., a Washington corporation, and PARBERRY FAMILY LIMITED PARTNERSHIP, a Washington limited corporation (collectively, "Parberry") and the CITY OF BELLINGHAM (the "City"), a municipal corporation, is entered into as of the last date of signature below, and effective upon the date of execution by the City of Bellingham (the "First Amended and Restated Development Agreement") and replaces that certain Development Agreement Between Parberry and the City entered into between Parberry and the City on February 21, 2019 (the "Original Agreement."

RECITALS

A. Parberry owns approximately five (5) acres of real property within an area of Bellingham designated as the "Old Town Subarea" by the Bellingham Comprehensive Plan. Property within the Old Town Subarea owned by Parberry is referenced herein as the "Parberry Property," and more particularly described in **Exhibit 1** attached and incorporated herein by this reference, and illustrated in **Exhibit 2** attached.

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B. Historically, the Parberry Property was zoned for commercial and some industrial uses, and was principally utilized as a recycling facility, including recycling operations, warehousing, outdoor storage, and administrative offices ("Northwest Recycling").

C. In _____, 20__, the City adopted an amendment to its Comprehensive Plan for the Old Town Subarea (also known as the Old Town Overlay District") and an attendant amendment to its Land Use Development Code codified at BMC Chapter 20.35 (the "Old Town Plan"). The Old Town Subarea is now designated and zoned as Commercial. The Old Town Subarea is envisioned by the City to be an urban village with mixed residential and commercial uses.

D. Pursuant to the Old Town Subarea Plan, Northwest Recycling at the Parberry Property is a nonconforming use. Redevelopment of the Parberry Property into a mixed-use urban village is appropriate and consistent with the Old Town Plan. Future development in the Old Town Subarea must comply with the Old Town Subarea Plan and other applicable City regulations.

E. The elimination of the impacts to the neighborhood of the light industrial non-conforming use by the closure of operations of Northwest Recycling at its current site is critical to the creation of an urban village in the Old Town Subarea.

F. The City supports a healthy mix of housing in the Old Town Subarea that is affordable to a wide range of incomes levels. Parberry and the City will give strong consideration to public/private partnerships which encourage qualified below-market rate development projects. Further, the City will give strong consideration to such qualified projects by utilizing the Bellingham Home Fund and/or other resources to support those projects.

G. This Agreement implements part of the Old Town Plan by: (1) kick starting development in a significant portion of the Old Town Subarea; (2) implementing one or more of the Capital Facilities Improvements, which commits the City to certain infrastructure obligations and specific expenditures for street improvements; and (3) committing Parberry, its successors and assigns, and subsequent owners of the Parberry Property to dedication of the historic Courthouse Plaza envisioned by the Old Town Plan.

H. The Original Agreement is a development agreement under RCW 36.70B.170 through 36.70B.210 and contains vesting, use and mitigation provisions in keeping with the statute. Pursuant to RCW 36.70B.200, a public hearing was held on January 28, 2019 and a resolution approving the Agreement was adopted on February 11, 2019 (the "Original Agreement Resolution").

I. This Agreement is a development agreement under RCW 36.70B.170 through 36.70B.210 and contains vesting, use and mitigation provisions in keeping with the statute. Pursuant to RCW 36.70B.200, a public hearing was held on _____ and a resolution approving the Agreement was adopted on _____ and updates the Original Agreement to reflect extensions to Milestones provided administratively due to the time necessary for the City's process to clarify zoning related to recycling as well as to changes to Parberry's business plans.

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J. The Original Agreement included options to purchase two properties owned by the City and surplus to its needs which are located in the Old Town Subarea, the sale of which would allow for a comprehensive redevelopment plan which is critical to creating a vibrant mixed-use neighborhood.

K. On January 17, 2019 the City sold one of the properties, known as 707 Astor Street, to Parberry via that certain Quit Claim Deed recorded in Whatcom County under Auditor File Number 2020-0102019.

L. City Council's process above satisfies the requirements of BMC 4.84 as it relates to Parberry's options to purchase the City-owned properties.

M. A portion of the funding used to purchase the 600 W. Holly St. property was from the City's federally funded Community Development Block Grant (CDBG) program. Applicable federal regulations governing the disposition of real property purchased with these funds requires that the City hold a public hearing on any proposed sale and comply with those regulations regarding repayment of CDBG funds, if necessary. A public hearing was held on January 28, 2019 fulfilling this federal requirement.

AGREEMENT

1. Parberry Obligations to Meet Milestones

Parberry hereby agrees to attain the following Milestones, which may be extended by written mutual consent of the Project Managers, so long as the term of this Agreement is not extended:

Milestone 1 Milestone 1 of the Original Agreement required Parberry to submit a written Redevelopment Strategy within six (6) months of the execution of the Original Agreement. The Redevelopment Strategy included Parberry's approach to (i) Parberry's role, if any, in redevelopment of the Parberry Property and preparing the Parberry Property for redevelopment (i.e. whether Parberry will redevelop the Parberry Property itself or sell to one or more developers), (ii) Parberry's strategy for marketing the Parberry Property to prospective developers, and (iii) the overall approach to redevelopment of the Parberry Property (redeveloped incrementally or as a master plan). The Redevelopment Strategy is not binding on Parberry and redevelopment of the Parberry Property need not adhere to the Redevelopment Strategy. Parberry may change the Redevelopment Strategy at any time and from time to time, at its own discretion, but shall communicate changes to the Redevelopment Strategy to the City's Project Manager. Parberry has satisfied Milestone 1 as of the date of execution of this Agreement.

- Milestone 2** Either the scrapyard or residential recycling facility (to be chosen at Parberry's discretion) shall cease to operate in Old Town no later than February 21, 2022. In the event Parberry enters into an agreement with a third party to lease, operate, manage or similarly control the non-conforming uses/operations on either the scrapyard or residential facility, Parberry agrees to include a termination date of such agreement no later than February 21, 2022. . See **Exhibit 3** for the location of the scrap yard and residential recycling facility.
- Milestone 3** A complete Project Permit application for redevelopment of the Parberry Property (the "First Project") is submitted no later than February 21, 2021, and construction commences on the First Project no later than ninety (90) days after the City issues all required permits. The term "Project Permit" shall have the meaning set forth in BMC 21.10.020 and shall specifically include a "Major Renovation Project" meaning construction of improvements to a building existing as of the date of this Agreement of at least 10,000 total square feet and two stories in height where the cost of construction is reasonably anticipated to exceed fifty percent of the assessed value of the existing building.
- Milestone 4** Parberry agrees to cease all operations of all non-conforming uses remaining after the satisfaction of Milestone 2 on the Parberry Property no later than February 21, 2023. . In the event Parberry enters into an agreement with a third party to lease, operate, manage or similarly control the remaining non-conforming uses/operations on any or all of the Parberry Property, Parberry agrees to include a termination date of such agreement no later than February 21, 2023.
- Milestone 5** The First Project has received a Temporary Occupancy Permit from the City of Bellingham by February 21, 2023.
- Milestone 6** A second complete Project Permit application (the "Second Project") is submitted no later than February 21, 2024. Construction shall commence on the Second Project no later than ninety (90) days after the City issues all required permits.

The Milestones set forth herein are based on Parberry's and the City's best estimate of a redevelopment schedule for the Parberry Property based on current market conditions. If any delay is anticipated by Parberry, such anticipated delay shall be communicated to the City Project Manager in writing when known by Parberry along with a request for an extension of the applicable Milestone which extension shall not be unreasonably denied so long as diligent progress has been made in achieving the applicable Milestone. The City's Project Manager, after consultation with Parberry's Project Manager, may, in her sole discretion, extend the requirements of Section 1, for a period not to exceed six (6) months. The City Project Manager

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shall not unreasonably deny such requests for extensions. An extension for a period greater than six (6) months, or an additional extension for one that has been previously approved the City's Project Manager, shall be submitted to City Council for review. An extension shall not unreasonably be denied by City Council so long as diligent progress has been made in achieving the applicable Milestone. City Council shall determine whether diligent progress has been made as part of its review. The City represents and Parberry acknowledges that timely redevelopment is a significant element of the City's agreement to enter into this Agreement. Reasonable extensions due to the City's failure to provide timely the public infrastructure improvements identified in Section C of this Agreement shall be granted. Failure by Parberry to complete the above Milestones, as may be extended from time-to-time, shall be considered a breach of this Agreement, and, if Parberry fails to cure such breach within thirty days of written notice from the City, the City shall be relieved of its obligation to provide the public infrastructure set forth in Section 2(a) and 2(b), hereof, but such breach shall not result in termination of this Agreement. Provided, however, that if Parberry completes Milestones 1 through 4, which includes full relocation of all non-conforming uses, the City shall remain obligated to design and construct Section 2(a) pursuant to the timing provisions of Section 2(c).

2. City Obligation to Provide Public Infrastructure

The parties acknowledge that redeveloping the Parberry Property in conformance with the Old Town Plan will require infrastructure improvements for, among other things, streets and utilities. To facilitate the relocation of Northwest Recycling and the redevelopment of the Old Town Subarea, a benefit to the community at large, the City agrees to fund and construct certain public infrastructure improvements as set forth in this section. Nothing in this Agreement shall preclude the City from constructing the public infrastructure improvements prior to the schedule below.

a. C Street

The City shall design and construct, at its sole cost and expense, improvements to C Street from Holly Street to Maritime Heritage Park. Such development shall be "curb to curb" and shall specifically include street surfacing, curb and gutters and shall be done in accordance with the Old Town Subarea Plan. Notwithstanding Section 2(c) below, nothing in this Agreement is intended to make the City responsible for any costs associated with sidewalks or streetlights with the exception of traffic signals noted below. Under no circumstances shall Parberry, or any subsequent owner of the Parberry Property, be required to pay curb to curb street cost for C Street.

