

After Recording Return To:
David Neu, Esq.
K&L Gates LLP
925 4th Avenue, Suite 2900
Seattle, Washington 98104



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Skagit County Auditor

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STIPULATION AND ORDER APPOINTING GENERAL RECEIVER

GRANTOR: CLEAR LAKE INDUSTRIAL PARK, LLC
JEFFREY K. JANSMA
KAREN R. JANSMA

GRANTEE: COLUMBIA STATE BANK

Legal Description:

Abbreviated form: Ptn of Gov't Lots 11 and 12, Sec. 1, Township 34 North, Range
4 East, W.M.
Additional legal on pages 19 & 10

Assessor's Tax Parcel ID #s: P23293, P74826, P74823, P74833, P74820

Reference number(s) of Related Document(s): 200604270075 (Deed of Trust)

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SKAGIT COUNTY CLERK
SKAGIT COUNTY, WA

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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF SKAGIT

COLUMBIA STATE BANK, a Washington
state chartered bank,

Plaintiff,

vs.

CLEAR LAKE INDUSTRIAL PARK, LLC, a
Washington limited liability company;
JEFFERY K. JANSMA and KAREN R.
JANSMA, each individually, and the marital
community composed of JEFFERY K.
JANSMA and KAREN R. JANSMA; and
"JOHN DOES" and "JANE DOES" 1-10,
claiming an interest in the subject Real
Property

Defendants.

NO. 13-2-01352-8

STIPULATION AND ORDER APPOINTING
GENERAL RECEIVER

STIPULATION

COMES NOW, the Plaintiff, Columbia State Bank ("Columbia"), by and through its attorneys, John R. Shultz and John A. Shultz of Shultz Law Offices, and the Defendants, Clear Lake Industrial Park, LLC ("Clear Lake") and Jeffery K. Jansma ("Jeff Jansma"), individually and on behalf of the marital community, by and through his attorney, Danial Pharris of Lasher, Holzapfel, Sperry & Ebberson, and Defendant Karen R. Jansma ("Karen Jansma"), individually and on behalf of the marital community, and hereby stipulate to the entry of the Order below.

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ORIGINAL



1 DATED this 16th day of August 2013.

2 SHULTZ LAW OFFICES

3
4 By: 

John R. Shultz, WSBA #13002

John A. Shultz, WSBA #42542

Attorneys for the Plaintiff, Columbia State Bank

6
7 LASHER HOLZAPFEL SPERRY & EBBERSON

8
9 By: 

Danial Pharris, WSBA #13617

Attorneys for Defendants, Clear Lake Industrial Park, LLC,
and Jeffery K. Jansma

11
12 By: _____
13 Karen R. Jansma, Defendant

14 Based on the above Stipulation, and the pleadings and records on file with the Court, and being
15 fully advised in the premises, the Court makes the following Findings and enters the following Order:

16 **L FINDINGS**

The Court, being fully informed, makes the following findings:

17 1.1 On or about August 5, 2013, Columbia State Bank filed a Complaint for the appointment
18 of a general receiver in the above-captioned case, seeking to take possession and control of certain real
19 property and to otherwise exercise the powers of a general receiver as permitted under RCW 7.60, et
20 seq.

21 1.2 The real property at issue in this action and referred to in the subjoined Order is legally
22 described in Exhibit A, attached hereto and incorporated herein by this reference. The real property is
23 commonly known as 12785 State Route 9, Clear Lake, Washington, 98235 and 12827 South Front
Street, Clear Lake, Washington, 98235 (collectively the "Real Property").

24 1.3 Clear Lake executed and delivered to Columbia a Promissory Note dated April 25, 2006,
25 in the original principal amount of \$396,938.72 (the "Note"). The Note matured on November 25, 2011,

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1 DATED this _____ day of _____ 2013.

2 SHULTZ LAW OFFICES

3
4 By: _____
5 John R. Shultz, WSBA #13002
6 John A. Shultz, WSBA #42542
7 Attorneys for the Plaintiff, Columbia State Bank

8 LASHER HOLZAPFEL SPERRY & EBBERSON

9 By: _____
10 Danial Pharris, WSBA #13617
11 Attorneys for Defendants, Clear Lake Industrial Park, LLC,
12 and Jeffery K. Jansma

13 By: Karen R. Jansma
14 Karen R. Jansma, Defendant

15 Based on the above Stipulation, and the pleadings and records on file with the Court, and being
16 fully advised in the premises, the Court makes the following Findings and enters the following Order:

17 **I. FINDINGS**

18 The Court, being fully informed, makes the following findings:

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20 of a general receiver in the above-captioned case, seeking to take possession and control of certain real
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and is currently in default for failure of Clear Lake to make the required payments under the Note, including, without limitation, the failure to pay the total amount due thereunder on the above-referenced maturity date and failure to pay real property taxes. As of July 25, 2013, the Note had an outstanding principal balance due of \$344,784.33, accrued interest of \$43,472.84, plus additional loan fees, attorney's fees and costs, for a total payoff due and owing of \$460,419.41.

