PREFIX 22-

KITSAP

File 3 of 3

2013 -

6 02332

4 02332

DNR-00019170

AQUATIC LANDS
Harbor Area Lease Renewal

Application and Lease No. 22-A02332 Region: South Puget Sound

To lease harbor area in Port Washington Narrows in Kitsap County.

Date Filed: February 26, 2004

Description: For the purpose of operating and maintaining an existing commercial marina with 80 slips.

In front of Government Lots 6 & 7 in Section 11, Township 24 North, Range 1 East, Willamette Meridian.

Name: Seven J's Investments, LLP
Address: P. O. Box 687
City: Burley State: Wa. Zip: 98322

Plate No. TF18-018 (Note 3)

Encumbrances of Record

Class	Number	Event	Expire Date	Agent	Date Grant'd
ESE	51-037928	Submarine Gaspipe	Indefinite	Cascade Natural Gas	6/241/1975

No Special Notations

Title Examiner: Erik Nedergard

Application
Register: Erik Nedergard 2/26/2004

Plate: _____

Instrument
Register: Erik Nedergard 3/31/2005

Plate: _____

Involuntary Assignment
to: Bridgeview Marina Inc.
Effective 5/28/2014
Noted on plate 7/25/2014
D. Deeb

WHITE COVER DIRECT
PHOTOS

2332

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Thursday, October 15, 2015 3:21 PM
To: BERUBE, DONNA (DNR)
Subject: RE: Bridgeview Marina - 22-A02332
Attachments: 22-A02332_Bridgeview_Amendment_Reval.xlsx

Hello Donna,

Attached is my revised rent sheet. Let me know if it looks clear

Also, because last year was a stair-stepped year, I shouldn't have raised the WD portion of their rent. It looks like we overcharged in the 2014-2015 billing year by $10.92 + tax.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: BERUBE, DONNA (DNR)
Sent: Tuesday, October 13, 2015 9:32 AM
To: SCHMIDT, LINDIE (DNR) <LINDIE.SCHMIDT@dnr.wa.gov>
Subject: RE: Bridgeview Marina - 22-A02332

Hi Lindie,

Attached is information that will help determine if the rent is correct. I went through it and it looks correct to me.

Donna Berube
Washington State Department of Natural Resources (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, October 13, 2015 8:47 AM
To: BERUBE, DONNA (DNR) <Donna.Berube@dnr.wa.gov>
Subject: FW: Bridgeview Marina - 22-A02332

Can you send me the rent sheet for the bridgeview marina agreement?

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Monday, October 12, 2015 3:24 PM
To: SCHMIDT, LINDIE (DNR) <LINDIE.SCHMIDT@dnr.wa.gov>
Subject: RE: Bridgeview Marina

PIA COPY

Lindie,

I received a lease bill today. It does not look like the payment amount has been adjusted for the removal of the house boat.

Jeremy

From: LINDIE.SCHMIDT@dnr.wa.gov
To: huffakermanagement@hotmail.com
Subject: RE: Bridgeview Marina
Date: Fri, 23 Jan 2015 17:46:26 +0000

Hello Jeremy,

You should make payment as billed. I will be working on your amendment.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Friday, January 23, 2015 8:11 AM
To: SCHMIDT, LINDIE (DNR)
Subject: RE: Bridgeview Marina

Lindie,

Thank you for forwarding the Port of Brownsville information. That will prove helpful as we move forward.

Should I make payment on the DNR lease now or wait for the revision?

Jeremy

From: LINDIE.SCHMIDT@dnr.wa.gov
To: huffakermanagement@hotmail.com
Subject: RE: Bridgeview Marina
Date: Thu, 22 Jan 2015 00:09:31 +0000
Hello Jeremy,

I went out to the marina today and confirmed that the floating home was gone. We will need to amend the document to show that the floating home is no longer present. I also took a look at the rest of the facility. If you are considering a

major maintenance project, you will probably have to get permits. You may want to get a 5yr maintenance permit from WDFW and your local shoreline jurisdiction. That way you don't have to submit multiple permit applications.

Attached for your reference is the maintenance permit for the Port of Brownsville.

Lindie Schmidt
206-949-1740

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Tuesday, January 20, 2015 4:45 PM
To: SCHMIDT, LINDIE (DNR)
Subject: RE: Bridgeview Marina

Lindie,

Bob said he can meet you at the Marina at 1 pm tomorrow. His number is (b) (6)

Jeremy

From: LINDIE.SCHMIDT@dnr.wa.gov
To: huffakermanagement@hotmail.com
Subject: RE: Bridgeview Marina
Date: Tue, 20 Jan 2015 22:50:30 +0000
Hello Jeremy,

When is a good time to stop by the marina and confirm that the structure has been removed? We will need to amend the contract to modify the rent. But there shouldn't be a problem.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Friday, January 09, 2015 12:39 PM
To: SCHMIDT, LINDIE (DNR)
Subject: Bridgeview Marina

Dear Lindie,

I received the Invoice, no. 4900/0100094005/2015 in the mail today for Bridgeview Marina, Inc. There is no longer a houseboat moored at the Marina.

Can the DNR send us an adjusted invoice?

Thanks,

Jeremy McNeil

4-YEAR RENT ADJUSTMENT SUMMARY

Aquatic Lands Lease #	22-A02332
Lease Site Address	1805 THOMPSON DR
City	BREMERTON
Lease Term	11/01/2004 -10/31/2034
Tenant Name	BRIDGEVIEW MARINA
Date	3/24/2015 LETTER
Land Manager	LINDIE SCHMIDT
New rent or rent reval year (2010)	2012
New rent or rent reval month (1-12)	11
New rent or rent reval day (1-31)	1

		Rent	LHT	Rent + LHT
Year 1 11/1/2012	Water-dependent Rent	See Original 2012 Valuation		
	Nonwater-dependent Rent			
	Log Storage			
	Current Rent Total			
Year 2 11/1/2013	Water-dependent Rent	See Original 2012 Valuation		
	Nonwater-dependent Rent			
	Log Storage			
	Current Rent Total			
Year 3 11/1/2014 **Revised** **05/01/2015-10/31/2015**	Water-dependent Rent	$4,226.88	$542.73	$4,769.62
	Nonwater-dependent Rent	$8,731.29	$1,121.10	$9,852.39
	Log Storage	n/a	n/a	n/a
	Current Rent Total	$12,958.18	$1,663.83	**$14,622.01**
Year 4 11/1/2015	Water-dependent Rent	$5,080.62	$652.35	$5,732.98
	Nonwater-dependent Rent	$8,892.30	$1,141.77	$10,034.07
	Log Storage	n/a	n/a	n/a
	Current Rent Total	$13,972.92	$1,794.12	**$15,767.04**

Water- dependent parcel selection:

Adjacent ☑
Alternative ☐

New surveys only:

1st Class	2nd Class

4-YEAR RENT ADJUSTMENT SUMMARY

Aquatic Lands Lease #	22-A02332
Lease Site Address	1805 THOMPSON DR
City	BREMERTON
Lease Term	11/01/2004 -10/31/2034
Tenant Name	BRIDGEVIEW MARINA
Date	3/24/2015 LETTER
Land Manager	LINDIE SCHMIDT
New rent or rent reval year (2010)	2012
New rent or rent reval month (1-12)	11
New rent or rent reval day (1-31)	1

		Rent	LHT	Rent + LHT
Year 1 11/1/2012	Water-dependent Rent	See Original 2012 Valuation		
	Nonwater-dependent Rent			
	Log Storage			
	Current Rent Total			
Year 2 11/1/2013	Water-dependent Rent	See Original 2012 Valuation		
	Nonwater-dependent Rent			
	Log Storage			
	Current Rent Total			
Year 3 11/1/2014	Water-dependent Rent	$4,226.88	$542.73	$4,769.62
	Nonwater-dependent Rent	$8,731.29	$1,121.10	$9,852.39
Revised	Log Storage	n/a	n/a	n/a
05/01/2015-10/31/2015	Current Rent Total	$12,958.18	$1,663.83	**$14,622.01**
Year 4 11/1/2015	Water-dependent Rent	$5,080.62	$652.35	$5,732.98
	Nonwater-dependent Rent	$8,892.30	$1,141.77	$10,034.07
	Log Storage	n/a	n/a	n/a
	Current Rent Total	$13,972.92	$1,794.12	**$15,767.04**

Water- dependent parcel selection:

Adjacent ☑
Alternative ☐

New surveys only:

	1st Class	2nd Class
% Tidelands		
% Shorelands		
% Bedlands		
% Harbor Area	100%	

Land Manager Comments/Notes:

May 1, 2015 the leasehold area was modified to reflect removal of the NWD floating house. The area previously encumbered by the floating house became water dependent once the floating house was removed. This rent sheet is used to project the rent values as they would be in 2015 using the new WD and NWD areas. Note: the water dependent rent was stairstepped in 2012; 2013 and 2014. The stairstep disapears during the 4th year (2015).

TOTAL LEASEHOLD AREA

USES	TYPE	AREA
Moorage	WD	3.505
Blgs; Parking; rip-rap	NWD	0.555

DATE OF INSPECTION: January 21, 2015

2332

AQUATIC LEASE INSPECTION REPORT

LEASE NUMBER: 22-A02332 START: 11-1-2004 END: 10-31-2034

USE: Marina LEGAL: Sect 11; Town 24-N; Range 1-E

LAT: LONG:

LESSEE NAME: Bridgeview Marina

ADDRESS: 1815 THOMPSON DR., BREMERTON, WA 98337

PHONE NUMBER: 360-479-3037

Contact made with lessee for inspection: Yes, Bob Stanberry

Use of lease area agrees with Authorized Use: Yes (improvements outside the harbor line have already been noted)

AREA PERCENTAGE

86% WATER DEPENDENT 14% NON-WATER DEPENDENT

IMPROVEMENTS ON STATE-OWNED AREA

TYPE	CONDITION	DESCRIPTION
Fill	Fair	Parking area
Marina Bldg 1	Unknown	Marina Office with residence above
Marina Bldg 2	Unknown	Restrooms, Laundry and Shower area
Marina	(Floats need maintenance)	Floats, Creosote Pilings, Finger Piers as previously described

INSPECTOR'S Remarks and Recommendations (amendment, maintenance, liability etc…)

This inspection was completed at the request of the tenant to confirm that the floating home had been removed from the harbor area. The floating home is no longer present at the site. The contract will need to be amended so that the portion of the annual rent attributed to the floating home can be removed from the lease.

The pump-out is currently not operational. Bob said he was getting a part this week to fix the pump-out. The marina is installing new ladders on the floats so that people can get back on the floats if they fall into the water.

The marina floats are still listing. The marina is trying a new strategy for leveling the floats. They are going to replace the existing barrel floats with square floatation tubs. They are doing a trial run on one float. The wood deck on the floats is extremely slick. They are pressure washing the surface to remove the slime. It appears that there is a extensive amount of maintenance which will need to be completed. I told the marina manager that they may want to take a page from the Port of Brownsville and secure a 5-yr maintenance permit. That way they don't have to reapply for permits all the time.

OLYMPIA COPY

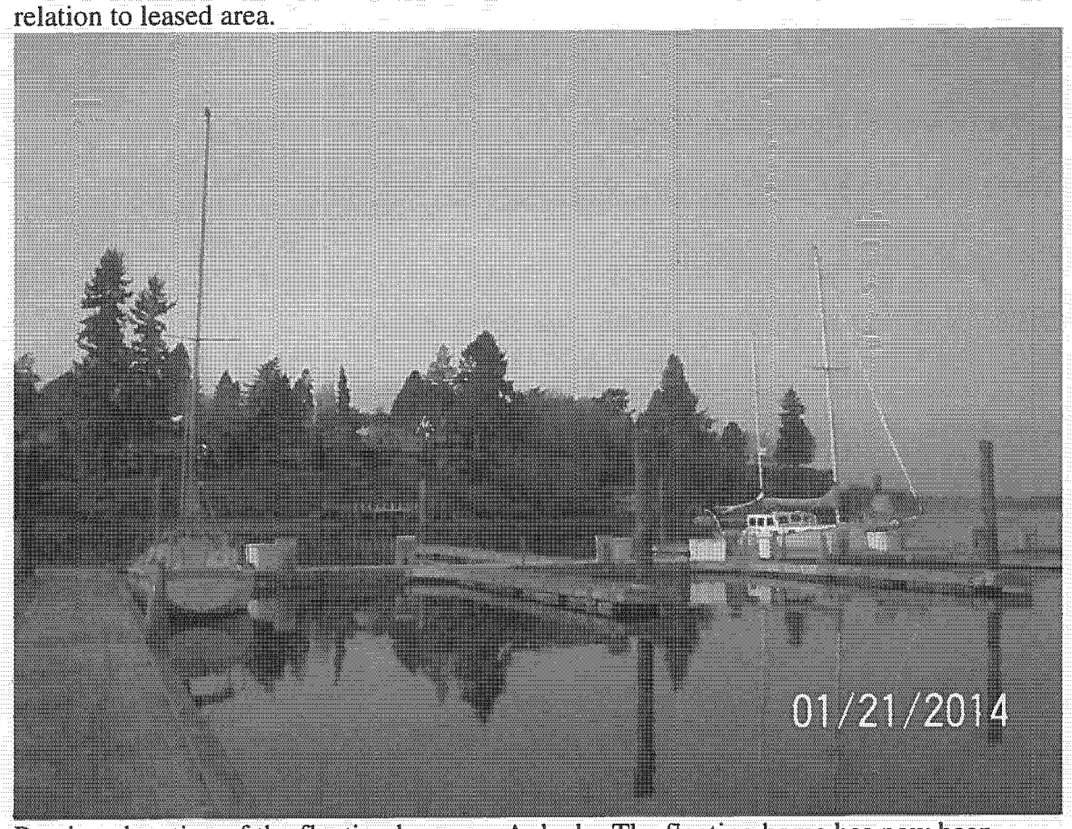
INSPECTOR: Lindie Schmidt TITLE: Natural Resource Specialist II

DNR-00019178

DATE OF INSPECTION: January 21, 2015

Several of the derelict vessels have been removed from the marina. There are still several derelict vessels. I will check and see if the marina can qualify for the DVRP funds for demolition of derelict vessels which have not sunk.

Diagram Below, the location of existing structures showing alignment and dimensions in relation to leased area.



Previous location of the floating home on A dock. The floating home has now been removed from the marina.

Photo showing the finger pier upon which they will test replacing the barrel floatation with square floats. Some of the diver's gear has been left on the float.

INSPECTOR: Lindie Schmidt TITLE: Natural Resource Specialist II

2332

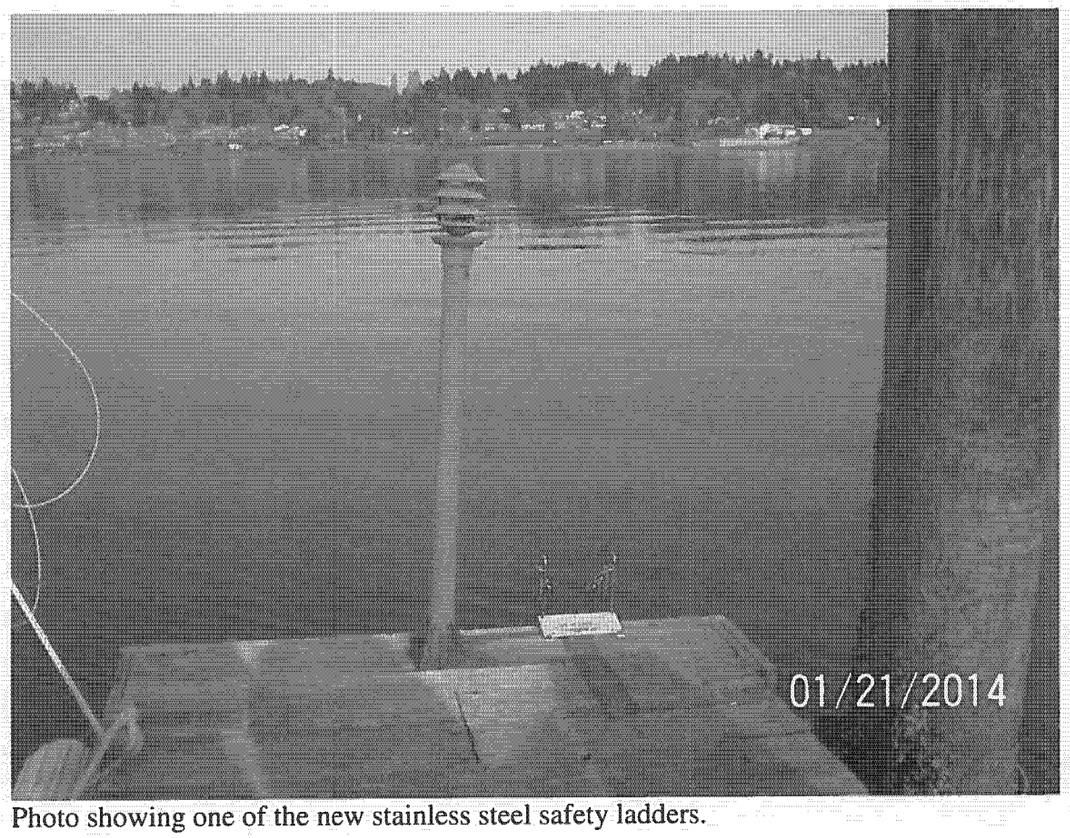


Photo showing one of the new stainless steel safety ladders.

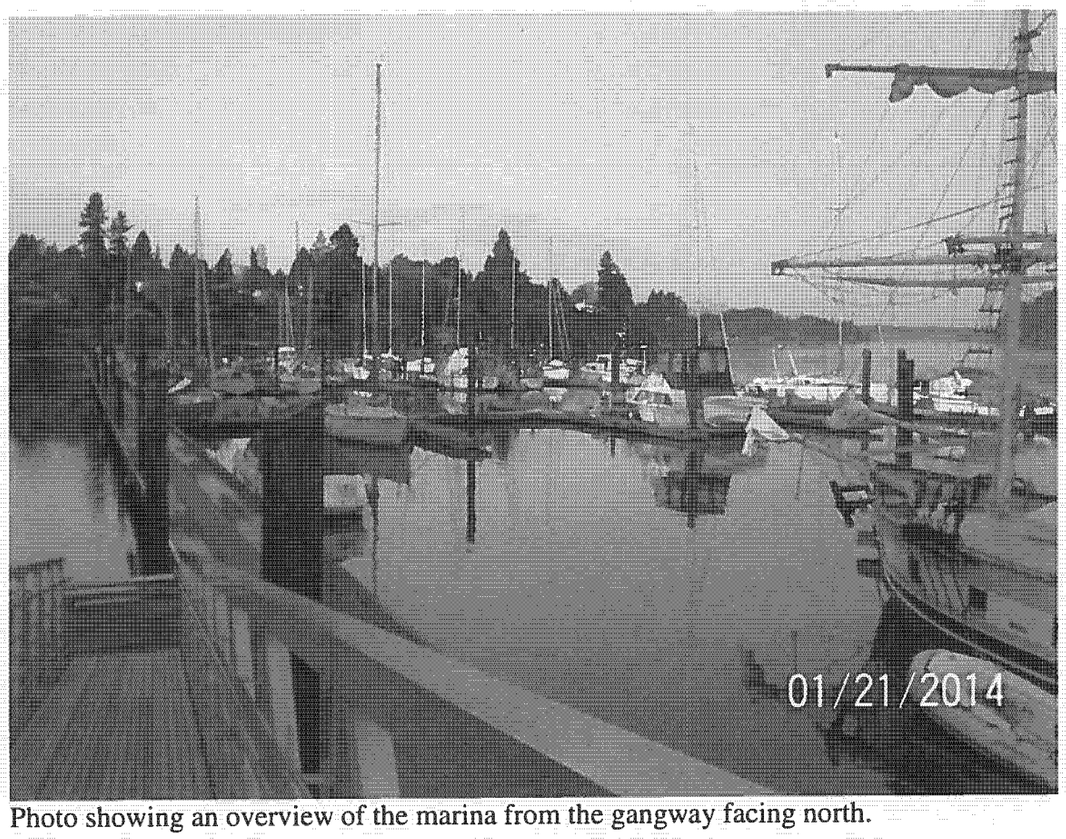


Photo showing an overview of the marina from the gangway facing north.

AQUATIC LEASE INSPECTION REPORT

LEASE NUMBER: 22-A02332 START: 11/1/2004 END: 10/31/2034

USE: Marina LEGAL: Sect: 11; Town 24-N; Rng 1-E

LAT: LONG:

LESSEE NAME: Bridgeview Marina

ADDRESS: 1805 Thompson Drive; Bremerton; WA

PHONE NUMBER: 360-876-2522

Contact made with lessee for inspection: Yes – Jeremy McNeil

Use of lease area agrees with Authorized Use: Yes

AREA PERCENTAGE

% WATER DEPENDENT *% NON-WATER DEPENDENT

IMPROVEMENTS ON STATE-OWNED AREA

TYPE	CONDITION	DESCRIPTION
Floats	Poor	Wood Deck; variable floatation
Floating Home	Derelict	Partially demolished
Piling	Fair	Creosote
Gangway	Good	Grated metal gangway
Parking Lot	*	Parking lot on fill. The asphalt has been resurfaced and striped. (State Owned) Structural condition not assessed.
Bulkhead	*	Concrete bulkhead – No obvious signs of deterioration (State Owned). Condition not assessed.
Rip-Rap	*	Angular rock. Condition not assessed.
Marina Office & Bathrooms	*	The buildings are constructed on fill and a pier. The condition of the improvements was not assessed.

INSPECTOR'S Remarks and Recommendations (amendment, maintenance, liability etc…)

Jeremy asked if there was a way to get in contact with the derelict vessel removal program. The marina has five vessels they would like to get rid of. They have also sent eviction notices to another 19 tenants. I will have Troy Wood with the vessel registration program contact them. Also, I will send some information regarding the derelict vessel turn in program.

INSPECTOR: Lindie Schmidt TITLE: Natural Resource Specialist II

OLYMPIA C

DNR-00019181

The cleats outside the outer harbor line on A & B Docks have been removed. The pump-out has been replaced and inspected by Kitsap Co. Health. The floating home has been partially demolished.

Stabilizing the floats has been problematic. Some of the repairs which were previously performed have made the situation worse. They are getting bids from Marine Floats and Bellingham Marine. They said that they would need more time to develop a strategy for the floats.

It doesn't make sense to redevelop in the existing footprint. They are working with Hugo Flores (DNR) to develop a harbor line adjustment proposal.

Bob Stanberry (Stephanie Stanberry's (b) (6) is the new maintenance man.

Diagram Below, the location of existing structures showing alignment and dimensions in relation to leased area.

Figure 1: New pump-out has been installed. Sean Ultican with Kitsap Health was out to confirm that the pump-out was functional.

Figure 2: Photo of the floating home. The second story has been demolished.

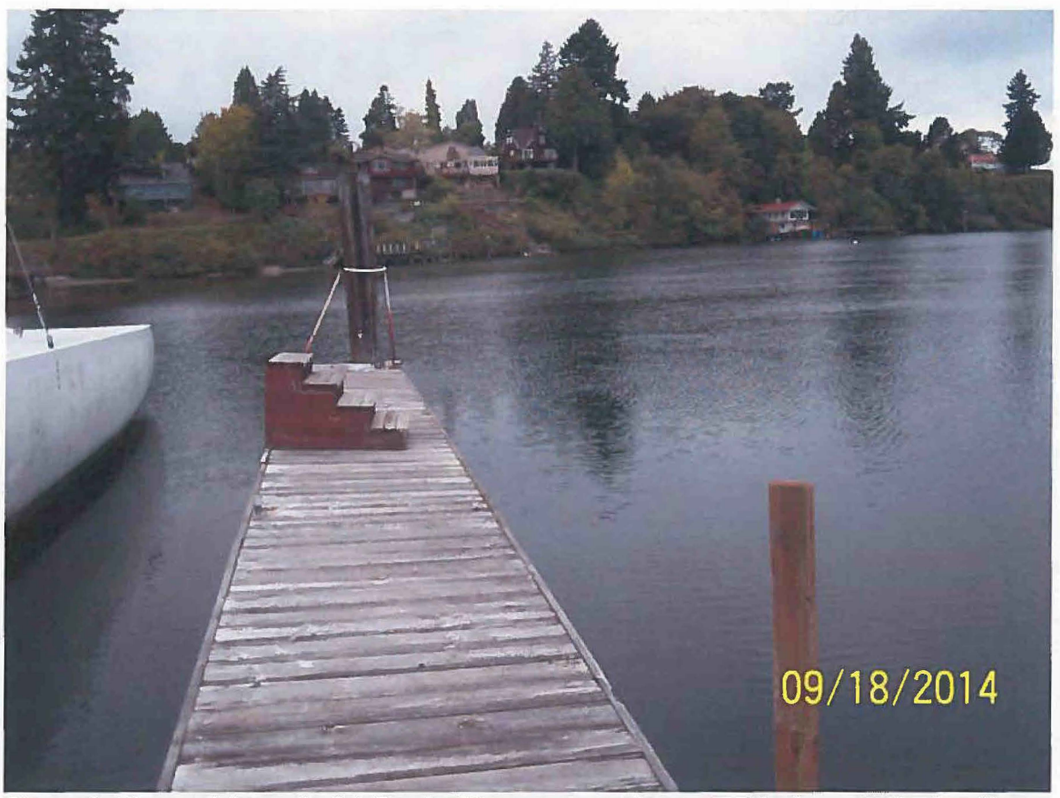


Figure 3: Photo of the end of A Dock. The moorage cleats outside the outer harbor line have been removed.

Figure 4: Photo of the end of A dock showing the moorage cleats outside the outer harbor line have been removed.

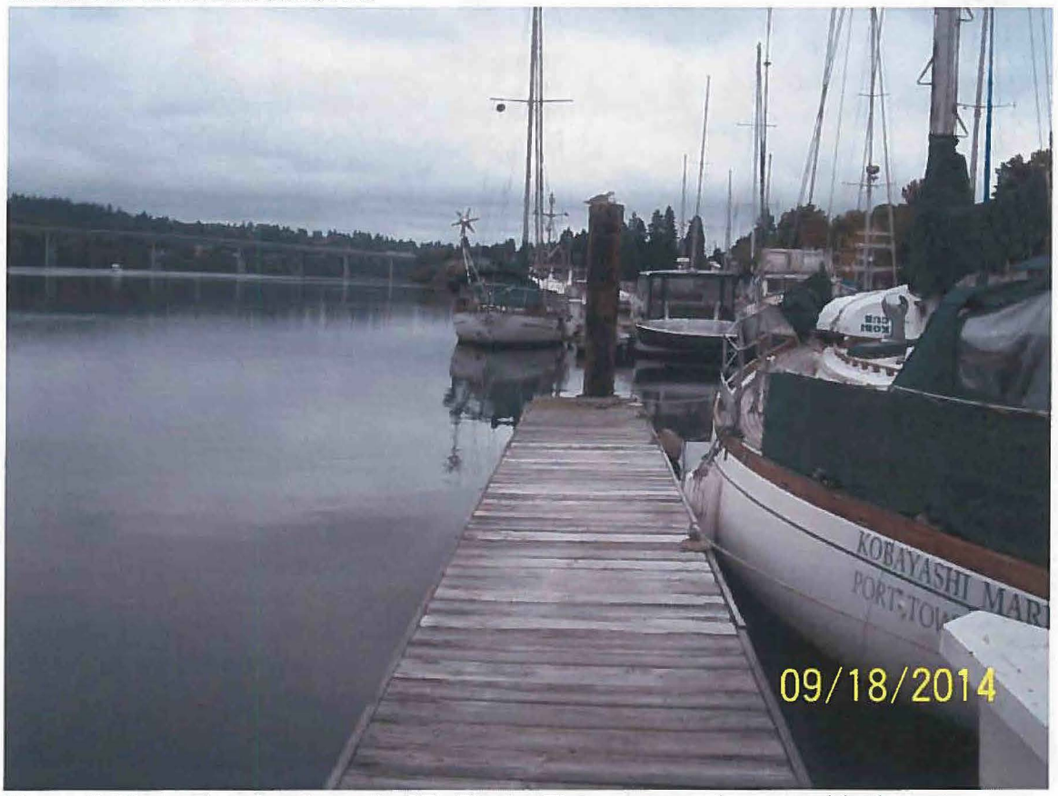


Figure 5: Photo showing the end of B- Dock. The moorage cleats outside the outer harbor line have been removed.

DNR-00019184

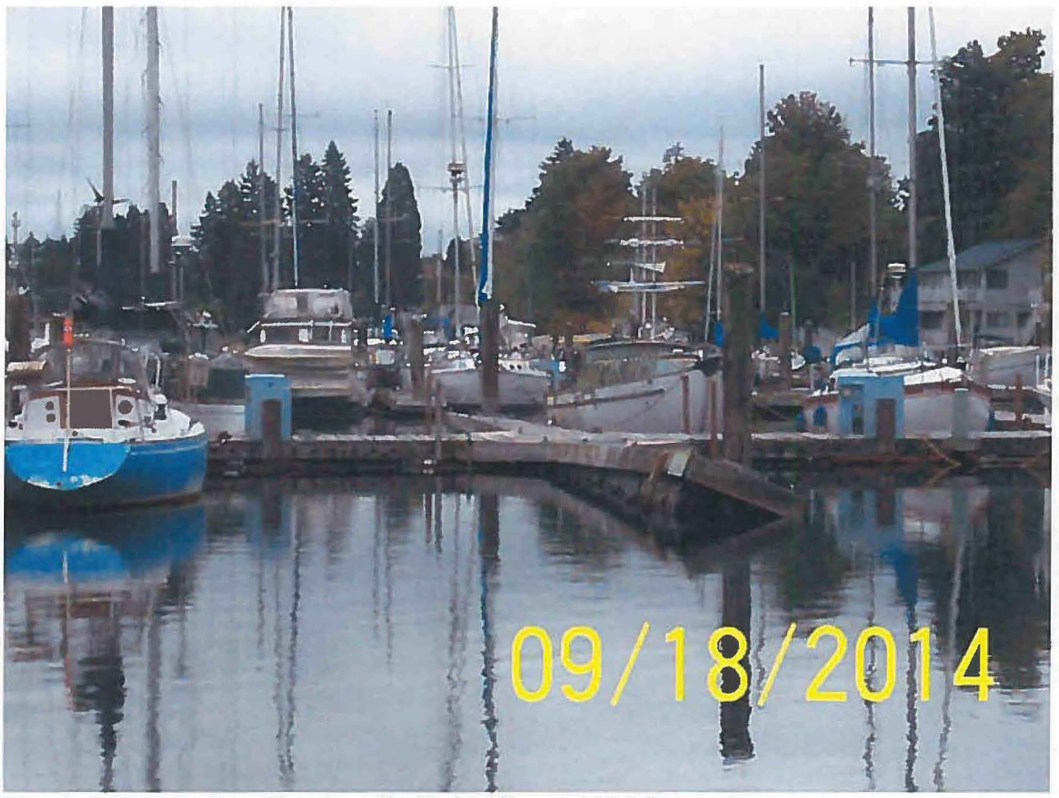


Figure 6: Photo showing a heavily listing float within the marina.

"Signature ~~Pre-Approval~~"

14-AQR-2410

Department of Natural Resources
Approval Authorization Cover Sheet

TRACKING NUMBER
14 –Aquatics District – 041114 – 22A02332
(Year-Division/Region Acronym-Date-Document No.)

FINAL REVIEW

Review/Signature List:
(Initial and Date After Review)

FINAL SIGNATURE

- ☑ Peter Goldmark, Commissioner of Public Lands

REVIEW (PRE-APPROVAL)

- ☑ Megan Duffy, Deputy Supervisor of Aquatics and Geology 5/1/14
- ☒ Kristin Swenddal, Aquatics Division Manager 4-18-14
- ☒ Derrick Toba, Assistant Division Manager 4/17/2014
- ☒ Neal Cox, District Manager
- ☒ Lindie Schmidt, Land Manager

Brief Summary: Seven Js Investments, LLP was foreclosed upon by Union Bank for non-payment of their mortgage. Union Bank did not want to absorb the responsibility of the marina leasehold and requested that the court place Seven Js into a receivership. JSH Properties was designated as the receivership while the bank looked for a purchaser. The new purchaser, Bridgeview Marina, Inc., is securing an involuntary assignment.

The lease is located in Puget Sound, Kitsap County, in Port Washington Narrows, Bremerton, Washington.

Public notice is not required.

ORIGINATOR'S INFORMATION

From Division/Region: Aquatic Resources Division
Originator/Contact: Lindie Schmidt / Donna
Phone: 206-949-1740, **Extension:** N/A
Date: April 11,2014
Type of Document, Subject, and/or Agreement No.: Involuntary Assignment of Lease 22-A02332

ISSUES AND HOW THEY WERE ADDRESSED

INVOLUNTARY ASSIGNMENT:
The assignment is an involuntary assignment. Union Bank foreclosed on the property and JSH Properties was designated as the receivership. Bridgeview Marina, Inc. purchased the marina and wants to have the leasehold assigned. As such, a copy of the court order approving the sale must be provided to DNR.

FUNDING INFORMATION

EXPENDITURE	Fund(s)/Appropriation(s):	Prgm. Index:
	Trust(s):	Project Code:
	Object Info:	Sub-object:
REVENUE	Fund(s): ALEA 80%, RMCA 20%	Trust(s): 25
	Revenue Source: 402	Sub-source: 0160

OLYMPIA COPY
Received
MAY 32 2014
D.N.R. Aquatic

RECEIVE
JUN 022 4
DNR-SPS

GUIDING PRINCIPLES (Explain how the Commissioner's guiding principles were addressed) Sustaining Natural Resources, Public Interest and Involvement and Sound Science
Sustaining Natural Resources: Administrative Action **Public Interest and Public Knowledge:** Administrative Action **Sound Science:** Administrative Action. Since this is an assignment of an existing document, there is no trigger to incorporate stewardship measures into the contract. A stewardship review was performed. A letter will be be provided to the new applicant to identify our current expectations in the event of new construction.

Department of Natural Resources
Approval Authorization Cover Sheet – Aquatics Supplement

Type of Contract (Document for Review): Assignment (*if other, describe*): (Involuntary)			
Contract Number: 22-A02332		IGBOR Prior Approved/Attached: ☐ Yes ☒ No	
Term: 30 years	From: November 1, 2004 To: October 31, 2034		
Return To: Donna Berube, Enumclaw			
Prepared By: Lindie Schmidt			
District: Shoreline			
Standard/Modified Authorization: Standard Use Language *If modified, type info here (or delete).*			
Rent: $2,931.05		Paid: Other	
Insurance Required?	☒ Yes ☐ No	Amount: $1/$2 million	
Financial Security Required?	☒ Yes ☐ No	Amount: $25,000	
Water-Dependent?	☒ Yes ☐ No	Administrative Costs: N/A	
Public Use?	☐ Yes ☒ No		
Is this Bringing a U & O into Agreement?	☐ Yes ☒ No		
Restoration Project?	☐ Yes ☒ No		

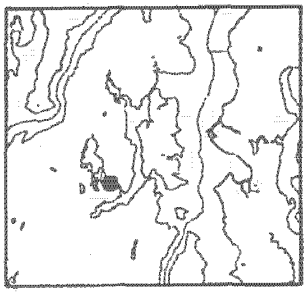
Attachments:

- ☒ Vicinity Map
- ☒ Aerial Photo/Shoreline Photo
- ☒ Authorization Document with Exhibit A & B
- ☐ Public Notice
- ☐ Recommended Habitat Stewardship Measures Report
- ☒ Other: Court Order Authorizing the Sale

WASHINGTON STATE DEPARTMENT OF
Natural Resources

For DNR Internal Use Only
Agreement 22-A02332

N



BREMERTON; KITSAP COUNTY 2011 ORTHOPHOTO

0 145 290 580 870 1,160 Feet

RECEIVED FOR FILING
KITSAP COUNTY CLERK
APR 01 2014
DAVID W. PETERSON

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

UNION BANK, N.A., successor-in-interest to the FDIC as Receiver for Frontier Bank, Petitioner, vs. SEVEN JS INVESTMENTS, LP, a Washington limited partnership, Respondent.	No. 12-2-02309-5 AGREED ORDER GRANTING RECEIVER'S MOTION TO APPROVE SALE OF PROPERTY FREE AND CLEAR OF ALL LIENS AND RIGHTS OF REDEMPTION PURSUANT TO RCW 7.60.260

As evidenced by the signatures below, the Parties to the above-captioned action have agreed to the Findings below and to entry of this Agreed Order Granting Receiver's Motion to Approve Sale of Property Free and Clear of All Liens and Rights of Redemption Pursuant to RCW 7.60.260 (the "Order"), and, therefore, for good cause shown, and pursuant to Chapter 7.60, RCW, the Court grants Receiver's Motion to Approve Sale of Property Free and Clear of All Liens and Rights of Redemption and makes the following findings and enters the following order:

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

DNR-00019190

The Court being fully advised, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. The Receiver's Motion is GRANTED.

2. The sale of the real property owned by Defendant, Seven Js Investments, LP (the "Borrower") legally described on the attached Exhibit A (the "Property") to Buyer under the terms of that certain Real Estate Purchase and Sale Agreement dated January 14, 2014 (the "Purchase Agreement") attached hereto as Exhibit B is hereby authorized and approved.

3. The Receiver may take any and all necessary steps to close the sale of the Property pursuant to the terms of the Purchase Agreement.

4. The sale of the Property shall be free and clear of all liens and rights of redemption pursuant to RCW 7.60.260(2).

5. The Receiver is hereby authorized to take the following actions in connection with the closing of the sale of the Property to Buyer:

a. Impound all proceeds from the sale of the Property less any closing and transaction costs which the Receiver is obligated to pay under the terms of the Purchase Agreement, including but not limited to, real estate excise tax, escrow fees, recording fees, and title insurance premiums.

b. Pay all then currently outstanding and unpaid fees and expenses of the Receivership estate, including but not limited to any compensation or fees payable to the Receiver under Paragraph 9 of the Appointment Order (as revised by the Conversion Order) and any unpaid fees and expenses due to the Receiver's counsel at the time the sale is closed.

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

c. Set aside $15,000 to be held by the Receiver for the payment of all fees and costs of the Receiver and its counsel necessary to close the sale, allow/disallow claims, fulfill the Receiver's obligations under RCW 7.60, and terminate the Receivership. Any remaining balance shall be disbursed to Plaintiff, Union Bank, N.A. ("Union Bank") within thirty (30) days following termination of the Receivership.

d. Remit to Union Bank the balance of the proceeds from the sale of the Property following the payments, distributions, and holdbacks provided for under Paragraphs 5.a through 5.c above.

6. All other claims in this receivership not identified in Paragraphs 5.a through 5.d above, shall be allowed in full, though there shall be no payment, remittance, distribution, or dispersal of funds to any lien holders, unsecured creditors, Borrower (including its members and/or managers), or any other class of creditors of the Receivership Estate, other than as provided in Paragraphs 5.a through 5.d above.

DATED this 1st day of April, 2014.

KEVIN D. HULL
JUDGE/COURT COMMISSIONER

Presented by, and stipulated on party's or client's behalf;
approved for entry, and notice of presentation waived:

ALSTON, COURTNAGE & BASSETTI LLP

Charles E. Shigley, WSBA No. 26389
Attorneys for General Receiver
JSH Properties, Inc.