It is anticipated that as the development occurs in Downtown, the Waterfront District and Old Town, upgrades to traffic control devices at the intersection of C Street and Holly Street will be required to help manage traffic flow. At this time, this upgrade to traffic control devices is anticipated to be a traffic signal. Development projects on the Parberry Property will not be required to participate in the cost of the design and construction of upgrades to the new traffic signal at C Street and Holly Street. The City will design and construct the traffic signal when it meets warrants. Construction of traffic signals will include bringing the existing curb ramps up

to current ADA standards. Development projects on the Parberry Property will not be delayed by City permitting as a result of any delay associated with upgrades to the traffic control devices.

b. Additional Streets

The City shall design and construct, at its sole cost and expense, improvements to additional streets shown on **Exhibit 4**. Such development shall be “curb to curb” and shall specifically include street surfacing, curb and gutters and shall be done in accordance with the Old Town Subarea Plan and any other applicable regulation in effect at the time of the improvement. Nothing in this Agreement is intended to make the City responsible for any costs associated with sidewalks or streetlights.

However, in the event either Parberry or any subsequent owner of the Parberry Property, on the one hand, or the City, on the other hand, desires that alternative streets within the Parberry Property be improved, instead of the ones shown on **Exhibit 4**, the party desiring the change shall make such a request to the other party in writing. The recipient of such change of street improvement request shall respond in writing within 30 days of the date of the receipt of the request. Such response may be a preliminary response that the party is considering the request but has not yet reached a conclusion. In no event shall the transmittal of the final written decision be more than 120 days after the receipt of the initial request. Requests for change of street improvement sent to the City shall be sent to the Office of the City Attorney with a copy to the Director of Public Works. Requests for change of street improvement sent to Parberry shall be sent to Brad L. Parberry with a copy to the Parberry Chief Executive Officer.

Any improvements made to alternative streets other than the ones shown on **Exhibit 4** shall be for the full length of the blocks designated. It is the intent of the parties that the City not be responsible for providing any more than 820 linear feet of street improvement (not including C Street, as described above, or Holly Street, as described below) unless the completion of the block requires additional length.

In the event both parties agree to the proposed change, a modification to this Agreement attaching a revised **Exhibit 4** shall be executed by both parties. In the event the party receiving the request does not agree to the proposed change, **Exhibit 4** shall remain in effect.

c. Timing of Street Improvements

The City shall commence its street improvement process upon written notice from Parberry. Parberry may elect to provide notice for street improvement in complete block sections or for all blocks of a particular street at one time. In order to improve a street, the City must have adequate time to budget and plan appropriately, and therefore specific written notice must be provided to the City no later than April 30 for street improvements to be performed in the following calendar year. After receiving notice from Parberry consistent with the requirements of this Section (c), the City shall schedule the construction at a time during the following calendar year chosen by the City in its sole discretion, provided the City may delay commencement of construction of street improvements until a building permit is submitted to the City by Parberry, or a subsequent owner of the Parberry Property, for construction of a Major

Construction Project or Major Renovation Project on the property abutting the street that will be improved.

The City shall complete the street improvements identified in this Agreement as development progresses on the Parberry Property (as further described below), provided, that prior to the City commencing construction of an improvement on a street, Northwest Recycling shall vacate both sides of a block and non-conforming uses on that block shall have been discontinued. Further, prior to the City budgeting and planning for the street improvements, complete land use permit applications for redevelopment of the property located adjacent to the street that will be improved shall have been submitted to the City of Bellingham. If street improvements are necessary for the First Major Construction Project or First Major Renovation Project, as determined by the City of Bellingham in the permitting process, the City will waive the requirement for Northwest Recycling to vacate both sides of a block and discontinue non-conforming uses on that block.

As of the date hereof, Parberry has selected 700 W. Holly Street as its First Major Renovation Project. The construction of street improvements that would typically be required of Parberry pursuant to BMC 20.35, 13.04 and 13.08 and any other applicable code provision, shall not be required along C Street as part of the development of 700 W. Holly Street. However, Parberry shall be responsible for the costs associated with the curb to property line street improvements designed and constructed by the City adjacent to 700 W. Holly, which shall extend to the Astor and C Street intersection (the "C Street Curb to Property Improvements"). When the City commences design and construction of C Street from curb to curb, it shall also design and construct the C Street Curb to Property Improvements (the "Combined C Street Improvement Project"). Costs associated with the C Street Curb to Property Improvements shall be accounted for separately in the Combined C Street Improvement Project. Parberry's responsibility for the costs of design and construction shall be based on an engineer's estimate developed by the City which shall be based on the cost of design and construction to a private developer, not to a public entity (the "Engineer's Estimate"). Final invoicing will reflect actual construction costs as would be paid by a private developer, not a public entity. Parberry shall have thirty (30) days from the date of receipt of the Engineer's Estimate to notify the City in writing of its approval or disapproval. If Parberry disapproves of the engineer's estimate, it may: (1) notify the City in writing of its disapproval and submit its own engineer's estimate within 30 days of receipt of the City's Engineer's Estimate, which the City shall either accept or reject in its sole discretion; or (2) design and construct the C Street Curb to Property Improvements adjacent to 700 W. Holly and extending to the intersection of C street and Astor, which construction shall be completed within one hundred and twenty (120) days of the City's physical completion ("Physical Completion" as defined in the Standard Specifications for Road, Bridge, and Municipal Construction (2020 edition) (the "Standard Specifications")) of the curb to curb street improvements. Parberry shall not begin construction of the C Street Curb to Property Improvements prior to the Physical Completion of the City's curb to curb street improvements. In the event the City rejects Parberry's engineer's estimate, Parberry shall complete construction of the C Street Curb to Property Improvements within one hundred and twenty (120) days of the City's Physical Completion of the curb to curb improvements. Parberry shall not begin construction of the C Street Curb to Property Improvements prior to the Physical Completion of the City's curb to curb street improvements. The City shall invoice Parberry for the costs

associated with the design of the C Street Curb to Property Improvements within sixty (60) days of project advertisement and for costs associated with construction within sixty (60) days of project Substantial Completion, as defined in the Standard Specifications. Parberry shall reimburse the City within thirty (30) days of receipt of such invoice and any delinquent amount shall bear interest at the 12% per year or the maximum allowed by law. Non-payment of such invoices shall be a default under this Agreement and if not cured within thirty (30) days of such breach after notice from the City in writing shall result in termination of this Agreement. If this Agreement terminates or the City is no longer obligated to construct the infrastructure herein, prior to the City completing the Combined C Street Improvement Project, the City shall not be required to complete the C Street Curb to Property Improvements and these improvements may be required as part of the redevelopment of other Parberry Properties.

d. Holly Street

Provided the development of the Parberry Property is in accordance with the maximum build-out and development permitted under the Old Town Plan, Parberry, or any subsequent owner or developer of the Parberry Property, shall not be required to perform any curb-to-curb improvements to Holly Street, or pay any mitigation or other fees in lieu of such improvements. Nothing in this Agreement shall prohibit the City, as a permitting agency, from placing requirements on permits for the development of 700 W. Holly Street, including those related to accessibility to the building.

e. Traffic Concurrency

Pursuant to Bellingham's development regulations, redevelopment of the Parberry Property will require evaluation for transportation impacts and potential mitigation based on the specific land uses proposed for redevelopment of the property.

- i. Pursuant to BMC 13.70, evaluation for Multimodal Transportation Concurrency is required prior to submittal of a land use application for redevelopment.
- ii. Depending on the scope and scale of redevelopment, a project-specific Transportation Impact Analysis (TIA) may be required to identify transportation impacts to nearby streets and intersections, as well as potential mitigating measures, if necessary. Provided, in the event the TIA identifies as potential mitigation a road improvement the City is obligated to perform under this Agreement, such TIA shall not obviate the City's obligation to perform such improvement.
- iii. Pursuant to BMC 19.06, assessment of Transportation Impact Fees (TIF) is required based on the TIF rate in effect at the time of building permit application. A pre-application estimate of the TIF is made on the application for Multimodal Transportation Concurrency (BMC 13.70).

f. Water and Sewer

The City shall be responsible for maintaining City-owned water lines capable of supporting maximum development permitted for the Parberry Property under the Old Town Plan. Parberry, or subsequent owners of the Parberry Property, shall be responsible for costs associated with water service, including, but not limited to, costs for permits, connection fees and demand charges.

The City shall be responsible for maintaining City-owned sewer system capable of supporting maximum development permitted for the Parberry Property under the Old Town Plan. Parberry, or subsequent owners of the Parberry Property, shall be responsible for costs associated with sewer service, including, but not limited to, costs for permits, connection fees and demand charges.

