



201601040096

Skagit County Auditor
1/4/2016 Page

1 of

\$92.00

20 11:28AM

After Recording Return to:

Katriana L. Samiljan
Bush Strout & Kornfeld LLP
601 Union Street #5000
Seattle, WA 98101-2373

Document Title(s): Order Granting Plaintiff's Motion for Appointment of Custodial Receiver with Power of Sale

Reference Number(s) of Documents Assigned/Released: N/A

Grantor/Borrower: Luther D. Wilson and Lyhea H. Wilson, via the Order Granting Plaintiff's Motion for Appointment of Custodial Receiver with Power of Sale entered by the Court on December 18, 2015 in Skagit County Superior Court case: *Columbia State Bank v. Luther D. Wilson and Lyhea H. Wilson*, Skagit County Superior Court Case No. 15-2-01617-5

Grantee/Assignee/Beneficiary: Pacific Realty Advisors, LLC, Custodial Receiver, c/o Katriana L. Samiljan, Bush Strout & Kornfeld LLP, 601 Union Street, Suite 5000, Seattle, WA 98101-2373

Legal Description (Abbreviated). [XX] Full legal descriptions attached to the Order as Exhibits A and B (Exs. A and B follow after last page of Order):

Tract 1; Short Plat No. 68-79; Vol. 3 of Short Plats; Pg. 166; Auditor's File No. 7908170009; NE ¼ of NE ¼ of Section 24, Township 34 North, Range 3 East, W.M.

Tract 2; Short Plat No. 68-79; Vol. 3 of Short Plats; Pg. 166; Auditor's File No. 7908170009; NE ¼ of NE ¼ of Section 24, Township 34 North, Range 3 East, W.M.

Tract 3; Short Plat No. 68-79; Vol. 3 of Short Plats; Pg. 166; Auditor's File No. 7908170009; NE ¼ of NE ¼ of Section 24, Township 34 North, Range 3 East, W.M.

Assessor's Tax Parcel Numbers: P22554/340324-0-037-0105; P22555/340324-0-037-0204; P22553/340324-0-037-0006

FILED
SKAGIT COUNTY CLERK
SKAGIT COUNTY, WA

2015 DEC 18 AM 11:34

I, MAVIS E. BETZ, Clerk of the Superior Court of the State of Washington, for Skagit County, do hereby certify that this is a true copy of the original now on file in my office. Dated 12-22-15



MAVIS E. BETZ, County Clerk

By: [Signature]
Deputy Clerk

SUPERIOR COURT OF WASHINGTON FOR SKAGIT COUNTY

COLUMBIA STATE BANK, a
Washington banking corporation,

Plaintiff,

v.

LUTHER D. WILSON and LYHEA H.
WILSON and their marital community,

Defendants.

Case No. 15-2-01617-5

ORDER GRANTING PLAINTIFF'S MOTION
FOR APPOINTMENT OF CUSTODIAL
RECEIVER WITH POWER OF SALE

The Court has considered the files and records in this case, including the

Complaint filed by plaintiff Columbia State Bank ("Plaintiff" or "Columbia Bank"), Plaintiff's Motion for Appointment of Custodial Receiver with Power of Sale (the "Motion"), the Declaration of David Stiffler, the Declaration of John P. Rader, and any responses and replies thereto, and any oral argument, and is otherwise fully advised.

1. Findings. The Court, being fully informed, has made and makes the following findings:

a. The Wilsons own the real property at 17862 State Route 536, Mount Vernon, Washington, tax parcel no. P22554/340324-0-037-0105 (the "Residential Property"), and at 17854 & 17866 State Route 536, Mount Vernon, Washington, respectively tax parcel nos. P22555/340324-0-037-0204 and P22553/340324-0-037-0006 (the "Commercial Property"), and

ORDER GRANTING PLAINTIFF'S MOTION FOR APPOINTMENT OF
CUSTODIAL RECEIVER WITH POWER OF SALE - 1

70054788.8

MILLER NASH GRAHAM & DUNN LLP
ATTORNEYS AT LAW
T: 206.424.8300 | F: 206.340.9599
PEER TO
2801 ALASKAN WAY, SUITE 300
SEATTLE, WASHINGTON 98121

1 Fixtures,¹ which are security for certain notes and guaranties held by Columbia Bank. The
2 Residential Property and the Commercial Property are as legally described on Exhibits A and B
3 hereto, respectively. As of October 1, 2015, the amount required to reinstate or satisfy the
4 applicable deeds of trust is at least \$1,263,780.52.