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

ASSAYAG ❖ MAUSS
A Professional Law Corporation

_____
Matthew A. Goldberg, WSBA 37410
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

_____
James R. Tomlinson, WSBA 14559
Attorneys for Respondent Seven J's Investments L.P.

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

ASSAYAG ❖ MAUSS
A Limited Liability Partnership

Matt Goldberg

Matthew A. Goldberg, WSBA 37410
Attorneys for Petitioner Union Bank, N.A.

DAVIES PEARSON, P.C.

James R. Tomlinson, WSBA 14559
Attorneys for Respondent Seven J's Investments L.P.

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL A:

LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;

TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

EXHIBIT B

PURCHASE AGREEMENT

[Attached]

ALSTON, COURTNAGE & BASSETTI LLP
1420 Fifth Avenue, Suite 3650
Seattle, Washington 98101
Tel (206) 623-7600
Fax (206) 623-1752

REAL ESTATE PURCHASE AND SALE AGREEMENT

by and between

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

as "*Seller*"

and

JEREMY MCNEIL,
an individual

as "*Buyer*"

TABLE OF CONTENTS

ARTICLE 1. THE PROPERTY 1
1.1 Real Property 1
1.2 DNR Lease 1
1.3 Personal Property 1
1.4 Leases 1
1.5 Contracts 1
ARTICLE 2. PURCHASE PRICE; MANNER OF PAYMENT 1
2.1 Purchase Price 1
2.2 Payment of Purchase Price 1
ARTICLE 3. BUYER'S INSPECTION 2
3.1 Feasibility 2
3.2 Contingency Date; Notice to Proceed 2
3.3 Buyer's Reports 2
3.4 Disclosure Statement 2
ARTICLE 4. CLOSING; CLOSING COSTS; AND PRORATIONS 3
4.1 Seller's Condition Precedent 3
4.2 Closing Date 3
4.3 Seller's Closing Deliveries 4
4.4 Buyer's Closing Deliveries 4
4.5 Closing Costs 5
4.6 Proration of Rents, Taxes, Utilities 5
ARTICLE 5. TITLE AND SURVEY EXAMINATION 6
5.1 Title Commitment 6
5.2 Survey 7
5.3 Buyer's Objections 7
5.4 Seller's Response 7
ARTICLE 6. CONDITION OF PROPERTY 7
6.1 Buyer's Acknowledgement 7
6.2 Property Sold "As Is" 7
6.3 Hazardous Materials; Compliance With Laws 8
ARTICLE 7. CASUALTY; CONDEMNATION 8
ARTICLE 8. ASSIGNMENT 9
ARTICLE 9. REMEDIES 9
ARTICLE 10. NOTICES 9
ARTICLE 11. GENERAL PROVISIONS 10
11.1 Entire Agreement 10
11.2 Construction 10
11.3 Attorneys' Fees 10
11.4 Additional Documents 11
11.5 Binding Effect 11
11.6 Time of the Essence 11
11.7 Applicable Law and Venue 11
11.8 Counterparts; Facsimile Signatures 11

11.9 Survival 11
11.10 Agency Disclosure 11
11.11 Extension of Time 11
11.12 Public Announcements 11
11.13 No Third Party Beneficiaries 12

EXHIBITS:

Exhibit A Appointment Order
Exhibit B Legal Description
Exhibit C Personal Property
Exhibit D Rent Roll
Exhibit E Contracts
Exhibit F Disclosure Statement
Exhibit G Bargain and Sale Deed
Exhibit H Bill of Sale
Exhibit I Assignment and Assumption of Leases and Security Deposits
Exhibit J Tenant Notification Letter
Exhibit K Assignment and Assumption of Contracts

DNR-00019199

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("*Agreement*") is entered into as of the date that this Agreement is signed by the last of the parties hereto (the "*Effective Date*") by and between JEREMY MCNEIL, an individual, and/or assigns ("*Buyer*") and JSH PROPERTIES, INC., a Washington corporation ("*Seller*") as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington (the "*Court*"). A copy of the order appointing Seller as general receiver (the "*Appointment Order*") is attached hereto as Exhibit A. In consideration of this Agreement, Seller and Buyer agree as follows:

ARTICLE 1. THE PROPERTY

Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to approval of the Court, as set forth in Section 4.1(a) of this Agreement, and in accordance with the terms and conditions set forth in this Agreement, the following property (the "*Property*"):

1.1 Real Property. The real property legally described on the attached Exhibit B (the "*Land*") together with (a) all buildings and improvements constructed or located on the Land ("*Buildings*") and (b) all easements and rights benefiting or appurtenant to the Land (collectively the "*Real Property*").

1.2 DNR Lease. That certain Aquatic Lands Lease No. 22-A02332 dated (the "*DNR Lease*") from the State of Washington Department of Natural Resources ("*DNR*"). Buyer acknowledges receipt of a copy of the DNR Lease.

1.3 Personal Property. All of the personal property situated in or about the Real Property, including without limitation, that described on the inventory attached to this Agreement as Exhibit C ("*Personal Property*").

1.4 Leases. All of the leases as described on the rent roll attached to this Agreement as Exhibit D ("*Leases*").

1.5 Contracts. To the extent assignable, each of the contracts described on Exhibit E to this Agreement (the "*Contracts*").

ARTICLE 2. PURCHASE PRICE; MANNER OF PAYMENT

2.1 Purchase Price. The total purchase price to be paid for the Property (the "*Purchase Price*") shall be Four Hundred Sixty Thousand and No/100ths Dollars ($460,000.00).

2.2 Payment of Purchase Price. The Purchase Price shall be payable as follows:

(a) Earnest Money. Within three (3) days after the Effective Date, Buyer shall deposit Twenty-Three Thousand and No/100ths Dollars ($23,000.00) as earnest money

DNR-00019200

Chicago EV

("*Earnest Money*") which shall be held by ~~First American~~ Title Insurance Company (the "*Title Company*") who shall apply or dispose of the Earnest Money as provided in this Agreement.

(b) Balance Due At Closing. The balance of the Purchase Price as adjusted by the prorations and credits specified herein shall be paid by Buyer in cash or by wire transfer of funds on the Closing Date.

ARTICLE 3. BUYER'S INSPECTION

3.1 Feasibility. During the term of this Agreement, Buyer, its agents, employees and representatives shall be entitled to (a) enter upon the Property in order to perform inspections and tests of the Property, including, without limitation, (i) inspecting the physical condition of the Property, including the condition of the soil in terms of topography, compaction, composition and potability, (ii) investigating all relevant wetlands, flood plain and other issues related to site conditions of the Property; and (iii) conducting environmental and feasibility audits, tests and studies; (b) review status, condition, capacity and utilization requirements of all utility connections and facilities; and (c) determine the legal and economic feasibility of owning and developing the Property for Buyer's intended use. If as a result of Buyer's exercise of its rights under this Section 3.1 any damage occurs to the Property, Buyer shall promptly repair such damage, at Buyer's sole cost and expense. Buyer hereby indemnifies, protects, defends and holds Seller harmless from and against any and all third-party losses, damages, claims, causes of action, judgments, damages, costs and expenses suffered or incurred by Seller as a result of any damage caused to the Property during the course of, and as a result of, any or all of the studies, investigations and inspections that Buyer performs pursuant to this Section 3.1.

3.2 Contingency Date; Notice to Proceed. Following Buyer's investigations per Section 3.1 above, if Buyer, in its sole discretion, elects to proceed with the purchase of the Property, then Buyer will give Seller written notice of Buyer's election (the "*Notice to Proceed*") on or before 5:00 p.m. Pacific Time on January 14, 2014 (the "*Contingency Date*") at which time the Earnest Money will become non-refundable except as otherwise provided herein. If Buyer in its sole discretion decides that it will not proceed with the purchase of the Property, Buyer may on or before the Contingency Date give notice to Seller that it is terminating this Agreement. If Buyer fails to notify Seller of its decision on or before the Contingency Date, Buyer will be deemed to have notified Seller on the Contingency Date that Buyer is terminating this Agreement.

3.3 Buyer's Reports. If either party terminates this Agreement for any reason, Buyer shall promptly deliver to Seller, at Buyer's sole cost and expense, copies of all reports, studies, surveys, drawings, and other documents relating to the Property as are in Buyer's possession or control.

3.4 Disclosure Statement. Buyer and Seller agree and acknowledge that the Real Property constitutes "Commercial Real Estate" as defined in RCW 64.06.005. Buyer hereby waives receipt of a seller disclosure statement required under RCW 64.06 for transactions involving the sale of commercial real estate except for the section entitled "Environmental". The seller disclosure statement as completed by Seller is attached to this Agreement as Exhibit F (the "*Disclosure Statement*"). Buyer acknowledges its receipt of the Disclosure Statement and

DNR-00019201

waives its right to rescind the Agreement under RCW 64.06.030. Buyer further agrees and acknowledges that the Disclosure Statement (a) shall be for disclosure only, (b) shall not be considered part of this Agreement, and (c) shall not be construed as a representation or warranty of any kind by the Seller.

ARTICLE 4. CLOSING; CLOSING COSTS; AND PRORATIONS

4.1 Seller's Closing Conditions. Notwithstanding anything herein to the contrary, Seller's obligations hereunder are expressly conditioned upon satisfaction of the following conditions precedent:

(a) Seller shall have obtained from the Court a Final Order authorizing Seller to close this transaction and sell the Property free and clear of all liens and interests pursuant to RCW 7.60.260 (the "*Sale Order*"). The term "*Final Order*" means (i) an order of the Court as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, reargument or rehearing thereof has been filed or sought, such order of the Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; *provided* that the possibility that a motion under Rule 59 or Rule 60 of the Washington Rules of Civil Procedure may be filed with respect to such order shall not cause such order not to be a "*Final Order*". Seller shall file a motion with the Court seeking entry of the Sale Order within thirty (30) days after Buyer issues the Notice to Proceed.

(b) No domestic or foreign, federal, state, county, parish, municipal or other local court, agency, department, legislative body, commission, council, board or other administrative of governmental body shall have issued any order, writ, judgment, injunction, decree, determination or award that directs that the transactions contemplated under this Agreement not be consummated.

(c) DNR shall have approved Buyer's assumption of the DNR Lease on terms and conditions acceptable to Seller (the "*DNR Approval*"). Seller shall cooperate with Buyer in obtaining the DNR Approval; provided, however, that Buyer shall be responsible for all costs and expenses with respect to the DNR Approval.

4.2 Closing Date. The closing of the purchase and sale contemplated by this Agreement (the "*Closing*") shall occur on the date that is the later of (a) January 15, 2014, (b) ten (10) days after the date that the Sale Order becomes a Final Order, or (b) ten (10) days after the date that Buyer obtains the DNR Approval (the "*Closing Date*"); provided, however, that in the event Seller does not obtain the Sale Order for any reason on or prior to the date that is one hundred and fifty (150) days after the date that Buyer issues the Notice to Proceed, then either party may terminate this Agreement upon written notice to the other, whereupon the Earnest Money shall be returned to Buyer and neither party shall have any further obligation or liability to the other except as specifically set forth herein. The Closing shall take place at the office of

DNR-00019202

the Title Company. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

4.3 Seller's Closing Deliveries. On the Closing Date, Seller shall execute and deliver to Buyer the following:

(a) Deed. A Bargain and Sale Deed conveying the Property to Buyer in the form attached to this Agreement as Exhibit G.

(b) Bill of Sale. A Bill of Sale conveying the Personal Property to Buyer in the form attached to this Agreement as Exhibit H.

(c) Assignment and Assumption of Leases. An Assignment and Assumption of Leases transferring the Leases and any security deposits, prepaid rents or collections and guarantees regarding the Leases to Buyer in the form attached to this Agreement as Exhibit I (the "*Lease Assignment*").

(d) Tenant Notification Letter. A Tenant Notification for each Lease in the form attached as Exhibit J.

(e) Assignment and Assumption of Contracts. An Assignment and Assumption of Leases transferring the Leases and any security deposits to Buyer in the form attached to this Agreement as Exhibit K (the "*Contract Assignment*").

(f) Assignment and Assumption of DNR Lease. An assignment and assumption with respect to the DNR Lease in a form acceptable to Seller (the "*DNR Lease Assignment*").

(g) Security Deposits and Prepaid Rents. All security deposits and prepaid rents under the Leases, including valid transfers of any non-cash securities or documents held for such purposes, together with notices to tenants and third parties of such transfers.

(h) FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by Internal Revenue Code Section 1445(b)(2) and its regulations.

(i) IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

(j) Other Documents. All other documents reasonably determined by Seller or the Title Company to be necessary to effectuate the transfer the Property to Buyer.

4.4 Buyer's Closing Deliveries. On the Closing Date, Buyer will execute and deliver to Seller the following:

(a) Purchase Price. Funds representing the Purchase Price, by wire transfer.

(b) Assignments. The Lease Assignment, Contract Assignment and DNR Lease Assignment executed by Buyer.

(c) IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

4.5 Closing Costs.

(a) Seller's Costs. Seller shall pay the following costs on or before Closing: (i) the portion of the title insurance premium for Buyer's title policy attributable to the cost of standard coverage; (ii) one-half (1/2) of the escrow fees and any recording fees, and (iii) all real estate excise tax payable in connection with the transfer of the Real Property. At Seller's option, the foregoing costs may be paid out of proceeds due Seller upon Closing.

(b) Buyer's Costs. Buyer shall pay the following costs at Closing: (i) the portion of the title insurance premium attributable to extended coverage and any endorsements requested by Buyer; (ii) the remaining one-half (1/2) of the escrow fees and any recording fees, and (iii) any sales or use tax payable in connection with the transfer of the Personal Property.

4.6 Proration of Rents, Taxes, Utilities. Unless otherwise provided below, the following are to be adjusted and prorated between Seller and Buyer as of 12:01 A.M., Pacific Time, on the Closing Date, based upon a 365 day year, and the net amount thereof shall be added to (if such net amount is in Seller's favor) or deducted from (if such net amount is in Buyer's favor) the Purchase Price payable at Closing:

(a) Rents. All rents paid or payable by tenants under the Leases shall be adjusted and prorated on the basis of the ratio of the number of days expired before Closing and the number of days after Closing. Any rents collected by Buyer or Seller after the Closing from any tenant who owes rent for periods prior to the Closing, shall be applied (i) first, in payment of rent owed for the month in which the Closing Date occurs, (ii) second, in payment of rents owed for the period prior to the month in which the Closing Date occurs, and (iii) third, after rent for all prior periods have been paid in full, in payment of rent owed for the period (if any) after the month in which the Closing Date occurs. Each such amount, less any costs of collection (including reasonable attorneys' fees) reasonably allocable thereto, shall be adjusted and prorated as provided above, and the party who receives such amount shall promptly pay over to the other party the portion thereof to which it is so entitled. Seller shall be entitled, prior to Closing, to offset any amounts that are past due against the lease deposits in accordance with the terms of the Leases.

(b) Taxes and Assessments. Real estate taxes and assessments (including LID assessments) for the Property assessed with respect to the year in which the Closing occurs shall be adjusted and prorated based on the period of ownership by the Seller and Buyer during such year. If real property tax and assessment figures for the taxes or assessments to be apportioned between Buyer and Seller pursuant to this Section 4.6(b) are not available or have not been billed, such taxes shall be prorated based on the most recent invoices received, subject to further and final adjustment when the tax rate and/or assessed valuation for such taxes and assessments

for the applicable period is fixed. If the Property or any part thereof shall be or shall have been affected by an assessment or assessments between the date hereof and Closing, whether or not the same become payable in annual installments, Seller shall pay for the installments due, or applicable to the periods prior to Closing and Buyer shall be responsible for any installments due on or applicable to the period after the Closing.

(c) Utility Charges. Gas, water, sewer, electricity and other public utility charges will be paid by Seller to the utility company up to and including the Closing Date. Buyer shall arrange for a final reading of all utility meters as of the Closing. If required by Buyer, Seller shall execute a letter to each of such utility companies advising such utility companies of the termination of Seller responsibility for such charges for utilities furnished to the Property as of the date of the Closing and commencement of Buyer's responsibilities therefor from and after such date. If a bill is obtained from any such utility company as of the Closing, Seller shall pay such bill on or before the Closing. If such bill shall not have been obtained on or before the Closing, Seller shall, upon receipt of such bill, pay all such utility charges as evidenced by such bill or bills pertaining to the period prior to the Closing, and Buyer shall pay all such utility charges pertaining to the period thereafter. Any bill which shall be rendered which covers a period both before and after the date of Closing shall be apportioned between Buyer and Seller as of the Closing. Seller shall be entitled to a refund of all deposits held by such utility companies and Buyer shall arrange to make its own deposits with the utility companies as of the Closing Date.

(d) Lease Deposits. At Closing, Seller shall pay or credit to Buyer the amount of all unapplied and refundable lease deposits as shown on the final rent roll provided by Seller prior to Closing.

(e) DNR Lease Rents. All rent and other charges payable to DNR under the DNR Lease shall be shall be adjusted and prorated on the basis of the ratio of the number of days expired before Closing and the number of days after Closing.

(f) Other Costs. All other operating costs of the Property shall be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of operating costs payable before the Closing Date, and Buyer pays that part of operating costs payable from and after the Closing Date.

(g) Survival. The provisions of this Section 4.6 shall survive the Closing.

ARTICLE 5. TITLE AND SURVEY EXAMINATION

Buyer's title and survey examination will be conducted as follows:

5.1 Title Commitment. Seller shall, within five (5) days after the Effective Date, furnish to Buyer a commitment for an ALTA Form 2006 Owner's Policy of Title Insurance, issued by the Title Company, insuring title to the Real Property in the amount of the Purchase Price (the "*Title Commitment*").

5.2 Survey. Buyer may order, at Buyer's sole costs and expense, a currently dated survey of the Real Property (the "*Survey*"). If Buyer elects to obtain a Survey, Buyer shall deliver a copy thereof to Seller, at Buyer's expense, within five (5) days of Buyer's receipt.

5.3 Buyer's Objections. Within ten (10) days after receiving the Title Commitment, Buyer shall submit to Seller written objections to the condition of title to the Real Property as set forth in the Title Commitment, or to give Seller written notice that it accepts such condition of title. Any matter affecting title that is either accepted by Buyer or not objected to by Buyer shall be a "*Permitted Encumbrance*" hereunder. Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way and other matters affecting title to the Property which are disclosed in a supplemental report issued after the effective date of the Title Commitment but before the Closing Date (hereinafter "*Intervening Liens*"), shall also be subject to Buyer's approval. Buyer shall have ten (10) days after notice in writing of any Intervening Lien, together with a description thereof and a copy of the instrument creating or evidencing the Intervening Lien, to submit written objections thereto, or to accept that matter as a Permitted Encumbrance in the manner set forth above.

5.4 Seller's Response. If Seller does not eliminate any matter disclosed by the Title Commitment or any Intervening Lien timely objected to by Buyer within ten (10) days after Buyer objects thereto, Buyer may terminate this Agreement by written notice to Seller given no later than five (5) days after the expiration of such 10-day period. Buyer may waive any one or more of any such disapproved matters at or before the Closing. If Buyer fails to timely terminate this Agreement pursuant to this Section 5.4, Buyer shall be deemed to have waived any uncured title objections and such matters shall be Permitted Encumbrances.

ARTICLE 6. CONDITION OF PROPERTY

6.1 Buyer's Acknowledgement. Buyer acknowledges that Buyer has or will have had before the Contingency Date adequate opportunity to become fully acquainted with the nature and condition, in all respects, of the Property, including but not limited to zoning, access, visibility, signage, and the condition of Seller's title thereto, the existence or availability of all entitlements, the soil and geology thereof and the manner of construction and the condition and state of repair or lack of repair of any improvements to the Property.

6.2 Property Sold "As Is". As a material inducement to the execution and delivery of this Agreement by Seller and the performance by Seller of its duties and obligations hereunder, Buyer hereby acknowledges, represents, warrants, and agrees to and with Seller that:

(a) Buyer is expressly purchasing the Property in its existing condition, "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to any and all facts, circumstances, conditions and defects relating to the Property;

(b) Seller has no obligation to repair or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same;

(c) Seller has specifically bargained for the assumption by Buyer of all responsibility to inspect and investigate the Property and of all risk of adverse conditions and has structured the purchase price in consideration thereof;

DNR-00019206

(d) Buyer has, or will have before satisfaction of the contingencies set forth in Article 3, undertaken all such physical and/or legal inspections and examinations of the Property as Buyer deems necessary or appropriate under the circumstances as to the condition of the Property and the suitability of the Property for Buyer's intended use, and based upon same, Buyer is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own agents; and

(e) Except as expressly set forth elsewhere in this Agreement, Seller is not making and has not made any representations or warranties with respect to the physical condition or any other aspect of all or any part of the Property as an inducement to Buyer to enter into this Agreement and thereafter to purchase the Property, or for any other purpose.

6.3 Hazardous Materials; Compliance With Laws. Without limiting the generality of the foregoing, Buyer specifically agrees that Seller shall have no liability to Buyer and Buyer hereby waives any right to recourse against Seller, whether arising at law or in equity, under contract, tort law, or statute (specifically including any Environmental Laws) with respect to:

(a) the presence or absence of defects or other adverse circumstances related in any way to the Property or improvements thereon;

(b) the condition of the soil;

(c) the existence or non-existence of Hazardous Materials;

(d) any past use of the Property;

(e) any legal or other restriction of the Property;

(f) the economic feasibility of the Property; or

(g) the Property's compliance or non-compliance with all laws, rules, or regulations affecting the Property, including, without limitation, all Environmental Laws.

As used in this Agreement "*Environmental Law*" means any federal, state, or local law, regulation or ordinance governing any substances that could cause actual or suspected harm to human health or the environment. As used in this Agreement "*Hazardous Material*" means any substance or material now or hereafter defined or regulated as a Hazardous Material, hazardous waste, toxic substance, pollutant, or contaminant under any Environmental Law including, without limitation, petroleum, petroleum by-products, and asbestos.

ARTICLE 7. CASUALTY; CONDEMNATION

If all or any part of the Property is substantially damaged by fire, casualty, the elements or any other cause, Seller shall immediately give notice to Buyer, and Buyer shall have the right to terminate this Agreement by giving notice within five (5) days after Seller's notice. If Buyer shall fail to give the notice, then the parties shall proceed to Closing, and Seller shall assign to Buyer all rights to insurance proceeds resulting from such event. If eminent domain proceedings are threatened or commenced against all or any part of the Real Property, Seller shall

DNR-00019207

immediately give notice to Buyer, and Buyer shall have the right to terminate this Agreement by giving notice within five (5) days after Seller's notice. If Buyer shall fail to give the notice, then the parties shall proceed to Closing, and Seller shall assign to Buyer all rights to appear in and receive any award from such proceedings.

ARTICLE 8. ASSIGNMENT

Seller may assign its rights under this Agreement with the prior written consent of Buyer, before or after the Closing. Buyer shall not assign its rights under this Agreement without the prior written approval of Seller, which shall not be unreasonably withheld. Notwithstanding the foregoing, Buyer may, in its sole and absolute discretion, assign at or prior to Closing, all of its right, title and interest under this Agreement to any corporation, partnership or limited liability company controlled by or under common control with Buyer. No assignment will relieve the assigning party of its obligations under this Agreement. Any assignment by Buyer not otherwise authorized by this Article 8 shall be null and void.

ARTICLE 9. REMEDIES

If Seller fails without legal excuse to complete the sale of the Property, Buyer may, as its sole and exclusive remedy, terminate this Agreement and receive a refund of the Earnest Money. In no event shall Buyer have any claim for damages or specific performance hereunder. If Buyer fails without legal excuse to complete the purchase of the Property, Seller may, as Seller's exclusive remedy, terminate this Agreement by written notice delivered to Buyer in which case the Earnest Money paid by Buyer shall be forfeited to Seller as liquidated damages. In no event shall Seller have any claim for specific performance hereunder.

Seller's Initials: EV Buyer's Initials: [illegible]

ARTICLE 10. NOTICES

Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party hereto, or the Title Company, shall be in writing and shall be deemed duly served and given when (a) personally delivered to any of the parties, to whom it is directed; (b) by deposit in the United States mail as first-class mail postage paid; (c) by overnight nationwide commercial courier service; or (d) by e-mail transmission with a confirmation copy to be delivered by duplicate notice in accordance with any of clauses (a) through (c) above, in each case, to the party intended to receive the same addressed as follows:

If to Seller: JSH Properties, Inc.
10655 NE 4th Street, Suite 901
Bellevue, WA 98004
Attn: Ernie Velton
Email: erniev@jshproperties.com

DNR-00019208

and to: Alston, Courtnage & Bassetti LLP
1420 Fifth Avenue, Suite 3650
Seattle, WA 98101-4011
Attn: Charles E. Shigley
Email: cshigley@alcourt.com

If to Buyer: Jeremy McNeil
P.O. Box 10400
Reno, NV 89510-0400
Email: huffakermanagement@hotmail.com

Notice delivered in accordance with the foregoing shall be effective (i) when delivered, if delivered personally or by e-mail transmission, (ii) on the next business day after being delivered in the United States (properly addressed and all fees paid) for overnight delivery service to a courier (such as Federal Express) which regularly provides such service and regularly obtains executed receipts evidencing delivery, or (iii) three (3) days after being deposited (properly addressed and stamped for first-class delivery) in a daily serviced United States mail box. Any party may change its address for the service of notice by giving notice of such change ten (10) days prior to the effective date of such change.

ARTICLE 11. GENERAL PROVISIONS

11.1 Entire Agreement. This Agreement contains the entire understanding between the parties and supersedes any prior understandings and agreements between them respecting the subject matter hereof. There are no other representations, agreements, arrangements or understandings, oral or written, between the parties hereto, relating to the subject matter of this Agreement. No amendment of or supplement to this Agreement shall be valid or effective unless made in writing and executed by the parties hereto.

11.2 Construction. The headings and subheadings throughout this Agreement are for convenience and reference only and the words contained in them shall not be held to expand, modify, amplify or aid in the interpretation, construction or meaning of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identification of the person or persons, firm or firms, corporation or corporations may require. All parties hereto have been represented by legal counsel in this transaction and accordingly hereby waive the general rule of construction that an agreement shall be construed against its drafter.

11.3 Attorneys' Fees. In the event of litigation between the parties hereto, declaratory or otherwise, in connection with or arising out of this Agreement, the prevailing party shall recover from the non-prevailing party all actual costs, actual damages and actual expenses, including attorneys' fees and charges, paralegal and clerical fees and charges and other professional or consultants' fees and charges expended or incurred in connection therewith, as set by the court, including for appeals, which shall be determined and fixed by the court as part of the judgment.

DNR-00019209

11.4 Additional Documents. Each party agrees to take such actions and to execute, acknowledge and deliver any and all documents and instruments as may be reasonably requested by the other party to carry out the purposes of this Agreement more effectively.

11.5 Binding Effect. Subject to any limiting provisions otherwise set forth in this Agreement, this Agreement shall insure to the benefit of and be binding upon the successors and assigns of the parties hereto.

11.6 Time of the Essence. Time is of the essence in each and every covenant and condition of this Agreement.

11.7 Applicable Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the state of Washington. The venue of any suit shall be exclusively in King County, Washington, and this Agreement shall be governed by the laws of the State of Washington.

11.8 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution of one counterpart by any party shall have the same force and effect as if that party had signed all other counterparts. The signatures to this Agreement may be executed on separate pages and when attached to this Agreement shall constitute one complete document. This Agreement may be signed by facsimile, and each facsimile copy so signed shall be deemed an original hereof.

11.9 Survival. This Agreement and each and every term and provision hereof will merge with and expire upon the Closing and the delivery of the Deed except those provisions that expressly provide they will survive the Closing.

11.10 Agency Disclosure. Buyer represents to Seller that Buyer has dealt with no brokers, finders or the like in connection with this transaction, and agrees to indemnify and hold Seller harmless from all claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.

11.11 Extension of Time. If the date for any performance under this Agreement falls on a weekend or holiday, the time shall be extended to the next business day.

11.12 Public Announcements. Other than those court filings necessary to complete this transaction and those necessary for the Seller to discharge its duties under RCW 7.60, *et seq.*, each of the parties to this Agreement agrees not to make any public announcement or disclosure, and to issue no press release, concerning the execution of this Agreement or the transactions contemplated hereby prior to Closing without the prior written approval of the other party, except to the extent necessary to make regulatory filings or as required by law or as may be necessary for such party to reveal to such party's lenders or proposed lenders.

11.13 No Third Party Beneficiaries. The parties to this Agreement do not intend to create rights of or obligations to third parties by the terms of this Agreement. All rights and obligations run to a party to this Agreement.

[Signatures on following page]

DNR-00019211

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year shown opposite their signatures below.

SELLER:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: Edward E. Velton

Title: Corp. Secretary

Date: 1/14/2014

BUYER:

_____

Jeremy McNeil

Date: 1/13/14

EXHIBIT A

APPOINTMENT ORDER

[Attached]

RECEIVED FOR FILING
KITSAP COUNTY CLERK
MAR 29 2013
DAVID W. PETERSON

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF KITSAP

UNION BANK, N.A., successor-in-interest to the FDIC as Receiver for Frontier Bank, Petitioner, vs. SEVEN JS INVESTMENTS, LP, a Washington limited partnership, Respondent.	Case No. 12-2-02309-5 **STIPULATED ORDER CONVERTING CUSTODIAL RECEIVERSHIP TO GENERAL RECEIVERSHIP UNDER RCW 7.60.015**

THIS MATTER having come before the Court upon the motion of Union Bank, N.A. ("Motion"), to convert the existing custodial receivership with respect to the leasehold interest, including improvements, fixtures, and personal property located thereon, for the real property commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Property"), to a general receivership; the Court having considered the files and records herein, including the Motion of Union Bank, N.A., Declaration of Jeffrey Garcea, the exhibits attached thereto, for good cause shown, and pursuant to the stipulation of Petitioner Union Bank, N.A. and

ASSAYAG ✧ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Respondent Seven Js Investment, LP ("Respondent") and RCW 7.60.015, the Court hereby orders, adjudges and decrees that:

1. The Motion to Convert Custodial Receivership to General Receivership is GRANTED.

2. The provisions of the Amended Stipulated Petition and Order Appointing Custodial Receiver entered on December 4, 2012 ("Custodial Order"), are hereby reaffirmed and shall remain in full force and effect, except as modified by this Order.

3. Section 1 of the Custodial Order is hereby replaced and restated as follows:

> Pursuant to the terms of this Order, JSH Properties, Inc. ("Receiver") is appointed as general receiver to take over, manage, operate, market, and sell the leasehold interest in that certain real property commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), including all improvements, fixtures and personal property located thereon (altogether, the "Collateral Property"), and which real property is more fully described as follows:
>
> PARCEL A:
>
> LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;
>
> TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

The Receiver is authorized to act by and through its officers, agents, and employees.

4. The first paragraph of Section 4 of the Custodial Order is hereby replaced and restated as follows:

> The Receiver shall be a "general receiver" as defined in RCW 7.60.015, with exclusive control over the Collateral Property and all the powers of a general receiver under RCW Ch. 7.60, and the duty to preserve and protect the Collateral Property, including the authority to market, sell, and liquidate the Collateral Property and/or any portion of it. In addition:

There shall be added under Section 4, a new subpart "a" as follows:

> The Receiver shall have authority to liquidate the Collateral Property pursuant to RCW 7.60.260. The Receiver's sale of any or all of the Collateral Property shall be affected free and clear of liens and of all rights of redemption, whether or not the sale will generate proceeds sufficient to fully satisfy all claims secured by the Collateral Property. Upon any sale free and clear of liens in accordance with this Order, all security interests and other liens encumbering the Collateral Property conveyed shall transfer and attach to the proceeds of the sale, net of reasonable expenses incurred in the disposition of the Collateral Property and receivership expenses allocated to the disposition of the Collateral Property, in the same order, priority, and validity as the liens had with respect to the Collateral Property immediately before the conveyance;

Original subpart "a" shall be relabeled subpart "b" and replaced and restated as follows:

> Subject to the cap set forth in subsection (e) below, the Receiver is authorized to contract with or hire, pay, direct and discharge all persons deemed necessary by the Receiver, in its sole discretion, for the operation, maintenance and sale of the

ASSAYAG ✧ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Collateral Property, including construction, improvements to and marketing for sale of the Collateral Property;

Original subparts "b" through "f" shall be relabeled "c" through "g," but otherwise remain as written.

5. Section 9 of the Custodial Order is hereby replaced and restated as follows:

The Receiver shall be entitled to the following compensation:

a. A one-time set-up fee of $4,000.00;

b. A $65 fee for each new lease of a slip or apartment;

c. A property management fee of 3.5% of monthly collections with a $4,000.00 per month minimum;

d. The Receiver is to act as listing agent/broker and will be paid a fee upon the sale of the Collateral Property in the amount of:

i. Four percent (4%) of the gross sales price; and
ii. If the buyer is represented by a separate broker, that broker would be entitled to a fee of two and one-half percent (2.5%) of the gross sales price at closing, in addition to any fees paid to Receiver.

The Receiver shall, in addition, be reimbursed for all reasonable fees and costs incurred by its outside general counsel, professionals, employees, representatives, and/or agents in the performance of its duties and obligations hereunder, including travel expenses (transportation, meals, and lodging); payment of the Receiver shall be subject to paragraph 16 below;

6. Section 23 of the Custodial Order is hereby replaced and restated as follows:

The Receiver may at any time file a motion requesting that it be exonerated, discharged, and released from its appointment as the Receiver. Such motion may be heard by the Court ten (10) court days following the date of filing of the motion and service of notice upon all parties. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court approves the Receiver's final report or until the Court enters an order terminating the receivership and discharging the Receiver. Subject to the foregoing, the foreclosure or sale of all of the Collateral Property pursuant to RCW 7.60.260 shall require the winding down and termination of the receivership.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

7. Section 24 of the Custodial Order shall be relabeled Section "25" and is hereby replaced and restated as follows:

> Unless the net proceeds resulting from the sale of the Collateral Property exceed the fees and expenses payable to the Receiver and its professionals plus the then-unpaid balance of Petitioner's loan to Respondent, the Receiver shall have no duty to: (a) prepare or file schedules of property and liabilities pursuant to RCW 7.60.090, (b) other than the reports required under Paragraph 20 of this Order, prepare or file monthly reports pursuant to RCW 7.60.100, (c) give notice to creditors or publish notice of the receivership pursuant to RCW 7.60.200, or (d) require the submission of or administer any claims.

8. A new Section 24 shall be added to the Custodial Order as follows:

> If the Receiver disposes of any or all of the Subject Properties pursuant to RCW 7.60.260, unless otherwise ordered by the Court, all proceeds from each such disposition, net of closing costs and unpaid receivership expenses, shall be remitted directly to Union Bank for application to the indebtedness owed to Union Bank;

9. Section 25 of the Custodial Order shall be relabeled Section "26", and the first sentence of Original Section 25 (New Section 26) is hereby replaced and restated as follows:

> The entry of this Order appointing a general receiver as to the Collateral Property, shall operate as a stay, applicable to all persons except Union Bank and its employees, attorneys or other authorized agents, and the Receiver, of:

10. The Custodial Order, as modified by this Order, shall constitute and be referred to collectively as the Order Appointing General Receiver.

Dated this 28 day of MAY, 2013.

STEVEN B. DIXON

JUDGE

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

STIPULATED AND AGREED to as of this 28 day of March, 2013.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership

By: [illegible] for Matthew A. Goldberg, WSBA 45809
Matthew A. Goldberg, WSBA 37410
Barbara J. Konior, WSBA 32515
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: [illegible]
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

Presented by:

ASSAYAG ❖ MAUSS
A Limited Liability Partnership

By: [illegible] for Matthew A. Goldberg, WSBA 45809
Matthew A. Goldberg, WSBA 37410
Barbara J. Konior, WSBA 32515
Assayag Mauss, LLP
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019219

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF KITSAP

UNION BANK, N.A., successor-in-interest to the FDIC as Receiver for Frontier Bank, Petitioner, vs. SEVEN JS INVESTMENTS, LP, a Washington limited partnership, Respondent.	Case No. 12-2-02309-5 **AMENDED STIPULATED PETITION AND ORDER APPOINTING CUSTODIAL RECEIVER**

THIS MATTER having come before this Court upon the amended stipulation of the Petitioner Union Bank, N.A., by its counsel, Matthew A. Goldberg of Assayag Mauss, PLC; and the Respondent, Seven Js Investments, LP, by its counsel James R. Tomlinson of Davies Pearson, P.C. (collectively, the "Parties"), for appointment of a custodial receiver with respect to the leasehold interest on the real property located at 1805 Thompson Drive, Bremerton, WA 98337 ("Collateral Lease"), as described in Union Bank's Deed of Trust, including improvements, fixtures, and other personal

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

property located thereon (altogether, the "Collateral Property"), with respect to the following facts:

STIPULATION

1. On or about December 11, 2003, Respondent signed and delivered to Frontier a Promissory Note ("Note"), evidencing a loan in the original principal amount of $1,540,000.00 (the "Loan").

2. As security for Respondent's obligations under the Note, on or about December 11, 2003, Respondent executed and delivered to Frontier a Deed of Trust (the "Deed of Trust"), on its leasehold interest in that certain real property, including all improvements located thereon, commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), and as more particularly described on the Deed of Trust. The Deed of Trust was recorded in the Official Records of Kitsap County on December 12, 2003, as File No. 200312120332. Frontier's security interest in the Collateral Lease is further evidenced by the Loan Security Agreement ("Security Agreement"), dated December 29, 2003, among Frontier, Respondent, and the State of Washington Department of Natural Resources.

3. As additional security for the Note, on or about December 11, 2003, Respondent also executed and delivered to Union an Assignment of Rents ("Assignment of Rents") for the Collateral Lease, which was recorded in the Official Records of Kitsap County on December 12, 2003, as File No. 200312120333.

4. On or about April 30, 2010, all rights, title and interest under the Note, Deed of Trust, Security Agreement, Assignment of Rents, and other loan documents were assigned to Union Bank by the FDIC as Receiver for Frontier Bank

5. No later than June 15, 2012, Respondent defaulted on the Loan by, among other things, failing to make payments when due. On or about September 4, 2012, Union Bank began nonjudicial foreclosure proceedings with respect to the Collateral Lease by

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

serving a Notice of Default on Respondent pursuant to RCW Ch. 61.24 (the "Notice of Default").

6. JSH Properties, Inc. is qualified to act as custodial receiver. The Parties hereto stipulate and agree that JSH Properties, Inc. should be appointed custodial receiver, pursuant to the terms of the Order below and pursuant to RCW 7.60.025(1)(b)(ii), to manage, collect rents, and protect the property pending nonjudicial foreclosure proceedings.

7. A Stipulated Petition and Order Appointing Receiver entered by this Court on November 27, 2012 contained an error in the address of the property subject to the receivership. This Amended Stipulated Petition and Order Appointing Receiver has been filed to correct the error.

STIPULATED AND AGREED as of this 30 day of November, 2012.

ASSAYAG ❖ MAUSS
A Professional Law Corporation

By: _____
Matthew A. Goldberg, WSBA 37410
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: _____
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

///

///

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

ORDER

The Court has reviewed and considered the amended stipulation of the Parties, and the Court being fully advised in these premises, NOW, THEREFORE, the Court deems itself fully advised and finds as follows:

A. Appointment of a receiver is appropriate (1) pursuant to the stipulation of the Parties based upon the above-stated facts; (2) pursuant to RCW 7.60.025 (1)(b)(ii); and (3) pursuant to the Court's inherent equitable powers over these proceedings.