The City shall be wholly responsible for, and hereby guarantees the adequacy of the availability of, water and sewer, consistent with the City's Water System Plan and/or the City's Comprehensive Sewer Plan, so long as the development of the Parberry Property is in accordance with the maximum build-out and development permitted under the Old Town Subarea Plan dated March 2008. Any development in excess of that contemplated under the Old Town Subarea Plan, whether as a result of a change in regulations or any other reason, is beyond the scope of this guarantee.

g. Stormwater

The City shall be responsible for installing a stormwater drainage and collection system to convey stormwater runoff from the Parberry Property and all public roads, sidewalks, and any other public areas abutting the Parberry Property.

The City shall not be responsible for on-site stormwater management associated with private development on or within the Parberry Property. Parberry, or any subsequent owner of the Parberry Property, shall be responsible for the design and construction of stormwater systems for managing stormwater onto and off any given development, and for compliance with applicable local, state and federal regulations applicable at the time of complete application for any and all permits.

3. Redevelopment

a. Holly Street Landfill Covenant.

The City agrees to assist Parberry in its effort to amend the Restrictive Covenant recorded under Whatcom County Auditor file number 2050502787 (the "Restrictive Covenant") to remove the ground-floor residential restriction contained in Section 1 of the Restrictive Covenant or allow for the mitigation of the health and safety concerns associated with the ground-floor residential restriction.

b. Shoreline Buffer.

The City acknowledges the existing foundation walls are located within the shoreline buffer on the property located at 600 W. Holly Street (the "Holly Street Property"). The City agrees the foundation walls are a nonconformance that can be continued and maintained pursuant to Section 22.05.040 of the Bellingham Municipal Code, and that fill may be placed on the landward side of the foundation walls in order to create a level grade across the Holly Street Property.

Alternatively, the foundation walls can be removed prior to filling the Holly Street Property to create a level grade. Prior to removing the existing foundation walls, a geotechnical report shall be submitted to the City verifying the stability of the adjoining property will not be impacted as a result of the removal of the foundation wall. Grading within the shoreline buffer shall comply with the requirements of Section 22.08.160 of the Bellingham Municipal Code. In either case, further encroachment (waterward) into the required 50-foot buffer shall not occur. Future buildings shall not be constructed within the 50-foot buffer or the additional five (5) foot setback from the edge of said buffer.

4. Impact Fees and Credits

a. Plaza Credits

In the context of undertaking any future development of the Parberry Property under the Old Town Plan, Parberry, for itself and any subsequent owner of the Parberry Property, agrees to dedicate the Courthouse Plaza within 60 days of written request by the City. The location of the Courthouse Plaza is indicated on **Exhibit 2**. Parberry, or any subsequent owner of the Parberry Property, shall dedicate to the City its ownership interests in the portion of the Parberry Property where the Courthouse Plaza is located in accordance with the dimensions set forth below, and in the form of a quit claim deed. This is a material term of this Agreement and the City reserves its right to pursue specific performance among other remedies available at law or equity. Nothing herein limits the parties' rights to remedies available at law or equity for breach of any other provision of this Agreement.

b. Plaza Dimensions

The Courthouse Plaza is not expected to exceed 7500 square feet and will be located on the northeasterly corner of E Street and Holly Street. The dimensions of the Parberry Property to be dedicated for the Courthouse Plaza shall be 75 feet, more or less, abutting E Street, by 100 feet, more or less, abutting Holly Street and shall in any event comprise the entirety of Tax Parcel No. 3803-3000-2339.

i. Timing for Dedication

The parties acknowledge that any benefit conferred upon Parberry and its successors under this Section b, as well as any obligation to dedicate the Parberry Property as a plaza, is contingent upon an amendment to the City's Capital Facilities Plan allowing for a category of plaza development in the Old Town Subarea. The City agrees to make all good faith efforts to ensure that the necessary amendment is prepared and approved during the next revisions to the Capital Facilities Plan and, in any event, no later than December 31, 2021, and neither Parberry

nor its successors shall have any obligations under this Section unless and until such amendment is effective.

No sooner than six months following such amendment to the Capital Facilities Plan, either Parberry, or its successors, shall dedicate the Courthouse Plaza property upon one year's prior written notice by the City to Parberry, or the subsequent owner of the Parberry Property. In no event shall Parberry dedicate the Courthouse Plaza prior to the City's written request.

ii. Compensation for Dedicated Property

At the time of such dedication, Parberry, or the subsequent owner of the Parberry Property, may elect from the following options for compensation, at the property owner's sole discretion:

A) Dedicate a plaza area(s) in return for a transfer of the floor area, in accordance with BMC 20.35.070(D)(4)(c)(1) as effective at the date of this Agreement. This Agreement constitutes approval by the City for the transfer of the entirety of the floor area from the Courthouse Plaza property dedicated to the City to increase the allowed floor area of any receiving development site(s) or project(s) on or within the Parberry Property as determined in the sole discretion of Parberry, or the subsequent owner of the Parberry Property, so long as the development site(s) or project(s) adhere to height restrictions and floor area allowances provided for in BMC 20.35. Further approval by the Director for such transfer of floor area shall not be required notwithstanding BMC 20.35.070(D)(4)(c)(1); or

B) Dedicate a plaza area(s) in return for a credit against park impact fees, in accordance with BMC 19.04.140(A), provided that the credit is based on the fair market value of the dedicated land at the highest and best use that would be permitted by either 1) the Old Town Subarea Plan as it exists at the time of this Agreement, or 2) subsequent amendments to the Old Town Subarea Plan in effect at the time of development, whichever allows for the highest fair market value; and is established by private appraisers acceptable to the City and Parberry, or the subsequent owner of the Parberry Property, and provided further that the Adoption of the Development Agreement Resolution constitutes approval by the City to transfer freely park impact fee credits resulting from a dedication of a plaza area(s) located on the Parberry Property to any development or project on or within the Parberry Property in the sole discretion of Parberry, or the subsequent owner of the Parberry Property; or

C) Convey the plaza area(s) in return for payment by the City of an amount equal to the fair market value of the land at the highest and best use that would be permitted by either 1) the Old Town Subarea Plan as it exists at the time of this Agreement, or 2) subsequent amendments to the Old Town Subarea Plan in effect at the time of development, whichever allows for a higher fair market value; as established by private appraisers acceptable to the City and Parberry, or a subsequent owner of the Parberry Property.

c. Other Impact Fees

Other than the means by which this Agreement addresses plaza credits, Parberry for itself and any subsequent owner of the Parberry Property, acknowledges that development of the

Parberry Property may require impact fees for traffic, fire services, parks and open space and school facilities, as well as development charges for water, sewer and stormwater.

5. Resolution of Low-Barrier Shelter

The City and Lighthouse Mission Ministries (“LMM”) have been working together to find a permanent location for a low-barrier shelter currently operating on the 1000 block of E. Holly Street (the “Low Barrier Shelter”). As of the date hereof, LMM and the City have not been successful in finding an acceptable location. Pursuant to RCW 35.21.915, City of Bellingham Emergency Ordinance Number 2018-04-007, City of Bellingham Resolution Number 2017-27, and Temporary Use Permit Number ADM2018-0019, as well as Director’s Interpretation #ADM2018-0008, LMM is currently operating the temporary facility through May 22, 2022. During the Term of this Agreement, the City agrees not to lease 600 W. Holly Street to accommodate a permanent or temporary low-barrier homeless shelter.

6. Relocation Costs

Parberry shall bear all costs of relocating their operations from the Old Town area to another site, including the cost of land acquisition, site improvements, compliance requirements, facility construction, equipment purchase and all other similar costs. Further, Parberry shall bear all costs of site remediation to existing Parberry Property, if any.

7. Vesting

Under this Agreement, and during the term of this Agreement, Parberry and any subsequent owner of the Parberry Property shall have a vested right to develop the Parberry Property in accordance with, and to the extent permissible under Existing Land Use Regulations. The term “Existing Land Use Regulations” means any ordinance, code, rule or law of the City in effect at the time of the Adoption of the Development Agreement Resolution setting forth development regulations, building standards and project elements, including but not limited to those establishing permitted uses, densities, intensities, building height, building size, setbacks, parking, loading, landscaping, signage, fencing, screening, design specifications, and other similar development guidelines specifically including, but not limited to, the following sections of the Bellingham Municipal Code: Title 16 Environment, Title 17 Buildings and Construction, Title 18 Subdivisions, Title 20 Land Use Development, and Title 21 Administration of Development Regulations, provided that these code provisions were adopted as a matter of local discretion and are not implementing a State of Washington mandate. Development of the Parberry Property shall not be subject, during the Term of this Agreement, to any amendments to, or replacements of, the Existing Land Use Regulations. Nothing herein relieves Parberry of any obligation it may have during the Term to comply with state or federal laws or regulations of any kind, and as provided in RCW 36.70B.170(4), the proposed redevelopment of the Parberry Property shall not vest against new development regulations to the extent the new regulations are required by a serious threat to public health and safety.

Parberry, for itself and any subsequent owner of the Parberry Property, acknowledges that the Existing Land Use Regulations contemplate the exercise of further discretionary powers by the City under the public review and approval procedures required by the municipal code in

effect at the time of submittal for government approvals to develop the Parberry Property. Other than as specifically identified herein, nothing in this Agreement shall be construed to limit the authority or the obligations of the City to exercise that discretion.