1.4 To secure the Note, Clear Lake executed and delivered to Columbia a Deed of Trust, Assignment of Rents, and Business Loan Agreement (the "Deed of Trust"), granting Columbia a security interest in the Real Property. The Deed of Trust was recorded on April 27, 2006, under Skagit County Auditor's Recording No. 200604270075. The Deed of Trust is a valid and perfected priority first lien encumbering the Real Property subject only to general real estate tax liens.

1.5 The Real Property's current fair market value is insufficient to satisfy the total obligations secured by the Deed of Trust, and the Real Property is currently not generating sufficient rental income to satisfy the obligations secured by the Deed of Trust. As of December 13, 2012, the Real Property had an approximate value of \$400,000.00 pursuant to appraisal of McKee & Schalka.

1.6 The Real Property's value is currently impaired due to environmental contamination of the soil and groundwater and cannot be effectively marketed for sale until the environmental contamination is remediated.

1.7 Even after the remediation is complete, the value of the Real Property is still anticipated to be significantly less than the total monetary obligations owed by Clear Lake to Columbia and secured by the Deed of Trust.

1.8 Appointment of a general receiver is appropriate pursuant to the terms of the Deed of Trust and the associated loan documents. Capitalized terms not otherwise defined in this Order shall have the meanings described in the Deed of Trust.

1.9 Appointment of a receiver is also appropriate pursuant to RCW 7.60.025(1)(a), (g), (i), and (nn), and the Court may otherwise exercise its inherent equity power to order the appointment of a general receiver.

1.10 Turnaround, Inc. is not interested in the above-captioned action and is competent and qualified to act as the receiver for the Real Property identified below.

III. ORDER

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2.1 Turnaround, Inc. (the "Receiver") is hereby appointed as general receiver of the Real Property, with authority to take possession and control, and to manage, operate, market and sell the Real Property pursuant to the terms of this Order.

2.2 During the term of the Receiver's appointment, and until further order of the Court, the Real Property shall remain under the Court's exclusive jurisdiction in accordance with RCW 7.60.055. The Receiver shall not be subject to the control of any of the parties to this matter, but shall be subject only to the Court's direction.

2.3 In the fulfillment of the Receiver's duties, entry of this Order, countersigned by the Receiver, shall evidence the Receiver's acceptance of its rights and duties hereunder and constitutes any required oath of office.

2.4 The Receiver may, at anytime, file a motion requesting that it be exonerated, discharged and released from its appointment as receiver.

2.5 The appointment of the Receiver is effective as of the date of this Order, and subject to the Receiver furnishing a bond to the Clerk of the Skagit County Superior Court in the sum of \$ 30,000 within ten (10) days of its appointment, and conditioned upon its faithful discharge of its duties as receiver. The bond must be with a surety authorized by the Washington Commissioner of Insurance to engage in the business of suretyship in the State of Washington and ensure that the Receiver will faithfully discharge the duties of the Receiver in this action and obey the orders of the Court herein. The Receiver is authorized to pay any premium or other fee of the surety providing such bond from the assets of the receivership estate, as an expense of the Receiver.

A. Rights and Responsibilities of Receiver

2.6 Unless and until otherwise ordered by the Court, the Receiver shall be a "general receiver" as defined in RCW 7.60.015, with exclusive control over the Real Property and the duty to preserve, control and protect it.

2.7 The Receiver shall be authorized, without further order of this Court, to have the exclusive power and authority to manage, operate, maintain, secure and control the Real Property, exercise all powers available to Clear Lake and its agents, in Clear Lake's capacity as owner of the Real Property, and to do all things permitted pursuant to RCW 7.60.060.