B. JSH Properties, Inc. ("JSH" or "Receiver") is not interested in this action and is competent and qualified to act as the receiver of the property subject to the Collateral Lease (and the balance of the Collateral Property as defined in Union Bank's Petition).

Based upon the foregoing, IT IS ORDERED:

1. Pursuant to the terms of this Order, JSH is appointed as custodial receiver to take over, manage, and operate the leasehold interest in that certain real property commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), including all improvements, fixtures and personal property located thereon (altogether, the "Collateral Property"), and which Collateral Property is more fully described as follows:

Parcel A:

LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;

TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

2. The Receiver shall be appointed to take possession of all the rights, title, and interest in, and to all leases, rents, and profits derived from the Collateral Lease as well as the balance of Collateral Property. "Rents" means all present and future rents, revenues, income, issues, royalties, profits and other benefits derived from the Collateral Property. During the receivership, and until further order of the Court, the Collateral Property shall remain under this Court's exclusive jurisdiction in accordance with RCW 7.60.55. 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 in the fulfillment of the Receiver's duties;

3. The Receiver shall post a $5,000 bond with the Clerk of the Court to secure performance of the Receiver's duties hereunder, pursuant to RCW 7.60.045. The Receiver is authorized to pay the initial bond premium, and any premiums for the extension thereof, from funds belonging to the receivership estate or, in the event there

ASSAYAG ✧ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

are insufficient funds in the estate with which to pay such premiums, to be subsequently reimbursed for the bond premiums from estate funds once sufficient funds become available;

4. The Receiver shall be a "custodial receiver" with exclusive control over the Collateral Property and all the powers vested in it under RCW Ch. 7.60.060. In addition:

a. Subject to the cap set forth in Paragraph 4(d) below, the Receiver is authorized to contract with or hire, pay, direct, and discharge all persons deemed necessary by the Receiver, in its sole discretion, for the operation and maintenance of the Collateral Property, including construction and improvements to the Collateral Property;

b. The Receiver may bring and prosecute actions for the recovery of any receivership property that may be in the possession of any third party;

c. The Receiver shall have the power to do all things which the owner of the business or the Collateral Property might do in the ordinary course of the operation of the business as a going concern or use of the Collateral Property, including, but not limited to, the purchase and sale of goods or services in the ordinary course of such business, and the incurring and payment of expenses of the business or Collateral Property in the ordinary course. Additionally, the Receiver shall have all of the powers provided by RCW 7.60.130 relative to executory contracts and unexpired leases;

d. Notwithstanding any of the foregoing, the Receiver shall not make an expenditure or incur an obligation to a third party in excess of $5,000, without first obtaining the consent of Union Bank or a Court order;

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

e. The Receiver may open and maintain such bank accounts as may be necessary for the deposit of monies collected or received by the Receiver. The Receiver shall have the power to present for payment any checks, money orders, and other forms of payment made payable to Respondent, or such similar names, trade names, or aliases, which constitute or are derived from the rents and profits (as that term is defined in the Deed of Trust and/or Assignment of Rents granted by Respondent for the Collateral Property), endorse same and collect the proceeds thereof, such proceeds to be used and maintained as elsewhere provided herein. The Receiver may obtain a federal tax identification number to provide to such banks so as to establish such accounts; and

f. The Receiver may enter into new leases or modify existing leases and enforce the terms of all existing leases, including any guaranties; provided, however, that the Receiver shall not modify the Collateral Lease without the prior written approval of Union Bank;

5. The Receiver is authorized to perform legal, accounting, consulting, and tax services with respect to the Collateral Property, as necessitated by this proceeding or by law, in connection with the performance of the Receiver's duties. The Receiver shall be under no obligation to complete or file tax returns, or other regulatory or governmental reports, on behalf of Respondent. Such responsibilities shall remain with Respondent; but the Receiver shall furnish Respondent with such access to books and records within the Receiver's custody or control as reasonably may be requested by Respondent and necessary in order for them to complete and file such returns, or other regulatory or governmental filings or reports;

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019226

6. No obligation incurred by the Receiver in the good faith performance by it of the Receiver's duties in accordance with the order of this Court, except to the extent such obligation is found to have resulted from willful misconduct or fraudulent behavior, whether pursuant to any contract, by reason of any tort, or otherwise, shall be the Receiver's personal obligation; rather, the recourse of any person or entity to whom the Receiver becomes obligated in connection with the performance of its responsibilities, shall be solely against the Collateral Property. Notwithstanding any provisions of this Order that may be construed otherwise, the Receiver shall not be required to expend any personal funds to comply with any of the provisions of this Order;

7. The Receiver is authorized to do all things determined by the Receiver to be necessary to protect and preserve the Collateral Property and the proceeds thereof, and to maintain or enhance its value or income producing potential, and to exercise all of the powers, duties, and other authorities as may be provided by law or which may be necessary in the fulfillment of the Receiver's duties, and all powers that the owner of the Collateral Property itself might exercise with respect thereto or with respect to the business associated with it, including, but not limited to, making such repairs, alterations or improvements to the Collateral Property as the Receiver deems prudent or legally required;

8. The Receiver is authorized to acquire or renew all governmental licenses, permits, or other authorizations, either in the Receiver's name or in the name of Respondent, pertaining to the Collateral Property or any business associated therewith;

9. The Receiver will be compensated as follows:

a. A one-time set-up fee of $4,000.00;

b. A $65 fee for each new lease of a slip or apartment; and

c. A property management fee of 3.5% of monthly collections with a $4,000.00 per month minimum.

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

The Receiver shall, in addition, be reimbursed for all reasonable fees and costs incurred by its outside general counsel, professionals, employees, representatives, and/or agents in the performance of its duties and obligations hereunder, including travel expenses (transportation, meals, and lodging); payment of the Receiver shall be subject to paragraph 16 below;

10. The Receiver may appoint attorneys, accountants, and other professionals to assist the Receiver in carrying on its obligations, as provided by RCW 7.60.180. The law firm of Alston, Courtnage & Bassetti LLP is hereby authorized and appointed to act as attorneys for the Receiver and shall be paid for all services at the regular hourly rates of any attorneys of the firm. Attorney, Charles Shigley, whose hourly rate is $310, shall be the responsible attorney in this matter;

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

12. The Receiver may issue demand that the U.S. Postal Service grant exclusive possession and control of mail, including postal boxes, as may have been used by Respondents and may direct that certain mail related to the Collateral Property be re-directed to the Receiver;

13. Upon taking possession of the Collateral Property, the Receiver shall determine whether, in the Receiver's judgment, there is sufficient insurance coverage. With respect to any insurance coverage in existence or obtained, the Receiver, Union Bank, and the property management company, if one exists, shall be named as additional

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019228

insureds 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 Collateral Property (excluding earthquake and flood insurance); provided, however, that if the Receiver does not have sufficient funds to do so, the Receiver shall seek instructions from the Court with regard to adequately insuring the Collateral Property. The Receiver shall not be responsible for claims arising from the lack of procurement or inability to obtain insurance;

14. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court enters an order terminating the receivership;

15. This Court shall retain jurisdiction over any dispute arising from the receivership, or relating to the Receiver, which jurisdiction shall be exclusive and shall survive the termination of the receivership;

16. The Receiver is authorized to make payment for its fees and costs incurred in accordance with paragraph 9 and paragraph 10, including the fees and costs of its attorneys, accountants, professionals, employees, representatives, and/or agents (collectively, the "Receiver's Costs"), on a periodic basis, but in any event not more than monthly. Per RCW 7.60.180(4), the Receiver may pay itself and its counsel from the funds generated from the Collateral Property or proceeds therefrom, without further leave of the Court. If the gross receipts derived from the Collateral Property are not sufficient to pay the approved and earned Receiver's Costs, Union Bank shall pay such amounts; provided, however, that any such payment by Union Bank shall be considered an advance under the Deed of Trust securing the Bank's interest herein, entitled to first-position priority status according to the terms thereof;

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

17. Respondent, and its attorneys, managers, partners, and employees, shall cooperate with the Receiver in connection with the Receiver's management and operation of the Collateral Property. Each of them shall relinquish and deliver possession of the Collateral Property to the Receiver upon his demand, and shall turn over to the Receiver:

a. The possession of the Collateral Property, including all keys to all locks on the Collateral Property, and the records, books of account, ledgers, and all business records for the Collateral Property (including, without limitation, the plans, specifications and drawings relating to or pertaining to any part or all of the Collateral 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);

b. All documents that constitute or pertain to licenses, permits or governmental approvals relating to the Collateral Property;

c. All documents that constitute or pertain to insurance policies, whether currently in effect or lapsed, that relate to the Collateral Property;

d. All leases and subleases, royalty agreements, licenses, assignments or other agreements of any kind, whether currently in effect or lapsed, that relate to the Collateral Property, and any and all notice and correspondence files related thereto;

e. All documents pertaining to the condition of the Collateral Property or the past, present, or future construction or rehabilitation of any type with respect to all or part of the Collateral Property, including any consultant or third-party inspection reports;

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

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

g. All rents, profits and/or other proceeds derived from the Collateral 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 that tenants have paid to Respondents or their agents and that are not paid to the Receiver, and over which the Receiver has no control, shall be obligations of Respondent 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;

h. Upon request of the Receiver, Respondent shall instruct all property managers, agents, tenants, or others now or hereafter in possession of the Collateral Property or any portion of the Collateral Property to make all such rent or other payments to the Receiver or the Receiver's designee;

18. 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

ASSAYAG ✣ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Respondents and to surrender any and all funds held on deposit or apply said funds as directed by the Receiver;

19. The Receiver is authorized, in its sole discretion, to initiate environmental due diligence requested by Petitioner. The Receiver is further authorized to undertake any reasonably necessary steps to remediate and/or cleanup hazardous materials presently existing under, on or about the Collateral Property, and to hire consultants and/or experts to assist in doing so, with the approval of Petitioner, subject to the limitations of paragraph 4(e) above. The Receiver shall have no liability for any environmental due diligence, inspections, hazardous materials contamination or any environmental monitoring or remediation it initiates. Additionally, Receiver shall have no duty to investigate the design, construction or condition of any of the improvements now or hereafter constructed on the Collateral Property (collectively, the "Improvements"). Nonetheless, Receiver may investigate or inspect the Improvements without incurring liability for any design, construction, state of repair or other defect relating to those Improvements, or for any damage to the Improvements, whether now known or later discovered. Receiver may, without incurring any personal liability, rely upon and utilize, including following any recommendations set forth therein, any existing or future inspection or consultant reports, plans and specifications and other documentation related to the Improvements and the Collateral Property. Receiver shall have no liability for any statement, error or omission contained in, or omitted from, any such existing or future inspection or consultant reports and other similar or related documentation;

20. The Receiver shall make periodic reports to Union Bank of the steps taken to further the above-described activities and such other matters as are proper, and shall make a final report and accounting to the Court upon discharge. Each report shall include a statement of income, expenses, and reimbursements for the preceding calendar month,

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019232

along with any additional information regarding the operation of the Collateral Property in narrative form. The Receiver's periodic reports shall be made on at least a monthly basis, with each such report due on the thirtieth (30th) day of each month for the immediately preceding month. Other than the final report and accounting submitted to the Court upon discharge, the Receiver shall have no reporting requirements except for those to Union Bank just described;

21. The Receiver shall, on the tenth (10th) day of each month for the immediately preceding month during this receivership, deliver to Union Bank the Net Rents derived from the Collateral Property during that month. For purposes of this Order, "Net Rents" shall mean all Rents and Proceeds derived from the Collateral Property, less fees of the Receiver and its authorized counsel and other employed professionals;

22. In the event of a sale or other transfer (including foreclosure) of any or all of the Collateral Property, the Receiver shall deliver to Petitioner, on the date immediately preceding the date of such sale, any remaining Net Rents collected by the Receiver during the pendency of this action, related to the property to be sold and then in the possession of the Receiver;

23. The Receiver may at any time file a motion requesting that it be exonerated, discharged and released from its appointment as the Receiver. Such motion may be heard by the Court ten (10) court days following the date of filing of the motion and service of notice upon all parties. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court approves the Receiver's final report or until the Court enters an order terminating the receivership and discharging the Receiver. Subject to the foregoing, any foreclosure sale of the Property shall require the winding down and termination of the receivership;

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

24. Being a custodial Receiver, and not a general Receiver, the Receiver shall be under no duty, unless otherwise ordered by this Court, to give general notice to creditors of this proceeding or to require the submission of claims;

25. The entry of this Order appointing a custodial receiver with respect to the Collateral Property shall operate as a stay, applicable to all persons except Union Bank and its employees, attorneys or other authorized agents, and the Receiver, of:

a. The commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the person over whose property the Receiver is appointed that was or could have been commenced before the entry of the order of appointment, or to recover a claim against the person that arose before the entry of the order of appointment;

b. The enforcement, against the person over whose property the Receiver is appointed or any estate property, of a judgment obtained before entry of the order of appointment;

c. Any act to obtain possession of estate property from the Receiver, or to interfere with, or exercise control over, estate property;

d. Any act to create, perfect, or enforce any lien or claim against estate property except by exercise of a right of setoff, to the extent that the lien secures a claim against the person that arose before the entry of the order of appointment; or

e. Any act to collect, assess, or recover a claim against the person that arose before the entry of the order of appointment;

///

///

///

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019234

The stay shall remain in effect until the earlier of 1) the termination of the receivership; or 2) entry of an order terminating the stay upon the motion of any party in interest.

DONE in open court this 4 day of December, 2012.

JUDGE/~~COMMISSIONER~~

STEVEN B. DIXON

Presented by:

ASSAYAG ❖ MAUSS
A Professional Law Corporation

By: _____
Matthew A. Goldberg, WSBA 37410
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: _____
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

STATE OF WASHINGTON
COUNTY OF KITSAP

I, DAVID W. PETERSON, Clerk of the above entitled County do hereby certify that the foregoing instrument is a true and exact copy of the original now on file in my office.

In witness whereof I hereunto set my hand and the seal of said Court this 4 day of DEC 2012

DAVID W. PETERSON, COUNTY CLERK

By _____ Deputy

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

EXHIBIT B

LEGAL DESCRIPTION

PARCEL A:

LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;

TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

EXHIBIT C

PERSONAL PROPERTY

None.

EXHIBIT D

RENT ROLL

Rent Roll - Occupancy Summary

As of Date: 12/31/2013 Show Excluded Units: No Show All Amounts: Monthly

Property: Port Washington Marina - 8364

Unit	Lease Name	Lease Type	Lease From	Lease To	Term (Months)	Area	Base Rent	Rent Per Area	Recovery Per Area	Misc Per Area	Total Per Area	Deposit
02	(b) (6)	Moorage	10/1/2013		-	72.00	297.50	3.97	0.07	0.73	4.32	0.00
03		Moorage	1/1/2012			56.00	252.00	3.29	0.08	0.90	4.07	385.00
04		Moorage	10/1/2013			56.00	264.00	4.06	0.08	0.91	5.05	0.00
08		Moorage	1/1/2012			56.00	333.30	5.95	0.09	0.07	6.11	170.00
09		Moorage	1/1/2012		-	42.00	297.50	7.08	0.12	1.07	8.27	342.50
11		Moorage	1/1/2012			42.00	181.50	4.32	0.12	0.08	4.52	380.00
14		Moorage	1/1/2012		-	42.00	127.50	3.27	0.12	0.08	3.47	345.00
17		Moorage	1/1/2012		-	42.00	302.40	7.20	0.12	0.08	7.40	240.50
19, 53		Moorage	1/1/2012			42.00	249.90	5.95	0.12	1.15	7.22	310.00
23		Moorage	1/1/2013			42.00	221.00	5.50	0.12	1.39	7.01	405.00
24		Moorage	1/1/2012		-	42.00	221.00	5.50	0.12	0.08	5.70	0.00
29		Moorage	1/1/2012		-	42.00	196.35	4.68	0.12	0.08	4.87	405.00
31		Moorage	1/1/2012			42.00	182.50	4.32	0.12	0.08	4.52	370.00
34		Moorage	1/1/2012			42.00	249.90	5.95	0.12	0.08	6.15	405.00
37		Moorage	4/1/2013			42.00	143.00	3.40	0.12	0.08	3.60	170.00
38		Moorage	4/15/2013			42.00	132.00	3.14	0.12	0.08	3.34	305.00
39		Moorage	1/1/2012			42.00	249.90	5.95	0.12	0.08	6.15	405.00
40, 57		Moorage	1/1/2012			42.00	249.90	5.95	0.12	1.39	7.46	380.00
42		Moorage	1/1/2012			42.00	249.90	5.95	0.12	0.08	6.15	20.00
43		Moorage	1/1/2012			42.00	231.00	5.50	0.12	0.08	5.70	370.00
44		Moorage	1/1/2012			42.00	302.40	7.20	0.12	0.08	7.40	371.50
45		Moorage	1/1/2012		-	42.00	166.60	3.97	0.12	0.08	4.17	305.00
46		Moorage	1/1/2012		-	42.00	249.90	5.95	0.12	0.08	6.15	390.50
47		Moorage	1/1/2012		-	42.00	249.90	5.95	0.12	0.08	6.15	395.00
50, 51		Moorage	1/1/2012		-	84.00	499.80	5.95	0.12	0.73	6.80	725.00
55		Moorage	4/1/2013			42.00	110.00	2.62	0.12	0.08	2.82	120.00
56		Moorage	1/1/2012		-	42.00	231.00	5.50	0.12	0.08	5.70	375.00
58		Moorage	4/1/2013		-	42.00	181.50	4.32	0.12	0.08	4.52	320.00
60		Moorage	1/1/2013		-	42.00	231.00	5.50	0.12	1.39	7.01	405.00
62, 55		Moorage	1/1/2012		-	42.00	302.40	7.20	0.12	2.22	9.54	368.00
64, 52		Moorage	1/1/2012			42.00	249.90	5.95	0.12	1.15	7.22	260.00
65		Moorage	4/1/2013			42.00	181.50	4.32	0.12	0.08	4.52	0.00

Rent Roll - Occupancy Summary 1/9/2014 2:04:04 PM

Unit	Lessee Name	Lease Type	Lease From	Lease To	Term (Months)	Area	Base Rent	Rent Per Area	Recovery Per Area	Misc Per Area	Total Per Area	Deposit
46	(b) (6)	Moorage	1/1/2012		-	42.00	249.90	5.95	0.12	0.08	6.15	30.00
47		Moorage	1/1/2012		-	42.00	231.00	5.50	0.12	1.39	7.01	450.00
69, 54		Moorage	1/1/2012		-	42.00	249.90	5.95	0.12	1.15	7.22	405.00
73, 54		Moorage	1/1/2012			52.00	309.40	5.95	0.10	1.00	6.65	480.00
74		Moorage	5/1/2013			31.00	130.00	1.50	0.00	0.00	1.50	0.00
75		Moorage	12/1/2012		-	52.00	286.00	5.50	0.10	2.00	7.60	0.00
78		Moorage	1/1/2012		-	33.00	121.00	3.67	0.15	0.10	3.92	145.00
79		Moorage	1/1/2012		-	33.00	196.35	5.95	0.15	0.10	6.20	380.00
81		Moorage	5/1/2013			33.00	121.00	1.67	0.15	0.10	1.92	150.00
83		Moorage	7/1/2013		-	29.00	121.00	4.05	0.25	0.17	4.47	0.00
8		Residential	1/1/2012		-	840.00	645.00	0.77	0.00	0.00	0.77	500.00
9		Residential	1/1/2012		-	840.00	595.00	0.71	0.06	0.00	0.76	1,000.00
02	VACANT	N/A	12/31/2013	12/31/2013	-	75.00	0.00	0.00	0.00	0.00	0.00	0.00
05	VACANT	N/A	12/31/2013	12/31/2013	-	56.00	0.00	0.00	0.00	0.00	0.00	0.00
07	VACANT	N/A	12/31/2013	12/31/2013	-	46.00	0.00	0.00	0.00	0.00	0.00	0.00
08	VACANT	N/A	12/31/2013	12/31/2013	-	46.00	0.00	0.00	0.00	0.00	0.00	0.00
10	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
12	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
13	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
15	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
16	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
18	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
20	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
21	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
22	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
25	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
26	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
27	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
28	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
30	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
32	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
33	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
35	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
36	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
41	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
48	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
49	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
52	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
53	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
54	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
57	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
59	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
61	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
62	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00
65	VACANT	N/A	12/31/2013	12/31/2013		42.00	0.00	0.00	0.00	0.00	0.00	0.00

Unit	Lessee Name	Lessee Type	Lease From	Lease To	Term (Months)	Area	Base Rent	Rent Per Area	Recovery Per Area	Misc Per Area	Total Per Area	Deposit
70	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
71	VACANT	N/A	12/31/2013	12/31/2013	-	42.00	0.00	0.00	0.00	0.00	0.00	0.00
72	VACANT	N/A	12/31/2013	12/31/2013	-	52.00	0.00	0.00	0.00	0.00	0.00	0.00
76	VACANT	N/A	12/31/2013	12/31/2013	-	52.00	0.00	0.00	0.00	0.00	0.00	0.00
77	VACANT	N/A	12/31/2013	12/31/2013	-	52.00	0.00	0.00	0.00	0.00	0.00	0.00
80	VACANT	N/A	12/31/2013	12/31/2013	-	20.00	0.00	0.00	0.00	0.00	0.00	0.00
82	VACANT	N/A	12/31/2013	12/31/2013	-	20.00	0.00	0.00	0.00	0.00	0.00	0.00
84	VACANT	N/A	12/31/2013	12/31/2013	-	20.00	0.00	0.00	0.00	0.00	0.00	0.00
OFFICE	VACANT	N/A	12/31/2013	12/31/2013	-	33.00	0.00	0.00	0.00	0.00	0.00	0.00
26	VACANT	N/A	12/31/2013	12/31/2013	-		0.00	0.00	0.00	0.00	0.00	0.00

Summary

	Total Units	Percentage	Total Area	Percentage	Total Base Rent	Total Rent Per Area	Total Recovery Per Area	Total Misc Per Area	Total Charges Per Area	Total Deposits
Occupied	51	54.26 %	46707	6.00 %	10,873.40	0	0	0	0	13781.00
Vacant	43	45.74 %	1007.0000	100.00 %	0.00	0	0	0	0	0.00
Totals	94		1007.0000		10,873.40	6.0177765577341579567357941339	0	0	0	13781.00

DNR-0001924O

EXHIBIT E

CONTRACTS

None.

EXHIBIT F

DISCLOSURE STATEMENT

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any * items, please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and sign each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five business days, unless otherwise agreed, after mutual acceptance of a written contract to purchase between a buyer and a seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LEGALLY DESCRIBED ON ATTACHED EXHIBIT A ("THE PROPERTY").

SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller. . . . is/ . X . .is not occupying the property.

I. SELLER'S DISCLOSURES:

If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

			1. TITLE AND LEGAL
[ ] Yes	[ ] No	[ ] Don't know	A. Do you have legal authority to sell the property? If no, please explain.
[ ] Yes	[ ] No	[ ] Don't know	*B. Is title to the property subject to any of the following: (1) First right of refusal (2) Option (3) Lease or rental agreement (4) Life estate?
[ ] Yes	[ ] No	[ ] Don't know	*C. Are they any encroachments, boundary agreements, or boundary disputes?
[ ] Yes	[ ] No	[ ] Don't know	*D. Is there any lease parking?
[ ] Yes	[ ] No	[ ] Don't know	*E. Is there a private road or easement agreement for access to the property?
[ ] Yes	[ ] No	[ ] Don't know	*F. Are there any rights-of-way, easements, shared use agreements, or access limitations?
[ ] Yes	[ ] No	[ ] Don't know	*G. Are there any written agreements for joint maintenance of an easement or right-of-way?
[ ] Yes	[ ] No	[ ] Don't know	*H. Are there any zoning violations or nonconforming uses?
[ ] Yes	[ ] No	[ ] Don't know	*I. Is there a survey for the property?
[ ] Yes	[ ] No	[ ] Don't know	*J. Are there any legal actions pending or threatened that affect the property?
[ ] Yes	[ ] No	[ ] Don't know	*K. Is the property in compliance with the Americans with Disabilities Act?
			2. WATER
[ ] Yes	[ ] No	[ ] Don't know	*Are there any water rights for the property, such as a water right permit, certificate or claim?
			3. SEWER/ON-SITE SEWAGE SYSTEM
[ ] Yes	[ ] No	[ ] Don't know	*Is the property subject to any sewage system fees or charges in addition to those covered in your regularly-billed sewer or on-site sewage system maintenance service?
			4. STRUCTURAL
[ ] Yes	[ ] No	[ ] Don't know	*A. Has the roof leaked within the last five years?

[ ] Yes	[ ] No	[ ] Don't know	*B. Has any occupied subsurface flooded or leaked within the last five years?
[ ] Yes	[ ] No	[ ] Don't know	*C. Have there been any conversions, additions, or remodeling?
[ ] Yes	[ ] No	[ ] Don't know	*(1) If yes, were all building permits obtained?
[ ] Yes	[ ] No	[ ] Don't know	*(2) If yes, were all final inspections obtained?
[ ] Yes	[ ] No	[ ] Don't know	*D. Has there been any settling, slippage, or sliding of the property of its improvements?
[ ] Yes	[ ] No	[ ] Don't know	*E. Are there any defects with the following: (If yes, please check applicable items and explain).

[ ] Foundations
[ ] Doors
[ ] Ceilings
[ ] Sidewalks
[ ] Other
[ ] Interior Walls

[ ] Slab Floors
[ ] Outbuildings
[ ] Exterior Walls
[ ] Siding
[ ] Windows

5. SYSTEMS AND FIXTURES

[ ] Yes	[ ] No	[ ] Don't know	*Are there any defects in the following systems? If yes, please explain.
[ ] Yes	[ ] No	[ ] Don't know	(1) Electrical system
[ ] Yes	[ ] No	[ ] Don't know	(2) Plumbing system
[ ] Yes	[ ] No	[ ] Don't know	(3) Heating and cooling systems
[ ] Yes	[ ] No	[ ] Don't know	(4) Fire and security system

6. ENVIRONMENTAL

[ ] Yes	[ ] No	[x] Don't know	*A. Has there been any flooding, standing water, or drainage problems on the property that affect the property or access to the property?
[ ] Yes	[ ] No	[x] Don't know	*B. Is there any material damage to the property from fire, wind, floods, beach movements, earthquake, expansive soils, or landslides?
[ ] Yes	[ ] No	[x] Don't know	*C. Are there any shorelines, wetlands, floodplains, or critical areas on the property?
[ ] Yes	[ ] No	[x] Don't know	*D. Are there any substances, materials, or products in or on the property that may be environmental concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, or contaminated soil or water?
[ ] Yes	[ ] No	[x] Don't know	*E. Is there any soil or groundwater contamination?

[ ] Yes	[ ] No	[x] Don't know	*F. Has the property been used as a legal or illegal dumping site?
[ ] Yes	[ ] No	[x] Don't know	*G. Has the property been used as an illegal drug manufacturing site?
			7. FULL DISCLOSURE BY SELLERS A. Other conditions or defects:
[ ] Yes	[ ] No	[ ] Don't know	*Are there any other existing material defects affecting the property that a prospective buyer should now about?

B. Verification:
The foregoing answer and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy hereof. I/we authorize all of my/our real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.

SELLER:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: Edward R. Velton

Title: Corp. Secretary

Date: 1/14/2014

NOTICE TO BUYER

INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.

II. BUYER'S ACKNOWLEDGMENT

A. Buyer hereby acknowledges that: Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation.

B. The disclosures set forth in this statement and in any amendments to this Statement are made only by the Seller and not by any real estate licensee or other party.

C. Buyer acknowledges that, pursuant to RCW 64.06.050(2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information.

D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller.

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a copy or this Disclosure Statement (including attachments, if any) bearing Seller's signature.

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY.

BUYER:

_____

Jeremy McNeil

Date: _____

The seller disclosure statement shall be for disclosure only, and shall not be considered part of any written agreement between the buyer and seller of residential property. The seller disclosure statement shall be only a disclosure made by the seller, and not any real estate licensee involved in the transaction, and shall not be construed as a warranty of any kind by the seller or any real estate licensee involved in the transaction.

EXHIBIT G

BARGAIN AND SALE DEED

WHEN RECORDED RETURN TO:

_____
_____
_____
_____

BARGAIN AND SALE DEED

Grantor:	JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington
Grantee:	_____, a _____
Abbreviated Legal Description:	ALL OF PORT WASHINGTON CONDOMINIUM AND PORTION LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS (See Exhibit 1 for complete legal description)
Assessor's Property Tax Parcel Account Number(s):	8054-000-000-0206; 8054-000-001-0007; 8054-000-002-0006 (See Exhibit 2 for complete list of Assessor's Property Tax Parcel Account Numbers)
Reference #s of Documents Assigned or Released:	N/A

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington ("*Grantor*") for and in consideration of Ten Dollars ($10.00) in hand paid, bargains, sells, and conveys to _____, a _____ ("*Grantee*") that certain real property situated in Kitsap County, Washington, and legally described in Exhibit 1 attached hereto and by this reference, incorporated herein. Subject, however, to the exceptions to

title more specifically set forth on Exhibit 3 attached hereto and incorporated herein by this reference.

Dated this _____ day of _____, 2014.

GRANTOR:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared _____, known to me to be the _____ of **JSH PROPERTIES, INC.**, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

I certify that I know or have satisfactory evidence that the person appearing before me and making this acknowledgment is the person whose true signature appears on this document.

WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

_____
Signature

_____
Print Name
NOTARY PUBLIC in and for the State of Washington, residing at _____.
My commission expires _____.

EXHIBIT 1

LEGAL DESCRIPTION

PARCEL A:

LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;

TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

EXHIBIT 2

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBERS

8054-000-000-0206; 8054-000-001-0007; 8054-000-002-0006; 8054-000-003-0005;
8054-000-004-0004; 8054-000-005-0003; 8054-000-006-0002; 8054-000-007-0001;
8054-000-008-0000; 8054-000-009-0009; 8054-000-010-0006; 8054-000-011-0005;
8054-000-012-0004; 8054-000-013-0003; 8054-000-014-0002; 8054-000-015-0001;
8054-000-061-0000; 8054-000-017-0009; 8054-000-018-0008; 8054-000-019-0007;
8054-000-020-2004; 8054-000-021-0003; 8054-000-022-0002; 8054-000-023-0001;
8054-000-024-0000; 8054-000-025-0009; 8054-000-026-0008; 8054-000-027-0007;
8054-000-028-0006; 8054-000-029-0005; 8054-000-030-0002; 8054-000-031-0001;
8054-000-032-0000; 8054-000-033-0009; 8054-000-034-0008; 8054-000-035-0007;
8054-000-036-0006; 8054-000-034-0005; 8054-000-038-0004; 8054-000-039-0003;
8054-000-040-0000; 8054-000-041-0009; 8054-000-042-0008; 8054-000-043-0007;
8054-000-044-0006; 8054-000-045-0005; 8054-000-046-0004; 8054-000-047-0003;
8054-000-048-0002; 8054-000-049-0001; 8054-000-050-0007; 8054-000-051-0006;
8054-000-052-0005; 8054-000-053-0004; 8054-000-054-0003; 8054-000-055-0002;
8054-000-056-0001; 8054-000-057-0000; 8054-000-058-0009; 8054-000-059-0008;
8054-000-060-0005; 8054-000-061-0004; 8054-000-062-0003; 8054-000-063-0002;
8054-000-064-0001; 8054-000-065-0000; 8054-000-066-0009; 8054-000-067-0008;
8054-000-068-0007; 8054-000-069-0006; 8054-000-070-0003; 8054-000-071-0002;
8054-000-072-0001; 8054-000-073-0000; 8054-000-074-0009; 8054-000-075-0008;
8054-000-076-0007; 8054-000-077-0006; 8054-000-078-0005; 8054-000-079-0004;
8054-000-080-0001; and 8054-000-010-0002

EXHIBIT 3

PERMITTED EXCEPTIONS

EXHIBIT H

BILL OF SALE

THIS BILL OF SALE (this "*Bill of Sale*") is executed as of _____, 2014, by JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington ("*Seller*") in favor of _____, a _____ ("*Buyer*").

1. Real Property. The "*Real Property*" shall mean the real property located in Kitsap County, Washington, more particularly described on the attached Exhibit A.

2. Personal Property. The "*Personal Property*" shall mean all furniture, furnishings, fixtures, equipment, machinery, maintenance vehicles and equipment, tools, parts, recreational equipment, carpeting, window treatments, stationery and other office supplies, and other tangible personal property of every kind and description situated in, on, over and under the Real Property or used in connection therewith, owned by Seller or in which Seller otherwise has an interest and which is not owned by tenants of the Real Property, together with all replacements and substitutions therefor, including, without limitation, those certain articles of personal property which are described in the attached Exhibit B.

3. Sale. For good and valuable consideration received by Seller, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, assigns and transfers to Buyer all of Seller's right, title and interest in and to the Personal Property.

4. Disclaimer of Warranties. This Bill of Sale is made without recourse or warranty whatsoever. Buyer hereby acknowledges and agrees that Buyer and its representatives have been afforded the opportunity to make such inspections of the Personal Property and matters related thereto as they desire. Buyer acknowledges that Seller has not made and does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Personal Property or any such related matters and the Personal Property or any such related matters and the Personal Property is sold to Buyer in an "AS IS" condition.

[Signature on following page]

IN WITNESS WHEREOF, Seller has executed this Bill of Sale the day and year first above written.

SELLER:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: _____

Title: _____

EXHIBIT I

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS ("*Assignment*") is entered into as of _____, 2014, by and between JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington ("*Assignor*") and _____, a _____ ("*Assignee*").

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged Assignor hereby assigns, transfers and conveys to Assignee all leases identified on the attached Exhibit A (the "*Leases*") affecting that certain real property in Kitsap County, Washington, more particularly described in Exhibit B attached hereto (the "*Property*"). Assignor is also hereby assigning and transferring to Assignee any security deposits held by Assignor under the Leases as shown on the attached Exhibit A.

Assignee hereby assumes and agrees to keep, perform and fulfill all of Assignor's obligations under the Leases which are required to be kept, performed and fulfilled by Assignor thereunder, effective from and after the date on which a deed of the Property from Assignor to Assignee is recorded (the "*Closing Date*").

The covenants and warranties contained herein will survive the closing of the purchase and sale of the Property to which this Assignment relates, and such covenants and warranties will not be deemed merged in the deed delivered by Assignor to Assignee.

This Assignment will be binding on and inure to the benefit of the parties hereto, their successors in interest and assigns.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year shown opposite their signatures below.

ASSIGNOR:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: _____

Title: _____

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Title: _____

EXHIBIT J

TENANT NOTIFICATION LETTER

_____, 2014

Dear Tenant:

This is to advise you that as of _____, 2014, _____ has been sold to _____, a _____. All payments of rent and other charges due under your lease, including the rent payment due _____, 2014, should be paid to _____, and delivered to the new owner at:

_____
_____
_____
_____

Your security deposit, if any, has also been transferred to _____, and the new owner will be responsible for its return to you pursuant to the terms of your lease agreement.

Very truly yours,

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: _____

Title: _____

EXHIBIT K

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS ("*Assignment*") is entered into as of _____, 2014, by and between JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington ("*Assignor*") and _____, a _____ ("*Assignee*").

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged Assignor hereby assigns, transfers and conveys to Assignee all contracts identified on the attached Exhibit A (the "*Contracts*") related to the ownership and operation of that certain real property in Kitsap County, Washington (the "*Property*").

Assignee hereby assumes and agrees to keep, perform and fulfill all of Assignor's obligations under the Contracts which are required to be kept, performed and fulfilled by Assignor thereunder, effective from and after the date on which a deed of the Property from Assignor to Assignee is recorded (the "*Closing Date*").

The covenants and warranties contained herein will survive the closing of the purchase and sale of the Property to which this Assignment relates, and such covenants and warranties will not be deemed merged in the deed delivered by Assignor to Assignee.

This Assignment will be binding on and inure to the benefit of the parties hereto, their successors in interest and assigns.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year shown opposite their signatures below.

ASSIGNOR:

JSH PROPERTIES, INC., a Washington corporation, as general receiver for Seven Js Investments, LP, under Case No. 12-2-02309-5, in the Superior Court of Kitsap County, Washington

By: _____

Name: _____

Title: _____

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Title: _____

Charge Batch

Total Declared: 3891.60

Total Entered: 3891.60

Batch=1600006810

Tran#	Property	Unit	Tenant	Name	Status	A/R Acct	Inc. Acct	Date	Period	Charge Code	Description	Charge	Remarks
0977													
C-77805	0977	6744A	t0001414	Seattle GP, LLC	Current	1105-00	4515-00	11/11/2013	12-2013	late	Late Fee	1,798.99	11/13 Late Fee
C-77806	0977	6744A	t0001414	Seattle GP, LLC	Current	1105-00	4515-00	12/11/2013	12-2013	late	Late Fee	2,092.61	12/13 Late Fee
Total												3,891.60	
Total 0977												3,891.60	
												3,891.60	

DNR-00019259

April 4, 2014

Mr. Jeremy McNeil, President
Bridgeview Marina, Inc.
PO Box 10400
Reno, NV 89510-0400

Subject: Involuntary Assignment of Aquatic Lands Lease Number 22-A02332

Dear Mr. McNeil:

Enclosed are two (2) identical originals of Involuntary Assignment of Aquatic Lands Lease Number 22-A02332 for your review. If they meet with your approval, please sign and date both copies, notarize each document on the page with the certificate of acknowledgement, and return them within sixty (60) days to:

Washington State Department of Natural Resources
Aquatics Division, Shoreline District
950 Farman Ave North
Enumclaw, WA 98022

Before DNR can finalize your Involuntary Assignment, within sixty (60) days we must also receive:

1. A check for the Rent due for the period of May 1, 2014, to July 31, 2014, in the amount of $2,931.05, plus Leasehold Tax of $376.35 for a total of $3,307.40, pursuant to 4.1 of the Lease.

2. Financial security that will be in place at the commencement of the Lease term to ensure full performance of Lease terms in the amount of $25,000, pursuant to 10.2 of the Lease.

3. Evidence of insurance coverage that will be in place at the commencement of the Lease in accordance with Subsection 10.3 through 10.4 of the Lease.

When we receive the items listed above and complete our final evaluation, we will submit them to DNR management for their review and, if appropriate, final execution of your Involuntary Assignment. Please be aware that until DNR management has reviewed all the items listed above and reviewed and finally executed your Involuntary Assignment, DNR may reconsider the terms of your Involuntary Assignment, whether it should be issued, and whether any other conditions must be met before DNR enters the agreement.

Please call me at 206-949-1740, if you have any questions.

Sincerely,

Lindie Schmidt, Land Manager
Shoreline District

Enclosures

c: District File
TRO file

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

INVOLUNTARY ASSIGNMENT OF LEASE

Lease No. 22-A02332

THIS AGREEMENT is made by and between the STATE OF WASHINGTON acting through the Department of Natural Resources ("State"), and BRIDGEVIEW MARINA INC., a Washington corporation, whose address is 1805 Thompson Avenue, Bremerton, WA 98337 ("Assignee").