8. Option to Purchase.

a. **600 W. Holly Street.** The City hereby grants Parberry an option through February 21, 2023 (the "600 W. Holly Option Period") to purchase the property located at 600 and 612 W. Holly Street, Bellingham, Washington and legally described and illustrated on **Exhibit 5** attached hereto (the "Holly Street Property") at a purchase price determined that is equal to the fair market value of the property in its AS-IS condition (the "Fair Market Value") as determined by MAI appraisal (the "Appraisal"), in accordance with BMC 4.84. The Appraisal shall be commenced within ninety (90) days of the effective date of this Agreement. The appraiser shall be selected jointly by the City and Parberry and Parberry shall pay the appraiser's fee, provided, fifty percent (50%) of the cost of the appraisal shall be credited toward the purchase price at closing if Parberry purchases the Holly Street Property. If the City and Parberry cannot agree on an appraiser within fifteen (15) days after written notice from either party, then each party will select an appraiser, and the two appraisers shall try to reach agreement on Fair Market Value and if they do agree, the resulting amount will be the purchase price and each party will pay the cost of its appraiser. If the appraisers do not agree on Fair Market Value, the two appraisers will pick jointly a third appraiser and the third appraiser shall choose either the final value figure given by the City's appraiser or the final value figure given by Parberry's appraiser (i.e., no splitting the difference). The City and Parberry shall each pay half the cost of the third appraiser. Each appraiser must have MAI certification and must have at least ten (10) years' experience appraising similar properties in Washington. The Fair Market Value shall automatically increase three percent (3%) per annum beginning on the one-year anniversary of the final date of the Appraisal and the purchase price shall be the Fair Market Value in effect on the date Parberry exercises its option.

i. The option shall be exercisable by written notice to the City, provided, Parberry shall not be entitled to exercise the option if Parberry is in default of this Agreement. If Parberry exercises the option, closing shall occur within one hundred twenty (120) days thereafter, with the purchase price paid in cash at closing, so long as the appraisal has been completed and an easement for the Whatcom Creek boardwalk has been recorded against the 600 W. Holly Street Property by the City. The City and Parberry shall each pay half of the escrow fee and any similar closing costs. Any transfer tax shall be paid by the City as seller, in accordance with the statute, unless, as currently, there is an applicable exemption. Title shall be conveyed by Quitclaim Deed free of any monetary liens and free of any encumbrances not on the title on the date of this Agreement. The City shall pay for a standard coverage title insurance policy for Parberry and Parberry shall pay the additional premium for extended coverage if requested by Parberry. The title insurance company shall be selected by Parberry and shall also provide escrow services on the transfer.

ii. By mutual agreement, the purchase price for the Holly Street Property will be paid according to one of the following: (1) Parberry may purchase the property

for the appraised value as determined above; or (2) Parberry may trade the City a parcel owned by Parberry in the Old Town Subarea of equal value, simultaneous with the closing on the Holly Street Property. The appraisal selection and resolution provisions of the preceding section shall apply to this section as well.

iii. It is anticipated that the Fair Market Value of the Holly Street Property will increase as a result of the redevelopment of the Parberry Property, and that such increase might exceed the three percent per annum increases in Fair Market Value provided for in this Agreement. The City and Parberry intend that the benefit of the increased value of the Holly Street Property resulting from redevelopment of the Parberry Property inure to the benefit of Parberry, provided Parberry exercises its option to purchase the Holly Street Property. This allocation of increased value is part of the overall economics of this Agreement and is a material inducement for Parberry to relocate its Northwest Recycling operations and invest in redevelopment the Parberry Property, which redevelopment will result in overall value to the City and the citizens of Bellingham. Any increase in Fair Market Value of the Holly Street Property beyond the three percent per annum increases provided in this Agreement shall not give rise to or be the basis of any claim or request by the City to re-negotiate the terms of this Agreement or the purchase price of the Holly Street Property.

iv. In the event the City receives a bona fide offer (at a price acceptable to City staff) to purchase or lease the Holly Street Property from a third party in any written form during the Option Period, the City will notify Parberry of such offer and Parberry will have thirty (30) days to exercise its option or the City will be free to accept the third party offer or negotiate with the third party. If Parberry decides to exercise its option, it will have sixty (60) days to close its purchase of the Holly Street Property. Notwithstanding the foregoing, the City's lease of the Holly Street Property shall not terminate Parberry's option to purchase and Parberry shall continue to have the option to purchase the Holly Street Property subject to the lease.

v. Nothing in this Agreement or option to purchase shall alter the City's responsibility related to contamination on the Holly Street Landfill site and, as between the City and Parberry, the City shall remain responsible for remediating any pre-existing hazardous substances located on the Holly Street Property.

vi. Section 8 of this Agreement and the option rights granted to Parberry herein shall be a covenant running with and affecting the Holly Street Property until such time as the 600 W. Holly Option Period expires, provided, if Parberry exercises its option to purchase, all of the terms, conditions and obligation of this Agreement shall continue in full force and effect with respect to the Holly Street Property.

b. **707 Astor Street.** Parberry exercised its option to purchase 707 Astor Street legally described and illustrated on **Exhibit 6** attached hereto (the "Astor Street Property") in 2020.

First Amended and Restated Development Agreement – 09.28.2020

c. In the event Parberry purchases either the Holly Street Property or the Astor Street Property, neither shall be utilized for non-conforming uses.

d. **Buy-Back.** In the event Parberry is in default of its obligation to meet the Milestones set forth in Section 1 of this Agreement, and fails to cure such default within thirty (30) days after receipt of written notice from the City, and provided Parberry has not commenced construction of a new building with at least three stories or thirty-five (35) feet of height as defined in BMC 20.08.020 and fifty thousand (50,000) square feet, as also defined in BMC 20.08.020, on the Holly Street Property as of the date of such default, the City shall have the option to buy the Holly Street Property back from Parberry at the same purchase price paid by Parberry.

e. **Effect of Agreement.** Section 8 of this Agreement and the option rights granted to Parberry herein shall be a covenant running with and affecting the Holly Street Property and the Astor Street Property until such time as the 600 W. Holly Option Period and the 707 Astor Street Option Period, respectively, expire, provided, if Parberry exercises its option to purchase one or both of the properties, all of the terms, conditions and obligation of this Agreement shall continue in full force and effect with respect to such purchased property.

9. Term

This Agreement commenced on the date of the Adoption of the Development Agreement Resolution, February 11, 2019 and shall remain in effect until February 10, 2029 (the "Term"). Any action permitted or required under this Agreement such as permit submittal, road construction, or project development must commence during the term of this Agreement even though additional time may be needed for completion of such actions.

10. Assignment

Parberry desires assurances that it, its successors or assigns, and any subsequent owner of the Parberry Property may develop the Parberry Property, as well as the Holly Street Property and/or Astor Street Property, if purchased pursuant to Section 8 hereof, in accordance with the vested rights set forth in this Agreement. It is the intent of the parties that the benefits and burdens of this Agreement shall be enjoyed by Parberry, Parberry's successors and assigns, and any subsequent owner of the Parberry Property who takes fee simple title or beneficial possession of all or any portion of the Parberry Property.

All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns, and all other persons acquiring the Parberry Property, or any portion thereof, or any interest therein.

11. Project Managers

For the City: Tara Sundin, Community and Economic Development Manager, 210 Lottie Street, Bellingham, WA 98225, (360) 778-8392.

For Parberry: Kevin Moore, Chief Executive Officer, 1280 D Street, Bellingham, WA 98225, (360) 733-0100.

12. General Provisions

a. **Legal Fees.** In the event any legal action is taken by either Party against the other Party to enforce any of the terms and conditions of this Agreement, it is agreed that the unsuccessful Party to such action shall pay to the prevailing Party therein all court costs, reasonable attorneys' fees and expenses incurred by the prevailing Party.

b. **Relationship of the Parties.** The execution of this Agreement shall not create any agency, partnership, joint venture, association or any other relationship between the Parties other than as independent contracting parties. Neither Party shall act as an agent for the other party or shall have the authority to bind or make commitments on behalf of the other Party. This Agreement has been entered into solely for the benefit of the Parties hereto and does not create any interest in any third party.

c. **Entire Waiver; Amendment.** This Agreement constitutes the entire agreement among the Parties concerning the subject matter hereof and supersedes all previous correspondence, communications, agreements and understandings, whether oral or written among the Parties. This Agreement may not be modified, in whole or in part, except upon unanimous approval of the Parties and by a writing signed by all the Parties.

d. **Advice of Counsel.** This Agreement was negotiated at arms-length with each Party receiving advice from independent legal counsel. It is the intent of the Parties that no part of this Agreement be construed against either of the Parties because of the identity of the drafter.

e. **Headings.** The headings used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof.

f. **Construction.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

g. **Governing Law.** This Agreement, and all amendments or supplements thereto, shall be governed by and construed in accordance with the laws of the State of Washington.