2.8 The Receiver shall also have the power, pursuant to the provisions of RCW 7.60.260, after receiving a written request from Columbia, and after obtaining an order of this Court upon notice and hearing, to sell the Real Property, free and clear of liens and all rights or redemption, whether or not

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1 the sale will generate proceeds sufficient to fully satisfy the claims secured by the Real Property, and all
2 security interests and liens encumbering the Real Property conveyed shall attach to the proceeds of sale,
3 net of reasonable expenses incurred in the disposition of the Real Property, in the same order, priority,
4 and validity as the liens had with respect to the Real Property immediately before the conveyance. The
5 Court shall thereafter authorize the Receiver at the time of sale to satisfy, in whole or in part, any
6 allowed claim secured by the Real Property out of the proceeds of sale, including the claim of Columbia,
7 if the interest of any other creditor having a lien against the proceeds of the sale would not thereby be
8 impaired. An order approving a sale under this paragraph shall be considered an order of sale by the
9 Court in a mortgage, deed of trust or lien foreclosure proceeding for the purposes of RCW 82.45.010.

10 2.9 The Receiver shall additionally have the power, at the written request of Columbia, and
11 after approved by the Court upon proper notice and a hearing, to sell the Real Property at a public sale
12 pursuant to the provisions of RCW 7.60.260(3), with secured creditors, including Columbia, retaining all
13 rights of secured creditors described in RCW 7.60.260(3), including, without limitation, the right to bid
14 all or a portion of their secured claims as an offset against the purchase price of the Real Property. An
15 order approving a sale under this paragraph shall be considered an order of sale by the Court in a
16 mortgage, deed of trust or lien foreclosure proceeding for the purposes of RCW 82.45.010.

17 2.10 The Receiver shall have the power and authority to use receivership estate funds to
18 remove and/or remediate all environmental contamination affecting the Real Property, including the
19 chlordane, which is presently affecting the soil quality and groundwater located under the Real Property.
20 Columbia may loan funds to the Receiver to pay for the cost of the removal and remediation of
21 chlordane and any other hazardous substances affecting the Real Property. The Receiver may enter into
22 contracts with persons and/or entities to remediate and/or monitor all hazardous substance existing on
23 the Real Property, provided that before entering into such contracts, the Receiver shall obtain the
24 approval of Columbia or the Court, upon notice and hearing. The Receiver's grant of authority
25 hereunder shall not cause it to be an "owner" or "operator" of the Real Property for the purposes of
RCW Ch. 70.105D nor shall this Order be interpreted to, in any way, impair the limitations on liability
contained in RCW 7.60.170.

2.11 The Receiver shall have the power to take all steps reasonably necessary to collect any
rents, revenues and profits from the Real Property (collectively "Revenues"), and all such Revenues,
including any and all funds advanced to the Receiver by Columbia to pay any receivership expenses,
shall be deposited into a segregated account (the "Bank Account") at a federally insured bank with

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branches in the State of Washington. The Receiver shall have the power to present for payment any checks, money orders, and other forms of payment made payable to Clear Lake, or such other similar names, which constitute or are derived from the Revenues, endorse same and collect the proceeds thereof, such proceeds to be used and maintained as elsewhere provided herein. The Receiver shall have the sole and exclusive authority to disburse funds from the Bank Account. The Receiver shall have authority to take possession of bank and other deposit accounts of Clear Lake related to the Real Property, and to open, transfer and change all bank and trade accounts relating to the Real Property, so that all such accounts are in the name of the Receiver.

2.12 The Receiver shall manage and operate the Real Property on a daily basis in a manner consistent with this Order. The Receiver shall have the power and authority to enforce leases, rental agreements and other contracts, including service contracts, if any, relating to the Real Property. The Receiver shall manage operate and maintain the Real Property subject to such rules and conditions as the Receiver may establish to ensure that all Revenues are properly preserved and to reasonably ensure that the value of the Real Property is not diminished. The Receiver shall make the following daily operating decisions regarding the Real Property, including, without limitation:

2.12.1 Providing ordinary maintenance and repair services for the Real Property and extraordinary maintenance or repair services where required by emergency conditions; provided, however, that the Receiver shall not contract for maintenance or repair services costing \$10,000.00 or more without the written consent of Columbia or approval of the Court;

2.12.2 Continuing in effect in the Receiver's business judgment any contracts presently existing relating to the Real Property;

2.12.3 Procuring goods and services for the Real Property, including legal services where necessary; and

2.12.4 In the Receiver's sole discretion, retaining existing employees of Clear Lake or related parties as Clear Lake's employees in order to continue any business operations, in which case payroll taxes, workers compensation insurance, and related costs will be carried and reported as those of Clear Lake, and not of the receivership estate. The Receiver may, in the alternative at its sole discretion, carry all employees as those of any management company or other entity hired by the Receiver.

