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February 19, 2019

Christopher Quinn
Whatcom County Prosecutor's Office
311 Grand Avenue
Bellingham, WA 98225

Re: Playground Tract – Bennett Hill Supplemental

Dear Chris:

I write in follow-up to a meeting you and I attended on December 19, 2018 with Tyler Schroeder and Ron Cowan where we discussed the possibility of the Bellingham School District ("District") obtaining a release of the 1955 covenant encumbering title to the above-referenced property owned by it. The issue, as you may recall, is how to fulfill the requirement that the transferring government – in this case, the County – receive full value for the reserved rights held by it. This letter outlines the basis upon which the District would propose that the transfer occur.

As you know, the Playground Tract is essentially a triangular shaped parcel of property surrounded by platted lots fronting Alderwood Avenue on the north, Hollywood Avenue on the west and Redwood Avenue on the south. The attached map entitled "2018 Existing Conditions Exhibit Map" depicts the Playground Tract and surrounding lots. As you can see from the map, the District owns all of the lots abutting Redwood Avenue and Hollywood Avenue, with the exception of two which are in private ownership.

As the map reveals, the overwhelming majority of the Alderwood Elementary School building is located on the District's property lying west of the Playground Tract. It is the District's plan to construct the new elementary school on the site while the existing school remains in use. Once the new school is completed, the existing building will be demolished. The District has followed this model when replacing Shuksan Middle School, Happy Valley Elementary and, most recently, Sehome High School. This is the preferred option because it makes it possible for the entire school "family" (students, teachers, counselors, parents/guardians, etc.) to remain together to preserve the school's identity and culture. It also spares the District relocation costs and offers rich learning opportunities for students to observe construction of their new school while participating in special milestones during the construction process. In this particular instance, this is the only practical model because the District lacks capacity at its other elementary schools to house the 300+ Alderwood students who would otherwise need

to be relocated while the new school is under construction. This model will only work if the District is able to make full use of the Playground Tract to site the new school.

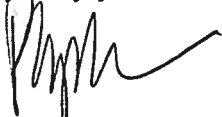
The District would propose that the covenant be released. In exchange, the District will agree to construct a playground suited to the needs of the school, maintain it and make it available for public use during non-school hours as long as the District is using any portion of the Playground Tract to house a school.

In addition to the advantages described above, this proposal will benefit the general public in three ways. First, it will result in a new elementary school which will better serve the needs of the Alderwood Elementary School family. Second, it will result in construction of a modern playground on the school site for use by students during school hours and by the general public during non-school hours. Third, it will enhance the neighborhood in a variety of ways too numerous to mention.

In the District's mind, this proposal is in keeping with the shared vision of the County and the District to make wise use of public resources to improve the lives of our citizenry and, most importantly, the education of our children. The District would be happy to discuss this matter further with you and is hopeful that it can be resolved in the near future so that design and development of the new elementary school can proceed as quickly as possible.

If you have questions or comments, please do not hesitate to contact me. Thank you for your consideration.

Very truly yours,



Philip E. Sharpe, Jr.

PES:kms

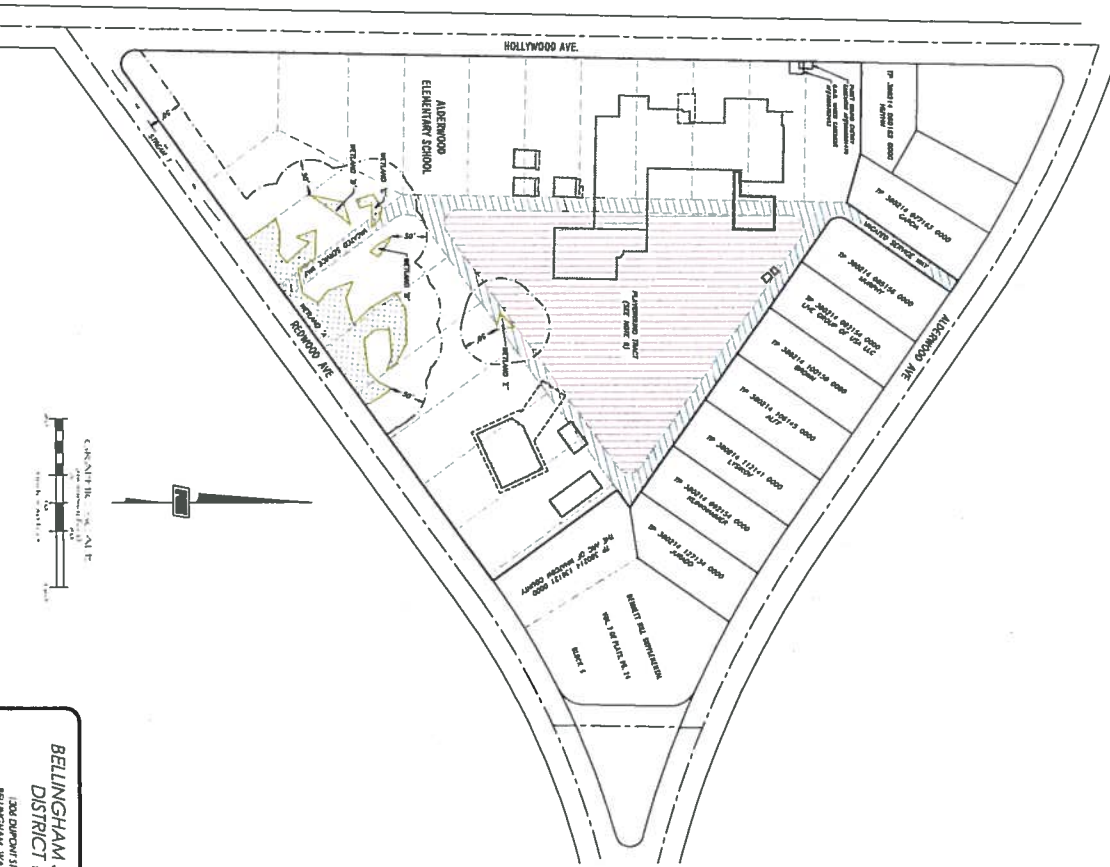
Enclosure

cc: client



2018 EXISTING CONDITIONS EXHIBIT MAP

STATE OF WASHINGTON DEPARTMENT OF COMMERCIAL & TRADE SERVICES
 LAND SURVEY DIVISION



BELLINGHAM SCHOOL DISTRICT #501
 1300 DURAND STREET
 BELLINGHAM, WA 98225

EXISTING CONDITIONS
 ALDERWOOD ELEMENTARY SCHOOL
 JOB # 2018199
 DATE 07/12/2018



LEGEND

- EXISTING SURVEY (PER 200)
- EXISTING AREA
- ALDERWOOD MIDDLE
- EXISTING OFF ROAD

PARCEL DESCRIPTION

THIS MAP SHOWS THE EXISTING CONDITIONS OF THE ALDERWOOD ELEMENTARY SCHOOL SITE AND THE SURROUNDING PARCELS. THE PARCELS ARE IDENTIFIED BY PARCEL ID NUMBERS AND ARE DESCRIBED AS FOLLOWS:

SURVEY NOTES

- 1) ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
- 2) EXISTING SURVEY DATA IS SHOWN ON THIS MAP.
- 3) ALL DIMENSIONS ARE TO THE CENTER OF THE CURVE UNLESS OTHERWISE NOTED.
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