Exhibit List:

Exhibit 1 – Legal Description of the Parberry Property

Exhibit 2 – Illustration of the Parberry Property

Exhibit 3 – Location of Scrapyard and Residential Recycling Facilities

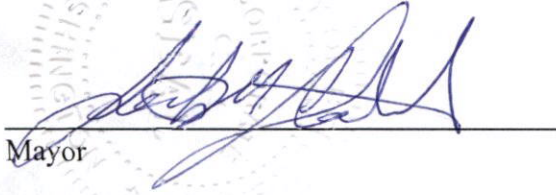
Exhibit 4 – Street Improvements

First Amended and Restated Development Agreement – 09.28.2020

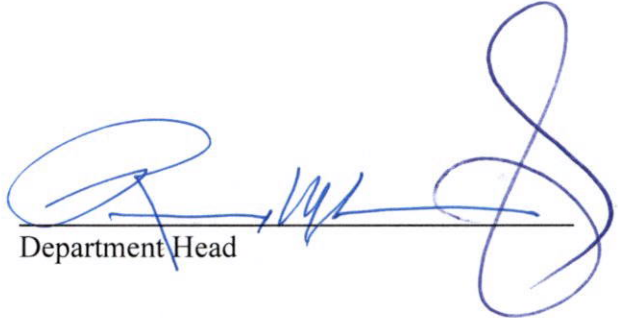
Exhibit 5 – Legal Description and Illustration of Holly Street Property
Exhibit 6 - Legal Description and Illustration of Astor Street Property

Executed this 13 day of October, 2020.

CITY OF BELLINGHAM



Mayor



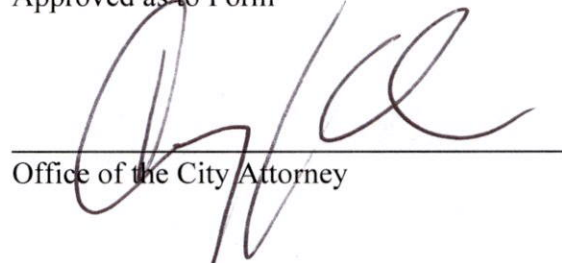
Department Head

Attest:



Finance Director

Approved as to Form



Office of the City Attorney

PARBERRY'S INC.

By: [Signature]
Name: Brad L Parberry
Title: President

NORTHWEST RECYCLING, INC.

By: [Signature]
Name: Brad L Parberry
Title: President

PARBERRY FAMILY LIMITED PARTNERSHIP

By: [Signature]
Name: Brad L Parberry
Title: General Partner

STATE OF WASHINGTON)
) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me SETH FLEETWOOD, to me known to be the Mayor of the City of Bellingham, the municipal corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that she was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 13 day of October, 2020.



[Signature]
Printed Name S. Brookiana Rancy
NOTARY PUBLIC in and for the State of Washington,
residing at Bellingham, WA
My Commission Expires 7/28/24

STATE OF WASHINGTON)

San Mateo) ss.
COUNTY OF ~~WHATCOM~~)

On this day personally appeared before me _____, to me known to be the _____ of Parberry's Inc., the corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2020.

See Attached Notary
Acknowledgement / ~~Joint~~ Certificate

Printed Name M
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON)

) ss.
COUNTY OF WHATCOM)

On this day personally appeared before me _____, to me known to be the _____ of Northwest Recycling, Inc., the corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2020.

See Attached Notary
Acknowledgement / ~~Joint~~ Certificate

Printed Name _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My Commission Expires _____

STATE OF WASHINGTON)

) ss.

COUNTY OF WHATCOM)

On this day personally appeared before me _____, to me known to be the _____ of Parberry Family Limited Partnership, the corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this ____ day of _____, 2020.

See Attached Notary
Acknowledgement / ~~Notary~~ Certificate

Printed Name _____

NOTARY PUBLIC in and for the State of Washington,
residing at _____

My Commission Expires _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

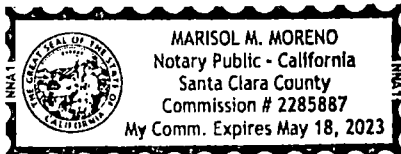
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of San Mateo)
 On Sept. 30, 2020 before me, Marisol M. Moreno, Notary Public
 Date Here Insert Name and Title of the Officer
 personally appeared Brad L. Parberry
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
 Title or Type of Document: Prostomaged Development Bto Parberry ch entry at Selingham
 Document Date: _____
 Number of Pages: 20 Signer(s) Other Than Named Above: Seth Fleetwood

Capacity(ies) Claimed by Signer(s)

Signer's Name: Brad L. Parberry
☒ Corporate Officer — Title(s): president
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: Parberry's Inc

Signer's Name: none
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
 Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of San Mateo)

On Sept. 30, 2020 before me, Marisol M. Moreno, Notary Public

Date

Here Insert Name and Title of the Officer

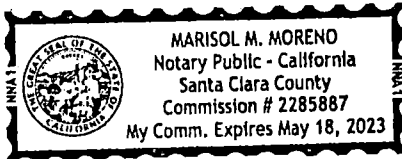
personally appeared

Brad L. Parberry
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

[Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: First amended and restated Bto. Parberry to City of Bellingham

Number of Pages: 10 Signer(s) Other Than Named Above: Seth Fleetwood

Capacity(ies) Claimed by Signer(s)

Signer's Name: Brad Parberry

☒ Corporate Officer — Title(s): President

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer Is Representing: Northwest

Recycling, Inc

Signer's Name: none

☐ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer Is Representing:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

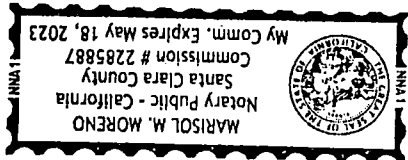
State of California County of San Mateo On Sept. 30, 2020 before me, Marisol M. Moreno, Notary Public
 Date Here insert Name and Title of the Officer
 personally appeared _____
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
 Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document Marisol M. Moreno, Notary Public - California, Santa Clara County, Commission # 2285887, My Comm. Expires May 18, 2023
 Title or Type of Document Marisol M. Moreno, Notary Public - California, Santa Clara County, Commission # 2285887, My Comm. Expires May 18, 2023
 Number of Pages: 20 Signer(s) Other Than Named Above: Seth Lieftinck

Capacity(ies) Claimed by Signer(s)
 Signer's Name: David L. Parberry Title(s): President
☒ Corporate Officer - ☐ Limited ☐ General
☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact ☐ Guardian or Conservator
☐ Other: _____
 Signer's Name: Marisol M. Moreno Title(s): Notary Public
☒ Corporate Officer - ☐ Limited ☐ General
☐ Partner - ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact ☐ Guardian or Conservator
☐ Other: _____
 Signer is Representing: _____
 Signer is Representing: _____

**EXHIBIT 1
PARBERRY PROPERTY**

Parcel Number & Address	Legal Description & Parcel Number
1. 0 Astor Street	<p>SUPPLEMENTAL MAP OF WHATCOM NW 8 FT VAC SE 1/2 DIVISION ST ABTG LOTS 7 THRU 10 BLK 3 AS VAC ORD 9083 8/1982</p> <p>See full legal description attached as Exhibit 1.1 hereto.</p> <p>3803300373390000</p>
2. 0 C Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 7 THRU 10 BLK 3-TOG WI VAC 12 FT OF DIVISION ST ABTG AS VAC ORD 33 PG 11-TOG WI VAC 12 FT DIVISION ST ABTG AS VAC ORD 33 PG 11</p> <p>See full legal description attached as Exhibit 1.2 hereto.</p> <p>3803300403370000</p>
3. 0 C Street	<p>LOT 4 BLK 3-TOG WI VAC 12 FT DIVISION ST ABTG VAC CITY ORD VOL 33 PG 11-TOG WI VAC 12 FT DIVISION ST ABTG AS VAC CITY ORD VOL 33 PG 11-TOG WI 8 FT ABTG AS VAC</p> <p>See full legal description attached as Exhibit 1.3 hereto.</p> <p>3803300463430000</p>
4. 1419 C Street	<p>LOTS 1-2-3-5-6-NW 2/3 OF 11-12-13 THRU 20 BLK 3-TOG WI VAC 12 FT DIVISION ST ABTG VAC CITY ORD 33 PG 11-TOG WI 12 FT DIVISION ST AS VAC CITY ORD 65 PG 11-8</p> <p>See full legal description attached as Exhibit 1.4 hereto.</p> <p>3803300403510000</p>
5. 0 D Street	<p>SUPPLEMENTAL MAP OF WHATCOM SE 1/3 OF LOTS 11-12 BLK 3-TOG WI VAC 12 FT DIVISION ST ABTG VAC CITY ORD 33 PG 11-TOG WI VAC 12 FT DIVISION ST AS VAC ORD 33 PG 11-TOG WI 8 FT AS VAC ORD 9083</p> <p>See full legal description attached as Exhibit 1.5 hereto.</p> <p>3803300343390000</p>

Parcel Number & Address	Legal Description & Parcel Number
6. 1315 D Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 1 THRU 4-13 THRU 16 BLK 5-SUBJ TO R/W ESMT OVER S 10 FT OF LOTS 4-13 DESC AF 947914-TOG WI VAC CENTER ST ABTG AS VAC ORD 7280-SUBJ TO COVENANT TO BIND</p> <p>See full legal description attached as Exhibit 1.6 hereto.</p> <p>3803300113480000</p>
7. 1407 D Street	<p>SUPPLEMENTAL MAP OF WHATCOM SW 1/2 OF LOT 4-ALL LOTS 5 THRU 8 BLK 6- TOG WI VAC 12 FT CENTER ST ABTG</p> <p>See full legal description attached as Exhibit 1.7 hereto.</p> <p>3803300243540000</p>
8. 1411 D Street	<p>SUPPLEMENTAL MAP OF WHATCOM ALL LOT 3-NE 1/2 OF LOT 4 BLK 6- TOG WI VAC 12 FT CENTER ST ABTG</p> <p>See full legal description attached as Exhibit 1.8 hereto.</p> <p>3803300293590000</p>
9. 1415 D Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 1-2 BLK 6-TOG WI VAC 12 FT CENTER ST ABTG</p> <p>See full legal description attached as Exhibit 1.9 hereto.</p> <p>3803300323630000</p>
10. 1401 E Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 3-4 BLK 11</p> <p>See full legal description attached as Exhibit 1.10 hereto.</p> <p>3803300053730000</p>