BACKGROUND

A. Lease No. 22-A02332 was entered into on the 1st day of November, 2004 by and between SEVEN J'S INVESTMENT LLP as Tenant and the STATE OF WASHINGTON, acting through the Department of Natural Resources, as landlord ("State"), and recorded with the Kitsap County Auditor's office under recording number 200503300178 (the "Lease").

B. This Lease was assigned to Assignee by virtue of Lease Foreclosure Proceedings. The Lease prohibits an assignment without State's consent. Assignee desires to assume the rights, duties, and liabilities of Tenant under the Lease. State is willing to give its consent based upon the assurances and agreements made in this Agreement.

THEREFORE, the parties agree as follows:

SECTION 1 ACCEPTANCE AND INDEMNIFICATION

Assignee gives notice of its intent to assume the obligations as Tenant under the Lease, and agrees to faithfully perform and discharge those obligations according to the terms of the Lease.

DNR-00019262

SECTION 2 NO RELEASE

State is not releasing the previous Tenant from fully performing the provisions of the Lease.

SECTION 3 MODIFICATION OF LEASE AT TIME OF ASSIGNMENT

The assignment and any modification or amendment to the Lease shall occur contemporaneously. Assignee acknowledges receipt of a copy of the Lease and any previous or contemporaneous amendments.

SECTION 4 WARRANTIES

Assignee represents and warrants to State that;

(i) The Lease is in full force and effect;

(ii) Any breaches or defaults under the lease that existed at the time the Lease was involuntary assigned to Assignee have been fully cured and Assignee is not in default or breach of the Lease;

(iii) Assignee has no knowledge of any claims, offsets, or defenses of the Assignee or of any previous lessee under the Lease;

(iv) Rents due subsequent to this assignment have not been paid in advance by the Assignee or by any previous lessee; and,

(v) To the best of Assignee's knowledge, the property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws. Assignee shall defend, indemnify and hold State harmless from any claims or causes of action, known or unknown, of the Assignee or its predecessors in interest that have or may arise from circumstances that precede this assignment, for any breach of the foregoing warranties and for subsequent claims or causes of action arising from State's consent to this assignment that may be asserted by any of Assignee's predecessors in interest.

SECTION 5 CONSENT TO ASSIGNMENT BY STATE

In consideration of the foregoing, State consents to the Assignment of Lease to Assignee. However, State expressly conditions this consent on the understanding that neither State's consent nor its collection of rent from Assignee shall be a waiver of the covenant against future assignments or subletting. Furthermore, State's acceptance of Assignee as Tenant shall not be

DNR-00019263

construed as releasing any previous Tenant from full performance of the provisions of the Lease. Except as set forth in this Agreement, no provision of this consent alters or modifies any of the terms and conditions of the Lease, including the requirement that the written consent of the State be obtained before any further assignment of the Lease or subletting of the property occurs.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

BRIDGEVIEW MARINA INC.

Dated: _____, 20___ _____

JEREMY MCNEIL

Title: President

Address: PO Box 10400
Reno, NV 98510-0400

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: _____, 20___ _____

PETER GOLDMARK

Title: Commissioner of Public Lands

Address: 950 Farman Avenue North
Enumclaw, WA 98022-9282

Approved as to form this
October, 2003
Mike Grossmann, Assistant Attorney General

DNR-00019264

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF_____)
) ss.
COUNTY OF_____)

I certify that I know or have satisfactory evidence that JEREMY MCNEIL is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Bridgeview Marina Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:_____ _____
(Signature)

_____
(Print Name)
Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

DNR-00019265

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of)

I certify that I know or have satisfactory evidence that PETER GOLDMARK is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:_____

_____
(Signature)

_____
(Print Name)
Notary Public in and for the State of Washington,
residing at _____

My appointment expires _____

DNR-00019266

WAGNER, ANDREA (DNR)

From: SWENDDAL, KRISTIN (DNR)
Sent: Friday, April 18, 2014 4:52 PM
To: BERUBE, DONNA (DNR); WAGNER, ANDREA (DNR)
Cc: COX, NEAL (DNR); SCHMIDT, LINDIE (DNR); TOBA, DERRICK (DNR)
Subject: RE: PREAPPROVAL: 22-A02332 - Seven J's - Involuntary Assignment

This looks fine and now moves to Megan for final pre-approval.

Thanks!

Kristin Swenddal
Division Manager
Aquatic Resources Division
Washington State Department of Natural Resources
(360) 902-1124
kristin.swenddal@dnr.wa.gov
www.dnr.wa.gov

From: BERUBE, DONNA (DNR)
Sent: Friday, April 18, 2014 1:15 PM
To: WAGNER, ANDREA (DNR); SWENDDAL, KRISTIN (DNR)
Cc: COX, NEAL (DNR); SCHMIDT, LINDIE (DNR); TOBA, DERRICK (DNR)
Subject: PREAPPROVAL: 22-A02332 - Seven J's - Involuntary Assignment

Kristin and Andrea,

Attached for preapproval are an AACS, Involuntary Assignment document and transmittal letter for lease number 22-A02332.

Seven J's Investments, LLP was foreclosed upon by Union Bank. Union bank requested the court place Seven J's into receivership. JSH Properties was designated as the receivership while the bank looked for a purchaser. The purchaser , Bridgeview Marina, Inc., is securing an involuntary assignment.

Donna Berube
Natural Resource Technician 3
Aquatics Shoreline District
Washington State Department of Natural Resources (DNR)
(360)802-7042
donna.berube@dnr.wa.gov
www.dnr.wa.gov

LEASE # HA 2332 Cnty Parcel # _____

NAME _____ State Tax ID # _____

ADDRESS _____ PHONE # _____

DATE	INIT	COMMENTS
7/26/85	TYR	I sent a copy R/W No. 45730 & waiver to McHugh
		an attorney for PWPI
7/29	PD	Sent letter waiting to hear about bond forms pull from
	pending	8/26/1985
8/20	Pam	Sent letter will wait 14 days then cancel.
9/6/85	TYR	Called Lessees Mgr (Gene Durst) he will get bonds
		He's the new manager

MLM File History
11/28/84

FORMS 25

FILE HISTORY

AGREEMENT NO. ZZ-002332 CO PARCEL NO. _____

NAME _____ UBI ___ ___ ___

ADDRESS _____ FAX (___) _____

_____ TELEPHONE _____

_____

DATE	INIT	COMMENTS
10-10-95	BB	Organized, Updated RTA

PF/HISTORY.Rev. 8/91

LEASE # 22-002332 Cnty Parcel #

NAME ~~Port Washington Properties, Inc,~~ Marina Owners Assoc. State Tax ID # 0010

ADDRESS ~~90 West Galer~~ 1865 Thompson Drive PHONE #

~~Seattle, WA 98119~~ Bremerton WA 98310

DATE	INIT	COMMENTS
04/88	SH.	Check land value at Adj. date. 62,600 - 12,600 ?
9/8/88	HH	revaluated per. 3.3 sent letter to lessee
		E.O.T. - NR-49
10-6		Rec'd call from Bob Macht (Bradley Scott, Inc.
		they manage several parcels for Port Washington
		He requested that billings be sent to them.
		Also requested quarterly payments
		C/o Bob Macht
		Send Billings to → Bradley Scott, Inc.
		400 Warren Ave. Suite 450
		Bremerton, WA. 98310
		set up quarterly payment schedule and
		sent letter.
08-07-91	BBI	1992 REVALUATION
10-10-95	BB	Organized, Updated RTA
1-12-96	CP	Region Copy Made

MLM File History
11/28/84

FORMS 25

DATE OF INSPECTION: 2-13-2014 Lease 22-A02332

AQUATIC LEASE INSPECTION REPORT

LEASE NUMBER: 22-A02332 START: 11-1-2004 END: 10-31-2034

USE: Marina LEGAL: Sect 11; Town 24-N; Rng 1-E

LAT: LONG:

LESSEE NAME: Seven J's LLP –Managed by JSH Properties Receivership for Bank

ADDRESS: 1805 Thompson Dr.; Bremerton, WA 98337

PHONE NUMBER:

Contact made with lessee for inspection: Yes – Stephanie

Use of lease area agrees with Authorized Use: Yes

AREA PERCENTAGE

% WATER DEPENDENT % NON-WATER DEPENDENT

IMPROVEMENTS ON STATE-OWNED AREA

TYPE	CONDITION	DESCRIPTION
Floats	Fair/Poor	Wood Decking; floatation material varies – predominantly floats are Dr. Pepper plastic barrels filled with foam or concrete
Piles	Fair	61 creosote piles + the piles under the piers
Gangway	Good	Grated metal gangway
Parking Lot	*	Parking lot on fill. The asphalt appears to be in good condition. (State Owned). Structural condition not assessed.
Bulkhead	*	Concrete Bulkhead – No obvious signs of deterioration (State Owned). Condition not assessed.
Rip-Rap	*	Angular rock. Condition not assessed.
Floating Home	Derelict	Two story floating home constructed on a barge. The barge deck is rotting away
Marina Office	*	The building is constructed on fill and a pier. The condition of the building was not assessed.
Bathrooms	*	The building is constructed on fill and a pier. The condition of the building was not assessed.

INSPECTOR: Lindie Schmidt TITLE: Natural Resource Specialist II

OLYMPIA COPY

INSPECTOR'S Remarks and Recommendations (amendment, maintenance, liability etc…)

This inspection was conducted as a follow-up on the April 10, 2013 letter to JSH Properties. There is a pending purchase. The inspection was also conducted with John Evered (stewardship biologist).

Uses beyond the Outer Harbor Line:
All moorage is within the harbor area. Vessels have been moved to the interior on Docks A & B. The moorage cleats have not been removed from Docks A & B.

Floating home:
The derelict floating home remains in the marina. The marina took possession of the floating home and is in the process of removing debris from the interior. The decking on the barge has rotted away in places.

Conformance to codes:
The new fire system has been installed and tested by the Bremerton fire department. The fire department had to do repairs on the system because they failed to drain the system after testing and there was some freezing damage.

Maintenance and Repairs:
Some of the floats have been repaired. There are some floats which are still obviously listing. The pump-out is not operational. Restrooms and showers are available in one of the marina buildings. Tenants are still being directed elsewhere to pump their vessels.

Diagram Below, the location of existing structures showing alignment and dimensions in relation to leased area.

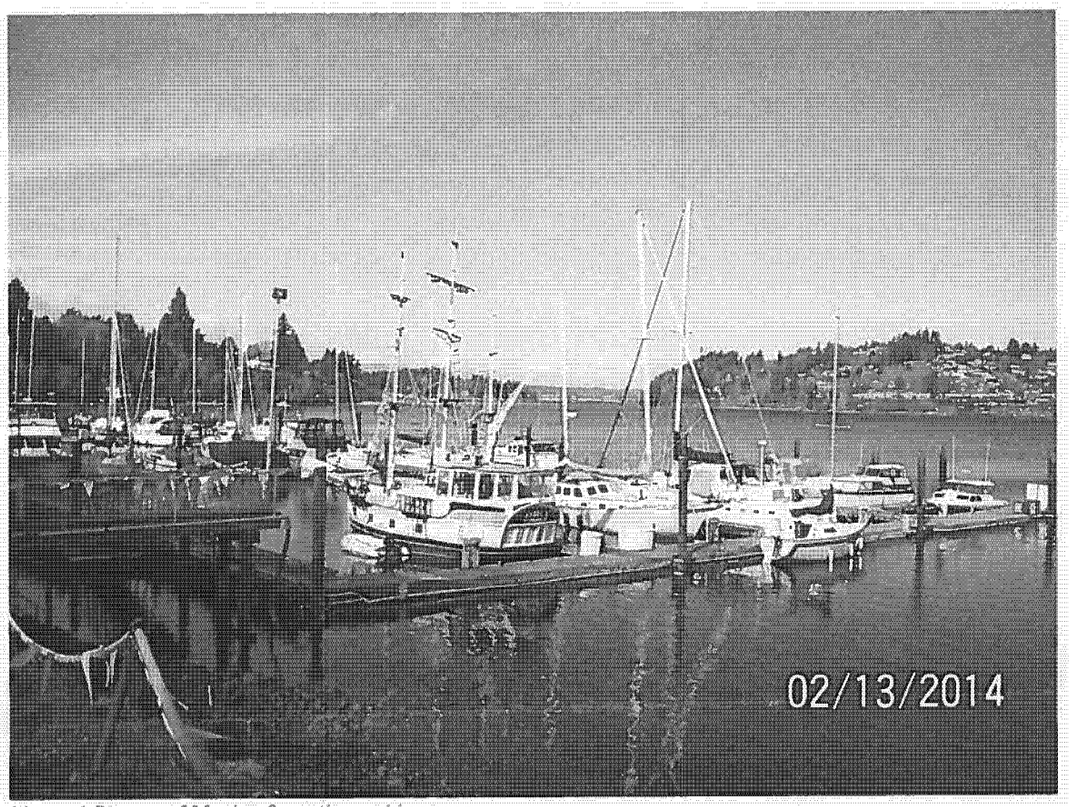


Figure 1 Picture of Marina from the parking area

DNR-00019272

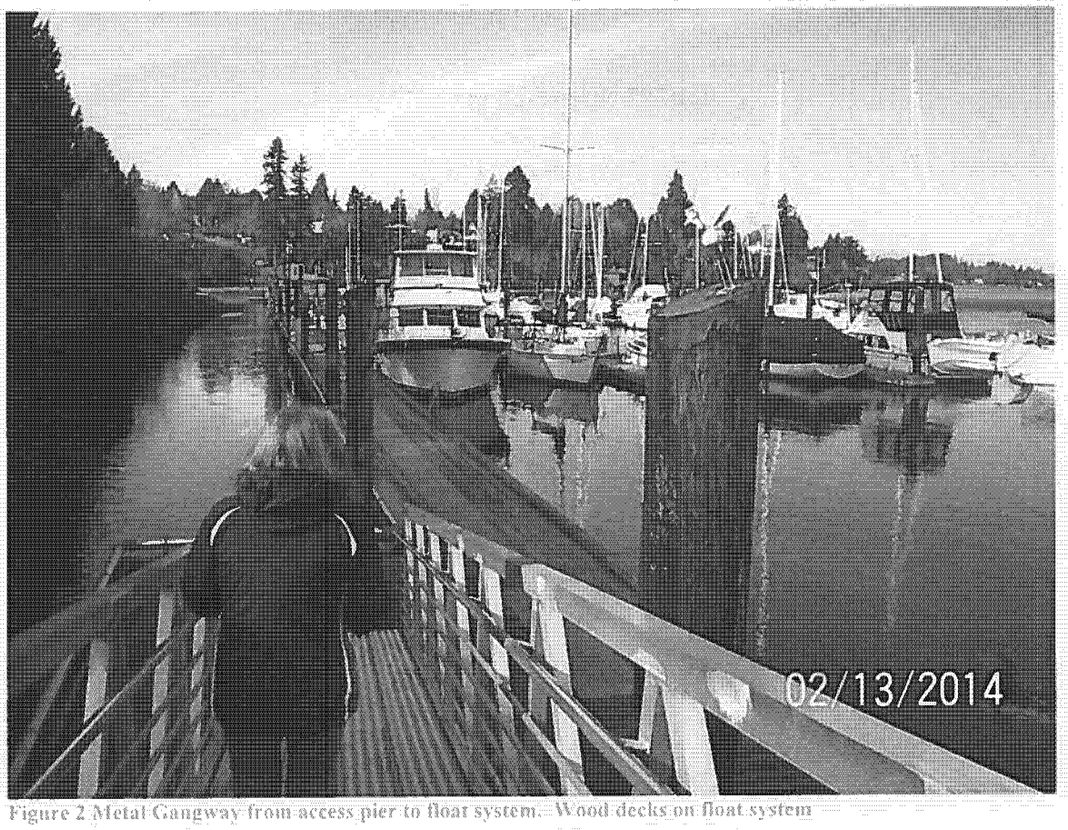


Figure 2 Metal Gangway from access pier to float system. Wood decks on float system

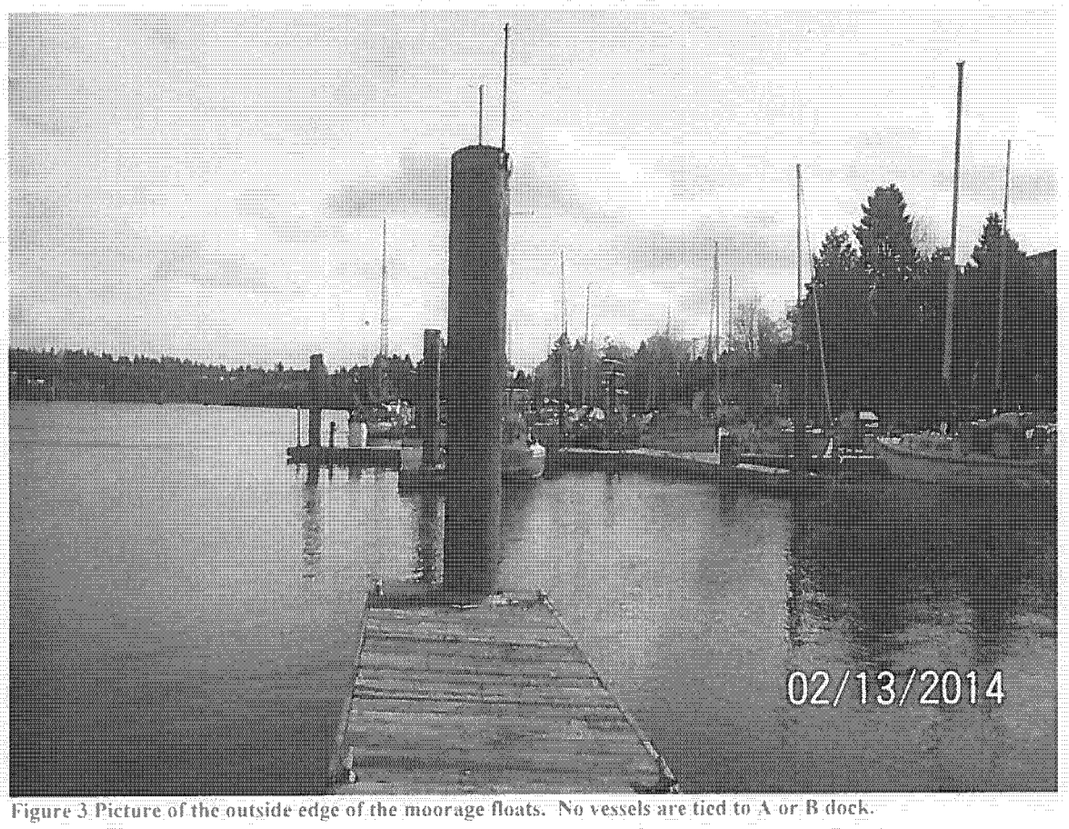


Figure 3 Picture of the outside edge of the moorage floats. No vessels are tied to A or B dock.

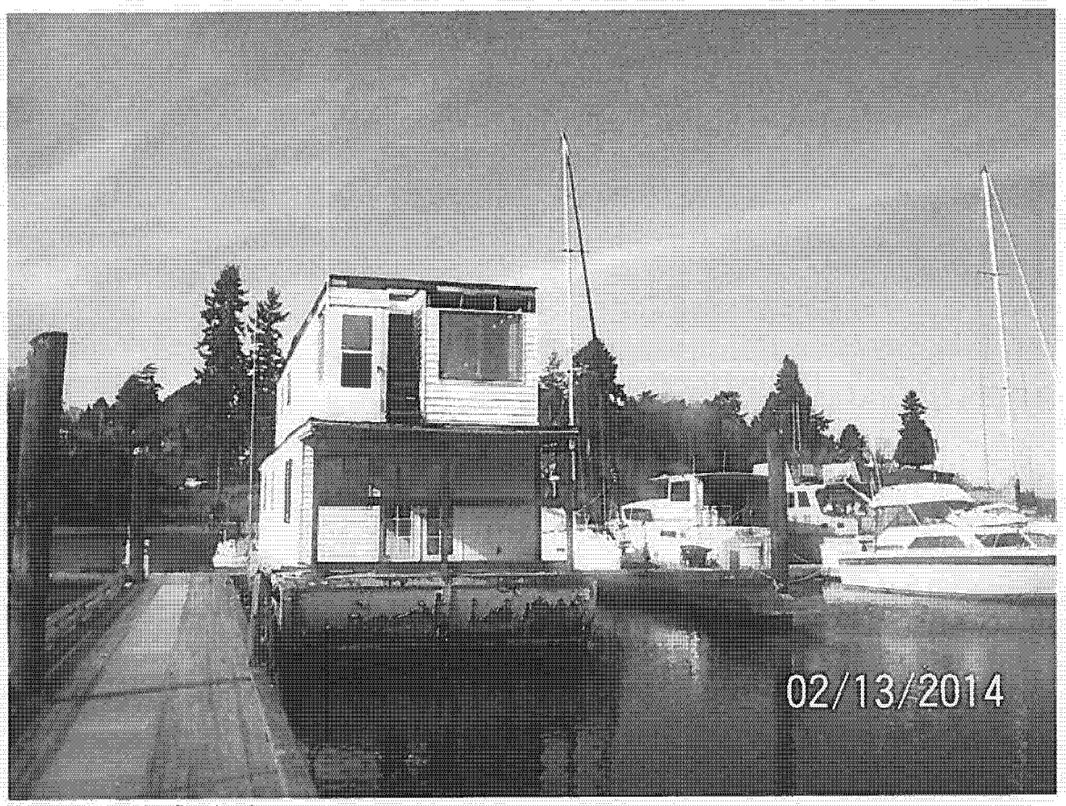


Figure 4 Derelict floating home

Figure 5 Example of listing floats

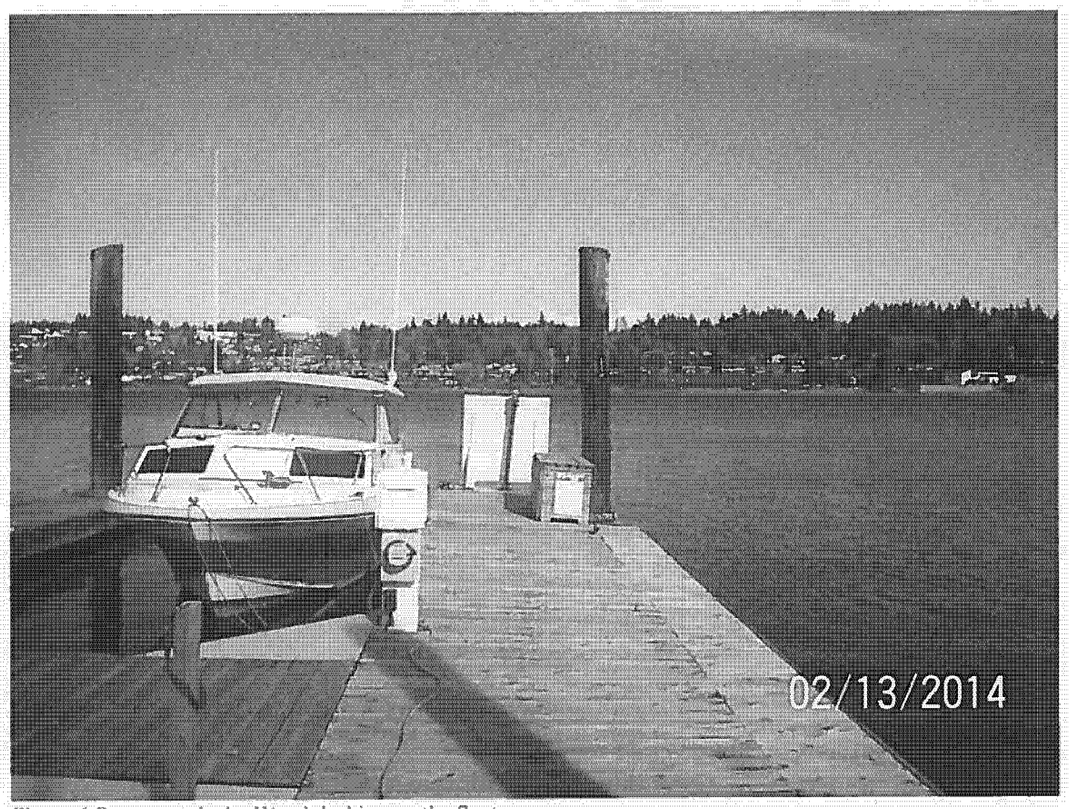


Figure 6 Pump out dock. Wood decking on the floats.

JEPSON, GINGER (DNR)

From: SUNDERLAND, TRINA (DNR)
Sent: Thursday, June 06, 2013 8:48 AM
To: JEPSON, GINGER (DNR)
Subject: FW: Aquatic Lands Easement No. 51-002332 - Warren Avenue Bridge for SR 303

Ginger - FYI

From: Gunnar Fridriksson [mailto:Gunnar.Fridriksson@ci.bremerton.wa.us]
Sent: Friday, May 31, 2013 1:15 PM
To: SUNDERLAND, TRINA (DNR)
Cc: Milenka Hawkins-Bates; StrykeD@wsdot.wa.gov
Subject: Aquatic Lands Easement No. 51-002332 - Warren Avenue Bridge for SR 303

Trina-

Received your email regarding the aquatic lease.

This lease was obtained by the City of Bremerton for construction of the bridge and remains with the City. The actual ownership and responsibility of the bridge is with WSDOT. The bridge is still in use and is the main corridor from East Bremerton to West Bremerton, seeing an average usage of 42,000 vehicles per day (2011 count). We do not see that changing anytime in the foreseeable future.

Please note myself as the contact for management of the agreement.

Sincerely,

Gunnar Fridriksson

City of Bremerton

3027 Olympus Drive

Bremerton, WA 98310
360.473.2354

OLYMPIA COPY

DNR-00019276

259473 22-A02350

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/14/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Lines - (206) 892-9200
USI Insurance Services National, Inc. - CA Lic#: 0D08408
999 Third Ave, Suite 4100
Seattle, WA 98104

CONTACT NAME: Kristen Richendifer
PHONE (A/C, No, Ext): 360-787-9867 FAX (A/C, No): 610-537-2350
E-MAIL ADDRESS: kristen.richendifer@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Great American Insurance Company	16691
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

RECEIVED JUN 19 2018 DNR-SPS

INSURED
Bridgeview Marina, Inc,
PO Box 18918
Reno, Nevada 89511

COVERAGES CERTIFICATE NUMBER: 13156020 REVISION NUMBER: See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			OMH1544120	04/01/2018	04/01/2019	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	X Deductible $2,500						MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER:						P&I	$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	UMBRELLA LIAB X OCCUR			OMH1544121	04/01/2018	04/01/2019	EACH OCCURRENCE	$ 4,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 4,000,000
	DED X RETENTION $ 10,000							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			OMH1544120	04/01/2018	04/01/2019	PER STATUTE X OTH-ER	WA Stop Gap
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Aquatic Lands Lease No. 22-A02332

The State of Washington is Additional Insured as it relates to General Liability with respect to the subject land lease, in accordance with the terms and conditions of the policy.

CERTIFICATE HOLDER

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jeanne Brandon

The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

(This certificate replaces certificate# 13156017 issued on 6/14/2018)

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 4/4/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Lines - (206) 892-9200
Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408
999 Third Ave, Suite 4100
Seattle, WA 98104

CONTACT NAME: Cathy Lane
PHONE (A/C, No, Ext): 206-731-1200 FAX (A/C, No): 206-731-1209
E-MAIL ADDRESS: catherine.lane@wellsfargo.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Great American Insurance Company	16691
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Bridgeview Marina
P.O. Box 10400
Reno, Nevada 89510

RECEIVED
APR 10 2017
DNR-SPS

COVERAGES **CERTIFICATE NUMBER:** 11673037 **REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			OMH1544120	04/01/2017	04/01/2018	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	X Deductible $2,500						MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:						P&I	$ $1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	UMBRELLA LIAB X OCCUR			OMH1544121	04/01/2017	04/01/2018	EACH OCCURRENCE	$ 4,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 4,000,000
	DED X RETENTION $ 10,000							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			OMH1544120	04/01/2017	04/01/2018	PER STATUTE X OTH-ER	WA Stop Gap
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Aquatic Lands Lease No. 22-A02332

The State of Washington is included as an Additional Insured per General Liability policy "A" terms & conditions with respect to the subject land lease. 45 days cancellation notice provision applies.

CERTIFICATE HOLDER

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jeanne Brandon

The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

OLYMPIA COPY

CYB01A04/002874/02/02/0/0/0/0

2332

259473

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/12/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Michael Henderson
Commercial Lines - (206)731-1200- CAL# 0531007 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 P.O. Box 91143 Seattle, WA 98111-9243	PHONE (A/C, No, Ext): 206-731-1200 FAX (A/C, No): 206-731-1209 E-MAIL ADDRESS: Michael.Henderson@wellsfargo.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Great American Insurance Company	16691
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Port Orchard Railway Marina, LLC Bridgeview Marine, Inc. PO Box 10400 Reno, Nevada 89510

COVERAGES **CERTIFICATE NUMBER:** 10970608 **REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR X Deductible $2,500 GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:			OMH1544120	04/01/2016	04/01/2017	EACH OCCURRENCE	$	1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	100,000
							MED EXP (Any one person)	$	10,000
							PERSONAL & ADV INJURY	$	1,000,000
							GENERAL AGGREGATE	$	2,000,000
							PRODUCTS - COMP/OP AGG	$	
							P&I	$	$1,000,000
	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$	
							BODILY INJURY (Per person)	$	
							BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
A	[ ] UMBRELLA LIAB [X] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [X] RETENTION $ 10,000			OMH1544121	04/01/2016	04/01/2017	EACH OCCURRENCE	$	4,000,000
							AGGREGATE	$	4,000,000
								$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	OMH1544120	04/01/2016	04/01/2017	[ ] PER STATUTE [X] OTH-ER		WA Stop Gap
							E.L. EACH ACCIDENT	$	1,000,000
							E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000
A	Buildings 1 & 2 (Each)			MAC39696262	04/01/2015	04/01/2017	$200,000		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Bridgeview Marina - Lease #22-A02332
Port Orchard Railway Marina - Lease #22-A74720

The State of Washington is included as an Additional Insured per General Liability policy "A" terms & conditions with respect to the subject land lease. 45 days cancellation notice provision applies.

OLYMPIA COPY

CERTIFICATE HOLDER

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jeanne Brandon

The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.

2332

259473

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/12/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Commercial Lines - (206)731-1200- CAL# 0531007
Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408
P.O. Box 91143
Seattle, WA 98111-9243

CONTACT NAME: Michael Henderson
PHONE (A/C, No, Ext): 206-731-1200 FAX (A/C, No): 206-731-1209
E-MAIL ADDRESS: Michael.Henderson@wellsfargo.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Great American Insurance Company	16691
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Port Orchard Railway Marina, LLC
Bridgeview Marine, Inc.
PO Box 10400
Reno, Nevada 89510

COVERAGES **CERTIFICATE NUMBER:** 10970608 **REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	X COMMERCIAL GENERAL LIABILITY			OMH1544120	04/01/2016	04/01/2017	EACH OCCURRENCE	$	1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$	100,000
	X Deductible $2,500						MED EXP (Any one person)	$	10,000
							PERSONAL & ADV INJURY	$	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$	2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$	
	OTHER						P&I	$	$1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$	
	ANY AUTO						BODILY INJURY (Per person)	$	
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$	
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$	
								$	
A	UMBRELLA LIAB X OCCUR			OMH1544121	04/01/2016	04/01/2017	EACH OCCURRENCE	$	4,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$	4,000,000
	DED X RETENTION $ 10,000							$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			OMH1544120	04/01/2016	04/01/2017	PER STATUTE X OTH-ER		WA Stop Gap
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N/A (Mandatory in NH)						E.L. EACH ACCIDENT	$	1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000
A	Buildings 1 & 2 (Each)			MAC39696262	04/01/2015	04/01/2017	$200,000		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Bridgeview Marina - Lease #22-A02332
Port Orchard Railway Marina - Lease #22-A74720

The State of Washington is included as an Additional Insured per General Liability policy "A" terms & conditions with respect to the subject land lease. 45 days cancellation notice provision applies.

OLYMPIA

CERTIFICATE HOLDER

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jeanne Brandon

The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

259473

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/2/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Commercial Lines - (206)892-9200 - CAL# 0531007 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 P.O. Box 91143 Seattle, WA 98111-9243	PHONE (A/C, No, Ext): / FAX (A/C, No):	
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Great American Insurance Company	16691
INSURED Bridgeview Marina P.O. Box 10400 Reno, Nevada 89510	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** 10092432 **REVISION NUMBER:** See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			OMH1544120	04/01/2015	04/01/2016	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
	X Deductible $2,500						MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:						P&I	$ $1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			OMH1544120	04/01/2015	04/01/2016	PER STATUTE / X / OTH-ER	WA Stop Gap
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Aquatic Lands Lease No. 22-A02332

The State of Washington is included as an Additional Insured per General Liability policy "A" terms & conditions with respect to the subject land lease. 45 days cancellation notice provision applies.

OLYMPIA, WA

CERTIFICATE HOLDER

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jeanne Brandon

The ACORD name and logo are registered marks of ACORD © 1988-2014 ACORD CORPORATION. All rights reserved.

bound via electronic mail, and coverage cannot be renewed or modified via electronic mail without prior acknowledgement of consent by bothparties. Thank you for your cooperation.

We're moving! Effective Monday, October 26th we will be in our new location. Please note our new contact information;

Wells Fargo Insurance Services USA, Inc.
999 Third Avenue, Suite 4100 | Seattle, WA 98104
MAC P6540-410
Main: 206-731-1200 | Fax: 206-731-1209 | Toll Free: 888-785-2878

*our payment address will remain the same.

From: Karen.Mallery@wellsfargo.com [mailto:Karen.Mallery@wellsfargo.com]
Sent: Tuesday, February 02, 2016 12:04 PM
To: Mallery, Karen
Subject: Certificate Of Insurance on behalf of (Bridgeview Marina) is attached
Importance: High

Attached is your requested certificate of insurance.
Department of Natural Resources
Shoreline District Aquatics 950 Farman Avenue North Enumclaw, WA 98022-9282

Sent By: Karen Mallery, Email:
Karen.Mallery@wellsfargo.com<mailto:Karen.Mallery@wellsfargo.com>
CID: 259473, SID: 10092432

This certificate was sent to you using CyberSure, Wells Fargo Insurance Service's client portal.

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message. Thank you for your cooperation.

Total Pages: 3

WELLS FARGO

Enterprise Fax

To:	Lindie Schmidt	From:	Mallery, Karen
Fax:	3608251672	Phone:	(206) 731-1339
Phone:	2069491740	Date:	February 02, 2016

Fax Number: 206/731-1209

Re: FW: Certificate Of Insurance on behalf of (Bridgeview Marina) is attached

* Comments:
Lindie,
Please see requested COI attached for Bridgeview Marina.

Karen Mallery
Account Executive
Wells Fargo Insurance Services USA, Inc. 999 3rd Ave. Suite 4100 Seattle, WA 98104
CA DOI 0D35161
MAC P6540-410
Tel: 206-731-1339 |Cell: 206-225-1704 |Fax:206-731-1209
karen.mallery@wellsfargo.com<mailto:karen.mallery@wellsfargo.com>

This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply email and delete this message. Please be aware that coverage cannot be

NOTICE: CONFIDENTIAL AND PRIVILEGED INFORMATION -
This fax may contain confidential and privileged material for the sole use of the intended recipient(s). Any review, use, distribution, or disclosure by others is strictly prohibited. If you are not the intended recipient (or authorized to receive for the recipient), please contact the sender by telephone and destroy all copies of this correspondence.

If you no longer wish to receive faxes from us, please contact the sender of this fax and we will remove your fax number from our list.
Please allow us up to 10 business days to update our records.

TRO 8/7/2014

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

INVOLUNTARY ASSIGNMENT OF LEASE

Lease No. 22-A02332

THIS AGREEMENT is made by and between the STATE OF WASHINGTON acting through the Department of Natural Resources ("State"), and BRIDGEVIEW MARINA INC., a Washington corporation, whose address is 1805 Thompson Avenue, Bremerton, WA 98337 ("Assignee").

BACKGROUND

A. Lease No. 22-A02332 was entered into on the 1st day of November, 2004 by and between SEVEN J'S INVESTMENT LLP as Tenant and the STATE OF WASHINGTON, acting through the Department of Natural Resources, as landlord ("State"), and recorded with the Kitsap County Auditor's office under recording number 200503300178 (the "Lease").

B. This Lease was assigned to Assignee by virtue of Lease Foreclosure Proceedings. The Lease prohibits an assignment without State's consent. Assignee desires to assume the rights, duties, and liabilities of Tenant under the Lease. State is willing to give its consent based upon the assurances and agreements made in this Agreement.

THEREFORE, the parties agree as follows:

SECTION 1 ACCEPTANCE AND INDEMNIFICATION

Assignee gives notice of its intent to assume the obligations as Tenant under the Lease, and agrees to faithfully perform and discharge those obligations according to the terms of the Lease.

DNR-00019284

TRO 8/7/2014

SECTION 2 NO RELEASE

State is not releasing the previous Tenant from fully performing the provisions of the Lease.

SECTION 3 MODIFICATION OF LEASE AT TIME OF ASSIGNMENT

The assignment and any modification or amendment to the Lease shall occur contemporaneously. Assignee acknowledges receipt of a copy of the Lease and any previous or contemporaneous amendments.

SECTION 4 WARRANTIES

Assignee represents and warrants to State that;

(i) The Lease is in full force and effect;

(ii) Any breaches or defaults under the lease that existed at the time the Lease was involuntary assigned to Assignee have been fully cured and Assignee is not in default or breach of the Lease;

(iii) Assignee has no knowledge of any claims, offsets, or defenses of the Assignee or of any previous lessee under the Lease;

(iv) Rents due subsequent to this assignment have not been paid in advance by the Assignee or by any previous lessee; and,

(v) To the best of Assignee's knowledge, the property is in full compliance with all applicable federal, state, and local governmental permits, rules, ordinances, and laws. Assignee shall defend, indemnify and hold State harmless from any claims or causes of action, known or unknown, of the Assignee or its predecessors in interest that have or may arise from circumstances that precede this assignment, for any breach of the foregoing warranties and for subsequent claims or causes of action arising from State's consent to this assignment that may be asserted by any of Assignee's predecessors in interest.

SECTION 5 CONSENT TO ASSIGNMENT BY STATE

In consideration of the foregoing, State consents to the Assignment of Lease to Assignee. However, State expressly conditions this consent on the understanding that neither State's consent nor its collection of rent from Assignee shall be a waiver of the covenant against future assignments or subletting. Furthermore, State's acceptance of Assignee as Tenant shall not be

DNR-00019285

TRO 8/7/2014

construed as releasing any previous Tenant from full performance of the provisions of the Lease. Except as set forth in this Agreement, no provision of this consent alters or modifies any of the terms and conditions of the Lease, including the requirement that the written consent of the State be obtained before any further assignment of the Lease or subletting of the property occurs.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

BRIDGEVIEW MARINA INC.