5 b. As a result of the Wilsons' defaults, Columbia Bank filed its Complaint in
6 the above-captioned action to enforce its rights and remedies against the Residential Property,
7 the Commercial Property, and the Fixtures. The Complaint includes a cause of action for
8 appointment of a custodial receiver with power of sale free and clear of liens and rights of
9 redemption pursuant to RCW 7.60.060(3) and 7.60.260(2).

10 c. In addition to the summons, the Complaint, and the Motion, Columbia
11 Bank has effected personal service of the notices of default described in RCW 61.24.030(8) on
12 the Wilsons and thereby commenced a nonjudicial proceeding to foreclose upon the liens against
13 the Residential Property, the Commercial Property, and the Fixtures under applicable deeds of
14 trust. Columbia Bank's interest in the Residential Property, the Commercial Property, and the
15 Fixtures is probable. The appointment of a custodial receiver with respect to the Residential
16 Property, the Commercial Property, and the Fixtures is provided for by the applicable deeds of
17 trust and is reasonably necessary to effectuate or enforce assignments of rents and other revenues
18 from the Residential Property, the Commercial Property, and the Fixtures. Without the
19 appointment of a custodial receiver with power of sale free and clear of liens and rights of
20 redemption over the Residential Property, the Commercial Property, and the Fixtures, such
21 property or its revenue-producing potential is in danger of being lost or materially injured or
22 impaired.

23 d. Additionally, Columbia Bank has a probable right or interest in all of the
24 Residential Property, the Commercial Property, and the Fixtures, which are the subject of this
25

26 ¹ Capitalized terms not otherwise defined herein have the meaning set forth in the Motion.

1 action and in the possession of the Wilsons. Such property and its revenue-producing potential
2 are in danger of being lost or materially injured or impaired. Appointment of a custodial receiver
3 is reasonably necessary, and there is cause for the receiver to have the power of sale free and
4 clear of liens and rights of redemption. Other remedies are either not available or are inadequate.

5 e. Appointment of a custodial receiver with power of sale is necessary to
6 secure ample justice to the parties.

7 f. For this reason, the factual basis exists for the appointment of a receiver
8 over the Residential Property, the Commercial Property, and the Fixtures under RCW
9 7.60.025(1)(a), (b)(i) and (ii), and (nn).

10 g. Pacific Realty Advisors, LLC ("PRA") asserts that it is not interested in
11 the above-captioned action and is competent and qualified to act as the custodial receiver of the
12 Residential Property, the Commercial Property, and the Fixtures.

13 h. Notice of the Motion has been adequate and proper for the circumstances
14 of this case.

15 2. **Order.** Based up the foregoing it is hereby ORDERED as follows:

16 a. **Custodial Receivership.** A custodial receivership is hereby established
17 with respect to the property of the Wilsons in which Plaintiffs hold properly perfected lien or
18 security interests, including the Residential Property, the Commercial Property, and the Fixtures
19 (collectively, the "Assets").

20 b. **Appointment.** Pacific Realty Advisors, LLC ("Receiver") is appointed as
21 custodial receiver over and as to the Assets, wherever located. During the receivership, and until
22 further order of the Court, the Assets shall remain under this Court's exclusive jurisdiction in
23 accordance with RCW 7.60.055. The Receiver shall not be subject to the control of any of the
24 parties to this matter, but shall be subject only to the Court's direction in the fulfillment of the
25 Receiver's duties. Entry of this Order, countersigned by the Receiver, evidences the Receiver's
26

1 acceptance of its rights and duties hereunder and constitutes administration of any required oath
2 of office.