11.1408 E Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 9 THRU 16 BLK 6-TOG WI VAC 12 FT CENTER ST ABTG</p> <p>See full legal description attached as Exhibit 1.11 hereto.</p> <p>3803300183640000</p>
12.1411 E Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOT 2 BLK 11</p> <p>See full legal description attached as Exhibit 1.12 hereto.</p> <p>3803300093770000</p>
13.1413 E Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOT 1 BLK 11</p> <p>See full legal description attached as Exhibit 1.13 hereto.</p> <p>3803300123810000</p>
14.0 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM NWLY 50 FT OF LOTS 1 THRU 4 BLK 32</p> <p>See full legal description attached as Exhibit 1.14 hereto.</p> <p>3802255523290000</p>
15.0 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 13 THRU 16 BLK 32-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL DESC AF 735979-TOG WI SELY 20 FT VAC E STREET ABTG AS VAC ORD 8900 12/15/1980</p> <p>See full legal description attached as Exhibit 1.15 hereto.</p> <p>3802255483330000</p>
16.700 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 3 THRU 16 BLK 4-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL DESC AF 733697 OVER LOTS 8 THRU 13</p> <p>See full legal description attached as Exhibit 1.16 hereto.</p> <p>3803300203260000</p>

17.701 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 1 THRU 4-13 THRU 16 BLK 31-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL ON LOT 1 DESC AF 733698</p> <p>See full legal description attached as Exhibit 1.17 hereto.</p> <p>3803300113080000</p>
18.800 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 9-10-11 BLK 5-TOG WI VAC PTN CENTER ST ABTG-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL DESC AF 735976</p> <p>See full legal description attached as Exhibit 1.18 hereto.</p> <p>3803300023390000</p>
19.800 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 5 THRU 8 BLK 5-TOG WI VAC PTN CENTER ST ABTG-SUBJ TO R/W ESMT OVER N 10 FT OF LOT 5 DESC AF 947913</p> <p>See full legal description attached as Exhibit 1.19 hereto.</p> <p>3803300063360000</p>
20.801 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM SE 50 FT OF LOTS 1 THRU 4 BLK 32-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL DESC AF 735975</p> <p>See full legal description attached as Exhibit 1.20 hereto.</p> <p>3802255513260000</p>
21.900 W Holly Street	<p>SUPPLEMENTAL MAP OF WHATCOM LOTS 1 THRU 8 BLK 12-SUBJ TO ESMT TO CITY OF BELLINGHAM FOR SLOPE FILL DESC AF 735978 ON LOTS 5 THRU 8</p> <p>See full legal description attached as Exhibit 1.21 hereto.</p> <p>3802255533590000</p>

EXHIBITS 1.1 - 1.21
PARBERRY PROPERTY

Exhibit 1.1

(0 Astor Street)

3803300373390000

lying in the vacated right-of-way of Division Street between Astor and Bancroft Streets, and lying across Block 3, Plat of the Town of New Whatcom Supplemental as the same is shown at Page 42, Book 1 of Plats, Official Records of the Whatcom County Auditor, adjacent to Lots 7 through 10 as shown on the map attached hereto, and situated in the county of Whatcom, state of Washington. (See Exhibit 1.1A attached hereto.)

Exhibit 1.2

(0 C Street)

3803300403370000

LOTS 7, 8, 9, and 10, Block 3, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T. 1884", now a part of the consolidated City of Bellingham, Whatcom County, Washington; as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state, TOGETHER WITH the vacated portion of Division Street abutting on said lots, which vacated portion is the Southeasterly 20 feet of Division Street.

Exhibit 1.3

(0 C Street)

3803300463430000

Lot 4, Block 3, "Supplemental Map of the Town of Whatcom, Whatcom County, W. T., 1884, now a part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state, TOGETHER WITH the Southeasterly 12 feet of vacated Division Street abutting.

Exhibit 1.4
(1419 C Street)
3803300403510000

Lots 1 through 5, inclusive, and lots 5 and 6, TOGETHER WITH the southeasterly 12 feet of vacated Division Street abutting, ALSO lots 11 through 20, inclusive, TOGETHER WITH the northeasterly 12 feet of vacated Division Street abutting, ALL in Block 3, Supplemental Map of the Town of Whatcom, County, W. T., 1884, "now a part of the consolidated city of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state.

Exhibit 1.5
(O'D Street)
3803300343390000

The Southeast one-third of lots 11 and 12, and also the vacated 12 feet of the Division Street abutting, Block 3, Supplemental Map of the Town of Whatcom, Whatcom County, W. T., 1884, "now a part of the consolidated city of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state.

Exhibit 1.6
(1315 D Street)
3803300113480000

Lots 1, 2, 3, 4, 13, 14, 15 and 16, BLOCK 2, along with vacated Center Street abutting said lots;

All of said lots and block being in "Supplemental Map of the Town of Whatcom, Whatcom County, W. T., 1884, "according to the plat thereof, recorded in Volume 1 of Plats, Page 42, records of Whatcom County, Washington.

Exhibit 1.7
(1407 D Street)
3803300243540000

The Southwest half of lot 4 and all of lots 5, 6, 7 and 8, Block 6, Supplemental Map of the Town of Whatcom W. T., as per the map thereof, recorded in Volume 1 of Plats, page 42, records of Whatcom County, Washington. Together with the vacated southeasterly 12 feet abutting said lots.

Exhibit 1.8
(1411 D Street)
3803300293590000

Lot 3 and the Northeastly one-half of Lot 4, Block 6, "Supplemental Map of the Town of Whatcom", as per plat thereof recorded in Volume 1 of Plats, Page 42, Records of Whatcom County, Washington Auditor.

Exhibit 1.9
(1415 D Street)
3803300323630000

LOTS 1 AND 2, BLOCK 6, "SUPPLEMENTAL MAP OF THE TOWN OF WHATCOM, WHATCOM COUNTY, W.T., 1884," AS PER THE MAP THEREOF, RECORDED IN BOOK 1 OF PLATS, PAGE 42, IN THE AUDITOR'S OFFICE OF SAID COUNTY AND STATE, TOGETHER WITH THE VACATED SOUTHEASTERLY 12 FEET OF CENTER STREET ADJOINING.

Exhibit 1.10
(1401 E Street)
3803300053730000

Lots 3 and 4, Block 11, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T. 1884" now a part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state.

Exhibit 1.11
(1408 E Street)
3803300183640000

LOTS 9 THROUGH 16, BLOCK 6, 'SUPPLEMENTAL MAP OF THE TOWN OF WHATCOM, WHATCOM COUNTY, W.T. 1884,' NOW A PART OF THE CONSOLIDATED CITY OF BELLINGHAM, WHATCOM COUNTY, WASHINGTON, AS PER THE MAP THEREOF, RECORDED IN BOOK 1 OF PLATS, PAGE 42, IN THE AUDITOR'S OFFICE OF SAID COUNTY AND STATE.

TOGETHER WITH THAT PORTION OF VACATED CENTER STREET WHICH HAS ATTACHED TO SAID PREMISES BY OPERATION OF LAW.

SITUATE IN WHATCOM COUNTY, WASHINGTON

Exhibit 1.12
(1411 E Street)
3803300093770000

Lot 2, Block 11, Supplemental Map of the Town of Whatcom, Whatcom County, W.T., according to the recorded Plat thereof recorded in Volume 1 of Plats, Page 42, records of Whatcom County, Washington.

Exhibit 1.13
(1413 E Street)
3803300123810000

Lot 1, Block 11, Supplemental Map of the Town of Whatcom, Whatcom County, W.T., according to the recorded Plat thereof recorded in Volume 1 of Plats, Page 42, records of Whatcom County, Washington.

Exhibit 1.14
(0 W Holly Street)
3802255523290000

The Northwestern half of Lots 1, 2, 3 and 4, Block 32, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884," now a part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state.

Exhibit 1.15
(0 W Holly Street)
3802255483330000

Lots 13, 14, 15 and 16, Block 32, "Supplemental Map of the Town of Whatcom, Whatcom County, W. T., 1884," now a part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, page 42, in the Auditor's office of said county and state.

Exhibit 1.16
(700 W Holly Street)
3803300203260000

TRACT II. Lots 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16,
BLOCK 4:

ALL of said lots and block being in "Supplemental Map of the Town of Whatcom, Whatcom County, W. T.", according to the Plat thereof, recorded in Volume 1 of Plats, Page 42, records of Whatcom County, Washington.

Exhibit 1.17
(701 W Holly Street)
3803300113080000

Lots 1, 2, 3, 4, 13, 14, 15 and 16, Block 31,
"Supplemental Map of the Town of Whatcom,
Whatcom County, W. T.", according to the Plat
thereof, recorded in Volume 1 of Plats, Page
42, records of Whatcom County, Washington.