2.13 To the extent reasonably possible given the Revenues generated by the Real Property, the Receiver shall pay the operating expenses of the Real Property. The Receiver shall also disburse funds from the Bank Account to pay all amounts necessary to maintain adequate all risk hazard property

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1 damage and all risk comprehensive liability insurance on the Real Property. Payment of payroll, payroll
2 taxes, employee benefits, utilities, insurance, taxes, landscaping, janitorial services, and maintenance
3 shall not require prior approval of the Court. Within 30 days following entry of this Order, the Receiver
4 shall prepare an operating budget for the Receivership (the "Budget") and submit it to Columbia for
5 approval. The Receiver may not exceed any line item in an approved Budget by more than 10% without
6 the written consent of Columbia.

7 2.14 Notwithstanding any other provision hereof, the Receiver shall be under no obligation to
8 complete or file tax returns on behalf of Clear Lake for income or other taxes, or file other regulatory or
9 other governmental reports on behalf of Clear Lake. Responsibility for such filings remains with Clear
10 Lake. The Receiver shall furnish Clear Lake with such access to books and records within the
11 Receiver's custody or control as reasonably may be necessary in order for Clear Lake to complete and
12 file tax returns on its own behalf.

13 2.15 The Receiver shall not be required to file schedules of property and liabilities of the
14 Debtor, nor to: a) provide notice of the Receivership to unsecured creditors of the Debtor; b) publish
15 notice of the Receivership; and c) establish a procedure for administration of claims, unless it determines
16 that there will be sufficient assets in the estate for a return to unsecured creditors.

17 2.16 The Receiver may employ such attorneys or other professionals as the Receiver may
18 require in connection with the proper performance of the Receiver's duties. The law firm of K&L
19 Gates, LLP is hereby authorized and appointed to act as attorneys for the Receiver. All professionals
20 employed by the Receiver shall be compensated pursuant to the procedures set forth in this Order.

21 2.17 Clear Lake shall cause to be provided on reasonable notice and during normal operating
22 hours, and the Receiver shall thoroughly review and inspect the accounting records with respect to the
23 Real Property, and shall take such steps as it deems necessary to assure that all the Revenues collected
24 and all the disbursements made in connection with the Real Property by the Receiver are properly
25 accounted for in accordance with generally accepted accounting principles.

2.18 The Receiver is excused from seeking an independent professional appraisal of the Real
Property.

2.19 No obligation incurred by the Receiver in the good faith performance of its duties in
accordance with the orders of this Court whether pursuant to any contract, by reason of any tort, or
otherwise, shall be the Receiver's obligation or the personal obligation of its principals or agents.
Rather, the recourse of any person or entity to which the Receiver becomes obligated in connection with

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1 the performance of its duties and responsibilities shall be solely against the assets of the receivership
2 estate. The Receiver shall have no obligation to advance its own funds to pay any costs and expenses of
3 the receivership estate.

4 2.20 The Receiver shall at all times exercise reasonable care in employing its business
5 judgment to manage the Real Property.

6 2.21 The Receiver may acquire or renew all governmental licenses, permits, or other
7 authorizations, either in the Receiver's name or in the name of Clear Lake, pertaining to the Real
8 Property or any business associated therewith and to do all other things necessary or appropriate to
9 maintain and protect the Real Property.

10 2.22 On at least two (2) days notice to Clear Lake, the Receiver is authorized to borrow from
11 Columbia such amounts as may be necessary to satisfy the costs and expenses of the receivership, to the
12 extent that the Revenues derived from the Real Property are insufficient to satisfy such costs and
13 expenses, on such terms as Columbia and the Receiver shall agree, and to execute such documentation
14 satisfactory to the Receiver and Columbia evidencing the obligation of the receivership estate (and not
15 the Receiver individually or in its corporate capacity), including, without limitation, one or more
16 receivership certificates, to repay such sums, provided however, any loans from Columbia shall be made
17 in Columbia's sole discretion. Any such loans shall receive a first priority lien on the receivership estate
18 in favor of Columbia, and shall be entitled to all of the benefits of advances under the Deed of Trust.
19 All such advances shall be deemed secured by the Deed of Trust, with interest accruing on such
20 advances at the default rate of interest described in the Note.

21 2.23 The Receiver may compel, by subpoena, any person to submit to an examination under
22 oath in the manner of a deposition in a civil case with respect to the Real Property or any other matter
23 that may affect the administration of the receivership estate.

24 2.24 No later than the fifteenth day of each month, the Receiver shall provide the Court, the
25 parties, and counsel to the parties, with a complete report on its activities and the condition of the Real
Property during the preceding calendar month, including a complete accounting of Revenues collected
and the disbursements made during the preceding calendar month. Further, for any other report
provided by the Receiver to Columbia, Receiver shall provide Clear Lake with a copy of such report
when provided to Columbia.