3 c. **Bond.** The Receiver shall file a \$10,000 bond with the Clerk of the Court
4 to secure performance of the Receiver's duties hereunder pursuant to RCW 7.60.045. The
5 Receiver is authorized to pay the initial bond premium, and any further premium for any
6 necessary extension thereof, from funds in the receivership estate in the Receiver's possession.

7 d. **Receiver's Powers and Duties.** Unless and until otherwise ordered by the
8 Court, the Receiver shall be a custodial receiver, with the exclusive possession and control over
9 the Assets, with the power, rights and authority vested in it by RCW 7.60, ~~including but not~~
10 ~~limited to authority and control over all of the Wilsons' accounts (including without limitation,~~
11 ~~bank accounts) that contain the Assets or rents, profits, or proceeds thereof.~~ Without limiting the
12 foregoing:

13 (1) The Receiver is authorized to contract with or hire, pay, direct, and
14 discharge all persons deemed necessary by the Receiver, in its sole discretion, for the operation,
15 preservation and maintenance of the Assets consistent with its duties as a custodial receiver.

16 (2) The Receiver may bring and prosecute actions for the recovery of any
17 Assets that may be in the possession of any third party, and may intervene in any action
18 heretofore or hereafter commenced by any other person relating to any of the Assets.

19 (3) The Receiver shall have ~~the power to do all things that the owner of the~~
20 ~~business of the Wilsons or of the Assets might do in the ordinary course of the operation of the~~
21 ~~business as a going concern or use of the Assets, including, but not limited to, the purchase and~~
22 ~~sale of goods or services in the ordinary course of such business, and the incurring and payment~~
23 ~~of expenses of the business or property in the ordinary course, and the power and authority to~~
24 enforce leases and other contracts, if any, relating to the Assets.

25 (4) The Receiver shall establish a segregated deposit account ("Bank Account")
26 at a federally-insured bank with branches in the State of Washington. The Receiver shall have

1 the power to present for payment any checks, money orders, and other forms of payment made
2 payable to the Wilsons, or such similar names, which constitute or are derived from the rents and
3 profits of the Assets, endorse the same and collect the proceeds thereof, such proceeds to be used
4 and maintained as elsewhere provided herein. The Receiver shall have the sole and exclusive
5 authority to ~~take possession of bank and other deposit accounts of the Wilsons related to the~~
6 ~~Assets, and to open, transfer and change all~~ ^{ANY} bank and trade accounts relating to the Assets, so
7 that all such accounts are in the name of the Receiver.

JP
OT
KLS

8 (5) The Receiver shall also disburse funds from the Bank Account to pay all
9 amounts necessary to maintain adequate all risk hazard property damage and all risk
10 comprehensive liability insurance on the Assets. Payment of reasonable and necessary payroll,
11 payroll taxes, employee benefits, property management company fees, as applicable, utilities,
12 insurance, taxes, landscaping, janitorial services, and maintenance shall not require prior
13 approval of the Court. The Receiver is authorized to pay the insurance premiums, and any
14 further amounts necessary for the items set forth in this paragraph, from funds in the receivership
15 estate in the Receiver's possession. If any such amounts must be paid at a time when the funds in
16 the receivership estate in the Receiver's possession are insufficient to pay the premium, the
17 Receiver is authorized to borrow funds necessary from Plaintiff and Plaintiff may advance funds
18 pursuant hereto to pay the required amounts on agreed terms. Any such loans by Plaintiff to the
19 Receiver shall receive a first-priority lien on the Assets under RCW 7.60.230(1)(b) in favor of
20 Plaintiff.

21 (6) Subject to Court approval and Plaintiff's consent, and after notice and an
22 opportunity to be heard, the Receiver may transfer or sell an interest in or all or any of the Assets
23 free and clear of all liens and rights of redemption pursuant to RCW 7.60.260(2).