Dated: May 1, 2014

JEREMY MCNEIL

Title: President

Address: PO Box 10400
Reno, NV 98510-0400

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: 5/28, 2014

PETER GOLDMARK

Title: Commissioner of Public Lands

Address: 950 Farman Avenue North
Enumclaw, WA 98022-9282

SEAL OF THE COMMISSIONER OF PUBLIC LANDS STATE OF WASHINGTON

Approved as to form this
October, 2003
Mike Grossmann, Assistant Attorney General

DNR-00019286

TRO 8/7/2014

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF Nevada)
) ss.
COUNTY OF Washoe)

I certify that I know or have satisfactory evidence that JEREMY MCNEIL is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Bridgeview Marina Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 1 2014

Royal Freestone
(Signature)

Royal Freestone
(Print Name)
Notary Public in and for the State of ~~Washington~~ Nevada,
residing at 6275 Neil Rd Reno NV 89511

My appointment expires May 22 2014

ROYAL FREESTONE
Notary Public, State of Nevada
Appointment No. 10-1983-2
My Appt. Expires May 22, 2014

DNR-00019287

TRO 8/7/2014

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of Thurston)

I certify that I know or have satisfactory evidence that PETER GOLDMARK is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the State of Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5.28.14

(Signature)

AMY LYN RIBERA
COMMISSION EXPIRES
NOTARY
PUBLIC
DECEMBER 17, 2016
STATE OF WASHINGTON

Amy Lyn Ribera
(Print Name)
Notary Public in and for the State of Washington,
residing at Olympia

My appointment expires 12.17.16

DNR-00019288

22-002332

TRO 7/1/2014

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Certificate of Deposit Assignment Form

May 8, 2014

Department of Natural Resources
Shoreline Aquatic Resources District
950 Farman Avenue North
Enumclaw, WA 98022-9282

SUBJECT: Security for Aquatic Lands Lease Number: 22-A02332

To secure the performance of the obligations of Bridgeview Marina, Inc. pursuant to the Lease described above, the undersigned jointly and severally hereby transfers, and sets over to the State of Washington ("State"), the Certificate of Deposit (CD) identified below:

Certificate of Deposit Number: Redacted
Amount of Funds Assigned: Twenty Five Thousand Dollars ($25,000.00)

and all claims, rights, options, privileges, title, and interest therein.

The above described account is maintained in or were issued by Kitsap Bank ("Savings Institution").

The undersigned irrevocably authorizes and empowers State, at any time in its own name to demand, apply for withdrawal, receive moneys assigned, and to exercise any and all rights and privileges and receive all benefits accorded by the Certificate of Deposit. Savings Institution is specifically authorized and directed, on demand of State, to pay all moneys assigned in the Certificate of Deposit directly to State.

The undersigned represents and warrants that the above described Certificate of Deposit is owned solely by the undersigned and is free and clear of all liens and encumbrances, and that the undersigned has full power, right, and authority to execute and deliver this assignment.

DNR-00019289

TRO 7/1/2014

Any penalty suffered which results from a demand for payment by state from the bank shall be assessed against the Assignor.

If the Certificate of Deposit is represented by a passbook, or other document evidencing ownership, such document has been delivered and is assigned and pledged SOLELY to State.

The undersigned acknowledges that the above agreement was complete, with all blanks filled in, prior to execution of this agreement.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

ASSIGNOR:	ASSIGNOR:
By: Jeremy McNeil	By:
Title: President	Title:
Address: P.O. Box 10400 Reno, NV 89510	Address:
Phone: 702-966-8041	Phone:

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT:

We, Kitsap Bank acknowledge receipt of notice and copy of this assignment as collateral for obligations due State. As to the Certificate of Deposit identified above, our records indicate the balance in Account Number Redacted to be in the amount of Twenty Five Thousand Dollars ($25,000.00) as of this date. The account is solely in the name of the State.

DNR-00019290

TRO 7/1/2014

Our records do not disclose any liens, claims, or encumbrances against the Certificate of Deposit, except (if none, so state): [none]. We have compared the signature appearing on this assignment with the signature on our records, and the same compare correctly and is sufficient to authorize withdrawal of funds from said account and for all purposes with respect to the account.

KITSAP BANK

Dated: May 8th, 2014

By: Carole Newton
Title: BRANCH MANAGER

Address: 619 Bay Street
PO Box 9
Port Orchard, WA 98336
Phone: (360) 876-7800

STATE OF WASHINGTON
DEPARTMENT OF
NATURAL RESOURCES APPROVAL

Dated: May 12, 2014

By: NEAL COX
Title: Shoreline District Manager

Notary Public
State of Washington
SARAH K. BUTLER
MY COMMISSION EXPIRES
November 9, 2016

Address: 950 Farman Avenue North
Enumclaw, WA 98022-9282

Approved as to form this
22 day of July, 2009
Terence A. Pruit, Assistant Attorney General

DNR-00019291

TRO 7/1/2014

STATE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
County of King)

I certify that I know or have satisfactory evidence that NEAL COX is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Shoreline District Manager of the Department of Natural Resources, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 12, 2014

(Seal or stamp)

FLOELLA J CASE
COMMISSION EXPIRES
NOTARY
PUBLIC
6-29-16
STATE OF WASHINGTON

(Signature)

Floella J. Case
(Print Name)
Notary Public in and for the State of Washington,
residing at Bremerton
My appointment expires 6/29/16

DNR-00019292

JSH | PROPERTIES, INC.

22-A02332

FAX

To:	DNR	**From:**	Connie Dobbs-Property Manager
Fax:	360.825.1672	**Pages:**	17
Phone:		**Date:**	1.10.2013
Re:	**Seven J's Investments Land Lease No. 22-A02332 Port Washington Marina**	**CC:**	

[X] Urgent [ ] For Review [ ] Please Comment [ ] Please Reply [ ] Please Recycle

Lindie,

Following is the court Stipulation Order appointing JSH Properties as General Receiver for Port Washington Marina during the foreclosure process. Please send all bills and correspondence to me at:

JSH Properties, Inc.
14900 Interurban Ave. S., Suite 130
Tukwila, WA 98168

PLEASE CALL WITH ANY QUESTIONS. My direct line is 425.432.7366.

OLYMPIA COPY

1.10.2013

$30
cc

FILED
KITSAP COUNTY CLERK
2012 NOV 27 PM 4: 18
DAVID W. PETERSON

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF KITSAP

UNION BANK, N.A., successor-in-interest to the FDIC as Receiver for Frontier Bank, Petitioner, vs. SEVEN JS INVESTMENTS, LP, a Washington limited partnership, Respondent.	Case No. 12-2-02309-5 **STIPULATED PETITION AND ORDER APPOINTING CUSTODIAL RECEIVER**

THIS MATTER having come before this Court upon the stipulation of the Petitioner Union Bank, N.A., by its counsel, Matthew A. Goldberg of Assayag Mauss, PLC; and the Respondent, Seven Js Investments, LP, by its counsel James R. Tomlinson of Davies Pearson, P.C. (collectively, the "Parties"), for appointment of a custodial receiver with respect to the leasehold interest on the real property located at 1815 Thompson Drive, Bremerton, WA 98337 ("Collateral Lease"), as described in Union Bank's Deed of Trust, including improvements, fixtures, and other personal property located thereon (altogether, the "Collateral Property"), with respect to the following facts:

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

EX-PARTE by mail

STIPULATION

1. On or about December 11, 2003, Respondent signed and delivered to Frontier a Promissory Note ("Note"), evidencing a loan in the original principal amount of $1,540,000.00 (the "Loan").

2. As security for Respondent's obligations under the Note, on or about December 11, 2003, Respondent executed and delivered to Frontier a Deed of Trust (the "Deed of Trust"), on its leasehold interest in that certain real property, including all improvements located thereon, commonly known as 1815 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), and as more particularly described on the Deed of Trust. The Deed of Trust was recorded in the Official Records of Kitsap County on December 12, 2003, as File No. 200312120332. Frontier's security interest in the Collateral Lease is further evidenced by the Loan Security Agreement ("Security Agreement"), dated December 29, 2003, among Frontier, Respondent, and the State of Washington Department of Natural Resources.

3. As additional security for the Note, on or about December 11, 2003, Respondent also executed and delivered to Union an Assignment of Rents ("Assignment of Rents") for the Collateral Lease, which was recorded in the Official Records of Kitsap County on December 12, 2003, as File No. 200312120333.

4. On or about April 30, 2010, all rights, title and interest under the Note, Deed of Trust, Security Agreement, Assignment of Rents, and other loan documents were assigned to Union Bank by the FDIC as Receiver for Frontier Bank

5. No later than June 15, 2012, Respondent defaulted on the Loan by, among other things, failing to make payments when due. On or about September 4, 2012, Union Bank began nonjudicial foreclosure proceedings with respect to the Collateral Lease by serving a Notice of Default on Respondent pursuant to RCW Ch. 61.24 (the "Notice of Default").

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

6. JSH Properties, Inc. is qualified to act as custodial receiver. The Parties hereto stipulate and agree that JSH Properties, Inc. should be appointed custodial receiver, pursuant to the terms of the Order below and pursuant to RCW 7.60.025(1)(b)(ii), to manage, collect rents, and protect the property pending nonjudicial foreclosure proceedings.

STIPULATED AND AGREED as of this 26th day of November, 2012.

ASSAYAG ❖ MAUSS
A Professional Law Corporation

By: _____
Matthew A. Goldberg, WSBA 37410
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: _____
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

ORDER

The Court has reviewed and considered the stipulation of the Parties, and the Court being fully advised in these premises, NOW, THEREFORE, the Court deems itself fully advised and finds as follows:

A. Appointment of a receiver is appropriate (1) pursuant to the stipulation of the Parties based upon the above-stated facts; (2) pursuant to RCW 7.60.025 (1)(b)(ii); and (3) pursuant to the Court's inherent equitable powers over these proceedings.

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

B. JSH Properties, Inc. ("JSH" or "Receiver") is not interested in this action and is competent and qualified to act as the receiver of the property subject to the Collateral Lease (and the balance of the Collateral Property as defined in Union Bank's Petition).

Based upon the foregoing, IT IS ORDERED:

1. Pursuant to the terms of this Order, JSH is appointed as custodial receiver to take over, manage, and operate the leasehold interest in that certain real property commonly known as 1815 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), including all improvements, fixtures and personal property located thereon (altogether, the "Collateral Property"), and which Collateral Property is more fully described as follows:

Parcel A:

LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;

TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEEL OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

2. The Receiver shall be appointed to take possession of all the rights, title, and interest in, and to all leases, rents, and profits derived from the Collateral Lease as well as the balance of Collateral Property. "Rents" means all present and future rents, revenues, income, issues, royalties, profits and other benefits derived from the Collateral Property. During the receivership, and until further order of the Court, the Collateral Property shall remain under this Court's exclusive jurisdiction in accordance with RCW 7.60.55. 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 in the fulfillment of the Receiver's duties;

3. The Receiver shall post a $5,000 bond with the Clerk of the Court to secure performance of the Receiver's duties hereunder, pursuant to RCW 7.60.045. The Receiver is authorized to pay the initial bond premium, and any premiums for the extension thereof, from funds belonging to the receivership estate or, in the event there are insufficient funds in the estate with which to pay such premiums, to be subsequently reimbursed for the bond premiums from estate funds once sufficient funds become available;

4. The Receiver shall be a "custodial receiver" with exclusive control over the Collateral Property and all the powers vested in it under RCW Ch. 7.60.060. In addition:

ASSAYAG ✣ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

a. Subject to the cap set forth in Paragraph 4(d) below, the Receiver is authorized to contract with or hire, pay, direct, and discharge all persons deemed necessary by the Receiver, in its sole discretion, for the operation and maintenance of the Collateral Property, including construction and improvements to the Collateral Property;

b. The Receiver may bring and prosecute actions for the recovery of any receivership property that may be in the possession of any third party;

c. The Receiver shall have the power to do all things which the owner of the business or the Collateral Property might do in the ordinary course of the operation of the business as a going concern or use of the Collateral Property, including, but not limited to, the purchase and sale of goods or services in the ordinary course of such business, and the incurring and payment of expenses of the business or Collateral Property in the ordinary course. Additionally, the Receiver shall have all of the powers provided by RCW 7.60.130 relative to executory contracts and unexpired leases;

d. Notwithstanding any of the foregoing, the Receiver shall not make an expenditure or incur an obligation to a third party in excess of $5,000, without first obtaining the consent of Union Bank or a Court order;

e. The Receiver may open and maintain such bank accounts as may be necessary for the deposit of monies collected or received by the Receiver. The Receiver shall have the power to present for payment any checks, money orders, and other forms of payment made payable to Respondent, or such similar names, trade names, or aliases, which constitute or are derived from the rents and profits (as that term is defined in the Deed of Trust and/or Assignment of Rents granted by

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Respondent for the Collateral Property), endorse same and collect the proceeds thereof, such proceeds to be used and maintained as elsewhere provided herein. The Receiver may obtain a federal tax identification number to provide to such banks so as to establish such accounts; and

f. The Receiver may enter into new leases or modify existing leases and enforce the terms of all existing leases, including any guaranties; provided, however, that the Receiver shall not modify the Collateral Lease without the prior written approval of Union Bank;

5. The Receiver is authorized to perform legal, accounting, consulting, and tax services with respect to the Collateral Property, as necessitated by this proceeding or by law, in connection with the performance of the Receiver's duties. The Receiver shall be under no obligation to complete or file tax returns, or other regulatory or governmental reports, on behalf of Respondent. Such responsibilities shall remain with Respondent; but the Receiver shall furnish Respondent with such access to books and records within the Receiver's custody or control as reasonably may be requested by Respondent and necessary in order for them to complete and file such returns, or other regulatory or governmental filings or reports;

6. No obligation incurred by the Receiver in the good faith performance by it of the Receiver's duties in accordance with the order of this Court, except to the extent such obligation is found to have resulted from willful misconduct or fraudulent behavior, whether pursuant to any contract, by reason of any tort, or otherwise, shall be the Receiver's personal obligation; rather, the recourse of any person or entity to whom the Receiver becomes obligated in connection with the performance of its responsibilities, shall be solely against the Collateral Property. Notwithstanding any provisions of this

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Order that may be construed otherwise, the Receiver shall not be required to expend any personal funds to comply with any of the provisions of this Order;

7. The Receiver is authorized to do all things determined by the Receiver to be necessary to protect and preserve the Collateral Property and the proceeds thereof, and to maintain or enhance its value or income producing potential, and to exercise all of the powers, duties, and other authorities as may be provided by law or which may be necessary in the fulfillment of the Receiver's duties, and all powers that the owner of the Collateral Property itself might exercise with respect thereto or with respect to the business associated with it, including, but not limited to, making such repairs, alterations or improvements to the Collateral Property as the Receiver deems prudent or legally required;

8. The Receiver is authorized to acquire or renew all governmental licenses, permits, or other authorizations, either in the Receiver's name or in the name of Respondent, pertaining to the Collateral Property or any business associated therewith;

9. The Receiver will be compensated as follows:

a. A one-time set-up fee of $4,000.00;

b. A $65 fee for each new lease of a slip or apartment; and

c. A property management fee of 3.5% of monthly collections with a $4,000.00 per month minimum.

The Receiver shall, in addition, be reimbursed for all reasonable fees and costs incurred by its outside general counsel, professionals, employees, representatives, and/or agents in the performance of its duties and obligations hereunder, including travel expenses (transportation, meals, and lodging); payment of the Receiver shall be subject to paragraph 16 below;

10. The Receiver may appoint attorneys, accountants, and other professionals to assist the Receiver in carrying on its obligations, as provided by RCW 7.60.180. The

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

law firm of Alston, Courtnage & Bassetti LLP is hereby authorized and appointed to act as attorneys for the Receiver and shall be paid for all services at the regular hourly rates of any attorneys of the firm. Attorney, Charles Shigley, whose hourly rate is $310, shall be the responsible attorney in this matter;

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

12. The Receiver may issue demand that the U.S. Postal Service grant exclusive possession and control of mail, including postal boxes, as may have been used by Respondents and may direct that certain mail related to the Collateral Property be re-directed to the Receiver;

13. Upon taking possession of the Collateral Property, the Receiver shall determine whether, in the Receiver's judgment, there is sufficient insurance coverage. With respect to any insurance coverage in existence or obtained, the Receiver, Union Bank, and the property management company, if one exists, shall be named as additional insureds 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 Collateral Property (excluding earthquake and flood insurance); provided, however, that if the Receiver does not have sufficient funds to do so, the Receiver shall seek instructions from the Court with regard to adequately insuring the

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Collateral Property. The Receiver shall not be responsible for claims arising from the lack of procurement or inability to obtain insurance;

14. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court enters an order terminating the receivership;

15. This Court shall retain jurisdiction over any dispute arising from the receivership, or relating to the Receiver, which jurisdiction shall be exclusive and shall survive the termination of the receivership;

16. The Receiver is authorized to make payment for its fees and costs incurred in accordance with paragraph 9 and paragraph 10, including the fees and costs of its attorneys, accountants, professionals, employees, representatives, and/or agents (collectively, the "Receiver's Costs"), on a periodic basis, but in any event not more than monthly. Per RCW 7.60.180(4), the Receiver may pay itself and its counsel from the funds generated from the Collateral Property or proceeds therefrom, without further leave of the Court. If the gross receipts derived from the Collateral Property are not sufficient to pay the approved and earned Receiver's Costs, Union Bank shall pay such amounts; provided, however, that any such payment by Union Bank shall be considered an advance under the Deed of Trust securing the Bank's interest herein, entitled to first-position priority status according to the terms thereof;

17. Respondent, and its attorneys, managers, partners, and employees, shall cooperate with the Receiver in connection with the Receiver's management and operation of the Collateral Property. Each of them shall relinquish and deliver possession of the Collateral Property to the Receiver upon his demand, and shall turn over to the Receiver:

a. The possession of the Collateral Property, including all keys to all locks on the Collateral Property, and the records, books of account, ledgers, and all business records for the Collateral Property (including,

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

without limitation, the plans, specifications and drawings relating to or pertaining to any part or all of the Collateral 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);

b. All documents that constitute or pertain to licenses, permits or governmental approvals relating to the Collateral Property;

c. All documents that constitute or pertain to insurance policies, whether currently in effect or lapsed, that relate to the Collateral Property;

d. All leases and subleases, royalty agreements, licenses, assignments or other agreements of any kind, whether currently in effect or lapsed, that relate to the Collateral Property, and any and all notice and correspondence files related thereto;

e. All documents pertaining to the condition of the Collateral Property or the past, present, or future construction or rehabilitation of any type with respect to all or part of the Collateral Property, including any consultant or third-party inspection reports;

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

g. All rents, profits and/or other proceeds derived from the Collateral 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 that tenants

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

have paid to Respondents or their agents and that are not paid to the Receiver, and over which the Receiver has no control, shall be obligations of Respondent 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;

h. Upon request of the Receiver, Respondent shall instruct all property managers, agents, tenants, or others now or hereafter in possession of the Collateral Property or any portion of the Collateral Property to make all such rent or other payments to the Receiver or the Receiver's designee;

18. 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 Respondents and to surrender any and all funds held on deposit or apply said funds as directed by the Receiver;

19. The Receiver is authorized, in its sole discretion, to initiate environmental due diligence requested by Petitioner. The Receiver is further authorized to undertake any reasonably necessary steps to remediate and/or cleanup hazardous materials presently existing under, on or about the Collateral Property, and to hire consultants and/or experts to assist in doing so, with the approval of Petitioner, subject to the limitations of paragraph 4(e) above. The Receiver shall have no liability for any environmental due diligence, inspections, hazardous materials contamination or any environmental

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

monitoring or remediation it initiates. Additionally, Receiver shall have no duty to investigate the design, construction or condition of any of the improvements now or hereafter constructed on the Collateral Property (collectively, the "Improvements"). Nonetheless, Receiver may investigate or inspect the Improvements without incurring liability for any design, construction, state of repair or other defect relating to those Improvements, or for any damage to the Improvements, whether now known or later discovered. Receiver may, without incurring any personal liability, rely upon and utilize, including following any recommendations set forth therein, any existing or future inspection or consultant reports, plans and specifications and other documentation related to the Improvements and the Collateral Property. Receiver shall have no liability for any statement, error or omission contained in, or omitted from, any such existing or future inspection or consultant reports and other similar or related documentation;

20. The Receiver shall make periodic reports to Union Bank of the steps taken to further the above-described activities and such other matters as are proper, and shall make a final report and accounting to the Court upon discharge. Each report shall include a statement of income, expenses, and reimbursements for the preceding calendar month, along with any additional information regarding the operation of the Collateral Property in narrative form. The Receiver's periodic reports shall be made on at least a monthly basis, with each such report due on the thirtieth (30th) day of each month for the immediately preceding month. Other than the final report and accounting submitted to the Court upon discharge, the Receiver shall have no reporting requirements except for those to Union Bank just described;

21. The Receiver shall, on the tenth (10th) day of each month for the immediately preceding month during this receivership, deliver to Union Bank the Net Rents derived from the Collateral Property during that month. For purposes of this

ASSAYAG & MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Order, "Net Rents" shall mean all Rents and Proceeds derived from the Collateral Property, less fees of the Receiver and its authorized counsel and other employed professionals;

22. In the event of a sale or other transfer (including foreclosure) of any or all of the Collateral Property, the Receiver shall deliver to Petitioner, on the date immediately preceding the date of such sale, any remaining Net Rents collected by the Receiver during the pendency of this action, related to the property to be sold and then in the possession of the Receiver;

23. The Receiver may at any time file a motion requesting that it be exonerated, discharged and released from its appointment as the Receiver. Such motion may be heard by the Court ten (10) court days following the date of filing of the motion and service of notice upon all parties. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court approves the Receiver's final report or until the Court enters an order terminating the receivership and discharging the Receiver. Subject to the foregoing, any foreclosure sale of the Property shall require the winding down and termination of the receivership;

24. Being a custodial Receiver, and not a general Receiver, the Receiver shall be under no duty, unless otherwise ordered by this Court, to give general notice to creditors of this proceeding or to require the submission of claims;

25. The entry of this Order appointing a custodial receiver with respect to the Collateral Property shall operate as a stay, applicable to all persons except Union Bank and its employees, attorneys or other authorized agents, and the Receiver, of:

a. The commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the person over whose property the Receiver is

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

appointed that was or could have been commenced before the entry of the order of appointment, or to recover a claim against the person that arose before the entry of the order of appointment;

b. The enforcement, against the person over whose property the Receiver is appointed or any estate property, of a judgment obtained before entry of the order of appointment;

c. Any act to obtain possession of estate property from the Receiver, or to interfere with, or exercise control over, estate property;

d. Any act to create, perfect, or enforce any lien or claim against estate property except by exercise of a right of setoff, to the extent that the lien secures a claim against the person that arose before the entry of the order of appointment; or

e. Any act to collect, assess, or recover a claim against the person that arose before the entry of the order of appointment;

The stay shall remain in effect until the earlier of 1) the termination of the receivership; or 2) entry of an order terminating the stay upon the motion of any party in interest.

DONE in open court this 22nd day of November, 2012.

K. D. Hull

JUDGE/~~COMMISSIONER~~

///

///

///

///

///

KEVIN D. HULL

STATE OF WASHINGTON
COUNTY OF KITSAP SS

I, DAVID W. PETERSON, Clerk of the above-entitled County do hereby certify that the foregoing instrument is a true and exact copy of the original now on file in my office.

In witness whereof I hereunto set my hand and the seal of said Court this 27 day of NOV 20 12

DAVID W. PETERSON, COUNTY CLERK

BY: _____ DEPUTY

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Presented by:

ASSAYAG ❖ MAUSS
A Professional Law Corporation

By: _____
Matthew A. Goldberg, WSBA 37410
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: _____
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

ASSAYAG ❖ MAUSS
A Professional Law Corporation
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

22-A02332

HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS

DEPARTMENT OF
NATURAL RESOURCES

SOUTH PUGET SOUND REGION
950 FARMAN AVENUE N
ENUMCLAW, WA 98022-9282

360-825-1631
TRS 711
SOUTHPUGET.REGION@DNR.WA.GOV
WWW.DNR.WA.GOV

June 7, 2018

Mr. Jeremy McNeil, President
Bridgeview Marina
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease No. 22-A02332 – Insurance Requirement

Mr. McNeil:

While reviewing your file I was unable to find a current insurance policy for general liability and bodily injury. Your aquatic lands lease requires you to have this policy in place at all times and to name the state as additional insured with a 45 day written notice of cancellation.

Please send an updated Certificate of Insurance within thirty (30) days from the date of this letter to the following address:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

Please ensure your Aquatic Lands Agreement Number is referenced on the certificate.

Please call me at (206) 949-1740 if you have any questions.

Sincerely,

Lindie Schmidt, Land Manager
Shoreline District Aquatics

c: District File
TRO File

OLYMPIA COPY

PRINTED ON RECYCLED PAPER. DNR IS AN EQUAL OPPORTUNITY EMPLOYER

2332

HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS

DEPARTMENT OF
NATURAL RESOURCES

SOUTH PUGET SOUND REGION
950 FARMAN AVENUE N
ENUMCLAW, WA 98022-9282

360-825-1631
TRS 711
SOUTHPUGET.REGION@DNR.WA.GOV
WWW.DNR.WA.GOV

June 23, 2017

Mr. Jeremy McNeil, President
Bridgeview Marina
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease No. 22-A02332 – Security Requirement

Dear Mr. McNeil:

Your aquatic lands lease requires you to have financial security in effect at all times. The Department of Natural Resources would like verification that Kitsap Bank Certificate of Deposit No. Redacted in the amount of $25,000 is still in place toward fulfillment of this security requirement.

Within thirty (30) calendar days from the date of this letter, please provide proof that the required security is still active. Our mailing address is:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

If this security is no longer valid, please contact me to discuss your options. I can be reached at (206) 949-1740.

Sincerely,

FOR

Lindie Schmidt, Land Manager
Shoreline District Aquatics

c: District File
TRO File

PRINTED ON RECYCLED PAPER. DNR IS AN EQUAL OPPORTUNITY EMPLOYER.

2552

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

September 27, 2016

Mr. Jeremy McNeil, President
Bridgeview Marina
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease No. 22-A02332 - Notification of Revalued Rent Due

Dear Mr. McNeil:

Your rent has been revalued for the next four-year period beginning November 1, 2016. This revaluation was conducted in accordance with Section 4 of your aquatic lands lease and the rent calculation methods used were established by the Legislature in RCW 79.105.

Your annual water dependent base rent of $5,080.62 will decrease to $5,027.83, plus leasehold tax of $645.57. Your annual non-water dependent base rent of $8,892.30 will decrease to $8,185.35, plus leasehold tax of $1,051. The total rental payment due will be $14,909.76.

A rental billing for your rent from November 1, 2016 to October 31, 2017 will follow under a separate cover. Bills are computer generated and mailed out approximately four (4) weeks before the bill is due. All amounts past due will be charged penalty pursuant to the terms of your lease.

If you wish to appeal the amount of rent identified above, you must follow the procedure outlined in WAC 332-30-128 (copy enclosed). This procedure requires that within thirty (30) calendar days of your receipt of payment due, the department must have received your written request for review of rent containing all the requirements identified in the regulation.

Please address your request to Kristen Swenddal, Aquatic Resources Division Manager, Department of Natural Resources, Aquatic Resources Division, PO Box 47027, Olympia, Washington 98504-7027. In the event you wish to deliver your appeal in person, the street address is; Department of Natural Resources, Aquatic Resources Division, 1111 Washington Street SE, Third Floor, Olympia, Washington 98504.

OLYMPIA COPY

I was unable to find proof of insurance in your lease file. Insurance is required pursuant to Subsection 10.3 of your lease. Please provide us with a certificate of insurance documenting compliance with Subsection 10.3 within thirty (30) calendar days from the date of this letter.

If you have any questions, please contact me at 206-949-1740.

Sincerely,

Lindie Schmidt, Land Manager
Shoreline District Aquatics

Enclosure

c: District File
TRO File

2332

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

January 27, 2016

Mr. Jeremy McNeil, President
Bridgeview Marina
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease No. 22-A02332 – Insurance Requirement

Dear Mr. McNeil:

While reviewing your file I was unable to find a current insurance policy for general liability and bodily injury. Your aquatic lands lease requires you to have this policy in place at all times and to name the state as additional insured with a 45 day written notice of cancellation.

Please send an updated Certificate of Insurance or evidence of self insurance within thirty (30) days from the date of this letter to the following address:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

Please ensure your Aquatic Lands Agreement Number is referenced on the certificate.

Please call me at (206) 949-1740, if you have any questions.

Sincerely,

Donna Berube for

Lindie Schmidt, Natural Resource Specialist

c: District File
TRO File

OLYMPIA COPY

DNR-00019314

2332

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

March 24, 2015

Bridgeview Marina
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lease No. 22-A02332- Confirmation of Permanent Removal of Floating House

Dear Mr. McNeil:

On November 1, 2004 Seven Js Limited Partnership entered into a lease agreement with the State for use of state-owned aquatic lands. The lease was assigned to Bridgeview Marina on May 28, 2014. At the commencement of the lease there was one floating house located within the harbor area on the Property (the Existing Floating House). The Existing Floating House was inventoried in detail in Exhibit B of the lease.

Floating houses are not allowed in Harbor Areas pursuant to WAC 332-30-109(11). On January 1, 2015 you contacted the Department of Natural Resources stating that the floating house had been permanently removed from the Property. On January 21, 2015 I conducted a site inspection at the marina and confirmed that the floating house was no longer present. The floating house is deemed to be permanently removed from the Property. This use may not be returned to the Property.

The floating house was a non-water dependent use occupying an 800 square foot area. This non-water dependent area may now only be utilized for water dependent purposes. The approved non-water dependent areas of the leasehold continue to include the filled parking lot, buildings and bulkhead which are further described in Exhibits A and B of the lease.

The leasehold now contains:

Water Dependent Area:	3.505
Non-Water Dependent Area:	0.555
Public Access:	0
Total Acreage:	**4.06**

OLYMPIA COPY

Pursuant to Section 4.3 of the lease, this results in an adjustment in rent based on use. Bridgeview Marina pays rent on a quarterly bases. The next quarterly rent payment for the annual rent period from November 1, 2014 to October 31, 2015 is due on May 1, 2015. The May 1, 2015 leasehold rent will reflect the reduction in non-water dependent area as follows:

Water Dependent Area:	$1,062.18	
Non-Water Dependent Area:	$2,182.82	
Public Access:	0	
Total Quarterly Rent:	**$3,245.00**	plus leasehold tax

Thank you for your efforts to come into greater compliance with WAC 332-30-109(11). If you have any questions or concerns, please contact me.

Sincerely,

Donna Beuberg

Lindie Schmidt, Land Manager

c: District File
TRO File

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

September 23, 2014

Jeremy McNeil
Bridgeview Marina, Inc.
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease 22-A02332: Bridgeview Marina – Follow-up Site Inspection Dated September 18, 2014

Dear Mr. McNeil:

Thank you for meeting with me on September 18, 2014 to walk through the current condition of the marina. Many of the issues which were raised after previous inspections have been resolved. You have also made several improvements to the facility such as resurfacing and striping the parking lot. The stabilization of the floats appears to be an ongoing problem at the marina.

Uses Beyond the Outer Harbor Line

Moorage beyond the outer harbor line has ceased. The moorage cleats on the outside edge of A and B docks have been removed. In addition to moorage, several of the improvements were erroneously installed beyond the outer harbor line. These improvements are unauthorized improvements. During the site inspection you stated that you were working with Hugo Flores (WA DNR) to develop a proposal to move the outer harbor line.

Note: DNR may elect to charge use and occupancy fees of 160% of full fair market value for the area occupied by the unauthorized improvements in accordance with RCW 79.105.200 and WAC 332-30-127. DNR is not currently charging unauthorized use and occupancy fees at this site. DNR will send a separate notification to the marina prior to charging any such fees.

Floating Home:

The derelict floating home is still within the marina and remains unoccupied. At the time of the site inspection the second floor of the floating home had been removed. Please note that all work must conform to regulatory permit requirements.

WAC 332-30-109 (11) excludes floating homes from harbor areas. The floating home cannot be inhabited or replaced with another floating home. Until the floating home is removed DNR will continue to charge nonwater-dependent rent for the area it occupies.

COLUMBIA COPY

Maintenance and Repairs:
Floats: A number of floats continue to list. During the site inspection you stated that the marina is currently consulting with Marine Floats and Bellingham Marine. The marina has an obligation to maintain the improvements in a safe and functional manner. Within the next 60-days please forward your plans for float maintenance or replacement.

Pump-out: At the time of the inspection the pump-out had been replaced and the new system was inspected by Kitsap County Health and operational.

Thank you for taking steps to resolve the remaining issues with the leasehold. Please keep in touch as you develop a plan for float maintenance. If you have any questions or concerns, please contact me at 206-949-1740.

Sincerely,

Donna Berube for

Lindie Schmidt, Land Manager
Shoreline District; Aquatics Program

c: District File
TRO File

2332

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Monday, August 25, 2014 10:13 AM
To: Angela Cox (ACox@co.kitsap.wa.us)
Subject: Port Washington Marina - Lease 22-A02332

[redacted]

Hello Angela,

Attached is the recorded lease document. I will see about pulling the last couple letters we sent to the new tenant regarding the work which remains to be corrected within the marina. That will give you a better estimate of what kinds of expenses they anticipate in the near future.

A few years back someone did a national average of the cost to develop a marina and it came out to $50,000 per slip. When the port of Bremerton redeveloped their marina, the cost was closer to $100,000 per slip (but they have a big breakwater and public access facilities). Since so few marinas are constructed in any given year, the big ticket projects have the potential to really throw off the expense curve.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

June 17, 2014

JSH Properties
Krissy Blinn
14900 Interurban Avenue South, Suite 130
Seattle, WA 98168

Subject: Aquatic Lands Lease No. 22-A02332 - Security Release

Dear Ms. Blinn:

Enclosed is the original of Savings Account Assignment No. Redacted, issued by Frontier Bank now Union Bank on behalf of Seven J's Investments LLP in the amount of $25,000. The Union Bank account number is Redacted as shown on the enclosed correspondence from Union Bank.

This letter is to advise you that as of this date the State relinquishes all interest and claim against Savings Account Assignment No. Redacted, issued by Frontier Bank now Union Bank in the amount of $25,000.

If you have any questions or concerns, I may be reached at (206) 949-1740.

Sincerely,

Donna Berube for

Lindie Schmidt, Natural Resource Specialist

Enclosure

c: Union Bank
Seven J's Investments, LLC
Region File
TRO File

CERTIFIED COPY

FRONTIER BANK MEMBER FDIC

A Subsidiary of Frontier Financial Corporation

SAVINGS ACCOUNT ASSIGNMENT FORM

Date April 7, 2005

Department of Natural Resources
Aquatic Resources Division
111 Washington St SE
PO Box 47027
Olympia WA 98504-7027

SUBJECT: Aquatic Lands Lease Application No. 22-A02332

To secure the performance of the obligations of Tenant pursuant to the lease described above, the undersigned (jointly and severally) hereby assigns, transfers, and sets over to the State of Washington ("State"), the savings account identified below:

Savings Account Number: Redacted

Amount of Funds Assigned (Numeric/Spell-out): $ 25,000.00

Twenty Five Thousand dollars & no/100's

and all claims, rights, options, privileges, title and interest therein.

The above described account is maintained in or were issued by Frontier Bank ("Financial Institution").

The undersigned irrevocably authorizes and empowers State at any time in its own name to demand, apply for withdrawal, receive moneys assigned, and to exercise any and all rights and privileges and receive all benefits accorded by the savings account, with the exception of earned interest which shall remain the property of assignor. Financial Institution is specifically authorized and directed, on demand of State, to pay all moneys assigned in the savings account direct to State.

The undersigned represents and warrants that the above described savings account is owned solely by the undersigned and is free and clear of all liens and encumbrances and that the undersigned has full power, right and authority to execute and deliver this assignment.

"Any penalty suffered which results from a demand for payment by state from the bank shall be assessed against the Assignor."

If the savings account is represented by a passbook, or other document evidencing ownership, such document has been delivered and is assigned and pledged to State.

State shall release its interest in the account at the earlier of either termination of the lease or replacement of this security with another form of security acceptable to the State.

The undersigned acknowledges that the above agreement was complete, with all blanks filled in, prior to execution of this agreement.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

ASSIGNOR: Steve C Johnson

ASSIGNOR: _____

OLYMPIA CO.

STATE OF WASHINGTON

COUNTY OF Kitsap

I certify that I know or have satisfactory evidence that Steven Johnson is the person who appeared before me, and said person acknowledged that (he/~~she~~, ~~they~~) signed this instrument and acknowledged it to be (his/~~her~~, ~~their~~) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 4-7-05

(Seal or Stamp)

Kimberley M Johnson
(Signature)

Notary
(Title)

My appointment expires 7-12-06

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT:

We, Frontier Bank acknowledge receipt of notice and copy of this assignment as collateral for obligations due State. As to the savings account identified above, our records indicate the balance in Account Number [redacted] to be in the amount of Twenty Five Thousand Dollars ($ 25,000.00) as of this date. Our records do not disclose any liens, claims, or encumbrances against the savings account, except (if none, so state): NONE. We have compared the signature appearing on this assignment with the signature on our records, and the same compare correctly and is sufficient to authorize withdrawal of funds from said account and for all purposes with respect to the account.

FINANCIAL INSTITUTION (in caps)

FRONTIER BANK

Dated: 4-7-, 2005

By: Kim M. Peterson

Print Name: Kim Peterson

Title: Operations Officer.

Address: 10705 Silverdale Way NW
Silverdale WA 98383

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that KIM PETERSON is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the OPERATIONS OFFICER of FRONTIER BANK to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 04/07/2005

(Signature)

(Seal or Stamp)

NATALYA PUGH
(Print Name)

Notary Public in and for the State of Washington, residing at PORT ORCHARD, WA

My appointment expires NOV. 29, 2008

NATALYA PUGH
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
NOVEMBER 29, 2008

STATE OF WASHINGTON
DEPARTMENT OF
NATURAL RESOURCES APPROVAL

Dated: MAY 25, 2005

By:

Print Name: DONALD R. TOBA

Title: ENV. PLANNER

Address: 950 FARMAN AVE N
ENUMCLAW, WA 98022

FRONTIER BANK

A Subsidiary of Frontier Financial Corporation

SAVINGS ACCOUNT ASSIGNMENT FORM

Date April 7, 2005

Department of Natural Resources
Aquatic Resources Division
111 Washington St SE
PO Box 47027
Olympia WA 98504-7027

SUBJECT: Aquatic Lands Lease Application No. 22-A02332

To secure the performance of the obligations of Tenant pursuant to the lease described above, the undersigned (jointly and severally) hereby assigns, transfers, and sets over to the State of Washington ("State"), the savings account identified below:

Savings Account Number: Redacted

Amount of Funds Assigned (Numeric/Spell-out): $ 25,000.00

Twenty Five Thousand dollars & no/100's

and all claims, rights, options, privileges, title and interest therein.

The above described account is maintained in or were issued by Frontier Bank ("Financial Institution").

The undersigned irrevocably authorizes and empowers State at any time in its own name to demand, apply for withdrawal, receive moneys assigned, and to exercise any and all rights and privileges and receive all benefits accorded by the savings account, with the exception of earned interest which shall remain the property of assignor. Financial Institution is specifically authorized and directed, on demand of State, to pay all moneys assigned in the savings account direct to State.

The undersigned represents and warrants that the above described savings account is owned solely by the undersigned and is free and clear of all liens and encumbrances and that the undersigned has full power, right and authority to execute and deliver this assignment.