2.25 The Receiver shall receive compensation monthly at a rate of \$260.00 per hour for all
work performed by Miles R. Stover while performing services for the Receiver pursuant to this Order

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and will receive monthly compensation of \$70.00 per hour for all work performed by other staff members of the Receiver while performing services for the Receiver hereunder. All costs and expenses incurred by the Receiver in performing services pursuant to this Order shall be fully paid. The Receiver shall send monthly written invoices to Columbia, describing the services performed, the time expended (in tenths of an hour segments), the hourly rate charged and the expenses incurred by the Receiver in the previous month (the "Monthly Receiver Fees"), and if the funds in the Bank Account are insufficient to pay such Monthly Receiver Fees, Columbia shall deposit the required funds in the Bank Account to pay such Monthly Receiver Fees within ten (10) days of its receipt of the invoice. Upon deposit by Columbia of the Monthly Receiver Fees in the Bank Account, the Receiver shall have the right to immediately disburse the amount deposited to itself without further order of this Court. Columbia shall have the right to dispute any amount claimed to be owing by the Receiver pursuant to an invoice, by filing a motion with the Court and serving such motion on the Receiver or its attorney and on all other parties who have appeared in this proceeding, no later than fifteen (15) days after it receives the applicable invoice. The Court shall thereafter determine the proper amount of the Monthly Receiver's Fees to be paid to the Receiver. If the Receiver sells the Real Property pursuant to the provisions of this Order, it shall receive a commission equal to 2% of the gross sales price as a commission payable at the closing of the sale of the Real Property; provided that if the Receiver uses the services of a licensed real estate broker or agent to sell the Real Property, the Receiver shall receive a commission equal to 1.375% of the gross selling price. The Receiver may seek compensation for any extraordinary fees and costs, and/or for the fees and costs of its professionals, if any, including its attorneys, by filing a notice of intent to compensate professionals ("Notice of Intent to Compensate Professionals") and serving such notice, together with a reasonably detailed description of the time periods, services and amount requested on parties in interest as provided in Sections 2.26 and 2.27 below. If no party in interest objects to such Notice of Intent to Compensate Professionals within ten (10) calendar days of its filing, the fees and costs shall be deemed approved as being fully and finally earned without further order or leave of the Court. The approved fees and costs of the Receiver and its professionals shall be paid from the Revenues derived from the Property and shall be a first priority lien on the receivership estate. If the Revenues are not sufficient to pay the approved Monthly Receiver's Fees as presented, Columbia agrees to advance funds to the Receiver sufficient to pay such approved fees and costs. All advances made by Columbia under this section shall be deemed secured by the Deed of Trust.

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2.26 Any motion by the Receiver for Court approval of any act of the Receiver requiring Court approval shall be served on each party hereto and each other person who has filed and served on the Receiver a request for special notice. The Receiver may file requests for special notice on behalf of any party; however, such request filed by the Receiver shall not be deemed consent to the jurisdiction of this Court. In addition to service by mail or personal service, service may be made by facsimile. Notwithstanding any provision of this Order requiring Court approval of any act of the Receiver, the Receiver may nonetheless undertake any action without prior Court approval if it obtains the written consent of each party hereto and each other person who has filed and served on the Receiver a notice of appearance.

2.27 In addition to any special notice provisions contained herein, the Receiver shall provide notice of all pleadings filed by the Receiver herein to the parties hereto and to any party filing a notice of appearance. Such notice may be made by mail or personal service nine (9) calendar days in advance of any hearing, by confirmed facsimile nine (9) calendar days in advance of any hearing, by email service to those parties who elect to receive service in such form, or as otherwise may be approved by the Court. The Receiver shall be deemed to have provided adequate notice if it complies with this section.

2.28 The Receiver may at any time apply to this Court for further or other instructions or for modification of this Order or for further powers necessary to enable the Receiver to properly perform its duties, or for termination of the Receiver's appointment.

2.29 Clear Lake and its managers, members, officers, agents, representatives and employees, contractors, subcontractors, including, without limitation, any property management firm retained by Clear Lake and their employees, and all persons with actual or constructive knowledge of this Order and their agents and employees, except Columbia, shall turn over to the Receiver:

2.29.1 The possession of the Real Property, including all keys to all locks on the Real Property, and the records, books of account, ledgers and all business records for the Real Property (including, without limitation, the plans, specifications and drawings relating to or pertaining to any part or all of the Real Property), wherever located and in whatever mode maintained (including, without limitation, information contained on computers and any and all software relating thereto as well as all banking records, statements and cancelled checks);

2.29.2 All documents that constitute or pertain to licenses, permits or governmental approvals relating to the Real Property;