24 e. **Collections.** The Receiver is authorized to bring and prosecute actions for
25 (i) the recovery of any Assets held by third parties; and (ii) collection of any sums owing to the
26 Wilsons that constitute Assets. The Receiver may undertake its collection duties in the Wilsons'

1 and/or the Receiver's name in assisting it with the collection of the Wilsons' uncollected accounts
2 receivable that constitute Assets. The Receiver may alter the place of payment, and otherwise
3 take all actions necessary to collect all outstanding accounts receivable of the Wilsons relating to
4 the Assets, including without limitation notifying tenants or other account debtors to pay the
5 Receiver directly the proceeds of all outstanding accounts receivable, and a copy of this Order
6 may be remitted to account debtors and may be relied upon by account debtors as authority to
7 pay the Receiver solely and directly. Any account debtor who makes payment to the Receiver
8 shall have full credit in the amount of such payment with respect to its obligations owing to the
9 Wilsons.

10 **f. Reports.** The Receiver shall file with the Court an initial report
11 (including a proposed monthly budget projected for the year commencing with the entry of this
12 Order) forty-five days after entry of this Order. Thereafter, the Receiver shall file reports of the
13 Receiver's operations and financial affairs every three (3) months until such time as the
14 Receivership is terminated. Each report shall include a comparison of budget to actual
15 performance. Copies of such reports shall be furnished to the Wilsons, Plaintiff, and any party
16 requesting notice in this proceeding.

17 **g. Services/Tax Returns.** The Receiver is authorized to perform legal,
18 accounting, consulting, and tax services with respect to the Assets, as necessitated by this
19 proceeding or by law in connection with the performance of the Receiver's duties. The Receiver
20 shall be under no obligation to complete or file tax returns or other regulatory or governmental
21 reports on behalf of the Wilsons, such responsibility to remain with the Wilsons; but the
22 Receiver shall furnish the Wilsons with such access to books and records within the Receiver's
23 custody or control as reasonably may be requested by them and necessary in order for them to
24 complete and file such returns, or other regulatory or governmental filings or reports.

25 **h. No Liability.** No obligation incurred by the Receiver in the good faith
26 performance by it of the Receiver's duties in accordance with the order of this Court, except to

1 the extent such obligation is found to have resulted from willful misconduct or fraudulent
2 behavior, whether pursuant to any contract, by reason of any tort, or otherwise, shall be the
3 Receiver's personal obligation; rather, the recourse of any person or entity to whom the Receiver
4 becomes obligated in connection with the performance of its responsibilities, shall be solely
5 against the Assets. Notwithstanding any provisions of this Order which may be construed
6 otherwise, the Receiver shall not be required to expend any personal funds to comply with any of
7 the provisions of this Order.

8 i. **Preservation of Assets.** The Receiver is authorized to do all things
9 determined by the Receiver to be necessary to protect and preserve the Assets and the proceeds
10 thereof and to maintain or enhance their value or income-producing potential and to exercise all
11 of the powers, duties and other authorities as may be provided by law or which may be necessary
12 in the fulfillment of its duties, and all powers which the owner of the Assets itself might exercise
13 with respect thereto ~~or with respect to the business associated with them~~, provided, however, that
14 the Receiver shall not have the power to sell, liquidate, or otherwise dispose of all or any part of
15 the Property or any other Assets outside of the ordinary course of business except after Court
16 approval upon proper notice and a hearing.

17 j. **Licenses.** The Receiver is authorized to acquire or renew all
18 governmental licenses, permits or other authorizations, either in the Receiver's name or in the
19 name of the Wilsons, pertaining to the Assets or any business associated therewith.