"Any penalty suffered which results from a demand for payment by state from the bank shall be assessed against the Assignor."

If the savings account is represented by a passbook, or other document evidencing ownership, such document has been delivered and is assigned and pledged to State.

State shall release its interest in the account at the earlier of either termination of the lease or replacement of this security with another form of security acceptable to the State.

The undersigned acknowledges that the above agreement was complete, with all blanks filled in, prior to execution of this agreement.

THIS AGREEMENT requires the signature of all parties and is executed as of the date of the last signature below.

ASSIGNOR: Steven C Johnson

ASSIGNOR: _____

OLYMPIA COPY

STATE OF WASHINGTON

COUNTY OF Kitsap

I certify that I know or have satisfactory evidence that Steven Johnson is the person who appeared before me, and said person acknowledged that (he/~~she~~, ~~they~~) signed this instrument and acknowledged it to be (his/~~her~~, ~~their~~) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 4-7-05

Kimberley M Johnson
(Signature)

(Seal or Stamp)

Notary
(Title)

My appointment expires 7-12-06

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT:

We, Frontier Bank acknowledge receipt of notice and copy of this assignment as collateral for obligations due State. As to the savings account identified above, our records indicate the balance in Account Number [redacted] to be in the amount of Twenty Five Thousand Dollars ($ 25,000.00) as of this date. Our records do not disclose any liens, claims, or encumbrances against the savings account, except (if none, so state): NONE. We have compared the signature appearing on this assignment with the signature on our records, and the same compare correctly and is sufficient to authorize withdrawal of funds from said account and for all purposes with respect to the account.

FINANCIAL INSTITUTION (in caps)

FRONTIER BANK

Dated: 4-7-, 2005

By: Kim M. Peterson

Print Name: Kim Peterson

Title: Operations Officer

Address: 10705 Silverdale Way NW
Silverdale WA 98383

REPRESENTATIVE ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that KIM PETERSON is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the OPERATIONS OFFICER of FRONTIER BANK to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 04/07/2005

(Signature)

(Seal or Stamp)

NATALYA PUGH
(Print Name)

Notary Public in and for the State of Washington, residing at PORT ORCHARD, WA

My appointment expires NOV. 29, 2008

NATALYA PUGH
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
NOVEMBER 29, 2008

STATE OF WASHINGTON
DEPARTMENT OF
NATURAL RESOURCES APPROVAL

Dated: MAY 25, 2005

By:

Print Name: DENNIS R. TOBA

Title: ENV. PLANNER

Address: 950 FARMAN AVE N
ENUMCLAW, WA 98022

UnionBank

22-A02332

March 2, 2011

Seven JS Investments Limited Partnership
DBA Port Washington Marina
PO Box 687
Burley, WA 98322-0687

RE: Your Time Deposit (Certificate of Deposit) account(s)

It is my pleasure to welcome you as a customer of Union Bank*. We have been preparing for a smooth conversion of your Frontier Bank account(s) to Union Bank, which will take place on **April 11, 2011***. As that date approaches, I want to provide you with information about the conversion of your account(s) and what you can expect.

Information you need to know

1. In April, your current account(s) and services will be changing to similar accounts and services at Union Bank. Please see the back of this letter for your new product type(s) and account number(s).
2. You will not receive a statement for your Certificate of Deposit (CD). You will receive a receipt upon account opening, and then a maturity notice and renewal notice (if you choose to automatically renew).
3. You can view your CD balance through Union Bank Internet Business Banking at *unionbank.com*.

Please review and keep the enclosed documents

We've included details about your new account(s) and an informative *Welcome Brochure*. Additionally we've enclosed the *2011 All About Business Accounts & Services Disclosure and Agreement*, and a *Fee Schedule*. These booklets are our contractual agreement with you and include detailed information and terms that apply to your account(s). By maintaining your account(s) with us, you are indicating your agreement to these terms. All of your account signers will remain the same unless you notify us otherwise.

Our commitment to you

As a Union Bank customer, you'll continue to enjoy the same great service you've come to expect, with the added convenience of Union Bank's many products, services, and banking offices. If you have any questions, please call 800-238-4486, seven days a week, 6:00 a.m. to 11:00 p.m. Pacific Time, or visit *unionbank.com/hellofrontierbank*.

Sincerely,

Brian Hawley

REGION COPY

Brian Hawley
Senior Vice President
Head of Pacific Northwest Branch Banking

*April 11, 2011 is the scheduled Union Bank conversion date, barring any unforeseen circumstances or events.

Please read the information on the back of this letter.

J1 67459-10

A summary of your certificate of deposit account(s)

- The account(s) listed here reflect information in our records as of February 2011.
- **We have addressed this letter to the business named on the account(s) listed below.** If you have another business account with a different title or Tax ID number, you will receive separate letters.

Below is a list of your current Frontier Bank time deposit account(s), along with the product name and account number by which it will be known at Union Bank. For details on your new account(s), please refer to the enclosed *Welcome Brochure* and the page numbers indicated.

FRONTIER BANK		UNION BANK		
Account # Ending In	**Product Type**	**New Account #**	**New Product Type**	**See Page**
7653	Silver Certificate of Deposit	Redacted	Business Custom Time Deposit	19-20

- **For your Frontier Bank CD converting to a Union Bank Business Custom Time Deposit,** at maturity, your CD will automatically renew to another Business Custom Time Deposit with the same term you currently have, unless you specify otherwise.
- **Your new Union Bank business time deposit will earn the same or slightly more interest,** with the same or a slightly higher Annual Percentage Yield (APY) due to changing interest to Union Bank's compounding calculations.

CD
25,000

©2011 Union Bank, N.A. Member FDIC LENDER

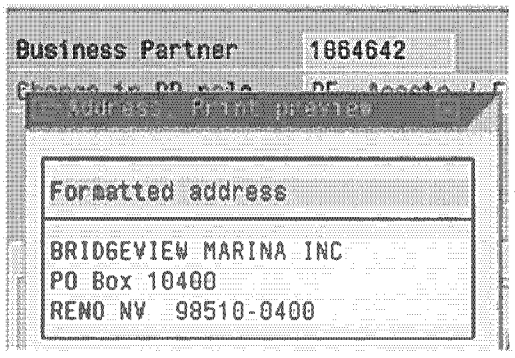
MIX Paper FSC FSC® C012581

2332

BERUBE, DONNA (DNR)

From: FARR, LINDA (DNR) on behalf of DNR RE AQ Nature RQST
Sent: Thursday, June 05, 2014 11:02 AM
To: BERUBE, DONNA (DNR)
Subject: RE: 22-A02332 - Bridgeview Marina

HERE YOU GO:



Linda Farr
Washington State Department of Natural Resources (DNR)

From: BERUBE, DONNA (DNR)
Sent: Wednesday, June 04, 2014 1:33 PM
To: DNR RE AQ Nature RQST
Subject: 22-A02332 - Bridgeview Marina

An Involuntary Assignment was just completed for agreement 22-A02332.

A new BP address is needed for the following:

Bridgeview Marina, Inc.
PO Box 10400
Reno, NV 98510-0400

Let me know if you need additional information.

Thank you,

Donna Berube
Natural Resource Technician 3
Aquatics Shoreline District
Washington State Department of Natural Resources (DNR)
(360)802-7042
donna.berube@dnr.wa.gov
www.dnr.wa.gov

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

June 4, 2014

Bridgeview Marina, Inc.
Mr. Jeremy McNeil, President
PO Box 10400
Reno, NV 98510-0400

Subject: Aquatic Lands Lease No. 22-A02332 – Financial Security

Dear Mr. McNeil:

For your records, enclosed is a copy of finalized Certificate of Deposit Assignment No. 0105755328 drawn on Kitsap Bank in the amount of $25,000.00. The original document will be held on file in Olympia until the terms of the agreement have been fulfilled.

If I can be of further assistance please contact me at (206) 949-1740.

Sincerely,

Donna Berube for

Lindie Schmidt, Land Manager
Shoreline District Aquatics

Enclosure

c: Carole Newton, Branch Manager, Kitsap Bank
District File
TRO File

OLYMPIA COPY

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

2332

Caring for
your natural resources
... now and forever

June 4, 2014

CERTIFIED MAIL
7012 2920 0000 8808 5831

Bridgeview Marina, Inc.
Mr. Jeremy McNeil, President
PO Box 10400
Reno, NV 98510-0400

Subject: Involuntary Assignment of Lease No. 22-A02332

Dear Mr. McNeil:

Enclosed is a final copy of Involuntary Assignment of Lease No. 22-A02332 for your records.

If you should have any questions, feel free to contact me at 206-949-1740.

Sincerely,

Donna Berube for
Lindie Schmidt, Land Manager
Aquatic Resources Division

Enclosure

c: District file
TRO file

MPIA COPY

22-A02332

GREAT AMERICAN INSURANCE GROUP
ADMINISTRATIVE OFFICES
301 E 4th Street • Cincinnati, OH 45202-4201
513.369.5000
www.GreatAmericanInsurance.com

GAI 2298 (Ed. 01 01)

Policy: OMH 1543942 00
Effective Date: May 30, 2014

Insured: BRIDGEVIEW MARINA, INC.

OCEAN MARINE GENERAL ENDORSEMENT

ADDITIONAL INSURED

It is hereby understood and agreed the following is added to the policy as an Additional Insured:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

All other terms and conditions remain unchanged.

OLYMPIA COPY

GREAT AMERICAN INSURANCE GROUP
ADMINISTRATIVE OFFICES
301 E 4th Street • Cincinnati, OH 45202-4201
513.369.5000
www.GreatAmericanInsurance.com

GAI 2430 (Ed. 08 05)

Policy No. OMH 1543942 00
Renewal Of

MARINE COMPOSITE POLICY DECLARATIONS

NAMED INSURED AND ADDRESS:	POLICY PERIOD:
BRIDGEVIEW MARINA, INC. P.O. BOX 10400 RENO, NV 89510-0400	12:01 A.M. Standard Time at the address of the Named Insured shown at left. From 05/30/2014 To 05/30/2015
IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.	**AGENT'S NAME AND ADDRESS:** WELLS FARGO INS SVCS USA INC 601 UNION ST STE 1300 SEATTLE, WA 98101 - 1363

Insurance is afforded by company indicated below:
(A capital stock corporation)

Great American Insurance Company of New York

POLICY SECTIONS

I. BOAT DEALER'S COVERAGE FORM
II. MARINA OPERATOR'S LEGAL LIABILITY COVERAGE FORM
III. MARINE COMMERCIAL LIABILITY COVERAGE FORM
IV. PROTECTION & INDEMNITY COVERAGE FORM
V. OWNED WATERCRAFT COVERAGE FORM
VI. OWNED EQUIPMENT COVERAGE FORM
VII. MARINE COMPOSITE POLICY GENERAL EXCLUSIONS
VIII. MARINE COMPOSITE POLICY GENERAL CONDITIONS
IX. ADDITIONAL COVERAGE FORMS AND ENDORSEMENTS

TOTAL POLICY PREMIUM: $ 2,750.00

SUBJECT TO CONDITIONS OF FORMS ATTACHED:
Subject to the Schedule of Coverages on the following pages of this Declarations, and the terms and conditions of the Coverage Forms and Endorsements attached hereto. In the event that any of the clauses contained in Section VII. General Policy Exclusions or Section VIII. General Policy Conditions attached hereto are in conflict with the specific clauses contained in the Coverage Forms and Endorsements attached hereto, the specific clauses contained in the Coverage Form or Endorsement shall take precedence and be applicable.

CLYMER COPY

DNR-00019331

SCHEDULE OF COVERED PREMISES:
1 1805 THOMPSON DR.
BREMERTON, WA 98337

COVERAGE SECTION	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
I. BOAT DEALER'S COVERAGE			$ Not Covered
A. ANY ONE COVERED PREMISES		$ Not Covered	
B. ANY ONE ACCIDENT OR OCCURRENCE	$ Not Covered	Not Covered	

REPORTING at

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
II. MARINA OPERATOR'S LEGAL LIABILITY COVERAGE			$ 2,000.00
A. ANY ONE ACCIDENT OR OCCURRENCE	$ 2,500	$ 1,000,000	

			RATE PER $100
SALES, ADJUSTABLE	FLAT	at	AGREED
RECEIPTS, ADJUSTABLE	FLAT	at	AGREED
a. DOCKAGE, MOORAGE, NON-RACK OUTSIDE STORAGE			AGREED
b. REPAIRS			AGREED
c. FUELING			AGREED
d. HAULING/LAUNCHING			AGREED
e. RACK STORAGE, INSIDE STORAGE			AGREED
f. BOAT RENTALS			AGREED
g. OTHER			AGREED

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
III. MARINE COMMERCIAL LIABILITY COVERAGE	$ 2,500		$ INCLUDED
A. GENERAL AGGREGATE LIMIT(OTHER THAN PRODUCTS/COMP OPS)		$ 2,000,000	
B. PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT		$ 1,000,000	
C. PERSONAL AND ADVERTISING INJURY LIMIT		$ 1,000,000	
D. EACH OCCURRENCE LIMIT		$ 1,000,000	
E. DAMAGE TO PREMISES RENTED TO YOU LIMIT		$ 100,000	
F. MEDICAL EXPENSE LIMIT		$ 10,000	

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
IV. PROTECTION & INDEMNITY COVERAGE			
A. ANY ONE ACCIDENT OR OCCURRENCE	$ 2,500	$ 1,000,000	$ 500.00
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
V. OWNED WATERCRAFT COVERAGE	$ Not Covered	$ Not Covered	$ Not Covered
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
VI. OWNED EQUIPMENT COVERAGE	$ Not Covered	$ Not Covered	$ Not Covered
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
IX. ADDITIONAL COVERAGE FORMS & ENDORSEMENTS	AS PER FORMS ATTACHED		$ 250.00
		GRAND TOTAL	$ 2,750.00

SCHEDULE OF ADDITIONAL COVERAGE FORMS AND ENDORSEMENTS - SECTION IX:
Stop Gap Employers' Liability Coverage Form

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, May 27, 2014 9:20 AM
To: BERUBE, DONNA (DNR)
Subject: FW: Bridgeview Marina
Attachments: Insurance Binder with DNR Add Insured 140523.pdf

---

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Friday, May 23, 2014 10:12 AM
To: SCHMIDT, LINDIE (DNR)
Cc: cindy.foley@ctt.com
Subject: Bridgeview Marina

Dear Lindie,

Attached is the evidence of insurance for Bridgeview Marina.

You should now have the financial security, Involuntary Assignment of Aquatic Lands Lease Number 22-A02332, and the insurance coverage needed. The last item is the rent due.

We plan on closing escrow on the sale of the Marina next Friday, May 30. The Rent should be paid through the escrow. Cindy Foley is handling the file, and I have cc'd her on this email.

My understanding is that the rent due for May 1, 2014 through July 31, 2014 is $2,931.05 plus Leasehold Tax of $376.35 for a total of $3,307.40.

Thanks,

Jeremy McNeil
Bridgeview Marina, Inc.
702-966-8041

OLYMPIA COPY

DNR-00019334

GREAT AMERICAN INSURANCE GROUP
ADMINISTRATIVE OFFICES
301 E 4th Street • Cincinnati, OH 45202-4201
513.369.5000
www.GreatAmericanInsurance.com

GAI 2298 (Ed. 01 01)

Policy: OMH 1543942 00
Effective Date: May 30, 2014

Insured: BRIDGEVIEW MARINA, INC.

OCEAN MARINE GENERAL ENDORSEMENT

ADDITIONAL INSURED

It is hereby understood and agreed the following is added to the policy as an Additional Insured:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

All other terms and conditions remain unchanged.

GREAT AMERICAN INSURANCE GROUP
ADMINISTRATIVE OFFICES
301 E 4th Street • Cincinnati, OH 45202-4201
513.369.5000
www.GreatAmericanInsurance.com

GAI 2430 (Ed. 08 05)

Policy No. OMH 1543942 00
Renewal Of

MARINE COMPOSITE POLICY DECLARATIONS

NAMED INSURED AND ADDRESS:	POLICY PERIOD:
BRIDGEVIEW MARINA, INC. P.O. BOX 10400 RENO, NV 89510-0400	12:01 A.M. Standard Time at the address of the Named Insured shown at left. From 05/30/2014 To 05/30/2015
IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.	**AGENT'S NAME AND ADDRESS:** WELLS FARGO INS SVCS USA INC 601 UNION ST STE 1300 SEATTLE, WA 98101 - 1363

Insurance is afforded by company indicated below:
(A capital stock corporation)

Great American Insurance Company of New York

POLICY SECTIONS

I. BOAT DEALER'S COVERAGE FORM
II. MARINA OPERATOR'S LEGAL LIABILITY COVERAGE FORM
III. MARINE COMMERCIAL LIABILITY COVERAGE FORM
IV. PROTECTION & INDEMNITY COVERAGE FORM
V. OWNED WATERCRAFT COVERAGE FORM
VI. OWNED EQUIPMENT COVERAGE FORM
VII. MARINE COMPOSITE POLICY GENERAL EXCLUSIONS
VIII. MARINE COMPOSITE POLICY GENERAL CONDITIONS
IX. ADDITIONAL COVERAGE FORMS AND ENDORSEMENTS

TOTAL POLICY PREMIUM: $ 2,750.00

SUBJECT TO CONDITIONS OF FORMS ATTACHED:
Subject to the Schedule of Coverages on the following pages of this Declarations, and the terms and conditions of the Coverage Forms and Endorsements attached hereto. In the event that any of the clauses contained in Section VII. General Policy Exclusions or Section VIII. General Policy Conditions attached hereto are in conflict with the specific clauses contained in the Coverage Forms and Endorsements attached hereto, the specific clauses contained in the Coverage Form or Endorsement shall take precedence and be applicable.

SCHEDULE OF COVERED PREMISES:
1 1805 THOMPSON DR.
BREMERTON, WA 98337

COVERAGE SECTION	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
I. BOAT DEALER'S COVERAGE			$ Not Covered
A. ANY ONE COVERED PREMISES		$ Not Covered	
B. ANY ONE ACCIDENT OR OCCURRENCE	$ Not Covered	Not Covered	

REPORTING at

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
II. MARINA OPERATOR'S LEGAL LIABILITY COVERAGE			$ 2,000.00
A. ANY ONE ACCIDENT OR OCCURRENCE	$ 2,500	$ 1,000,000	

		RATE PER $100
SALES, ADJUSTABLE	FLAT at	AGREED
RECEIPTS, ADJUSTABLE	FLAT at	AGREED
a. DOCKAGE, MOORAGE, NON-RACK OUTSIDE STORAGE		AGREED
b. REPAIRS		AGREED
c. FUELING		AGREED
d. HAULING/LAUNCHING		AGREED
e. RACK STORAGE, INSIDE STORAGE		AGREED
f. BOAT RENTALS		AGREED
g. OTHER		AGREED

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
III. MARINE COMMERCIAL LIABILITY COVERAGE	$ 2,500		$ INCLUDED
A. GENERAL AGGREGATE LIMIT(OTHER THAN PRODUCTS/COMP OPS)		$ 2,000,000	
B. PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT		$ 1,000,000	
C. PERSONAL AND ADVERTISING INJURY LIMIT		$ 1,000,000	
D. EACH OCCURRENCE LIMIT		$ 1,000,000	
E. DAMAGE TO PREMISES RENTED TO YOU LIMIT		$ 100,000	
F. MEDICAL EXPENSE LIMIT		$ 10,000	

	DEDUCTIBLE AMOUNT	LIMIT OF LIABILITY	PREMIUM
IV. PROTECTION & INDEMNITY COVERAGE			
A. ANY ONE ACCIDENT OR OCCURRENCE	$ 2,500	$ 1,000,000	$ 500.00
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
V. OWNED WATERCRAFT COVERAGE	$ Not Covered	$ Not Covered	$ Not Covered
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
VI. OWNED EQUIPMENT COVERAGE	$ Not Covered	$ Not Covered	$ Not Covered
	DEDUCTIBLE AMOUNT	**LIMIT OF LIABILITY**	**PREMIUM**
IX. ADDITIONAL COVERAGE FORMS & ENDORSEMENTS	AS PER FORMS ATTACHED		$ 250.00
		GRAND TOTAL	$ 2,750.00

SCHEDULE OF ADDITIONAL COVERAGE FORMS AND ENDORSEMENTS - SECTION IX:
Stop Gap Employers' Liability Coverage Form

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, May 13, 2014 11:35 AM
To: Jeremy McNeil
Subject: Lease 22-A02332 FW: Port Washington narrows marina memo
Attachments: PWNM_Memo_25-2-14.doc

Hello Jeremy,

Thanks for contacting me yesterday. Attached is the Habitat Stewardship memo which was compiled for the Port Washington Narrows Marina (now Bridgeview Marina). This stewardship memo gives you some information regarding current DNR expectations for new marina construction at your facility. Please note, the existing lease requires that you maintain the leasehold and improvements in good working order; it does not require reconstruction of the facility during this lease term.

If you elect to rebuild the marina during the term of this lease, you must submit plans and specifications to DNR for review and approval. DNR will review any plans and specifications for new construction within the context of the lease terms, law and the site specific habitat stewardship recommendations.

Let me know if you have any questions.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

OLYMPIA COPY

DNR-00019339

MEMORANDUM

DATE: February 25, 2014

TO: Lindie Schmidt, Kitsap county Land Manager

FROM: John Evered, Shoreline District Habitat Stewardship Specialist

RE: **Port Washington Narrows Marina**

This memo outlines the measures that would be applicable if the Port Washington Narrows marina were to be subject to habitat stewardship review. It must be stressed that these measures are speculative, and may change if a formal review is conducted at a later date.

The Port Washington Narrows Marina is located in the Port Washington Narrows, just to the east of Anderson Cove. There are no species or habitat of concerns in the vicinity of the marina, however there is a historical eelgrass presence in the neighboring Phinney Bay. The marine habitat is subject to large tidal changes, and as a result water residence time is low and water depths are not of concern due to natural scouring. The improvements at the marina are all located on state owned aquatic land and consist of a number of floating docks, a small fixed pier and aluminum gangway. All of the floats are constructed from treated wood, are ungrated and in an average to poor state of repair. Several portions of the docks showed evidence of failing floatation and a number of derelict sailing vessels were observed within the marina.

As such if a review was conducted today for a 12 year lease renewal the following stewardship measures would be recommended:

- **DNR1 -** No treated wood may be used as part of the decking, pilings, or other components of any in-water structures such as docks, wharves, piers, marinas, rafts, shipyards and terminals. Treated wood may only be used for above water structural framing and may not be used as decking, pilings or for any other uses. During maintenance that involves replacement of treated wood, existing treated wood must be replaced with alternative materials such as untreated wood, steel, concrete, or recycled plastic, or encased in a manner that prevents metals, hydrocarbons and other toxins from leaching out.

Justification: The entire marina infrastructure is constructed using treated wood, with some areas of floatation failing. Unless it can be shown through survey that the operational life of the docks is longer, all docks should be replaced with materials that meet current stewardship standards by the end of the new 12 year agreement.

- **DNR2 -** Tires are prohibited as part of above and below water structures or where they could potentially come in contact the water (e.g., floatation, fenders, hinges) except in rare circumstances where no commercially and physically practicable alternative is available. Existing tires used for floatation must be replaced with inert or encapsulated materials such as plastic or enclosed foam, during maintenance or repair of the structure. Tires used for non-structural support of the structure (e.g. bumpers, fenders) will be required to be removed prior to the renovation life of the facility.
  Justification: A small number of tires were observed at the site and should be removed within 5 years of the start of the new agreement.

- **DNR10 -** Artificial night lighting on and from overwater structures must be minimized by focusing the light on the docks surface, and using shades that minimize illumination of the surrounding environment and reduces glare on the water surface.
  Justification: Large overhead lights were observed within the marina.

- **DNR9 -** Use authorizations shall require the removal of lessee- or grantee-owned structures such as treated wood pilings, vessels, and equipment no longer utilized as part of the permitted use or at the termination of the authorization. Washington DNR is responsible for removal of unused state-owned improvements. Where appropriate, DNR will contract for removal of unused and abandoned structures, pilings, vessels, and equipment for which a responsible party cannot be located or compelled to conduct removal.
  Justification: Several derelict vessels are currently housed within the marina, and should be removed by the end of the new 12 year agreement.

- **OWS10:** Work on overwater structures and associated vessels that could introduce toxins into the water is prohibited unless the following protective measures are enacted to prevent discharge to the water. 1) In-water repair and refinishing of boats is limited to decks and superstructures 2) In-water hull scraping, or any process that removes paint from the boat hull underwater is prohibited 3) Refinishing work from boats and temporary floats is prohibited,

unless permitted by an industrial National Pollution Discharge Elimination System (NPDES permit 4) Dust, drip, sand spill control measures, such as tarps placed to contain spills, are mandatory to ensure there is no discharge to waterways. **Justification:** Measure is included due to the proportionally large number of vessels currently moored within the marina that will likely require renovation at some point during the new lease term.

- **OWS16:** Floating homes are considered water-oriented uses. Washington DNR will not authorize new, expanded, or additional nonwater-dependent uses or water-oriented uses except in the exceptional circumstances defined under WAC 332-30-137 and when compatible with water-dependent uses existing in or planned for the area. Water oriented uses are those which were historically dependent on a waterfront location, but can be located away from the waterfront. Examples include, but are not limited to, wood products manufacturing, watercraft sales, and house boats. See RCW 79.105.060(25) and WAC 332-30-106(77). Washington DNR will only authorize new, expanded, or additional nonwater-dependent uses or water-oriented uses in the exceptional circumstances defined under WAC 332-30-137 and when compatible with water-dependent uses existing in or planned for the area.
- **Justification:** A large derelict floating home was observed within the marina.

BERUBE, DONNA (DNR)

From: James Shoen <huffakermanagement@hotmail.com>
Sent: Tuesday, May 13, 2014 1:55 PM
To: BERUBE, DONNA (DNR)
Cc: sbutler@kitsapbank.com; SCHMIDT, LINDIE (DNR)
Subject: RE: Security DNR lease 22-A02332
Attachments: CD Assignment 140508 - Bank Signature.pdf; CD Assignment 140513.pdf

Donna,

I have attached two documents showing the completed cd assignment form - one signed by Kitsap Bank, and the other by Bridgeview Marina. You should receive both documents separately.

Sincerely,

Jeremy

From: Donna.Berube@dnr.wa.gov
To: huffakermanagement@hotmail.com
CC: sbutler@kitsapbank.com; LINDIE.SCHMIDT@dnr.wa.gov
Subject: RE: Security DNR lease 22-A02332
Date: Thu, 8 May 2014 21:29:40 +0000

Jeremy,

Attached is a certificate of deposit assignment form with the information you provided. Once the form is signed and notarized, please return the original form to the address at the top of the form.

Thank you,

Donna Berube

Washington State Department of Natural Resources (DNR)

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Thursday, May 08, 2014 12:29 PM
To: BERUBE, DONNA (DNR)
Cc: sbutler@kitsapbank.com; SCHMIDT, LINDIE (DNR)
Subject: RE: Security DNR lease 22-A02332

OLYMPIA COPY

Dear Donna,

I gave the wrong information on the security account.

The account is a certificate of deposit, account number Redacted The rest of the information remains the same. Please adjust the assignment form and resend.

Thanks,

Jeremy

From: Donna.Berube@dnr.wa.gov
To: huffakermanagement@hotmail.com
CC: sbutler@kitsapbank.com; LINDIE.SCHMIDT@dnr.wa.gov
Subject: Security DNR lease 22-A02332
Date: Wed, 7 May 2014 18:54:38 +0000

Mr. McNeil,

Attached is a Savings Account Assignment form for lease number 22-A02332. Once the form is signed and notarized please return to:

Department of Natural Resources

950 Farman Avenue North

Enumclaw, WA 98022

Copies of the Savings Account Assignment will be returned to you and the bank once the form is finalized by the department.

If you have any questions, please call me at the phone number below.

Donna Berube

Natural Resource Technician 3

Aquatics Shoreline District

Washington State Department of Natural Resources (DNR)

(360)802-7042

donna.berube@dnr.wa.gov

www.dnr.wa.gov

DNR-00019345

BERUBE, DONNA (DNR)

22-A02332

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, May 06, 2014 4:15 PM
To: BERUBE, DONNA (DNR)
Subject: FW: DNR Security Deposit

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Tuesday, May 06, 2014 3:51 PM
To: SCHMIDT, LINDIE (DNR)
Subject: RE: DNR Security Deposit

Sure. Our main contact is Sarah Butler. Her info is below.

Sarah K Butler
Kitsap Bank
Senior Financial Service Specialist
Branch-Port Orchard Office
Phone- (360) 876-7800
Fax- (360) 876-7863
Email- sbutler@kitsapbank.com

From: LINDIE.SCHMIDT@dnr.wa.gov
To: huffakermanagement@hotmail.com
Subject: RE: DNR Security Deposit
Date: Tue, 6 May 2014 22:47:25 +0000

Can you also send the contact information for your representative at the bank?

From: James Shoen [mailto:huffakermanagement@hotmail.com]
Sent: Tuesday, May 06, 2014 3:00 PM
To: SCHMIDT, LINDIE (DNR)
Subject: DNR Security Deposit

Lindie,

Here's our bank information for the Bridgeview Marina, Inc., (formerly Seven Js) security:

Kitsap Bank
Acccount Holder: Bridgeview Marina, Inc.
Account Number: Redacted
Amount: $25,000

Please let me know if you need additional information.

OLYMPIA COPY

Jeremy McNeil
President
Bridgeview Marina, Inc.
702-966-8041

DNR-00019347

JEPSON, GINGER (DNR)

From: JEPSON, GINGER (DNR)
Sent: Thursday, May 01, 2014 10:18 AM
To: 'erniev@jshproperties.com'
Subject: Involuntary Assignment of Lease No. 22-A02332
Attachments: 22A02332 Involuntary Assignment.pdf

Ernie,
A copy of the assignment is attached for your reference.
Thank you,

Ginger Jepson
Natural Resource Technician 3
Aquatics Shoreline District
Washington State Department of Natural Resources (DNR)
360-802-7044
ginger.jepson@dnr.wa.gov
www.dnr.wa.gov

OLYMPIA CO

BERUBE, DONNA (DNR)

22-A02332

From: Callow, Ted (ATG)
Sent: Friday, April 04, 2014 12:31 PM
To: SCHMIDT, LINDIE (DNR)
Cc: BERUBE, DONNA (DNR)
Subject: RE: Seven Js - Sale Order

Redacted

Ted Callow
Assistant Attorney General
Natural Resources Division
(360) 664-2854
FAX (360) 586-2756
tedc@atg.wa.gov

(This email may contain information that is privileged. If you receive this email in error, please contact me immediately and delete the message. Any unauthorized disclosure, copying, distribution, or other use of the contents of this information is prohibited.)

From: SCHMIDT, LINDIE (DNR)
Sent: Friday, April 04, 2014 12:26 PM
To: Callow, Ted (ATG)
Cc: BERUBE, DONNA (DNR)
Subject: FW: Seven Js - Sale Order

Hello Ted,

Redacted

Lindie Schmidt
206-949-1740

From: Kristina Blinn [mailto:krissyb@jshproperties.com]
Sent: Friday, April 04, 2014 12:06 PM
To: SCHMIDT, LINDIE (DNR)
Subject: FW: Seven Js - Sale Order

Redacted

Krissy Blinn | tel 425.283.5478 | fax 206.674.4666

Please consider the environment before printing this email

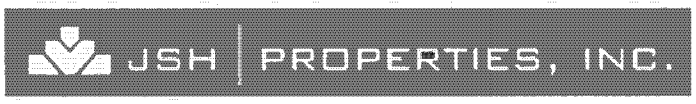
CLIENTFIA COPY

From: Ernie Velton
Sent: Friday, April 04, 2014 12:02 PM
To: huffakermanagement@hotmail.com
Cc: Kristina Blinn
Subject: FW: Seven Js - Sale Order

Jeremy,

Attached is approved court order. We can proceed to closing. We'll enter this info into the assignment and send it on to the DNR ASAP.

Congrats, Ernie



Ernie Velton
JSH Properties, Inc.
10655 NE 4th Street, suite 901
Bellevue, WA 98004
Off (425) 455-0500
Mob (425) 985-7573
erniev@jshproperties.com

From: Charles Shigley [mailto:cshigley@alcourt.com]
Sent: Friday, April 04, 2014 11:51 AM
To: James R. Tomlinson (jtomlinson@dpearson.com); Matt Goldberg; 'Raminta A. Rudys'; Ernie Velton
Subject: Seven Js - Sale Order

Attached is a copy of the approved sale order which was entered on April 1.

Chuck Shigley
Alston, Courtnage & Bassetti LLP
1420 Fifth Avenue, Suite 3650
Seattle, WA 98101-4011
Phone: 206-623-7600
Fax: 206-623-1752
email: cshigley@alcourt.com
www.alcourt.com

CONFIDENTIALITY NOTE: This email and any attachments are confidential and may be protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of this email or any attachment is prohibited. Neither this message nor any information contained in this message may be posted to any social networking site (e.g. Facebook, Myspace), blog or internet site. If you have received this email in error, please notify us immediately by returning it to the sender and delete this copy from your system. Thank you for your cooperation.

IRS CIRCULAR 230 DISCLOSURE: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, April 01, 2014 11:40 AM
To: Kristina Blinn
Subject: RE: Port Washington Marina
Attachments: image001.gif

22-A02332

Hello Krissy,

Do you have a court order approving the sale of Seven J's? We will need that to complete the involuntary assignment.

Thanks for your time.

Lindie Schmidt
206-949-1740

OLYMPIA COPY

DNR-00019351

BERUBE, DONNA (DNR)

22-A02332

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, April 01, 2014 11:40 AM
To: Kristina Blinn
Subject: RE: Port Washington Marina
Attachments: image001.gif

Hello Krissy,

Do you have a court order approving the sale of Seven J's? We will need that to complete the involuntary assignment.

Thanks for your time.

Lindie Schmidt
206-949-1740

REGION COPY
OLYMPIA COPY

22-A0232

RECEIVED
MAR 19 2014
DNR-SPS

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

APPLICATION FOR ASSIGNMENT OF AQUATIC LANDS AGREEMENT

Please enclose a $25.00 non-refundable application-processing fee and mail to the Aquatics District that administers your agreement. This fee is not required for local, state, and other government agencies.

Aquatic Lands Offices	Counties Served
Rivers District 601 Bond Road PO Box 280 Castle Rock, WA 98611-0280 (360) 577-2025	All of Eastern Washington, Grays Harbor, and Pacific counties Thurston (fresh water only), Lewis, Wahkiakum, Cowlitz, Clark, and Skamania counties
Orca Straits District 919 N Township Street Sedro Woolley, WA 98284-9384 (360) 856-3500	Island, Skagit, Snohomish, San Juan, and Whatcom counties
Orca Straits District 5310 Eaglemount Rd Chimacum, WA 98325-9720 (360) 732-0934	Jefferson and Clallam counties
Shoreline District 950 Farman Avenue N Enumclaw, WA 98022-9282 (360) 825-1631	King, Pierce, Kitsap, Thurston (marine waters), and Mason counties

1. Assignor – person or entity currently authorized in the agreement with DNR

Date of Application: February 19, 2014

Type of agreement: ☒ Lease ☐ Easement Agreement number: 22-A0232

Name of the person or entity as listed on the agreement with DNR:
Seven J's Investments, L.P. a Washington limited Partnership

Address:	City:	State:	Zip Code:
10655 NE 4th Street Suite 901	Bellevue	WA	98004

Telephone:	Fax:	E-mail:
206-244-2000	425-455-3100	Kristyb@JSHproperties.com

OLYMPIA C

Agreement location address: 1815 Thompson Drive	City: Bremerton	State: Washington
Permitted Use: recreational and Commercial vessel moorage and a marine pump out	Loan amount:	Loan purpose:

2. Assignor's Agent, if any, authorized to represent the Assignor regarding the agreement and assignment.

Agent's Name and Organization: JSH Properties, Inc. a Washington Corporation

Agent's Relationship to Applicant: General receiver for Seven J's Investment L.P. Under Cause # 12-2-02301

Address: 10655 NE 4th St Suite 901	City: Bellevue	State: WA	Zip Code: 98004
Telephone: 206-244-2000	Fax: 425-455-[illegible]	E-Mail: Ernie@JSHproperties.com	

Department of Revenue Tax Registration Number (Unified Business Identifier) **Required:** 91-138-6942

Check one and attach written authority to sign - bylaws, power of attorney, etc.

Corporation ☒ State of Registration: Washington State	Limited Partnership ☐ State of Registration:	General Partnership ☐ State of Registration:
Sole Proprietorship ☐	Marital Community ☐ Spouse:	Government Agency ☐

Other ☐ (Please Explain)

3. Assignee – person or entity to whom the agreement with DNR is to be assigned.

Name of the person or entity to assign the agreement to: Bridgeview Marina Inc.

City: Bremerton	State: WA	Zip Code: 98337
Fax: 702 9895130	E-mail: [illegible]@portorchardrailwaymarina.com	

Department of Revenue Tax Registration Number (Unified Business Identifier) **Required:** 603-366-000

Check one and attach written authority to sign - bylaws, power of attorney, etc.

Limited Partnership ☐ State of Registration:	General Partnership ☐ State of Registration:
Marital Community ☐ Spouse:	Government Agency ☐

Other ☒ (Please Explain) Corporation, Washington State

Does this Assignee currently have another agreement with DNR?
Yes ☐ Agreement Number: - No ☒ Don't Know ☐

4. **Assignee's Agent, if any, authorized to represent the Assignee regarding the agreement and assignment.**			
Agent's Name and Organization:			
Agent's Relationship to Applicant:			
Address:	City:	State:	Zip Code:
Telephone:	Fax:	E-Mail:	
Department of Revenue Tax Registration Number (Unified Business Identifier) **Required**:			
Check one and attach written authority to sign - bylaws, power of attorney, etc.			
Corporation ☐ State of Registration:	Limited Partnership ☐ State of Registration:	General Partnership ☐ State of Registration:	
Sole Proprietorship ☐	Marital Community ☐ Spouse:	Government Agency ☐	
Other ☐ (Please Explain)			

All answers and statements are true and correct to the best of my knowledge.

Applicant name (please print):	Title:	
I, the Assignor named in the line above, wish to assign DNR agreement - to the Assignee below.		
Applicant Signature:		Date: 3/14/14
Authorized Agent name (please print): Edward E. "Ed" Hatch	Title: Corp. Secretary, JSH Properties, Inc.	
Authorized Agent signature:		Date:
Assignee name (please print): Jeremy McNeil	Title: President	
I, the Assignee named in the line above, wish to accept the assignment of DNR agreement 22-A013L **from the Assignor.**		
Assignee Signature:		Date: 3/17/14
Authorized Agent name (please print):	Title:	
Authorized Agent signature:		Date:

DNR-00019355

WASHINGTON STATE DEPARTMENT OF
Natural Resources

Receipt confirmation Date 03/19/2014

Cash document	7909
Company code	4900 DNR
Cash journal	SPS SOUTHPUGET CASH JOURNAL

Incoming payment

From/to	JSH PROPERTIES INC as Receivership
For	14900 INTERURBAN AVE S #130 TUKWILA WA 98168
	AQUATIC APP FEE
Transaction	CHECK
Reference	1153
Document Date	03/19/2014

Net	25.00
Total	25.00

BYLAWS

OF

BRIDGEVIEW MARINA, INC.