2.29.3 All documents that constitute or pertain to insurance policies, whether currently in effect or lapsed, that relate to the Real Property;

2.29.4 All leases and subleases, royalty agreements, licenses, assignments or other agreements of any kind, whether currently in effect or lapsed, that relate to the Real Property;

2.29.5 All documents pertaining to past, present or future construction of any type with respect to all or part of the Real Property;

2.29.6 All documents pertaining to toxic chemicals or hazardous materials, if any, ever brought, used and/or remaining upon the Real Property, including, without limitation, all reports, surveys, inspections, checklists, proposals, orders, citations, fines, warnings and notices;

2.29.7 Any Revenues derived from the Real Property, including, without limitation, any security deposits, advances, prepaid rents, storage fees and parking fees, wherever and in whatever mode maintained. Any security or other deposits which tenants have paid to Clear Lake or its agents and which are not paid to the Receiver, and over which the Receiver has no control, shall be obligations of Clear Lake and may not be refunded by the Receiver without an order of this Court. Any other security or other deposits that tenants have paid or may pay to the Receiver, if otherwise refundable under the terms of their leases or agreements with the Receiver, shall be refundable by the Receiver in accordance with the leases or agreements;

2.29.8 All books, records, including payroll records and personal files, and accounts respecting the receivership estate, and deliver to the Receiver any and all advance deposits, all occupancy rolls and related records, operating statements, and all other records, documents, insurance policies and instruments of whatever kind and nature which relate to the operation and control of any part of the receivership estate;

2.29.9 Upon request of the Receiver, Clear Lake shall instruct all property managers, agents, tenants, or others now or hereafter in possession of the Real Property or any portion of the receivership estate to make all such rent or other payments to the Receiver or the Receiver's designee until further order of this Court;

2.29.10 All financial institutions, credit card processors, insurance agents or underwriters, utility providers, vendors, suppliers, tradesmen, materialmen, service providers, franchisors, taxing agencies, and all government agencies and departments are hereby ordered to take direction from the Receiver as it relates to the accounts of Clear Lake and to surrender any and all funds held on deposit or apply said funds directed by the Receiver; and

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2.29.11 Upon being given notice hereof, all tenants or others now or hereafter in possession of part or parts of the Property pursuant to occupancy arrangements pertaining to the Property, shall and are hereby ordered to pay to the Receiver or its designee all rents and other monies in respect to such occupancy arrangements now due and unpaid, or that may hereafter become due, until further Order of this Court; and that such payments by such tenants and others shall constitute *pro tanto* discharge of said tenants' and others' obligations to make payments under their occupancy arrangements.

2.30 Any utility company providing services to the Property, including gas, electricity, water, sewer, trash collection, telephone, communications or similar services, shall be prohibited from discontinuing service to the Real Property based upon unpaid bills incurred by Clear Lake. Further, such utilities shall transfer any deposits held by the utility to the exclusive control of such Receiver and be prohibited from demanding that the Receiver deposit additional funds in advance to maintain or secure such services.

2.31 The Receiver may issue demand upon the U.S. Postal Service to grant exclusive possession and control of mail to the Receiver, including postal boxes as may have been used by Clear Lake, and may direct that all mail related to the Real Property and its business be redirected to the Receiver.

2.32 The Receiver shall determine upon taking possession of the Real Property whether in the Receiver's judgment, there is sufficient insurance coverage; provided, however, that Receiver shall not (a) increase the insurance coverage to an amount greater than the limits required by applicable Loan Documents held by Columbia, or (b) remove Clear Lake as an insured party or loss payee. With respect to any insurance coverage in existence or obtained, the Receiver and Columbia shall be named as an additional insured on the policies for the period of the receivership. If sufficient insurance coverage does not exist, the Receiver shall immediately notify the parties to this proceeding and shall have thirty (30) calendar days to procure sufficient all-risk and liability insurance on the Real Property (excluding earthquake and flood insurance); provided, however, that if the Receiver does not have sufficient funds to do so, the Receiver may request sufficient funds from Columbia to procure such insurance. Any funds provided by Columbia to obtain the required insurance shall be deemed an advance under the applicable Loan Documents and shall be secured by the Deed of Trust. The Receiver shall not be responsible for claims arising from the lack of procurement or inability to obtain insurance.

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2.33 The Receiver shall pay only those bills that are reasonable and necessary for the operation of the protection of the Real Property and shall allocate and distribute funds in the following order of priority: (1) the costs and expense of the receivership estate including, without limitation, utilities, insurance premiums, general and special taxes or assessments levied on the Real Property and improvements thereon; (2) the creation and retention by the Receiver of a reasonable working capital fund; and (3) amounts due to Columbia. The Receiver may disburse funds to Columbia without a further order of this Court.