20 k. **Duty of Cooperation.** The parties to this proceeding, their attorneys, and
21 all of the existing and former agents, consultants, and employees of the Wilsons, and all persons
22 with actual or constructive knowledge of this Order and their agents and employees, shall
23 cooperate with the Receiver in connection with its management and operation of the Assets.
24 Each of them shall relinquish and deliver possession of the Assets to the Receiver upon its
25 demand, and shall turn over to the Receiver:
26

1 (1) The possession of the Assets, including all keys to any locks on the Assets,
2 and the records, books of account, ~~ledgers and all business records~~ ^{and in relation to the income and expenses} for the Assets (including,
3 without limitation, the plans, specifications and drawings relating to or pertaining to any part or
4 all of the Assets), wherever located and in whatever mode maintained (including, without
5 limitation, information contained on computers and any and all software relating thereto as well
6 as all banking records, statements, and canceled checks);

7 (2) All documents that constitute or pertain to licenses, permits or governmental
8 approvals relating to the Assets;

9 (3) All documents that constitute or pertain to insurance policies, whether
10 currently in effect or lapsed, that relate to the Assets;

11 (4) All leases and subleases, royalty agreements, licenses, assignments or other
12 agreements of any kind, whether currently in effect or lapsed, that relate to the Assets;

13 (5) All documents pertaining to past, present or future construction of any type
14 with respect to all or part of the Assets;

15 (6) All documents pertaining to toxic chemicals or hazardous materials, if any,
16 ever brought, used and/or remaining upon the Assets, including, without limitation, all reports,
17 surveys, inspections, checklists, proposals, orders, citations, fines, warnings and notices; and

18 (7) All rents, profits and/or other proceeds derived from the Assets, including,
19 without limitation, any security deposits, advances, prepaid reservations and parking fees,
20 wherever and in whatever mode maintained.

21 (8) Upon request of the Receiver, the Wilsons shall instruct all property
22 managers, agents, guests, or others now or hereafter in possession of the Assets or any portion of
23 the Assets to make all such payments to the Receiver or the Receiver's designee until further
24 order of this Court.

25 (9) All financial institutions, credit card processors, insurance agents or
26 underwriters, utility providers, vendors, suppliers, tradesmen, materialmen, service providers,

1 franchisors, taxing agencies, and all government agencies and departments are hereby ordered to
2 take direction from the Receiver as it relates to the accounts of the ~~Wilson~~ relating to the Assets
3 and to surrender any and all funds held on deposit or apply said funds as directed by the
4 Receiver. ^{↑ relating to the Assets}

5 l. **Receiver's Fee.** The Receiver's fee shall be ^{\$250}~~\$300~~ per hour, subject to
6 reasonable annual adjustment. The Receiver will bill fees and costs of its accounting and
7 administrative staff at \$100 and \$60 per hour, respectively, subject to reasonable annual
8 adjustment.

9 m. **Professionals/Attorneys.** Upon notice to the parties and any other parties
10 requesting notice, the Receiver may employ such attorneys or other professionals (each a
11 "Professional") as the Receiver may require in connection with the proper performance of the
12 Receiver's duties. The Receiver is hereby authorized to retain Katriana L. Samiljan, Bush Strout
13 & Kornfeld LLP ("BSK"), 601 Union Street, Suite 5000, Seattle, WA 98101-2373 (Phone 206-
14 292-2110) to represent, advise, and assist the Receiver in the performance the Receiver's
15 services. The services of each billing Professional or para-Professional at BSK provided to the
16 Receiver shall be billed at ^{an hourly rate not to exceed \$250}~~the standard current hourly billing rates established by BSK (Katriana~~
17 ~~Samiljan's current rate being \$390 per hour).~~

18 n. **Payment of Receiver's and Professionals' Fees and Costs.** The
19 Receiver is authorized to make payment for its fees and costs and for the fees and costs of its
20 Professionals on a monthly basis, as follows:

21 (1) Prior to any such payment, the Receiver shall cause to be filed a notice of
22 compensation of professionals and serve such notice, together with a reasonably detailed
23 description of the time periods, services and amount requested on: Plaintiff, the Wilsons, and
24 those parties, creditors and parties in interest who at the time of such filing have requested
25 notice. If no party in interest objects to such payments or portions of such payments within ten
26 (10) calendar days following the date of notice, the fees and costs shall be deemed approved as