A Washington Corporation

ARTICLE I

SHAREHOLDERS

1. Annual Meeting

A meeting of the shareholders shall be held annually for the election of directors and the transaction of other business on such date in each year as may be determined by the Board of Directors.

2. Special Meetings

Special meetings of the shareholders may be called by the Board of Directors, Chairman of the Board or President and shall be called by the Board upon the written request of the holders of record of a majority of the outstanding shares of the Corporation entitled to vote at the meeting requested to be called. Such request shall state the purpose or purposes of the proposed meeting. At such special meetings the only business which may be transacted is that relating to the purpose or purposes set forth in the notice thereof.

3. Place of Meetings

Meetings of the shareholders shall be held at such place within or outside of the State of Washington as may be fixed by the Board of Directors. If no place is so fixed, such meetings shall be held at the principal office of the Corporation.

4. Notice of Meetings

Notice of each meeting of the shareholders shall be given in writing and shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called. Notice of a special meeting shall indicate that it is being issued by or at the direction of the person or persons calling or requesting the meeting.

If, at any meeting, action is proposed to be taken which, if taken, would entitle objecting shareholders to receive payment for their shares, the notice shall include a statement of that purpose and to that effect.

A copy of the notice of each meeting shall be given, personally or by first class mail, not less than ten nor more than sixty days before the date of the meeting, to each shareholder entitled

to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his address as it appears on the record of the shareholders, or, if he shall have filed with the Secretary of the Corporation a written request that notices to him or her be mailed to some other address, then directed to him at such other address.

When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice under this Section 4.

5. Waiver of Notice

Notice of a meeting need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

6. Inspectors of Election

The Board of Directors, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint two inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment in advance of the meeting by the Board or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of such inspector at such meeting with strict impartiality and according to the best of his ability.

The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote at the meeting, count and tabulate all votes, ballots or consents, determine the result thereof, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting, or of any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and shall execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of any vote certified by them.

7. List of Shareholders at Meetings

A list of the shareholders as of the record date, certified by the Secretary or any Assistant Secretary or by a transfer agent, shall be produced at any meeting of the shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors of election, or the person presiding thereat, shall require such list of the shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

8. Qualification of Voters

Unless otherwise provided in the Certificate of Incorporation, every shareholder of record shall be entitled at every meeting of the shareholders to one vote for every share standing in its name on the record of the shareholders.

Treasury shares as of the record date and shares held as of the record date by another domestic or foreign corporation of any kind, if a majority of the shares entitled to vote in the election of directors of such other corporation is held as of the record date by the Corporation, shall not be shares entitled to vote or to be counted in determining the total number of outstanding shares.

Shares held by an administrator, executor, guardian, conservator, committee or other fiduciary, other than a trustee, may be voted by such fiduciary, either in person or by proxy, without the transfer of such shares into the name of such fiduciary. Shares held by a trustee may be voted by him or her, either in person or by proxy, only after the shares have been transferred into his name as trustee or into the name of his nominee.

Shares standing in the name of another domestic or foreign corporation of any type or kind may be voted by such officer, agent or proxy as the bylaws of such corporation may provide, or, in the absence of such provision, as the board of directors of such corporation may determine.

No shareholder shall sell his vote, or issue a proxy to vote, to any person for any sum of money or anything of value except as permitted by law.

9. Quorum of Shareholders

The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote at any meeting of the shareholders shall constitute a quorum at such meeting for the transaction of any business, provided that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such specified item of business.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

The shareholders who are present in person or by proxy and who are entitled to vote may, by a majority of votes cast, adjourn the meeting despite the absence of a quorum.

10. Proxies

Every shareholder entitled to vote at a meeting of the shareholders, or to express consent or dissent without a meeting, may authorize another person or persons to act for him by proxy.

Every proxy must be signed by the shareholder or its attorney. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy, unless before the authority is exercised written notice of an adjudication of such incompetence or of such death is received by the Secretary or any Assistant Secretary.

11. Vote or Consent of Shareholders

Directors, except as otherwise required by law, shall be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election.

Whenever any corporate action, other than the election of directors, is to be taken by vote of the shareholders, it shall, except as otherwise required by law, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Whenever shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon. Written consent thus given by the holders of all outstanding shares entitled to vote shall have the same effect as an unanimous vote of shareholders.

12. Fixing The Record Date

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall not be less than ten nor more than sixty days before the date of such meeting, nor more than sixty days prior to any other action.

When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided in this Section, such determination shall

apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

ARTICLE II

BOARD OF DIRECTORS

1. Power of Board and Qualification of Directors

The business of the Corporation shall be managed by the Board of Directors. Each director shall be at least eighteen years of age.

2. Number of Directors

The number of directors constituting the entire Board of Directors shall be the number, not less than one nor more than ten, fixed from time to time by a majority of the total number of directors which the Corporation would have, prior to any increase or decrease, if there were no vacancies, provided, however, that no decrease shall shorten the term of an incumbent director.

3. Election and Term of Directors

At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting and until their successors have been elected and qualified or until their death, resignation or removal in the manner hereinafter provided.

4. Quorum of Directors and Action by the Board

A majority of the entire Board of Directors shall constitute a quorum for the transaction of business, and, except where otherwise provided herein, the vote of a majority of the directors present at a meeting at the time of such vote, if a quorum is then present, shall be the act of the Board.

Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee.

5. Meetings of the Board

An annual meeting of the Board of Directors shall be held in each year directly after the annual meeting of shareholders. Regular meetings of the Board shall be held at such times as may be fixed by the Board. Special meetings of the Board may be held at any time upon the call of the President or any director.

Meetings of the Board of Directors shall be held at such places as may be fixed by the Board for annual and regular meetings and in the notice of meeting for special meetings. If no place is so fixed, meetings of the Board shall be held at the principal office of the Corporation. Any one or more members of the Board of Directors may participate in meetings by means of a conference telephone or similar communications equipment.

No notice need be given of annual or regular meetings of the Board of Directors. Notice of each special meeting of the Board shall be given to each director either by mail not later than noon, pacific time, on the third day prior to the meeting or by telegram, written message or orally not later than noon, pacific time, on the day prior to the meeting. Notices are deemed to have been properly given if given: by mail, when deposited in the United States mail; by email at the time sent; or by messenger at the time of delivery. Notices by mail, email or messenger shall be sent to each director at the address designated by him for that purpose, or, if none has been so designated, at his last known residence or business address.

Notice of a meeting of the Board of Directors need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to any director.

A notice, or waiver of notice, need not specify the purpose of any meeting of the Board of Directors.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting to another time or place shall be given, in the manner described above, to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

6. Resignations

Any director of the Corporation may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

7. Removal of Directors

Any one or more of the directors may be removed for cause by action of the Board of Directors. Any or all of the directors may be removed with or without cause by vote of the shareholders.

8. Newly Created Directorships and Vacancies

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors for any reason except the removal of directors by

shareholders may be filled by vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring as a result of the removal of directors by shareholders shall be filled by the shareholder. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

9. Executive and Other Committees of Directors

The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members an executive committee and other committees each consisting of three or more directors and each of which, to the extent provided in the resolution, shall have all the authority of the Board, except that no such committee shall have authority as to the following matters: (a) the submission to shareholders of any action that needs shareholders' approval; (b) the filling of vacancies in the Board or in any committee; (c) the fixing of compensation of the directors for serving on the Board or on any committee; (d) the amendment or repeal of the bylaws, or the adoption of new bylaws; (e) the amendment or repeal of any resolution of the Board which, by its term, shall not be so amendable or repealable; or (f) the removal or indemnification of directors.

The Board of Directors may designate one or more directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

Unless a greater proportion is required by the resolution designating a committee, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members present at a meeting at the time of such vote, if a quorum is then present, shall be the act of such committee.

Each such committee shall serve at the pleasure of the Board of Directors.

10. Compensation of Directors

The Board of Directors shall have authority to fix the compensation of directors for services in any capacity.

11. Interest of Directors in a Transaction

Unless shown to be unfair and unreasonable as to the Corporation, no contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of the directors are directors or officers, or are financially interested, shall be either void or voidable, irrespective of whether such interested director or directors are present at a meeting of the Board of Directors, or of a committee thereof, which authorizes such contract or transaction and irrespective of whether his or their votes are counted for such purpose. In the absence of fraud any such contract and transaction conclusively may be authorized or approved as fair and reasonable by: (a) the Board of Directors or a duly empowered committee thereof, by a vote sufficient for such purpose without counting the vote or votes of such interested director or direc-

tors (although such interested director or directors may be counted in determining the presence of a quorum at the meeting which authorizes such contract or transaction), if the fact of such common directorship, officership or financial interest is disclosed or known to the Board or committee, as the case may be; or (b) the shareholders entitled to vote for the election of directors, if such common directorship, officership or financial interest is disclosed or known to such shareholders.

Notwithstanding the foregoing, no loan, except advances in connection with indemnification, shall be made by the Corporation to any director unless it is authorized by vote of the shareholders without counting any shares of the director who would be the borrower or unless the director who would be the borrower is the sole shareholder of the Corporation.

ARTICLE III

OFFICERS

1. Election of Officers

The Board of Directors, as soon as may be practicable after the annual election of directors, shall elect a President, a Secretary, and a Treasurer, and from time to time may elect or appoint such other officers as it may determine. Any two or more offices may be held by the same person. The Board of Directors may also elect one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers.

2. Other Officers

The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

3. Compensation

The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

4. Term of Office and Removal

Each officer shall hold office for the term for which he is elected or appointed, and until his successor has been elected or appointed and qualified. Unless otherwise provided in the resolution of the Board of Directors electing or appointing an officer, his term of office shall extend to and expire at the meeting of the Board following the next annual meeting of shareholders. Any officer may be removed by the Board with or without cause, at any time. Removal of an officer without cause shall be without prejudice to his contract rights, if any, and the election or appointment of an officer shall not of itself create contract rights.

5. President

The President shall be the chief executive officer of the Corporation, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall also preside at all meetings of the shareholders and the Board of Directors.

The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

6. Vice Presidents

The Vice Presidents, in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their election, during the absence or disability of or refusal to act by the President, shall perform the duties and exercise the powers of the President and shall perform such other duties as the Board of Directors shall prescribe.

7. Secretary and Assistant Secretaries

The Secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the Secretary's signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order designated by the Board of Directors, or in the absence of such designation then in the order of their election, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, shall perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

8. Treasurer and Assistant Treasurers

The Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of Treasurer, and for the restoration to the Corporation, in the case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the possession or under the control of the Treasurer belonging to the Corporation.

The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order designated by the Board of Directors, or in the absence of such designation, then in the order of their election, in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, shall perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

9. Books and Records

The Corporation shall keep: (a) correct and complete books and records of account; (b) minutes of the proceedings of the shareholders, Board of Directors and any committees of directors; and (c) a current list of the directors and officers and their residence addresses. The Corporation shall also keep at its office in the State of Washington or at the office of its transfer agent or registrar in the State of Washington, if any, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

The Board of Directors may determine whether and to what extent and at what times and places and under what conditions and regulations any accounts, books, records or other documents of the Corporation shall be open to inspection, and no creditor, security holder or other person shall have any right to inspect any accounts, books, records or other documents of the Corporation except as conferred by statute or as so authorized by the Board.

10. Checks, Notes, etc.

All checks and drafts on, and withdrawals from the Corporation's accounts with banks or other financial institutions, and all bills of exchange, notes and other instruments for the payment of money, drawn, made, endorsed, or accepted by the Corporation, shall be signed on its behalf by the person or persons thereunto authorized by, or pursuant to resolution of, the Board of Directors.

ARTICLE IV

CERTIFICATES AND TRANSFERS OF SHARES

1. Forms of Share Certificates

The share of the Corporation shall be represented by certificates, in such forms as the Board of Directors may prescribe, signed by the President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. The shares may be sealed with the seal of the Corporation or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of issue.

Each certificate representing shares issued by the Corporation shall set forth upon the face or back of the certificate, or shall state that the Corporation will furnish to any shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class of shares, if more than one, authorized to be issued and the designation, relative rights, preferences and limitations of each series of any class of preferred shares authorized to be issued so far as the same have been fixed, and the authority of the Board of Directors to designate and fix the relative rights, preferences and limitations of other series.

Each certificate representing shares shall state upon the face thereof: (a) that the Corporation is formed under the laws of the State of Washington; (b) the name of the person or persons to whom issued; and (c) the number and class of shares, and the designation of the series, if any, which such certificate represents.

2. Transfers of Shares

Shares of the Corporation shall be transferable on the record of shareholders upon presentment to the Corporation of a transfer agent of a certificate or certificates representing the shares requested to be transferred, with proper endorsement on the certificate or on a separate accompanying document, together with such evidence of the payment of transfer taxes and compliance with other provisions of law as the Corporation or its transfer agent may require.

3. Lost, Stolen or Destroyed Share Certificates

No certificate for shares of the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or wrongfully taken, except, if and to the extent required by the Board of Directors upon: (a) production of evidence of loss, destruction or wrongful taking; (b) delivery of a bond indemnifying the Corporation and its agents against any claim that may be made against it or them on account of the alleged loss, destruction or wrongful taking of the replaced certificate or the issuance of the new certificate; (c) payment of the expenses of the

Corporation and its agents incurred in connection with the issuance of the new certificate; and (d) compliance with other such reasonable requirements as may be imposed.

ARTICLE V

OTHER MATTERS

1. Corporate Seal

The Board of Directors may adopt a corporate seal, alter such seal at pleasure, and authorize it to be used by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

2. Fiscal Year

The fiscal year of the Corporation shall be the twelve months ending December 31st, or such other period as may be fixed by the Board of Directors.

3. Amendments

Bylaws of the Corporation may be adopted, amended or repealed by vote of the holders of the shares at the time entitled to vote in the election of any directors. Bylaws may also be adopted, amended or repealed by the Board of Directors, but any bylaws adopted by the Board may be amended or repealed by the shareholders entitled to vote thereon as herein above provided.

If any bylaw regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of shareholders for the election of directors the bylaw so adopted, amended or repealed, together with a concise statement of the changes made.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, the Secretary of Bridgeview Marina, Inc., a Washington corporation, organized and existing under the laws of the State of Washington, does hereby certify that the foregoing Bylaws, consisting of five articles, were duly adopted as the Bylaws of said corporation by appropriate resolution of the Board of Directors dated as of January 10, 2014.

Jeremy McNeil, Secretary

603 366 000

FILED
SECRETARY OF STATE

January 10, 2014

STATE OF WASHINGTON

State of Washington

Secretary of State

CORPORATIONS DIVISION
James M. Dolliver Building
801 Capitol Way South
PO Box 40234
Olympia WA 98504-0234
360.725.0377

Initial Annual Report

Application Information

This Application ID	2959306
Associated App ID	2959282
Entity Name	BRIDGEVIEW MARINA, INC.
UBI Number	
Corporation Type	Profit Corporation
Tracking ID	2678698
Validation ID	2571184-002
Date Submitted for Filing	1/10/2014
Filing Due Date	
State of Incorporation	WA
Inc./Qual Date	1/10/2014
Nature of Business	Marina

Contact Information

Contact Name	Jeremy McNeil
Contact Address	P.O. Box 10400 Reno NV 985100400
Contact Email	huffakermanagement@hotmail.com
Contact Phone	702-966-8041

Registered Agent Information

Agent is Individual	
Agent Name	John Sefton
Registered Agent Consent	Submitter has Registered Agent Consent on File
Agent Street Address	405 Bay Street Port Orchard WA 98366
Agent Mailing Address	P.O. Box 10400 Reno NV 895100400
Agent Email Address	

Place of Business

Place of Business is in US	Yes
Street Address	1805 Thompson Avenue Bremerton WA 98337

Officers

Officer #1	
Name	Jeremy McNeil
Title1	President
Title2	Vice President
Title3	Secretary
Title4	Treasurer

P.O. Box 10400
Reno,NV
895100400

Signature Information

Signed By Jeremy McNeil

02332

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

May 1, 2014

Mr. Jeremy McNeil, President
Bridgeview Marina, Inc.
PO Box 10400
Reno, NV 89510-0400

Subject: Involuntary Assignment of Aquatic Lands Lease Number 22-A02332

Dear Mr. McNeil:

Enclosed are two (2) identical originals of Involuntary Assignment of Aquatic Lands Lease Number 22-A02332 for your review. If they meet with your approval, please sign and date both copies, notarize each document on the page with the certificate of acknowledgement, and return them within sixty (60) days to:

Washington State Department of Natural Resources
Aquatics Division, Shoreline District
950 Farman Ave North
Enumclaw, WA 98022

Before DNR can finalize your Involuntary Assignment, within sixty (60) days we must also receive:

1. A check for the Rent due for the period of May 1, 2014, to July 31, 2014, in the amount of $2,931.05, plus Leasehold Tax of $376.35 for a total of $3,307.40, pursuant to Subsection 4.1 of the Lease.

2. Financial security in the amount of $25,000, pursuant to Subsection 10.2 of the Lease.

3. Evidence of insurance coverage in accordance with Subsection 10.3 through 10.4 of the Lease.

OLYMPIA COPY

When we receive the items listed above and complete our final evaluation, we will submit them to DNR management for their review and, if appropriate, final execution of your Involuntary Assignment. Please be aware that until DNR management has reviewed all the items listed above and reviewed and finally executed your Involuntary Assignment, DNR may reconsider the terms of your Involuntary Assignment, whether it should be issued, and whether any other conditions must be met before DNR enters the agreement.

Please call me at 206-949-1740, if you have any questions.

Sincerely,

for

Lindie Schmidt, Land Manager
Shoreline District

Enclosures

c: District File
TRO file

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

February 20, 2014

JSH Properties
Ernie Velton
10655 Northeast 4th Street, Suite 901
Bellevue, WA 98004

Subject: Aquatic Lands Lease 22-A02332: Port Washington Marina – Bremerton WA
Follow-up Site Inspection Dated February 13, 2014

Dear Mr. Velton:

On February 2, 2013 I conducted a site inspection with Connie Dobbs and Stephanie Stanberry. The inspection was conducted to identify potential issues which might need to be addressed with the lease. Since February 26, 2013 the bank has corrected some of the issues with the material condition of the marina, compliance with state law and conformance to the lease contract.

Uses beyond the Outer Harbor Line:
Moorage beyond the outer harbor line: On the recent inspection dated 2-13-2014 it was noted that all vessels were moored within the leasehold area. The moorage cleats had not been removed from the outside edge of the A and B docks.

Unauthorized improvements beyond the outer harbor line: The unauthorized improvements remain in place. There have been neither major marina renovations nor a request for harbor line adjustment.

Note: DNR may elect to charge use and occupancy fees of 160% of full fair market value for the area occupied by the unauthorized use in accordance with RCW 79.105.200 and WAC 332-30-127. DNR is not currently charging unauthorized use and occupancy fees at this site, and DNR will send a separate notification to the marina prior to charging any such fees.

Floating Home:
The derelict floating home is still within the marina and remains unoccupied. WAC 332-30-109 (11) excludes floating homes from harbor areas. This floating home cannot be inhabited or replaced with another floating home. Until the floating home is removed DNR will continue to charge NWD rent for the area it occupies.

OLYMPIA C

Conformance to Local Ordinances:
The upgrades to the marina fire system have been completed as required by the Bremerton Fire Department.

Maintenance and Repairs:
Floats: Several of the floats had been repaired. There are still floats which exhibit listing. The plan presented to DNR included fixing 13 of the floats and repairing the remainder by June 2014. The float repairs should all be completed by June 2014.

Pump-out: During a follow-up site inspection dated 7-30-2013 it was noted that the pump-out was not operational. The pump-out was also not operational during this site inspection. Since the marina allows residential uses on vessels, adequate sewage disposal is required as specified in WAC 332-30-171.

Insurance

Within 30 days of the date of this letter, please provide a current certificate of insurance in conformance to Section 10 of the lease. Your aquatic lands lease requires you to have this policy in place at all times and to name the state as additional insured with a 45 day written notice of cancellation.

If you have any questions or concerns, please contact me at 206-949-1740.

Sincerely,

Lindie Schmidt

Lindie Schmidt, Land Manager
Shoreline District; Aquatics Program

c: District File
TRO File

2332

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

May 24, 2013

City of Bremerton
Public Works & Utilities
100 Oyster Bay Ave N
Bremerton, WA 98312-3455

Subject: Aquatic Lands Easement No. 51-002332

Dear Grantee:

The Department of Natural Resources (DNR) is performing an audit of our rights-of-way and easement agreements for uses of state owned aquatic lands. Listed below is a description of the property in question and the type of use currently listed as issued to you in our files.

Warren Avenue Bridge, State Route 303

To help us update our files, please tell us if you are still using the referenced property, for the purpose of: **bridge,** and provide us with a name, phone number, and address of the person responsible for management of this agreement.

If you are no longer using this property, or if our records are otherwise outdated (corporate name change, transfer of property interest, etc.) please provide us with the information necessary to correct our records.

Thank you for your assistance. Please call me at (206) 455-1014, or email me at trina.sunderland@dnr.wa.gov if you have any questions.

Sincerely,

for

Trina Sunderland, Natural Resource Specialist
Shoreline District Aquatics

c: District File
TRO File

OLYMPIA COPY

2332

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Tuesday, May 28, 2013 2:28 PM
To: 'Kristina Blinn'
Subject: RE: Update on outstanding issues - Lease 22-A02332

Hello Krissy,

Thanks for following up on these items. Let me know as they progress.

It is necessary that the marina be kept in a safe and operational condition. However, if stabilizing the floats is proving problematic, it would be better to meet and discuss the issues you are encountering before the 60 days has past.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: Kristina Blinn [mailto:krissyb@jshproperties.com]
Sent: Tuesday, May 28, 2013 11:59 AM
To: SCHMIDT, LINDIE (DNR)
Cc: Ernie Velton; stephaniemarone@gmail.com
Subject: RE: Update on outstanding issues

Hi Lindie,

Please see below.....

Outer Harbor Lines – The two boats that are outside the lines should be moved by the end of the month. The Harbor Master has contacted both of them and has asked them to come down to relocate the boats to one of our inner slips. The boats are relocated and this task is closed.

Floating Home – We are placing an ad in the paper for auction. If it is not purchased by the end of the month then we are researching options for destroying the boat. Could you provide me with your requirements for destroying the boat if it comes to that? I will check with the Harbor Master Stephanie for an update on this one as she was handling the auction.

Conformance to Local Ordinances – We executed the contract with Emerald Fire to have them complete the dry system install per the instructions from the Fire Marshall. This will be completed by the end of the month. Please see the attached copy of the executed contract. They submitted for permit and are waiting on the Fire Marshall to sign off. We are at the mercy of getting our permit right now. Once that is approved this should happen fairly quickly.

Maintenance & Repairs – We have received one bid for the floats and have an additional proposal anticipated to be received by the end of next week. This work will be completed within our 60 days from the date of your letter. The float quotes we received were very expensive and I am working on getting an additional opinion to try to find a more cost effective solution. We know this is high priority and are doing everything we can to resolve it quickly.

Krissy Blinn | tel 425.283.5478 | fax 206.674.4666

OLYMPIA COPY

DNR-00019377

Please consider the environment before printing this email

From: SCHMIDT, LINDIE (DNR) [mailto:LINDIE.SCHMIDT@dnr.wa.gov]
Sent: Tuesday, May 28, 2013 11:13 AM
To: Kristina Blinn
Subject: RE: Update on outstanding issues

Hello Kristina,

Are there any further updates regarding the outstanding issues at Seven Js (DBA Narrows Marina) in Bremerton?

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: Kristina Blinn [mailto:krissyb@jshproperties.com]
Sent: Friday, April 19, 2013 10:11 AM
To: SCHMIDT, LINDIE (DNR)
Cc: Ernie Velton; Starla Bennett
Subject: Update on outstanding issues

Good Morning Lindie,

I wanted to give you an update on the outstanding items at the Marina per the letter that you sent on April 10th:

Outer Harbor Lines – The two boats that are outside the lines should be moved by the end of the month. The Harbor Master has contacted both of them and has asked them to come down to relocate the boats to one of our inner slips.

Floating Home – We are placing an ad in the paper for auction. If it is not purchased by the end of the month then we are researching options for destroying the boat. Could you provide me with your requirements for destroying the boat if it comes to that?

Conformance to Local Ordinances – We executed the contract with Emerald Fire to have them complete the dry system install per the instructions from the Fire Marshall. This will be completed by the end of the month. Please see the attached copy of the executed contract.

Maintenance & Repairs – We have received one bid for the floats and have an additional proposal anticipated to be received by the end of next week. This work will be completed within our 60 days from the date of your letter.

Thanks,
Krissy Blinn | Property Manager
14900 Interurban Ave. So. Suite 130 | Seattle, WA 98168
tel 425.283.5478 | fax 206.674.4666
krissyb@jshproperties.com | www.jshproperties.com
JSH | PROPERTIES, INC.

Please consider the environment before printing this email

2332

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Friday, April 19, 2013 3:15 PM
To: krissyB@JSHproperties.com
Subject: FW: Update on outstanding issues - Seven J's (DBA Port Washington Marina) -Lease 22-A02332
Attachments: image001.jpg; image002.gif; 4.19.13 - EXECUTED Emerald Fire Contract.pdf

Hello Krissy,

Thank you for the update.

Regarding the disposal of the floating home. The floating home must be demolished in conformance with all regulatory requirements. All debris must be disposed of at an approved upland location (such as a garbage dump). The City of Bremerton, WDFW, Dept. of Ecology and Army Corps will have regulatory requirements regarding demolition/disposal if you attempt to demolish the floating home in the water. Containment and disposal of debris will be key issues to address if you elect to demolish in water.

Removing the floating home entirely from the water and then demolishing the structure would significantly reduce your permitting requirements . However, it may be difficult to find a facility where you can haul out the floating home. It is unlikely that you will be allowed to beach the floating home for demolition.

For more information about regulatory requirements, please contact the governor's office of regulatory assistance. They also have a variety of resources available online at:
http://www.ora.wa.gov/resources/permitting.asp

You will probably hire a marine contractor who will address both permitting and demolition, but it will be best if you have a clear idea of what is involved. The governor's office of regulatory assistance can help you through the local, state and federal permitting processes. Let me know if you have any additional questions.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

OLYMPIA COPY

From: Kristina Blinn [mailto:krissyb@jshproperties.com]
Sent: Friday, April 19, 2013 10:11 AM
To: SCHMIDT, LINDIE (DNR)
Cc: Ernie Velton; Starla Bennett
Subject: Update on outstanding issues

Good Morning Lindie,

I wanted to give you an update on the outstanding items at the Marina per the letter that you sent on April 10th:

Outer Harbor Lines – The two boats that are outside the lines should be moved by the end of the month. The Harbor Master has contacted both of them and has asked them to come down to relocate the boats to one of our inner slips.

Floating Home – We are placing an ad in the paper for auction. If it is not purchased by the end of the month then we are researching options for destroying the boat. Could you provide me with your requirements for destroying the boat if it comes to that?

Conformance to Local Ordinances – We executed the contract with Emerald Fire to have them complete the dry system install per the instructions from the Fire Marshall. This will be completed by the end of the month. Please see the attached copy of the executed contract.

Maintenance & Repairs – We have received one bid for the floats and have an additional proposal anticipated to be received by the end of next week. This work will be completed within our 60 days from the date of your letter.

Thanks,

Krissy Blinn | Property Manager
14900 Interurban Ave. So. Suite 130 | Seattle, WA 98168
tel 425.283.5478 | fax 206.674.4666
krissyb@jshproperties.com | www.jshproperties.com
JSH | PROPERTIES, INC.

Please consider the environment before printing this email

Port Washington Marina
1805 Thompson Drive
Bremerton, WA

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (this "**Agreement**") is made as of the date specified in Section 1.01 of Annex 1 by and between Manager as specified in Section 1.02 of Annex 1 ("**Manager**"), and Contractor, as specified in Section 1.03 of Annex 1 ("**Contractor**").

In consideration of the agreement hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Manager and Contractor hereby agree as follows:

1. **Basic Terms.** This Section 1 contains the Basic Terms of this Agreement (the "**Basic Terms**") between Manager and Contractor. Other Sections of this Agreement explain and define the Basic Terms and are to be read in conjunction with the Basic Terms. In the event of any conflict between the Basic Terms and any other provision in this Agreement, such other provision shall prevail.

   1.01 **Date of Agreement**: Shall mean the date set forth in Section 1.01 of Annex 1.

   1.02 **Manager**: Shall mean the entity listed in Section 1.02 of Annex 1.

   1.03 **Contractor**: Shall mean the entity listed in Section 1.03 of Annex 1.

   1.04 **Term**: The term of this Agreement shall mean the period set forth in Section 1.04 of Annex 1, commencing on the date defined as the Commencement Date is Section 1.05 of Annex 1, and terminating on the date defined as the Expiration Date in Section 1.06 of Annex 1, unless earlier terminated pursuant to the provisions of this Agreement. If this contract is not canceled in writing by either party pursuant to the provisions of this Agreement, this Agreement shall be considered to be extended on a month to month basis past the scheduled expiration date set forth in Section 1.06 of Annex 1.

   1.05 **Property**: That certain real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference, which Property is improved as set forth on said Exhibit A.

   1.06 **Services**: Contractor agrees to provide to Manager for the benefit of Owner all services in the manner and at the times described and set forth on Exhibit B attached hereto and incorporated herein by this reference. Contractor agrees that it shall provide, at its sole cost and expense, all equipment, supplies, and materials necessary for the timely performance of the Services, except for any equipment, materials or supplies to be provided or paid for by Manager as specifically set forth on said Exhibit C.

   1.07 **Owner**: Shall mean the entity set forth in Section 1.07 of Annex 1. Section 1.07 of Annex 1 describes Owner's relationship to the Property.

   1.08 **Remuneration**: Manager agrees to pay Contractor for the Services in accordance with the schedule set forth on Exhibit C attached hereto and incorporated herein by this reference.

2. **Termination**. This Agreement may be terminated by Manager without cause at any time during the term hereof by giving thirty (30) days written notice to Contractor. This Agreement may be terminated by

DNR-00019381

Contractor without cause as of the last day of any calendar month during the term hereof by giving ninety (90) days written notice to Manager. If Contractor at any time fails for any reason in any respect to properly and diligently perform the Services in the manner and at the time(s) set forth in this Agreement, Manager may, at its option:

(a) Give Contractor written notice of default and, if the failure or default or other reason for such notice exists 48 hours after Contractor's receipt of such notice, Manager shall have the right to engage another party and to provide such labor materials and Services as may be necessary and shall have the right to deduct the cost thereof from any money then due or thereafter to become due to Contractor under this Agreement, or

(b) Terminate this Agreement for cause and shall have the right to take possession of all materials, equipment and records of Contractor for the purpose of performing or causing to be performed the Services under this Agreement and Contractor shall be liable to Manager for expenses incurred by Manager in obtaining labor or materials and a new contractor for the performance of the Services together with reasonable attorneys' fees and Manager shall be further entitled to any damages sustained by reason of such aforesaid failures by Contractor. Except for monies which Manager is entitled to offset for sums owed to Contractor, Manager shall pay Contractor for Services performed by Contractor prior to the termination of this Agreement. The termination of this agreement (by expiration of time or otherwise) shall not prejudice the rights of either party against the other for any breach of the provisions of this Agreement.

3. **Confidentiality of Records**. Contractor acknowledges that all information disclosed by Manager or Owner to Contractor for purposes of performing the Services, or which comes to the attention of Contractor during the course of performing Services, constitutes valuable asset of and is proprietary to Manager and Owner. Contractor also acknowledges that Manager may have fiduciary responsibilities to third parties to keep certain records confidential and proprietary. Except to the extent (a) disclosure is required by court order or law and (b) Contractor has given Manager and Owner prior notice and the opportunity to protect its confidential information, Contractor shall not disclose said information or knowingly permit its employees, officers, or agents to disclose said information to any non-employee of Contractor or any employee of said Contractor not having a specific need-to-know in performing the Services authorized by Manager. Contractor further agrees to instruct its employees and agents regarding the obligations imposed by this Section, and agree to take all reasonable steps necessary to insure fulfillment of this obligation. This Section 3 shall survive the termination of this Agreement.

4. **Independent Contractor Status**. Contractor is an independent contractor and not an employee or agent of Manager or Owner. Contractor shall select its own employees, agents or servants and such employees, agents and servants shall be and act under the exclusive and complete supervision and control of Contractor. Contractor hereby acknowledges its responsibility for, all federal state and local withholding taxes, payroll taxes and other employment taxes, any contributions required by unemployment insurance laws, and full payment of the wages, employee benefits (including pension, welfare and vacation benefits) and all other compensation of all employees, agents or servants engaged by Contractor in the performance of this Agreement. For purposes of compliance with the requirements of the Occupational Safety and Health Act of 1970, as amended, the Services performed for Manager and Owner shall be deemed entirely within Contractor's responsibility. Contractor shall take all necessary precautions for the safety of its employees, agents, servants and contractors.

5. **Advertising**. Contractor shall not use Manager or Owner's name or refer to Manager or Owner directly or indirectly in any advertisement or release to any professional or trade publication without receiving such entity's specific prior written approval for such use or release.

DNR-00019382

6. **Contractor to Repair**. Contractor shall promptly repair and/or replace, at its own cost and expense, any damage to, or loss of, property caused by its agents, servants, contractors or employees, which repairs or replacements shall be made to the satisfaction of Manager.

7. **Compliance with Law**. In the performance of this agreement, Contractor agrees to abide by all present and future laws, codes, ordinances, rules or regulations of federal, state or municipal governments or instrumentalities having jurisdiction. Contractor shall obtain, at its sole cost and expense, and keep current all licenses, permits, tax stamps and other documents which are required by law, rule or regulation and which are necessary to perform the Services herein, and shall deliver a copy of such licenses, permits or other documents to Manager. Contractor shall indemnify and hold harmless Manager, Owner and their respective officers, directors, partners, trustees, beneficiaries, employees and agents from and against any violation by Contractor, its agents, servants, contractors or employees, of any and all laws, rules or regulations occurring during the performance of this agreement.

8. **Insurance**. During the Term of this Agreement, All Contractors and Subcontractors brought onto the premises are to provide the property manager with certificates of insurance evidencing the following minimum coverage's before work commences. General Liability policy must be on an occurrence form with limits of:

   (a) Commercial General Aggregate Insurance on an occurrence form with limits of $1,000,000 combined single limit each occurrence $1,000,000 from aggregate of all occurrence in the policy year, including, but not limited to, premises-operation, products-completed operations and contractual liability.

   (b) Business automobile liability covering owned, hired and non-owned vehicles with limits of $1,000,000 combined single limit each occurrence.

   (c) Worker's Compensation insurance as required by law and Employers Liability Insurance with limits of $1,000,000;

   The insurance certificate information contained in items a-c above shall include: JSH Properties as its reciever, and JSH Properties Inc., its property manager, their officers, directors and employees are included as additional insured on the named insured's liability policies for any alleged liability arising from the named insured's work. Such insurance is primary and will not seek contribution from any other insurance available to the Additional Insureds.

   The certificates of insurance to be provided by Contractor pursuant to this Section 10 shall be endorsed to provide that such policies shall not be materially charged or canceled until at least thirty (30) days prior notice therefore is given to Manager. Neither Contractor nor the insurer shall in any event assert against Manager or Owner any right of subrogation for any injuries or damages due to negligence or otherwise and each hereby waives such right; and the policies of insurance to be provided by Contractor shall be endorsed to provide that the insurer waives its right of subrogation. Contractor agrees that the provisions set forth hereinabove and in Section 11 shall be imposed upon, assumed and performed by each of its subcontractors, if any.

The certificates of insurance to be provided by Contractor pursuant to this Section 10 shall be endorsed to provide that such policies shall not be materially charged or canceled until at least thirty (30) days prior notice therefore is given to Manager. Neither Contractor nor the insurer shall in any event assert against Manager or Owner any right of subrogation for any injuries or damages due to negligence or otherwise and each hereby waives such right; and the policies of insurance to be provided by Contractor shall be endorsed to provide that the insurer waives its right of subrogation. Contractor agrees that the provisions set forth hereinabove and in Section 11 shall be imposed upon, assumed and performed by each of its subcontractors, if any.

DNR-00019383

9. **Indemnification**. Contractor shall indemnify and hold harmless Manager, Owner and their respective officers, directors, shareholders, partners, trustees, beneficiaries, agents, employees and contractors (including, without limitations, Landlord's legal entity) (collectively, "Indemnitees") from and against any and all losses, expenses (including without limitation attorneys' fees and costs), damages, costs and liabilities for damages caused or occasioned directly or indirectly by Contractor, its servants, agents, contractors or employees

   (a) because of bodily injuries, including death at any time resulting therefrom ("injuries"), sustained by any employee of Contractor while at the Property, or elsewhere, while engaged in the performance of the Services under this Agreement, however such injuries may be caused, including but not limited to such injuries as are caused by contributing or concurrent negligence of Owner whether attributable to a breach of statutory duty or administrative regulation or otherwise, and such injuries for which liability is imputed to Owner (provided, however, to the extent such injuries are caused by the contributing or concurrent negligence of Owner or for which liability is imputed to Owner, the foregoing indemnification shall apply only to the extent that such injuries were caused, contributed to or exacerbated by Contractor, or

   (b) because of injuries sustained by any person or persons other than employees of Contractor while at the Property, or elsewhere, however such injuries may be caused, including but not limited to such injuries as are caused by the contributing or concurrent negligence of Owner whether attributable to a breach of statutory duty or administrative regulation or otherwise, and such injuries for which liability is imputed to Owner (provided, however, to the extent such injuries are caused by the contributing or concurrent negligence of Owner or for which liability is imputed to Owner, the foregoing indemnification shall apply only to the extent that such injuries were caused, contributed to or exacerbated by Contractor), or,

   (c) Because of injury to or destruction or loss of property.

   Contractor, without limiting the generality of the foregoing, agrees that the policies of insurance referred to in Section 8 shall each (where applicable) contain clauses insuring Owner against any loss resulting from a breach by Contractor and covering Contractor's liability to Owner in respect to any and all of the foregoing indemnifications.

   Contractor agrees to completely defend (or cause its insurance companies to completely defend) promptly and diligently, at its or their sole cost and expense, any claim, action, demand or proceeding brought against any of the persons referred to in this Section 9 by any person with respect to any of the matters contained in Section 8 and Section 9 (the legal counsel for which must be reasonably satisfactory to Owner) and to pay upon demand any and all attorneys' fees, investigation costs, and all other reasonable costs, expenses and liabilities from the first notice that any claim, action, demand or proceeding is to be made or may be made to the extent that the same is not actually paid in full by one or more of Contractor's insurance companies. It is expressly understood and agreed that the provisions of this Section 9 and of Section 8 shall survive the termination of this Agreement.

10. **Employees of Contractor**. Any and all employees of Contractor not satisfactory to Manager will be replaced upon written request as soon as possible by another or others satisfactory to Manager. Contractor represents that it shall use trained personnel directly employed and supervised by Contractor, that it now has and will keep employed sufficiently skilled and competent personnel, and that such personnel will receive such training as necessary to perform the Services.

11. **Hazardous Waste and Conservation**. Contractor shall not cause or permit any hazardous materials to be generated, produced, brought upon, used, stored, treated, released or disposed of in or about the Property by Contractor, its agents, employees, contractors or servants without the prior written consent of Manager.