2.34 Columbia is ordered to promptly notify the Receiver of the names, addresses, and telephone numbers of all parties and their counsel who appear in the action, so that the Receiver may give notice to all parties of any matters affecting the receivership.

2.35 Nothing contained in this Order shall prohibit Columbia from hereafter foreclosing its Deed of Trust either judicially or non-judicially.

2.36 The receivership may be terminated by the Receiver or by Columbia as provided in this section. Immediately upon the reinstatement or full payoff of the loan secured by the Deed of Trust, upon the completion of a valid foreclosure sale of the Real Property, or upon the acquisition of the Real Property by Columbia or any assignee by deed in lieu of foreclosure, and without further order of this Court, the Receiver shall relinquish possession and control of the Real Property to such party. Upon relinquishing possession and control of the Real Property, the Receiver shall be relieved from all further duties, liabilities and responsibilities relating to the Real Property and shall thereafter submit the Receiver's final account and report for Court approval and discharge.

DATED this 16 day of Aug, 2013.


JUDGE/COURT COMMISSIONER

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STIPULATION AND ORDER APPOINTING GENERAL RECEIVER - 13



201308260111

Presented by:

SHULTZ LAW OFFICES

By: 

John R. Shultz, WSBA #13002

John A. Shultz, WSBA #42542

Attorneys for Plaintiff

Agreed, Notice of Presentment Waived:

LASHER HOLZAPPEL SPERRY & EBBERSON

By: 

Danial Pharris, WSBA #13617

Attorneys for Defendants, Clear Lake Industrial Park, LLC,
and Jeffery K. Jansma

By: _____

Karen R. Jansma, Defendant

Appointment accepted by:

TURNAROUND, INC.

By: _____

Miles R. Stover, President

STIPULATION AND ORDER APPOINTING GENERAL RECEIVER - 14

SHULTZ LAW OFFICES
CASCADE PROFESSIONAL CENTER
160 CASCADE PLACE, SUITE 211



201308260111

Skagit County Auditor

8/26/2013 Page

16 of

21 11:33AM

\$92.00

1 Presented by:

2 SHULTZ LAW OFFICES

3
4 By:

John R. Shultz, WSBA #13002

5 John A. Shultz, WSBA #42542

6 Attorneys for Plaintiff

7 Agreed, Notice of Presentment Waived:

8 LASHER HOLZAPFEL SPERRY & EBBERSON

9 By:

10 Danial Pharris, WSBA #13617

11 Attorneys for Defendants, Clear Lake Industrial Park, LLC,
12 and Jeffery K. Jansma

13 By:

14 
Karen R. Jansma, Defendant

15 Appointment accepted by:

16 TURNAROUND, INC.

17 By:

18 Miles R. Stover, President

19
20
21
22
23
24
25
STIPULATION AND ORDER APPOINTING GENERAL RECEIVER - 14



1 Presented by:

2 SHULTZ LAW OFFICES

3
4 By:

5 John R. Shultz, WSBA #13002

6 John A. Shultz, WSBA #42542

7 Attorneys for Plaintiff

8 Agreed, Notice of Presentment Waived:

9 LASHER HOLZAPFEL SPERRY & EBBERSON

10 By:

11 Daniel Pharris, WSBA #13617

12 Attorneys for Defendants, Clear Lake Industrial Park, LLC,

13 and Jeffery K. Jansma

14 RICHARD M. SYBRANDY, PLLC

15 By:

16 Richard M. Sybrandy, WSBA #25114

17 Attorney for Defendant Karen R. Jansma

18 Appointment accepted by:

19 TURNAROUND, INC.

20 By:

21 Miles R. Stover, President

22
23
24
25
STIPULATION AND ORDER APPOINTING GENERAL RECEIVER - 14

SHULTZ LAW OFFICES
CASCADE PROFESSIONAL CENTER
160 CASCADE PLACE, SUITE 211
SEASIDE, WA 98138



201308260111

Skagit County Auditor

8/26/2013 Page

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\$92.00
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Exhibit "A"

PARCEL "A":

That portion of Government Lots 11 and 12, Section 1, Township 34 North, Range 4 East, W.M., lying Northerly of Skagit County Short Plat No. 90-066, recorded July 21, 1992, in Volume 10 of Short Plats, page 104, under Auditor's File No. 9207210068, records of Skagit County, Washington, and lying Southerly and Westerly of the following described line:

Beginning at a point on the East right-of-way line of South Mill Street, said point being 96 feet North of the South right-of-way line of Jackson Street, all within the Plat of "CLEAR LAKE" and the beginning of said line:

thence North $84^{\circ}21'33''$ East, 6.52 feet to the corner of an existing cyclone fence;
thence continuing North $84^{\circ}21'33''$ East along said fence line 387.62 feet to a second fence corner;
thence South $06^{\circ}00'56''$ East along said cyclone fence line, 408.01 feet, more or less, to the North line of Short Plat No. 90-066 and a third fence corner;
thence South $82^{\circ}15'52''$ East following the North line of said Short Plat No. 90-066, 100.00 feet, more or less, to the shore of Clear Lake, and the end of said line,

EXCEPT that portion thereof lying within the "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Lots 1, 3, 8, 9, 10, 11 and 12, Block 10, "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington, EXCEPT the following described tracts:

- 1.) The West 10 feet of said Lot 8, Block 10.
- 2.) Beginning at a concrete monument at the intersection of the centerlines of Jackson and Mill Streets, as of record for the Town of Clear Lake, Washington, in the official plat filed at Skagit County Courthouse;
thence South $84^{\circ}42'$ West for a distance of 234 feet to a point;
thence South $5^{\circ}18'$ East for a distance of 33 feet to the true point of beginning;
thence from the true point of beginning North $84^{\circ}42'$ East for a distance of 50 feet to a point;
thence South $5^{\circ}18'$ East for a distance of 80 feet to a point;
thence South $84^{\circ}42'$ West for a distance of 50 feet to a point;
thence North $5^{\circ}18'$ West for a distance of 80 feet to the true point of beginning.



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Exhibit "A"

DESCRIPTION CONTINUED:

PARCEL "B":

3.) Beginning at a concrete monument at the intersection of the centerlines of Jackson and Mill Streets as of record for the Town of Clear Lake, Washington, in the official plat filed at Skagit County Courthouse;

thence South $84^{\circ}42'$ West for a distance of 184 feet to a point;

thence South $5^{\circ}18'$ East for a distance of 33 feet to the true point of beginning;

thence from the true point of beginning North $84^{\circ}42'$ East for a distance of 50 feet to a point;

thence South $5^{\circ}18'$ East for a distance of 80 feet to a point;

thence South $84^{\circ}42'$ West for a distance of 50 feet to a point;

thence North $5^{\circ}18'$ West for a distance of 80 feet to the true point of beginning.

4.) That portion of Lot 3, Block 10, "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington, lying West of the following described line:

Beginning at the Northeast corner of said Lot 3;

thence South $2^{\circ}51'$ East along the East boundary of said Lot 3, a distance of 44.06 feet;

thence South $87^{\circ}09'$ West, a distance of 42.00 feet to a point in said line;

thence North $2^{\circ}51'$ East to the North line of Lot 3 being Northerly terminus of said line and also running from said point South $2^{\circ}51'$ West to the South line of said Lot 3 being the Southerly terminus of said line.

5.) That portion of Lot 1, Block 10, "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington, described as follows:

Beginning at the Northeast corner of Lot 3 of said Block 10;

thence South $2^{\circ}51'$ East along the East boundary of Lot 3, a distance of 44.06 feet;

thence South $87^{\circ}09'$ West, a distance of 42.00 feet;

thence South $2^{\circ}51'$ East to the South boundary of Lot 3 and the true point of beginning;

thence South $87^{\circ}09'$ West along said South boundary to the Northeast corner of Lot 2 of said Block 10;

thence Southerly along the East boundary of Lot 2 to the Southeast corner thereof;

thence Easterly along an Easterly prolongation of the South boundary of Lot 2, to a point South $2^{\circ}51'$ East of the true point of beginning;

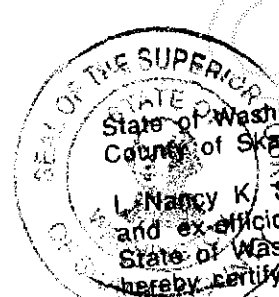
thence North $2^{\circ}51'$ West to the true point of beginning.

Situate in the County of Skagit, State of Washington.



201308260111

UNOFFICIAL



State of Washington, } ss.
County of Skagit

I, Nancy K. Scott, County Clerk of Skagit County and ex-officio Clerk of the Superior Court of the State of Washington, for the County of Skagit, do hereby certify that the foregoing instrument is a true and correct copy of the original, consisting of 14 pages, now on file in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of said Court at my office at Mount Vernon this 21 day of Aug 20 13. Nancy K. Scott, County Clerk.

By [Signature]
Deputy Clerk