1 being fully and finally earned without further order or leave of the Court, and Plaintiff shall
2 advance the amount sufficient to pay such approved fees and costs pursuant to paragraph (n)(3)
3 below. If any party wishes to object to such payments or portions thereof, such party shall
4 notify, in writing, the Receiver and the above-referenced parties of the nature of the objection
5 within the ten (10) day objection period set forth above. If there is an objection and the Receiver
6 or affected professionals cannot consensually resolve the dispute or if the dispute is not resolved
7 within thirty (30) days of the date of such objection, the objecting party may file a motion with
8 the Court to resolve the objection.

9 (2) The Court-approved fees and costs of the Receiver and its Professionals, if
10 not advanced by the Plaintiff pursuant to paragraph (n)(1) above, shall be paid from the gross
11 receipts derived from the Assets and shall be a first priority lien on the Assets, subject to the
12 liens existing as of the date of entry of this Order, including, without limitation, statutory liens.

13 (3) As expressly authorized in this Order, and otherwise on at least two (2) days'
14 notice to the Wilsons, the Receiver is authorized to borrow from Plaintiff and Plaintiff may
15 advance such amounts as are necessary to satisfy the actual and projected costs and expenses of
16 the receivership (including the Receiver's payment for the Receiver's bond), to the extent that the
17 net rents, profits, and other proceeds derived from the Assets are insufficient to satisfy such costs
18 and expenses, on such terms as Plaintiff and the Receiver shall agree, and to execute such
19 documentation satisfactory to the Receiver and the Plaintiff evidencing the obligation of the
20 receivership estate (and not the Receiver individually or in its capacity as a business entity) to
21 repay such sums. Any such loans by Plaintiff to the Receiver shall receive a first-priority lien on
22 the Assets under RCW 7.60.230(1)(b) in favor of Plaintiff.

23 (4) In the event either (i) the estate does not have sufficient liquid cash funds to
24 defray on a current basis the reasonable fees and costs of the Receiver and its Professionals and
25 the expenses of this receivership or any of the projected future fees, costs, and expenses of
26 receivership, or (ii) the value of the Assets is insufficient to meet the current or projected

1 expenses of the receivership, good cause for termination of this receivership shall be deemed to
2 exist and, upon application by Plaintiff or the Receiver and its Professionals establishing such
3 lack of funding for the receivership, their appointment may be terminated by the Court.

4 o. **No Appraisal or Inventory Required.** The Receiver is excused from
5 seeking an independent, professional appraisal of the Assets or filing an inventory, absent a
6 further order of this Court.

7 p. **Utilities.** Any utility company providing services to the Assets, including
8 gas, electricity, water, sewer, trash collection, telephone, communications, or similar services,
9 shall be prohibited from discontinuing service to the Assets based upon unpaid bills incurred by
10 the Wilsons. Further, such utilities shall transfer any deposits held by the utility to the exclusive
11 control of the Receiver and be prohibited from demanding that the Receiver deposit additional
12 funds in advance or pay past due amounts or arrearages incurred by others to maintain or secure
13 such services.

14 q. **Mail.** The Receiver may issue demand upon ~~the U. S. Postal Service that~~ ^{all}
15 ~~it grant exclusive possession and control of mail including postal boxes as may have been used~~
16 ~~by the Wilsons and may direct that certain mail related to the Assets and the Wilsons' related~~
17 ~~business~~ be redirected to Receiver. (JRP)
EX
1-2-3

18 r. **Insurance.** The Receiver shall determine upon taking possession of the
19 Assets whether in the Receiver's judgment, there is sufficient insurance coverage. With respect
20 to any insurance coverage in existence or obtained, except coverage force placed by Plaintiff, the
21 Receiver, Plaintiff, and any property management company employed by the Receiver shall be
22 named as an additional insured on the policies for the period of the receivership. If sufficient
23 insurance coverage does not exist, the Receiver shall immediately notify the parties to this
24 lawsuit and shall have thirty (30) calendar days to procure sufficient all-risk and liability
25 insurance on the Assets (excluding earthquake and flood insurance); provided, however, that if
26 the Receiver does not have sufficient funds to do so, the Receiver shall seek instructions from the

1 Court with regard to adequately insuring the property. The Receiver shall not be responsible for
2 claims arising from the lack of procurement or inability to obtain insurance.