Exhibit 1.18
(800 W Holly Street)
3803300023390000

Lots 9, 10 and 11, and also that portion of
vacated Center Street abutting thereon, Block
5, "Supplemental Map of the Town of Whatcom,
Whatcom County, W. T.", according to the Plat
thereof, recorded in Volume 1 of Plats, Page 42,
records of Whatcom County, Washington.

Exhibit 1.19

(800 W Holly Street)

3803300063360000

Lots 5, 6, 7 and 8 and that portion of vacated Center Street abutting thereon, Block 5, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T.", according to the plat thereof, recorded in Volume 1 of Plats, page 42, records of Whatcom County, Washington.

Exhibit 1.20

(801 W Holly Street)

3802255513260000

The Southeast 50 feet of Lot 1 to 4, Block 32, "Supplemental Map of the Town of Whatcom, Whatcom County, W. T., 1884," according to the Plat thereof, recorded in Volume 1 of Plats, page 42, records of Whatcom County, Washington, subject to easements of record.

Exhibit 1.21

(900 W Holly Street)

3802255533590000

Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 12, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884," now a part of the consolidated City of Bellingham, Whatcom County, Washington, as per the map thereof, recorded in Book 1 of Plats, Page 42, in the Auditor's office of said county and state.

EXHIBIT 2: ILLUSTRATION OF PARBERRY PROPERTY

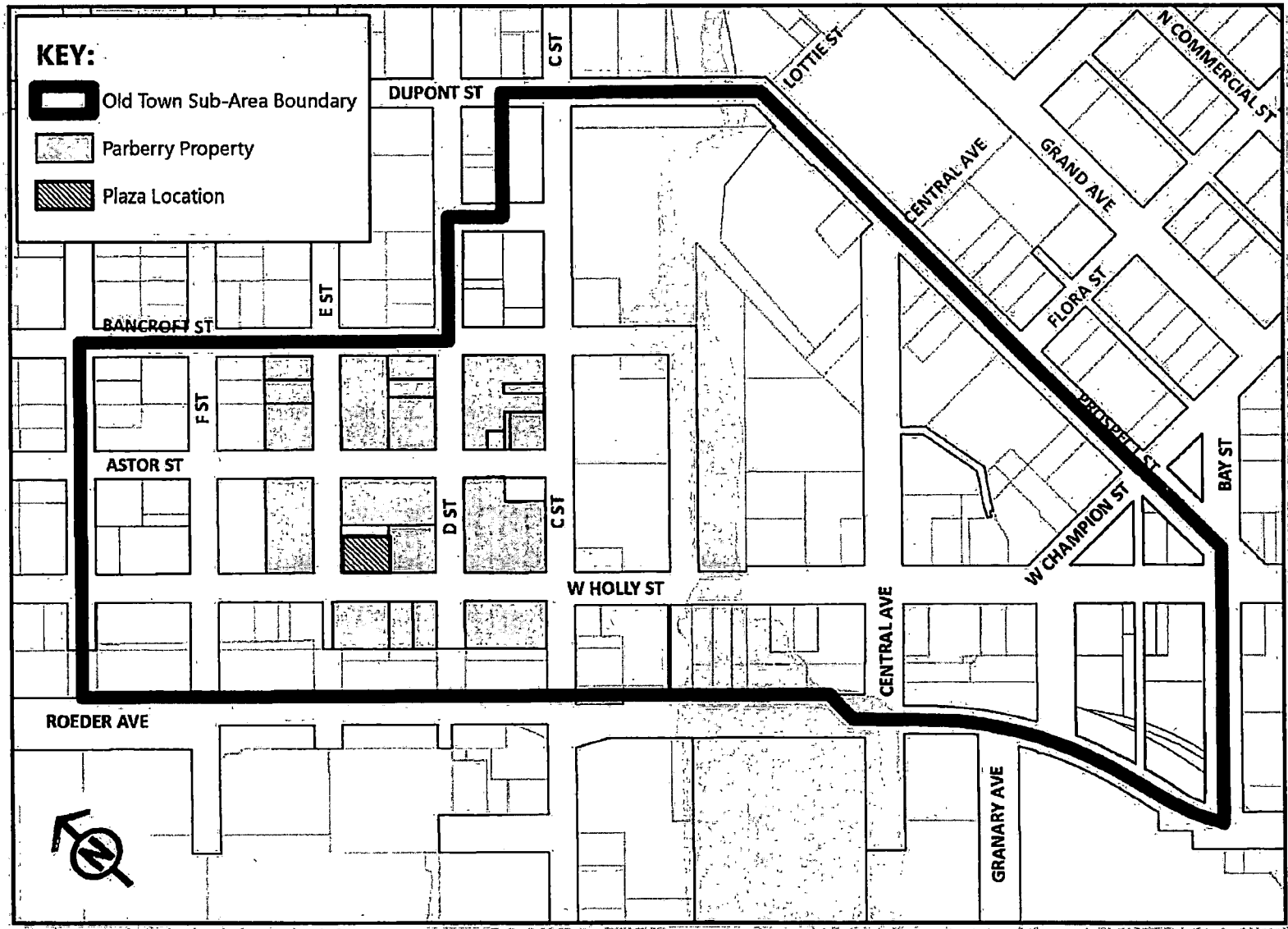


EXHIBIT 3: LOCATION OF SCRAPYARD & RESIDENTIAL RECYCLING FACILITIES

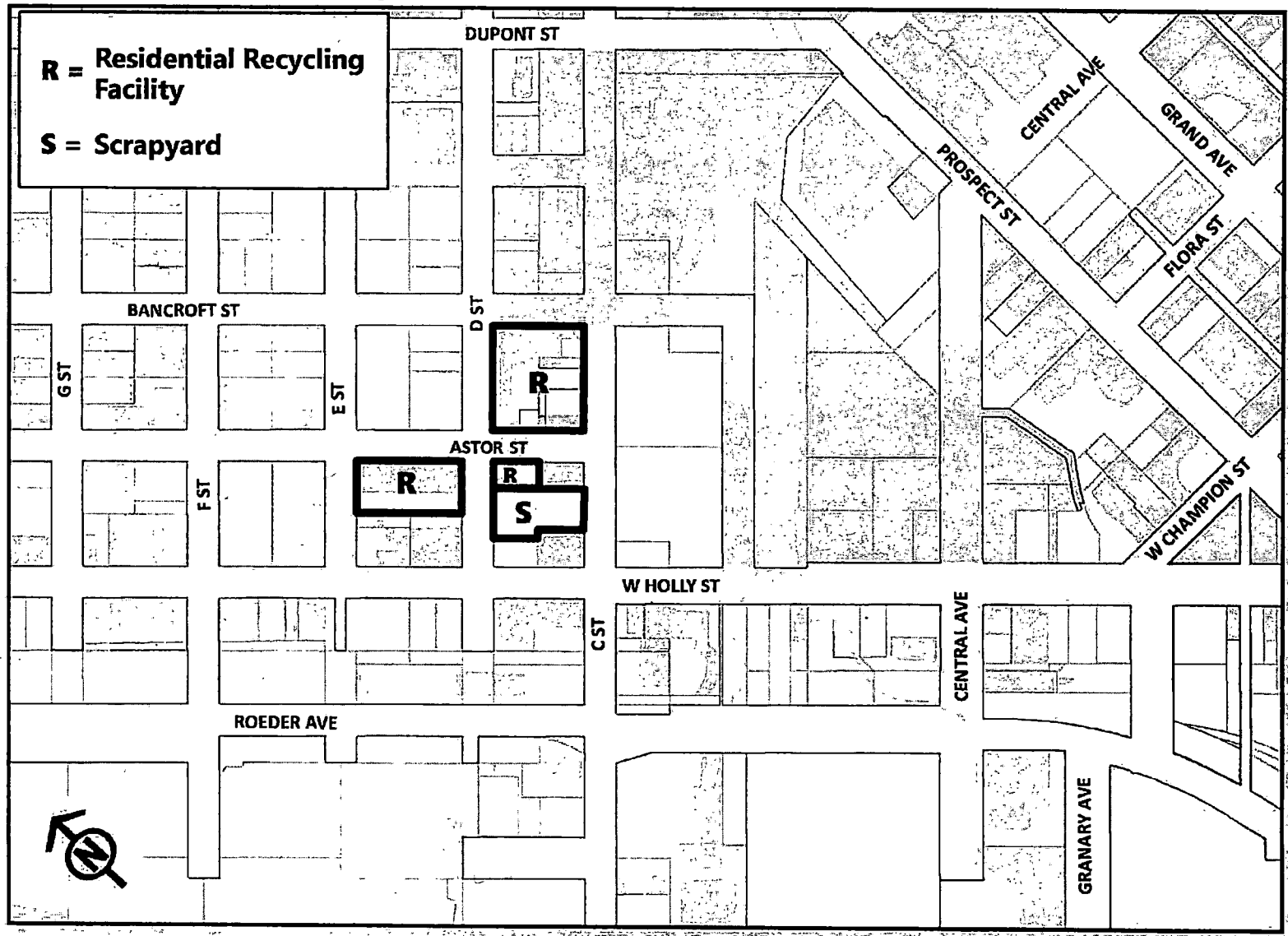


EXHIBIT 4: ADDITIONAL STREETS

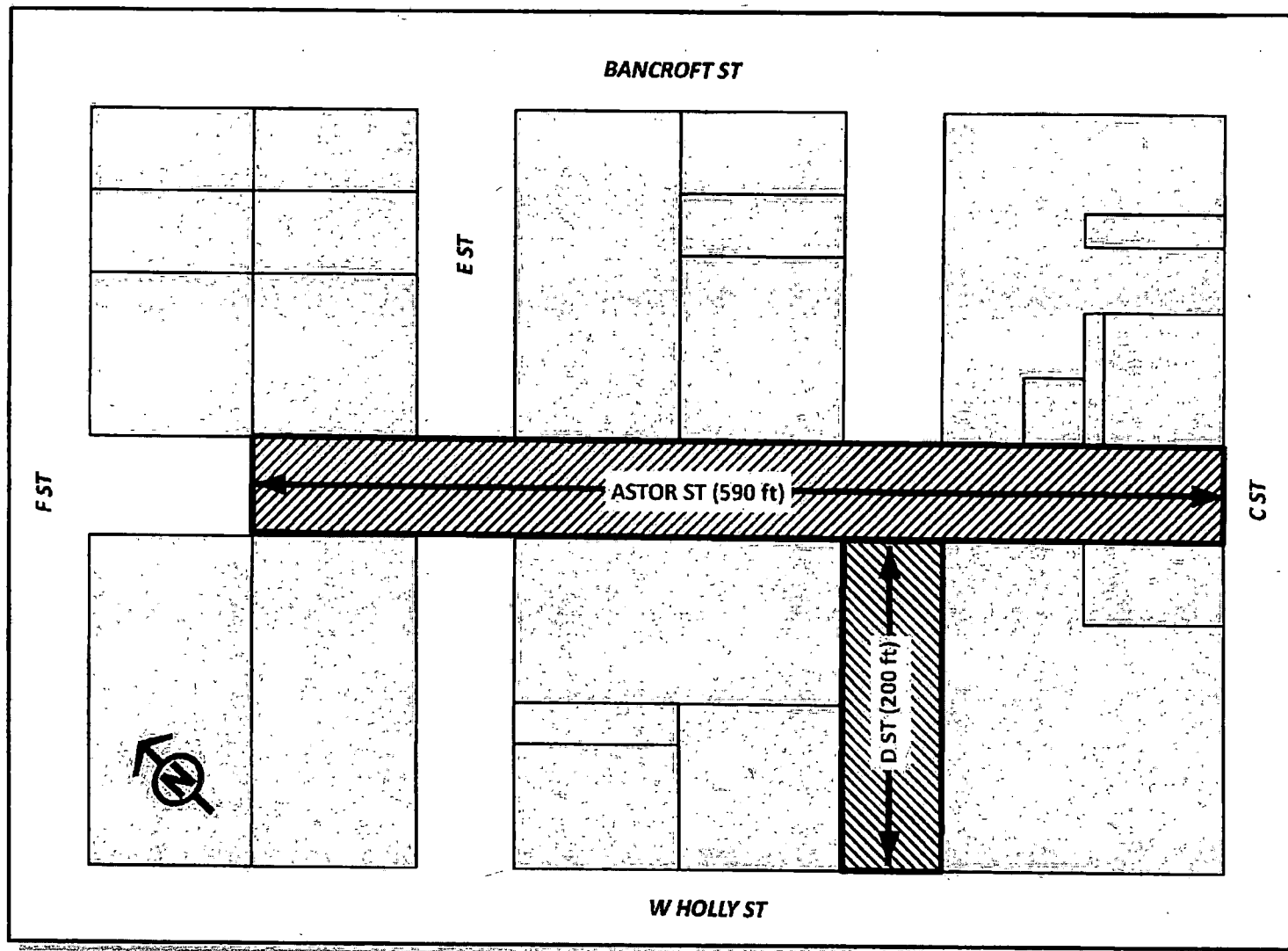
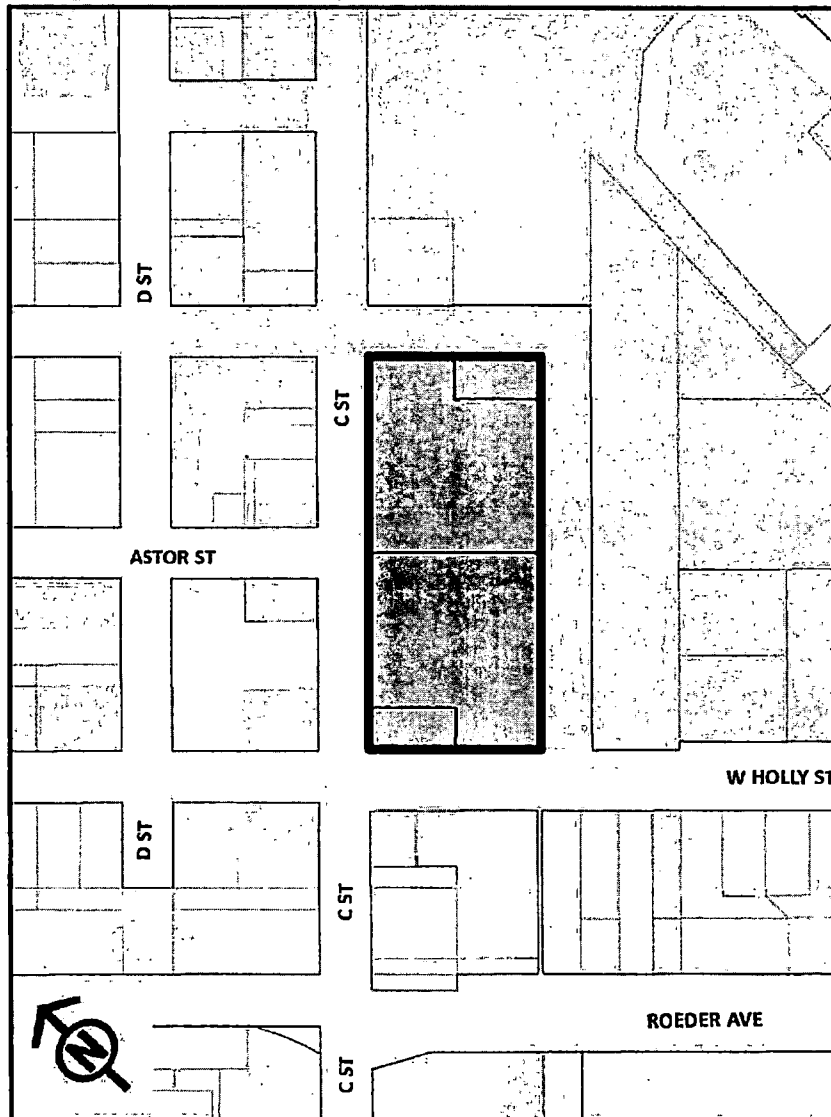


EXHIBIT 5: LEGAL DESCRIPTION AND ILLUSTRATION OF HOLLY STREET PROPERTY



**PARCELS 3803300443110000; 3803300583240000;
3803300663290000**

LEGAL DESCRIPTION PER AUDITORS FILE #2011205310

Lots 1 through 16, Block 36, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884" according to the map thereof, recorded in Book 1 of Plats, Page 42, in the Auditor's Office of Whatcom County, Washington. Together with the Northeasterly one half of Astor Street abutting Lots 8 and 9 as vacated by Ordinance No. 6414 (5/1946).

And

