

RESOLUTION NO. 1206

A RESOLUTION OF THE COMMISSION OF THE PORT OF BELLINGHAM APPROVING THE ACQUISITION OF REAL PROPERTY FROM GEORGIA- PACIFIC CORPORATION AND GEORGIA-PACIFIC WEST, INC.

WHEREAS, on May 4, 2004, the Commission of the Port of Bellingham (the "Port") adopted Resolution No. 1191. This resolution expanded the boundary of the Comprehensive Scheme of Harbor Improvements for Squalicum Harbor to include the property commonly known as the aeration stabilization basin (the "ASB"). The ASB is owned by Georgia-Pacific Corporation and/or its solely owned subsidiary Georgia-Pacific West, Inc. (collectively "Georgia-Pacific"); and,

WHEREAS, on June 7, 2004, the Port commenced an eminent domain action against Georgia-Pacific to acquire the ASB for use as a public marina. The action is entitled *Port of Bellingham v. Georgia-Pacific Corporation, et al*, (the "Lawsuit"); and,

WHEREAS, shortly after the Lawsuit was commenced, the Port was approached by Georgia-Pacific with an offer to settle the Lawsuit by allowing the Port of Bellingham to acquire all of Georgia-Pacific's Bellingham waterfront real property, including the ASB; and,

WHEREAS, since June of 2004, the Port has been conducting due diligence on the potential acquisition of all of Georgia-Pacific's Bellingham waterfront property and negotiating the terms and conditions under which the Port would acquire all of Georgia-Pacific's Bellingham waterfront property; and,

WHEREAS, in the ensuing negotiations, Georgia-Pacific has insisted, as a condition of the transaction, that the Port acquire all of Georgia-Pacific's Bellingham waterfront property; and,

WHEREAS, the Commissioners of the Port of Bellingham have approved Resolution No. 1205, amending the Comprehensive Scheme of Harbor Improvements for Squalicum Harbor by the inclusion of the Georgia-Pacific Bellingham waterfront property within its boundaries, and instructing staff to initiate the process for the preparation of a detailed development plan; and,

WHEREAS, the Port and Georgia-Pacific have both been designated as "potential liable parties" (among other parties), by the Washington State Department of Ecology for the remediation of the Cornwall Avenue Landfill Site, the Whatcom Waterway Site, and the Central Waterfront Site; and,

WHEREAS, the Commission finds that the Port has several purposes for the acquisition of the property including, but not limited to,

- The settlement of the Lawsuit;
- The construction of marinas, marine infrastructure, harbor improvements, park, and recreation facilities;
- The development of public transportation and terminal facilities;
- The full utilization of adjacent Port properties;
- The improvement to navigable waters of the United States;

- The resolution of the Port's environmental liabilities it shares with Georgia-Pacific in a comprehensive and cost-effective manner;
- The economic development of the Bellingham waterfront; and,
- The promotion of tourism.

WHEREAS, the Port and Georgia-Pacific have negotiated to conclusion an agreement entitled *"Purchase and Sale Agreement Among Georgia-Pacific West, Inc., an Oregon corporation, and Georgia-Pacific Corporation, a Georgia corporation, and the Port of Bellingham, a Washington municipal corporation"* (the "Purchase and Sale Agreement") that sets forth the terms and conditions for the property acquisition; and,

WHEREAS, the Port held opportunities for public comment on the proposed purchase of the Georgia-Pacific Bellingham waterfront property (November 16, 2004, November 30, 2004, December 3, 2004, and January 11, 2005), in addition to regularly scheduled Port Commission meetings.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Port of Bellingham that:

1. The Commission of the Port of Bellingham hereby approves and accepts the Purchase and Sale Agreement; and,
2. The Executive Director and Port legal counsel are hereby authorized and instructed to take all actions and to execute all necessary and relevant documents to effectuate the transaction, including the transfer of the real property set forth in the Purchase and Sale Agreement.

ADOPTED in open session at a regular meeting of the Commission of the Port of Bellingham on the 18th day of January, 2005, and duly authenticated by the signatures of the Commissioners and the seal of the Commission affixed hereto.

Commission President

Commission Vice President

Commission Secretary