3 **s. Use of Funds.** The Receiver shall pay only those bills that are reasonable
4 and necessary for the operation of the protection of the Assets and shall allocate funds in the
5 following order of priority: (1) the costs and expense of the receivership estate including but not
6 limited to utilities, insurance premiums, general and special taxes or assessments levied on the
7 real property and improvements thereon; (2) the creation and retention by the Receiver of a
8 reasonable working capital fund; and (3) repayment of advances made by Plaintiff under the
9 terms of this Order, which can be paid to Plaintiff without further order of this Court. The
10 Receiver shall make no expenditures more than \$2,500.00 in the aggregate without Plaintiff's
11 prior permission.

12 **t. Notice of Receivership.** As custodial receiver, the Receiver is not
13 required to give notice of the receivership pursuant to RCW 7.60.200 to persons other than
14 creditors of the Wilsons who have filed liens against the Assets and other creditors of the
15 Wilsons known to the Receiver.

16 **u. Termination.** The receivership shall not be terminated, and the rights and
17 obligations of the parties subject to this Order shall remain in full force, until this Court approves
18 the Receiver's final report or until the Court enters an order terminating the receivership.

19 **v. Best Efforts/Further Construction.** The Court acknowledges the
20 Receiver's ability to perform its duties under this Order may be limited by various factors,
21 including but not limited to Receiver's limited access to information. The Court therefore
22 requires only the Receiver's best efforts to comply with the duties set forth in this Order and the
23 Receiver may at any time apply to this Court for further or other instructions, or for a
24 modification of this Order, or for further powers necessary to enable the Receiver properly to
25 perform its duties, or for a termination of the Receiver's appointment.

1 w. **Discharge/Final Report.** Upon distribution or disposition of all property
2 of the receivership estate, or the completion of the Receiver's duties with respect to estate
3 property, the Receiver shall move the Court to be discharged. The Receiver shall file a final
4 report and accounting setting forth all receipts and disbursements of the receivership estate
5 which shall be annexed to the petition for discharge and filed with the Court. Upon approval of
6 the final report, the Court shall discharge the Receiver and exonerate the Receiver's bond. The
7 Receiver's discharge releases the Receiver from any further duties and responsibilities as receiver
8 under RCW 7.60 *et seq.*

9 x. **Jurisdiction.** This Court shall retain jurisdiction over any disputes arising
10 from the receivership, or relating to the Receiver, which jurisdiction shall be exclusive and shall
11 survive the termination of the receivership.

12 y. **Power to Sell – Excise Tax.** Since Plaintiff has commenced deed of trust
13 foreclosure proceedings against the Residential Property and the Commercial Property in this
14 action, sale of the Assets, which sale shall be subject to notice and the opportunity for a hearing,
15 such sale shall be considered an order of sale by the Court in a mortgage, deed of trust, or lien
16 foreclosure proceeding for purposes of RCW 82.45.010(3)(i) and therefore the sale shall be
17 exempt from real estate excise tax. The notice for any sale of receivership estate property
18 pursuant to RCW 7.60.260 shall be shortened to fifteen (15) days inclusive of mailing and
19 limited to all parties requesting special notice of this proceeding, the parties herein, and any party
20 that has a filed lien against the Assets. The ultimate sale of property of the receivership estate
21 shall be made free and clear of liens and all rights of redemption, with any such liens and
22 security interests encumbering the receivership estate property attaching with the same order,

23 ///

24 ///

25 ///


1 priority, and validity to the proceeds of such sale (net of reasonable expenses incurred in the
2 disposition of the receivership estate) as they did to the receivership property immediately before
3 the conveyance.