Lots 11 through 16, Block 37, "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884" according to the map thereof, recorded in Book 1 of Plats, Page 42, in the Auditor's Office of Whatcom County, Washington, together with the Southeasterly one-half of Astor Street abutting Lot 16 as vacated by Ordinance No. 6414.

Also

That portion of the Peabody Donation Claim in Section 30, Township 38 North, Range 3 East of the Willamette Meridian, described and defined as follows, to-wit:

Beginning at a point on the Southerly line of Astor Street (formerly Fourteenth Street) in the City of Bellingham, which point marks the Easterly corner of Lot 16, of Block 37, according to the "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884" filed for record December 3, 1886, Running thence in a Southeasterly direction a distance of 200 feet, more or less, to a point on the Northerly line of Holly Street (formerly Thirteenth Street) which point marks the Southerly corner of Lot 9, Block 37, of said Addition; thence in a Southeasterly direction along the Northerly line of Holly Street, a distance of 100 feet, more or less, to a point in the Northerly line of "B" Street, as now established; thence Northerly along the Northwestern line of "B" Street, as now established, a distance of 200 feet, more or less, to a point on the Southerly line of Astor Street; thence in a Northeasterly direction a distance of 100 feet, more or less, to the point of beginning. Said property being also described as the Southeasterly half of Block 37, according to the "Supplemental Map of the Town of Whatcom, Whatcom County, W.T., 1884" (not subdivided) filed for record December 3, 1886, together with the Southeasterly one-half of Astor Street abutting Lot 16 as vacated by Ordinance No. 6414.

PARCEL 3803300313070000

LEGAL DESCRIPTION PER AUDITORS FILE #2040800060

Lots 9 and 10, Block 37, "Supplemental Map of the Town of Whatcom, Whatcom Co. W.T. 1884", now a part of the Consolidated City of Bellingham, Whatcom County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 42 in the Auditor's Office of said County and State. Situate in Whatcom county, state of Washington.

EXHIBIT 6: LEGAL DESCRIPTION AND ILLUSTRATION OF ASTOR STREET PROPERTY