4 DONE IN OPEN COURT this 18 day of December, 2015.

5
6
7 
Skagit County Superior Court Judge

8 Presented by:

9 MILLER NASH GRAHAM & DUNN LLP

10
11 
12 John R. Knapp, Jr., P.C.
WSB No. 29343

13 Attorneys for Plaintiff
14 Columbia State Bank


15 Accepted by:

16 BUSH STROUT & KORNFELD LLP

17
18 
19 Katriana L. Samiljan
WSBA No. 28672

20 Attorneys for Receiver
21 Pacific Realty Advisors, LLC

22 Agreed as to form:
23 Law Offices of Steven C. Hathaway

24 
25 R. Eni Torres WSBA 43676
26 Attorney for Defendants

Columbia State Bank vs. Luther & Lyhea Wilson
Case No.

Exhibit A

12-21-2015

Schedule "A-1"

133181-08

DESCRIPTION:

Tract 2 of Skagit County Short Plat No. 68-79, approved August 9, 1979 and recorded August 17, 1979 in Volume 3 of Short Plats, page 166, under Auditor's File No. 7908170009, being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 34 North, Range 3 East, W.M.;

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities as described in instruments recorded April 21, 1999 under Auditor's File Nos. 9904210088 and 9904210090.

Situate in the County of Skagit, State of Washington.



200904170104
Skagit County Auditor

4/17/2009 Page 10 of 10 3:15PM

Columbia State Bank vs. Luther & Lyhea Wilson
Case No.

Exhibit B

12/21/2015

Schedule "A-1"

129963-S

DESCRIPTION:

PARCEL "A":

Tract 3 of Skagit County Short Plat No. 68-79, approved August 9, 1979, and recorded August 17, 1979, in Volume 3 of Short Plats, page 166, under Auditor's File No. 7908170009, being a portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 34 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at the Northeast corner of Tract 3 of Skagit County Short Plat No. 68-79, approved August 9, 1979, in Volume 3 of Short Plats, page 166, under Auditor's File No. 7908170009; thence along the Southwesterly right of way line of the Memorial Highway, South 52°03'10" East, a distance of 184.76 feet; thence South 35°10'46" West, a distance of 256.74 feet to the Easterly line of said Short Plat; thence along the Easterly line thereof, North 00°23'36" East, a distance of 323.48 feet to the point of beginning.

EXCEPT that portion described as follows:

Beginning at the Southeast corner of Tract 3 of Skagit County Short Plat No. 68-79, approved August 9, 1979, and recorded August 17, 1979, in Volume 3 of Short Plats, page 166, under Auditor's File No. 7908170009, being a portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 34 North, Range 3 East, W.M.; thence South 00°23'26" West along the Southerly extension of the East line of said Tract 3, a distance of 88.48 feet; thence North 35°10'46" East to a point on the Southeasterly extension of the Southerly line of said Tract 3; thence North 74°57'09" West along said Southeasterly extension to the point of beginning.

Situate in the County of Skagit, State of Washington.



200808010086

Skagit County Auditor

8/1/2008 Page 10 of 11 3:52PM

DESCRIPTION CONTINUED:

PARCEL "C":

Tract 1 of Skagit County Short Plat No. 68-79, approved August 9, 1979 and recorded August 17, 1979 in Volume 3 of Short Plats, page 166, under Skagit County Auditor's File No. 7908170009, being also a portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 34 North, Range 3 East, W.M., EXCEPT the following described portion thereof:

Beginning at the Southwest corner of said Tract 1;
thence North 0°18'17" East 350.00 feet along the West line of Tract 1;
thence South 89°19'07" East 151.41 feet parallel with the South line of said Tract 1;
thence South 0°18'17" West 350.00 feet to the South line of said Tract 1;
thence North 89°19'07" West 151.41 feet along said South line of Tract 1 to the point of beginning.

Situate in the County of Skagit, State of Washington.



200808010086
Skagit County Auditor

8/1/2008 Page 11 of 11 3:52PM

S