DNR-00019384

Contractor shall indemnify, defend and hold Manager and Owner harmless from and against any and all action (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (economic or other) arising from a breach of this prohibition by Contractor, its agents, employees, contractors or servants.

Contractor agrees that in performance of this Agreement there exists a need to conserve natural resources. Contractor shall participate in and support Owner's conservation programs including but not limited to, energy conservation and material recycling programs.

12. **Examination**. Contractor acknowledges that prior to the execution of this Agreement, Contractor has made sufficient examination and tests of the Property to determine the difficulties and hazards incident to the performance of the Services, whether arising from the location or condition of the Property, proximity to adjacent facilitates, equipment, tanks, buildings and other structures or otherwise, and has determined to Contractor's satisfaction the nature and extent of all difficulties and hazards.

13. **Property Facilities**. Manager reserves the right, without liability to Contractor, to stop or interrupt any heating, electrical, elevator, escalator, lighting, ventilation, air conditioning, chilled water, gas, steam, power, water, cleaning or other Property facilities at such time or times, and for so long, as may be necessary by reason of accidents, strikes, repairs, alterations, improvements, the inability to secure fuel, gas, water, electricity, labor or supplies, or any other cause beyond JSH Properties, Incorporated's reasonable control.

14. **Assignment**.

(a) Manager's interest in this Contract may be assigned to Owner, and in the event Owner notifies Contractor in writing of such assignment, then Contractor will immediately recognize Owner as the Manager with full power and authority under this Contract as if Owner were the original maker of the Contract in lieu and in place of Manager. Notwithstanding the foregoing, it is understood and agreed that unless and until the notification of such assignment by Owner, Owner shall have no obligation or liability whatsoever to Contractor under this Contract. In addition to the foregoing, it is understood and agreed that if this Contract is assigned to Owner (as evidenced by Owner's notice) then, from and after the date of such assignment, Manger shall be released and discharged from any and all liability under this Contract arising after the date of such assignment, and Owner shall be responsible for any and all such liability under this Contract arising after the date of such assignment, and Contractor will not assert any prior default of Manager under this agreement as a defense to the performance by Contractor of its obligations under this Agreement.

(b) Contractor shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Manager, which consent may be granted or withheld in Manager's sole discretion. In addition to the foregoing and in the event of any approved assignment or delegation, Contractor shall remain fully liable for the assignees or subcontractors timely and full compliance with all of the terms and conditions of this Agreement. Any prohibited assignment or delegation shall be null and void. This Agreement may be assigned by Manager or Owner and, upon the delivery to Contractor of an executed duplicate original of such assignment document, Manager and Owner shall be relieved of all obligations thereafter accruing under this Agreement.

DNR-00019385

15. **Audit**. Upon the request of Manager, Manager and its accountants shall have access during regular business hours to any and all of Contractor's books and records, and other accounting materials and data of any kind and nature whatsoever relating to the Services provided herein.

16. **No Waiver**. The failure by Manager to insist upon strict performance of any of the terms and conditions of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be considered to be a waiver or relinquishment of such performance by Contractor or rights of Manager, and all terms and conditions shall remain in full force and effect.

17. **Entire Agreement; Amendments**. This Agreement contains the entire Agreement between Manager and Contractor with respect to the subject matter hereof and supersedes all prior discussions, negotiations and agreements between Manager and Contractor, whether written or oral and Manager and Contractor agree that there are no other oral or written agreements or representations between Manager and Contractor with respect to the Services. This Agreement may not be modified or amended unless such modification or amendment is in writing and duly executed by both Manager and Contractor.

18. **Notices**. Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give or serve upon the other shall be in writing and delivered by personal service (including express or courier service) or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

    JSH Properties, Inc.: c/o the address set forth in Section 1.08 of Annex 1.

    Contractor: c/o the address set forth in Section 1.09 of Annex 1.

    Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, or on the date shown on the return receipt of other evidence of delivery, if mailed.

19. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located.

20. **Attorneys' Fees**. If any action is brought by either party against the other party to interpret or enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, whether or not the action is prosecuted to a final judgment. For purposes of this Agreement, the term "attorneys' fees" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

21. **Time of the Essence**. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

22. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Agreement attached thereto.

DNR-00019386

23. **Nondiscrimination**. During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40) or sex. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free from such discrimination.

24. **Invalidity**. Wherever possible, each provision of this Agreement shall be interpreted in such a manner to be valid under applicable law, but, if any provisions of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provisions had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

25. **Interpretation**. The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning and not strictly for or against any of the parties hereto. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

IN WITNESS WHEREOF, Manager and Contractor have caused their duly authorized representative to execute this Agreement as of the date first above written.

JSH Properties, Inc.: Krissy Blinn

Digitally signed by Krissy Blinn
DN: cn=Krissy Blinn, o, ou, email=krissyb@jshproperties.com, c=US
Date: 2013.04.19 09:44:15 -07'00'

Krissy Blinn
As Agent for Port Washington Marina

Contractor: Emerald Fire, LLC
11021 Cramer Road KPN
Gig Harbor, WA 98329

By: Kathy Weitstorm

As: President

DNR-00019387

ANNEX 1

1.01 **Date of Agreement:** This Agreement is entered into as of April 16, 2013

1.02 **Manager:** JSH Properties, Inc. agents for Port Washington Marina

1.03 **Contractor:** shall mean Emerald Fire, LLC

1.04 **Term:** shall mean Month-to-Month.

1.05 **Commencement Date:** shall mean April 16, 2013

1.06 **Expiration Date:** shall mean N/A.

1.07 **Owner:** shall mean Port Washington Marina

1.08 **JSH Properties, Incorporated's Address** for purposes of Section 18 of this Agreement shall be:

Port Washington Marina.
C/o JSH Properties, Inc.
14900 Interurban Ave. S., STE 130
Seattle, WA 98168

1.09 **Contractor's Address** for purposes of Section 18 of this Agreement shall be c/o

Emerald Fire, LLC
11021 Cramer Road KPN
Gig Harbor, WA 98329
Phone: (253) 857-2056
Fax: (253) 857-2312
Email: melissaw@emeraldfirellc.com

DNR-00019388

EXHIBIT A

Description of the Property

Property Name: **Port Washington Marina**

Street Address of Property: 1805 Thompson Drive, Bremerton, WA

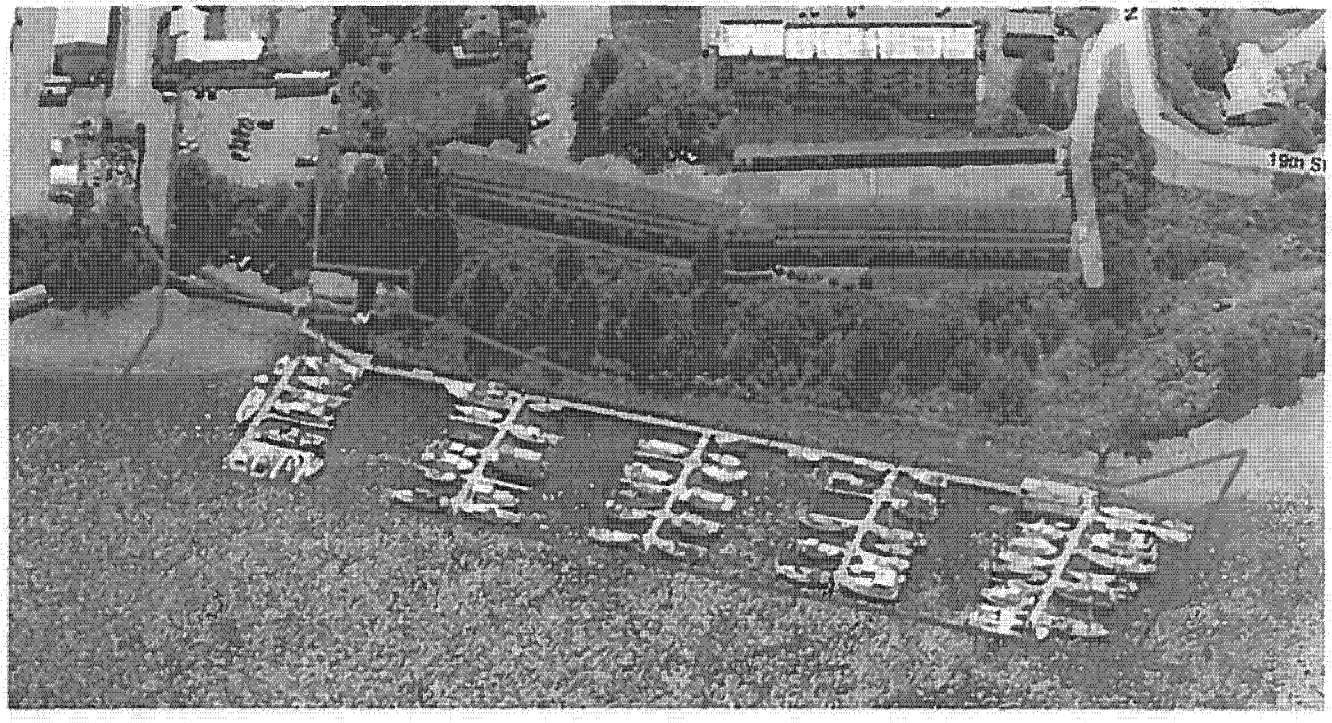


EXHIBIT B

Description of Services

Provide Fire System work per approved proposal KH1 (See attached copy)

EXHIBIT C

SCHEDULE OF REMUNERATION

A not to exceed budget has been approved per the proposal KH1 expense. Any expense over this budgeted amount must be preapproved by Management prior to work being completed.

PO#001224 has been assigned to this project. Please insure that this number is listed on all invoicing related to proposal KH1. Also please insure that a lien release waiver and W-9 is received to insure prompt payment for services. If a lien release needs to be provide by Management, please let us know.

215031

EMERALD FIRE, LLC

Fire Sprinkler Specialists

11021 Cramer Road KPN, Gig Harbor, Washington 98329

Ph (253) 857-2056 ~ Fax (253) 857-2312

BID PROPOSAL

KH 1

Our Quote Number

Bid Date: 1/31/13

We appreciate the opportunity to submit our bid on the following project:

Project Name: Port Washington Marina

Location: 1805 Thompson Drive, Bremerton WA

Attn: Connie D 98337-1173

Breakdown as follows:

Base Bid $ 17,517.00 Lump Sum

Addenda Included in Bid: NA

Add for:

Sprinkler Permit $ 870.00 Lump Sum

Bid Based on the following drawings: Site visit 11/11/11

Clarifications: **All threaded pipe is schedule 40.**

Specific Exclusions to Bid:
Job site clean up outside of our own debris and work areas are not included. Removal of the existing standpipe connections / system are not included. Washing State sales tax is not included.

Scope of Work: **Design and install a NFPA #14 dry standpipe system for the main dock starting at the FDC near the marina office. The pipe will be sch. 10 galvanized with cold galvanized painted ductile fittings and couplings. The existing 2 ½" hose valves will be re-used as will as the 90 degree FDC connection. The line will be mounted on the top of the land-side guard rail on the primary dock and run the entire length of the dock run, approximately 630 feet. A flex hose, meeting the required pressure standards, will be the flex point between the stationary dock and the float. It will be fitted with galvanized steel grooved ends that will be connected to the steel pipe on the dock and the float. The system will be tested in compliance with NFPA #14 and Bremerton Fire Department requirements. The permit for this work is listed separately above and is not included in the base bid. The plans would be ready to submit with seven working days of receiving a signed copy of this proposal and a deposit of $1,000.00 to cover the design costs, included in the base bid above. The installation and testing of the system, after the permit is released, would be completed within 21 days.**

Specific Notes and Qualifications:

1. Unless other wise noted connection point is inside first flange six inches Above Finish Floor.
2. All prices quoted are based on a schedule, which has been mutually agreed upon, material availability & adequate notice/time for detailing and fabrication.
3. Work and Design accomplished under these specifications shall be in accordance with requirements and recommendations of National Fire Protection Association (NFPA), Uniform Building, Uniform Fire and OSHA codes and standards. Any additional cost incurred beyond the requirements or recommendations of those agencies imposed by The Authority Having Jurisdiction or others will be addressed under the change order provision of the contract. Any requests made by AHJ or any other party, above & beyond NFPA 13, may result in alteration to bid scope and prince.
4. Approved ceiling layout drawings, mechanical, electrical and any other coordination documentation required must be provided to Emerald Fire prior to the start of engineering. If documentation or written notice is not received from the Contractor within two weeks of notice of intent to award contract/contract our engineers will base their design on the bid documents. Any changes directly associated with lack of coordination will be addressed under the change order provision of the contract.
5. The design of this project is based on the utilization of CADD drawings acquired either by E-mail or disk. All charges related to acquisition of construction documents and/or CADD drawings are to be considered N.I.C.
6. In order to schedule suppliers, engineers, fabrication, schedule materials deliveries and installation a copy of the project schedule will be provided at the time of issuance of a mutually agreed to contract.
7. Contractor will provide a written list of all persons who are authorized to sign documents such as contracts, certificates, additional work orders, and change orders on behalf of the Contractor and to fully bind Contractor to all conditions and provisions of such documents.
8. Water flow information is to be by others for arriving at required calculations.
9. Structural adequacy of the building to support the sprinkler piping and hangers is the responsibility of the owner, general contractor and or their structural representatives.
10. Quote is good for 30 Days from date of bid proposal.

Payment Terms:

1. Progress payments will be based on mutually agreed to Schedule of Values and payment is to be made within (15) calendar days from the receipt date for all the work included to the progress payments.
2. Owner must justify to Emerald Fire in writing of any intent to withhold payment of monies due. If after review of the project percentages by the owner/owner's authorized representative Emerald Fire must be notified in writing of any corrections or adjustments in our payment request. Absence of such notification will be construed as an acceptance of our pay request and later adjustments to our pay request will not be recognized.
3. Engineering and submittal preparation will be invoiced and payment made under the provisions outlined in our mutually agreed to Schedule of Values.
4. Retainage will be held in accordance with RCW 60.28.010 as amended by the laws of 1982, Chapter 170, plus any later amendments, a sum not to exceed 5% (five percent) (unless other wise noted) of progress payments. Monies due including retainage shall be paid within Thirty (30) days after completion and acceptance of Emerald Fire's work.
5. If retainage is held in an interest bearing account then proportionate interest will be paid to subcontractor.
6. With the consent of the Owner Emerald Fire may submit a bond for all or any portion of the amount of funds retained by the Owner or Contractor in a form acceptable to the Owner. The Owner or Contractor shall release the bonded portion of the retained funds to Emerald Fire within thirty (30) days of accepting the bond from Emerald Fire.
7.

Accepted by:		Emerald Fire:	
Connie Dolls	3/5/13	Keith Hillstrom	1/31/2013
Signature	Date	Keith Hillstrom	Date

Property Manager / JSH Properties
Title/Company Name

Form **W-9**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above
Emerald Fire LLC

Check appropriate box for federal tax classification (required): ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☑ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)
11021 Cramer Rd. KPN

Requester's name and address (optional)

City, state, and ZIP code
Gig Harbor, WA 98329

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
☐☐☐ - ☐☐ - ☐☐☐☐

Employer identification number
(b) (6)

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Katy Hill-Ross Date ▶ 4/19/13

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

DNR-00019392

2332

BERUBE, DONNA (DNR)

From: SCHMIDT, LINDIE (DNR)
Sent: Monday, April 15, 2013 3:14 PM
To: BERUBE, DONNA (DNR); Callow, Ted (ATG)
Subject: Seven J's (DBA) Port Washington Marina - Lease 22-A02332 - General Receivership
Attachments: 3-28-2013 Executed Stipulated Order Converting Custodial Receivership.PDF

Hello Donna,

Please file the attached order converting the custodial receivership of the marina to a general receivership.

Lindie Schmidt
Natural Resource Specialist II
Shoreline District; Aquatics Program
Washington State Department of Natural Resources (DNR)
(206) 949-1740 (cell)
Lindie.Schmidt@dnr.wa.gov
www.dnr.wa.gov

From: Ernie Velton [mailto:ErnieV@jshproperties.com]
Sent: Monday, April 15, 2013 3:00 PM
To: SCHMIDT, LINDIE (DNR)
Cc: Kristina Blinn
Subject: RE: Harbor Line Adjustments

Lindie,

It was nice talking with you. Attached is the order you requested. We will do our best to keep you informed of the status of this property.

Best regards, Ernie

JSH | PROPERTIES, INC.

Ernie Velton
JSH Properties, Inc.
10655 NE 4th Street, suite 901
Bellevue, WA 98004
Off (425) 455-0500
Mob (425) 985-7573
erniev@jshproperties.com

OLYMPIA COPY

From: SCHMIDT, LINDIE (DNR) [mailto:LINDIE.SCHMIDT@dnr.wa.gov]
Sent: Monday, April 15, 2013 2:54 PM
To: Ernie Velton
Subject: Harbor Line Adjustments

http://www.dnr.wa.gov/BusinessPermits/Topics/PortMarineBusiness/Pages/aqr_harbor_areas.aspx

Hugo Flores
Aquatic Resources Division
360-902-1126
hugo.flores@dnr.wa.gov

Lindie Schmidt

Natural Resource Specialist II

Shoreline District; Aquatics Program

Washington State Department of Natural Resources (DNR)

(206) 949-1740 (cell)

Lindie.Schmidt@dnr.wa.gov

www.dnr.wa.gov

RECEIVED FOR FILING
KITSAP COUNTY CLERK
MAR 29 2013
DAVID W. PETERSON

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF KITSAP

UNION BANK, N.A., successor-in-interest to the FDIC as Receiver for Frontier Bank, Petitioner, vs. SEVEN JS INVESTMENTS, LP, a Washington limited partnership, Respondent.	Case No. 12-2-02309-5 **STIPULATED ORDER CONVERTING CUSTODIAL RECEIVERSHIP TO GENERAL RECEIVERSHIP UNDER RCW 7.60.015**

THIS MATTER having come before the Court upon the motion of Union Bank, N.A. ("Motion"), to convert the existing custodial receivership with respect to the leasehold interest, including improvements, fixtures, and personal property located thereon, for the real property commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Property"), to a general receivership; the Court having considered the files and records herein, including the Motion of Union Bank, N.A., Declaration of Jeffrey Garcea, the exhibits attached thereto, for good cause shown, and pursuant to the stipulation of Petitioner Union Bank, N.A. and

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Respondent Seven Js Investment, LP ("Respondent") and RCW 7.60.015, the Court hereby orders, adjudges and decrees that:

1. The Motion to Convert Custodial Receivership to General Receivership is GRANTED.

2. The provisions of the Amended Stipulated Petition and Order Appointing Custodial Receiver entered on December 4, 2012 ("Custodial Order"), are hereby reaffirmed and shall remain in full force and effect, except as modified by this Order.

3. Section 1 of the Custodial Order is hereby replaced and restated as follows:

> Pursuant to the terms of this Order, JSH Properties, Inc. ("Receiver") is appointed as general receiver to take over, manage, operate, market, and sell the leasehold interest in that certain real property commonly known as 1805 Thompson Drive, Bremerton, WA 98337 (the "Collateral Lease"), including all improvements, fixtures and personal property located thereon (altogether, the "Collateral Property"), and which real property is more fully described as follows:
>
> PARCEL A:
>
> LEASE HOLD ESTATE IN APARTMENT NO. A, 1ST FLOOR, AND APARTMENT NO. B, 2ND FLOOR, AND APARTMENTS OR MOORAGE SLIPS 1 THROUGH 80, INCLUSIVE, ALL IN PORT WASHINGTON MARINA CONDOMINIUM, PHASE I, A LEASEHOLD CONDOMINIUM LOCATED IN THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN LEASE DATED AUGUST 1, 1993 AND RECORDED JULY 30, 1993, UNDER AUDITOR'S FILE NO. 9307300429, AS SHOWN ON THE PLANS AND SURVEY RECORDED ON DECEMBER 29, 1983 IN VOLUME 3 OF CONDOMINIUMS ON PAGES 127 THROUGH 130, INCLUSIVE UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290199, AND AS IDENTIFIED BY THE DECLARATION RECORDED ON DECEMBER 29, 1983 UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8312290200;
>
> TOGETHER WITH THAT UNDIVIDED PERCENTAGE IN THE COMMON AREAS AND FACILITIES AS DEFINED IN R.C.W. 64.32.010(6) AND ARTICLES 6 AND 7 OF SAID DECLARATION APPERTAINING TO SAID APARTMENT AND/OR MOORAGE SLIPS TO BE DETERMINED AS PROVIDED IN PARAGRAPH 23.2 AND SCHEDULE C OF SAID DECLARATION.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

GRANTEE'S PRESENT INTEREST IN THE UNDIVIDED INTEREST IS SUBJECT TO POSSIBLE PARTIAL DEFEASANCE UPON INCLUSION OF ANY SUBSEQUENT PHASE (S) TO THE CONDOMINIUM.

THE APARTMENT AND/OR MOORAGE SLIPS ARE INTENDED FOR MOORAGE PURPOSES AND USES ONLY.

PARCEL B:

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, ACCORDING TO PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, IN KITSAP COUNTY, WASHINGTON.

The Receiver is authorized to act by and through its officers, agents, and employees.

4. The first paragraph of Section 4 of the Custodial Order is hereby replaced and restated as follows:

The Receiver shall be a "general receiver" as defined in RCW 7.60.015, with exclusive control over the Collateral Property and all the powers of a general receiver under RCW Ch. 7.60, and the duty to preserve and protect the Collateral Property, including the authority to market, sell, and liquidate the Collateral Property and/or any portion of it. In addition:

There shall be added under Section 4, a new subpart "a" as follows:

The Receiver shall have authority to liquidate the Collateral Property pursuant to RCW 7.60.260. The Receiver's sale of any or all of the Collateral Property shall be affected free and clear of liens and of all rights of redemption, whether or not the sale will generate proceeds sufficient to fully satisfy all claims secured by the Collateral Property. Upon any sale free and clear of liens in accordance with this Order, all security interests and other liens encumbering the Collateral Property conveyed shall transfer and attach to the proceeds of the sale, net of reasonable expenses incurred in the disposition of the Collateral Property and receivership expenses allocated to the disposition of the Collateral Property, in the same order, priority, and validity as the liens had with respect to the Collateral Property immediately before the conveyance;

Original subpart "a" shall be relabeled subpart "b" and replaced and restated as follows:

Subject to the cap set forth in subsection (e) below, the Receiver is authorized to contract with or hire, pay, direct and discharge all persons deemed necessary by the Receiver, in its sole discretion, for the operation, maintenance and sale of the

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

Collateral Property, including construction, improvements to and marketing for sale of the Collateral Property;

Original subparts "b" through "f" shall be relabeled "c" through "g," but otherwise remain as written.

5. Section 9 of the Custodial Order is hereby replaced and restated as follows:

The Receiver shall be entitled to the following compensation:

a. A one-time set-up fee of $4,000.00;

b. A $65 fee for each new lease of a slip or apartment;

c. A property management fee of 3.5% of monthly collections with a $4,000.00 per month minimum;

d. The Receiver is to act as listing agent/broker and will be paid a fee upon the sale of the Collateral Property in the amount of:

i. Four percent (4%) of the gross sales price; and
ii. If the buyer is represented by a separate broker, that broker would be entitled to a fee of two and one-half percent (2.5%) of the gross sales price at closing, in addition to any fees paid to Receiver.

The Receiver shall, in addition, be reimbursed for all reasonable fees and costs incurred by its outside general counsel, professionals, employees, representatives, and/or agents in the performance of its duties and obligations hereunder, including travel expenses (transportation, meals, and lodging); payment of the Receiver shall be subject to paragraph 16 below;

6. Section 23 of the Custodial Order is hereby replaced and restated as follows:

The Receiver may at any time file a motion requesting that it be exonerated, discharged, and released from its appointment as the Receiver. Such motion may be heard by the Court ten (10) court days following the date of filing of the motion and service of notice upon all parties. The receivership shall not be terminated, and the rights and obligations of the parties subject to this Order shall remain in full force, until this Court approves the Receiver's final report or until the Court enters an order terminating the receivership and discharging the Receiver. Subject to the foregoing, the foreclosure or sale of all of the Collateral Property pursuant to RCW 7.60.260 shall require the winding down and termination of the receivership.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

DNR-00019398

7. Section 24 of the Custodial Order shall be relabeled Section "25" and is hereby replaced and restated as follows;

> Unless the net proceeds resulting from the sale of the Collateral Property exceed the fees and expenses payable to the Receiver and its professionals plus the then-unpaid balance of Petitioner's loan to Respondent, the Receiver shall have no duty to: (a) prepare or file schedules of property and liabilities pursuant to RCW 7.60.090, (b) other than the reports required under Paragraph 20 of this Order, prepare or file monthly reports pursuant to RCW 7.60.100, (c) give notice to creditors or publish notice of the receivership pursuant to RCW 7.60.200, or (d) require the submission of or administer any claims.

8. A new Section 24 shall be added to the Custodial Order as follows:

> If the Receiver disposes of any or all of the Subject Properties pursuant to RCW 7.60.260, unless otherwise ordered by the Court, all proceeds from each such disposition, net of closing costs and unpaid receivership expenses, shall be remitted directly to Union Bank for application to the indebtedness owed to Union Bank;

9. Section 25 of the Custodial Order shall be relabeled Section "26", and the first sentence of Original Section 25 (New Section 26) is hereby replaced and restated as follows:

> The entry of this Order appointing a general receiver as to the Collateral Property, shall operate as a stay, applicable to all persons except Union Bank and its employees, attorneys or other authorized agents, and the Receiver, of:

10. The Custodial Order, as modified by this Order, shall constitute and be referred to collectively as the Order Appointing General Receiver.

Dated this 29 day of Mar, 2013.

STEVEN B. DIXON

JUDGE

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

STIPULATED AND AGREED to as of this 28 day of March, 2013.

ASSAYAG ❖ MAUSS
A Limited Liability Partnership

By: [illegible] for Matthew A. Goldberg, WSBA 45809
Matthew A. Goldberg, WSBA 37410
Barbara J. Konior, WSBA 32515
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

DAVIES PEARSON, P.C.

By: [illegible]
James R. Tomlinson, WSBA 14559
Email: jtomlinson@dpearson.com
Attorneys for Respondent
Seven Js Investments, LP

Presented by:

ASSAYAG ❖ MAUSS
A Limited Liability Partnership

By: [illegible] for Matthew A. Goldberg, WSBA 45809
Matthew A. Goldberg, WSBA 37410
Barbara J. Konior, WSBA 32515
Assayag Mauss, LLP
Email: mattg@amlegalgroup.com
Attorneys for Petitioner Union Bank

ASSAYAG ❖ MAUSS
A Limited Liability Partnership
2018 156th Avenue, NE, Suite 100
Bellevue, Washington 98007
(425) 748-5055

2352

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

February 6, 2013

Connie Dobbs, Property Manager
JSH Properties, Inc.
14900 Interurban Avenue South, Suite 130
Tukwila, WA 98168

Subject: Aquatic Lands Lease No. 22-A02332, Seven J's Investments – Insurance Requirement

Dear Ms. Dobbs:

While reviewing your file I was unable to find a current insurance policy for general liability and bodily injury. Your aquatic lands lease requires you to have this policy in place at all times and to name the state as additional insured with a 45 day written notice of cancellation.

Please send an updated Certificate of Insurance within thirty (30) days from the date of this letter to the following address:

Department of Natural Resources
Shoreline District Aquatics
950 Farman Avenue North
Enumclaw, WA 98022-9282

Please ensure your Aquatic Lands Agreement Number is referenced on the certificate.

Please call me at (206) 949-1740, if you have any questions.

Sincerely,

Donna Benbe for

Lindie Schmidt, Natural Resource Specialist

c: District File
TRO File

OLYMPIA COPY

DNR-00019401

January 7, 2013

Steven C. Johnson, Manager
Seven J's Investments
PO Box 687
Burley, WA 98322

SUBJECT: Port Washington Marina / Aquatic Lands Lease No. 22-A02332

Dear Mr. Johnson:

As Rental Dispute Officer (RDO), I have made my final decision on your request for review of rent revaluation on the above-referenced lease.

The Department of Natural Resources (DNR) sent you a Notification of Revalued Rent (dated September 12, 2012) for the four-year period beginning November 1, 2012. You submitted a letter on October 12, 2012, requesting review of this rent revaluation, as provided for in Section 4.5(b) of your lease agreement, RCW 79.105.279, and Chapters 332-30-125 and 332-30-128 of the Washington Administrative Code (copies enclosed). You filed the request and supporting information in a timely manner and paid $2,980.31, a quarterly payment (11/01/2012-1/31/13) at the newly-revalued rental rate.

According to your letter, you state that the proposed rent revaluation is inappropriate because it is based upon the wrong property tax parcel for valuation purposes. You contend that the selected parcel (Kitsap County Parcel No. 3711-000-010-0002) you own and use for marina parking, storage units, and an access road to the marina, is not appropriate because the most recent tax assessment is not reflective of the current value. You indicated you are currently appealing Kitsap County Assessor's 2012 tax assessment for the parcel.

You request that DNR use an alternate parcel, (Kitsap County Parcel No. 3711-000-009-0005) adjoining your parcel on the landward side, for determining the rental rate for this lease. You note the alternate parcel was purchased in August 2012 for $80,000; is comparable in size to your upland parcel; and supports a similar use with a parking lot and 3,788 square foot building.

Findings of Fact
This rent appeal is perfected under WAC 332-30-128. You submitted your request for rent review in a timely way and provided adequate information for my consideration of the rent-related matters you raised.

Aquatic Lands Lease No. 22-A02332 commenced on November 1, 2002, and continues to October 31, 2034 (a thirty-year term).

OLYMPIA COPY

The leasehold area is 4.06 acres of Harbor Area located on the southerly side of Port Washington Narrows in Kitsap County. The water-dependent portion of the leasehold occupies 3.487 acres, permitted for marina use. The remaining nonwater-dependent portion of the leasehold occupies 0.573 acres, with upland characteristics and permitted for parking, bulkhead, office building, and marina access uses.

In 2008, DNR revalued the leasehold rental rate based on the tax-assessed land value for parcel you own (Kitsap County Tax Parcel No. 3711-000-009-0005). Most recently DNR used this same parcel to revalue the rental rate. The parcel meets the physical criteria for rental rate calculation purposes, per WAC 332-30-123(2). It is waterfront with upland characteristics and used in conjunction with the lease area. In addition to meeting the physical criteria for parcel selection, the parcel's tax assessed value is consistent with the purposes of the lease, per WAC 332-30-123(3). The tax assessment is current; it does not include any special tax classification or other adjustment not reflecting fair market value as developable upland property; and the majority of the tax parcel's area is used in conjunction with the marina, a water-dependent use. For these reasons there is no need to consider an alternate tax parcel.

Rent Revaluation

The annual rental rate for the water-dependent portion of the leasehold is revalued every four-year period of the lease term, in accordance with RCW 79.105.240 and Section 4.4(b) "Revaluation of Rent" in your lease.

Water-Dependent Rent Revaluation	11/1/2-12
Assessors Upland Parcel Number	3711-000-010-0002
Upland Parcel Assessed Value	$103,720.00
Upland Parcel Acreage	*0.650 ac.*
Upland Parcel Value per Acre	$159,569.23
Aquatic Lease Area Acres	*3.487 ac.*
Aquatic Lease Area Value	$91,433.17
2012 Rental Rate of Return	*@3.00%*
WD Annual Rent	$5,007.76
Stair-stepped WD Annual Rent (50% increase per year max.)	$1,878.62
For rent more than $250, add Leasehold Tax 12.84%	$241.21
WD Annual Rent + Leasehold Tax	**$2,119.83**

The annual rental rate for the nonwater-dependent portion of the lease is also revalued every four-year period of the lease term. The DNR is directed by RCW 79.105.270 and WAC 332-30-125 to charge lessees full fair market rental value for state-owned aquatic lands that are withdrawn from general public use for non water-dependent use. Per direction of WAC 332-30-

125(2) and WAC 332-30-125(3)(c) and using an upland extension method, rent for this nonwater-dependent portion of the lease is based on a rental rate return of 9.50%.

The current rent for the nonwater-dependent portion of the lease was calculated as follows:

Nonwater-Dependent Rent Revaluation	11/1/2-12
Assessors Upland Parcel Number	3711-000-010-0002
Upland Parcel Assessed Value	$103,720.00
Upland Parcel Acreage	*x 0.650 ac.*
Upland Parcel Value per Acre	$159,569.23
Aquatic Lease Area Acres	*x 0.573 ac.*
Aquatic Lease Area Value	$91,433.17
Rental Rate of Return	*@9.50%*
NWD Annual Rent	$8,686.15
For rent more than $250, add Leasehold Tax 12.84%	$1,115.30
NWD Annual Rent + Leasehold Tax	**$9,801.45**

Decision
After reviewing the supporting information, I have determined that the Land Manager selected the correct parcel in calculating this rent revaluation. Port Washington Marina's abutting upland parcel (Kitsap County Parcel No. 3711-000-010-0002) is used in conjunction with the lease and meets the criteria for water-dependent rent calculation purposes (per WAC 332-30-123).

Please provide us documentation of Kitsap County Assessor's decision if they adjust the tax-assessed value of Tax Parcel No. 3711-000-010-0002 for Tax Year 2012 in response to your tax appeal. At that time, DNR will consider whether the value of a revised tax assessment is consistent for the purpose of the lease. If so, the DNR will adjust the rental rate accordingly.

This concludes my Rental Dispute Officer decision, as required under WAC 332-30-128(6)(d). If you feel that this determination is in error and does not reflect the current fair market rent, you may exercise lease clause 4.5(b) Revaluation of Rent which reads, *"State shall, at the end of the first four-year-period of the Term, and at the end of each subsequent four-year period, revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent. In the event that agreement cannot be reached between State and Tenant on the fair market rental value, the valuation shall be submitted to a review board of appraisers. The board shall consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board shall be binding on both parties. Until the new rent is established by agreement or by the review board, Tenant shall pay rent in*

the same amount established for the preceding year. If additional rent is required as a result of this review, Tenant shall pay the additional rent within ten (10) days of the board's decision. If a refund is required as a result of this review, State shall pay the refund within ten (10) days of the board's decision."

If you have any questions regarding this rent appeal decision or if you wish to submit this valuation to a review board of appraisers, please contact Lisa Randlette in Olympia at (360) 902-1085 to make further arrangements. Otherwise, please direct any future inquiries regarding your lease to Ms. Lindie Schmidt. You may reach Ms. Schmidt at (206) 949-1740.

Sincerely,

Kristin Swenddal, Manager
Aquatic Resources Division

Enc. WAC 330-30-125, WAC 332-30-128

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

April 10, 2013

JSH Properites
Ernie Velton
10655 Northeast 4th Street, Suite 901
Bellevue, WA 98004

Subject: Aquatic Lands Lease 22-A02332: Port Washington Marina – Bremerton WA
February 26, 2013 Site Inspection

Dear Mr. Velton:

I am writing on behalf of the Washington State Department of Natural Resources (DNR). Port Washington Marina is subject to aquatic lands lease 22-A02332 within the Bremerton harbor area. I was previously working with Connie Dobbs as the contact for the receivership for this site.

On February 26, 2013 I conducted a site inspection with Connie Dobbs and Stephanie Stanberry. The inspection was conducted to identify potential issues which might need to be addressed with the lease. According to our conversations, the bank is already in the process of correcting some of the material condition issues within the marina. In addition to this work, there are some issues regarding compliance with state law and the lease contract.

Uses beyond the Outer Harbor Line:

There are several moorage slips located beyond the outer harbor line. Article XV of the State Constitution does not allow the state to lease the marina areas beyond the outer harbor line. Accordingly, the marina's use of the area outside the outer harbor line must cease; all vessels moored outside the outer harbor line must be moved into the leasehold area; and all cleats which allow for moorage beyond the outer harbor line must be removed within 60 days.

The as-built survey of the marina shows that several improvements have been installed outside the outer harbor line. All improvements and fixtures outside of the outer harbor line are identified as unauthorized improvements and must be removed in conjunction with any major marina renovations. If the marina would like to retain these improvements, you may apply for a harbor line adjustment as allowed under WAC 332-30-116.

DNR may elect to charge use and occupancy fees of 160% of full fair market value for the area occupied by the unauthorized use in accordance with RCW 79.105.200 and WAC 332-30-127. DNR is not currently charging unauthorized use and occupancy fees at this site, and DNR will send a separate notification to the marina prior to charging any such fees.

OLYMPIA COPY

Floating Home:

There is an existing unoccupied derelict floating home located within the marina. WAC 332-30-109(11) does not allow for floating homes within the harbor area. This floating home cannot be inhabited or replaced with another residence, and until it is removed DNR will continue to charge NWD rent for the area it occupies.

Conformance to Local Ordinances:

The lease requires conformance to local codes. The Bremerton Fire Department is requiring that the marina upgrade the fire system to a dry system. The marina will need to provide DNR a timeline for attaining compliance within 60 days.

Maintenance and Repairs:

The lease requires that the marina maintain all improvements in a safe and operational condition. Many of the marina floats were observed to be listing. The marina will need to confirm that the floats have been stabilized within 60 days. Please note, the lease does not allow for exposed foam to be used on state lands.

I look forward to working with you at this site. Please contact me at (206) 949-1740 if you have any questions or concerns regarding this letter or the lease.

Sincerely,

Donna Berube for

Lindie Schmidt, Natural Resource Specialist
Shoreline District; Aquatics Division

c: Seven J's Investments
Rainier Foreclosure Services, Inc., c/o Schweet Rieke & Linde, PLLC.
District File
TRO File

WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Caring for
your natural resources
... now and forever

January 7, 2013

Steven C. Johnson, Manager
Seven J's Investments
PO Box 687
Burley, WA 98322

SUBJECT: Port Washington Marina / Aquatic Lands Lease No. 22-A02332

Dear Mr. Johnson:

As Rental Dispute Officer (RDO), I have made my final decision on your request for review of rent revaluation on the above-referenced lease.

The Department of Natural Resources (DNR) sent you a Notification of Revalued Rent (dated September 12, 2012) for the four-year period beginning November 1, 2012. You submitted a letter on October 12, 2012, requesting review of this rent revaluation, as provided for in Section 4.5(b) of your lease agreement, RCW 79.105.279, and Chapters 332-30-125 and 332-30-128 of the Washington Administrative Code (copies enclosed). You filed the request and supporting information in a timely manner and paid $2,980.31, a quarterly payment (11/01/2012-1/31/13) at the newly-revalued rental rate.

According to your letter, you state that the proposed rent revaluation is inappropriate because it is based upon the wrong property tax parcel for valuation purposes. You contend that the selected parcel (Kitsap County Parcel No. 3711-000-010-0002) you own and use for marina parking, storage units, and an access road to the marina, is not appropriate because the most recent tax assessment is not reflective of the current value. You indicated you are currently appealing Kitsap County Assessor's 2012 tax assessment for the parcel.

You request that DNR use an alternate parcel, (Kitsap County Parcel No. 3711-000-009-0005) adjoining your parcel on the landward side, for determining the rental rate for this lease. You note the alternate parcel was purchased in August 2012 for $80,000; is comparable in size to your upland parcel; and supports a similar use with a parking lot and 3,788 square foot building.

Findings of Fact
This rent appeal is perfected under WAC 332-30-128. You submitted your request for rent review in a timely way and provided adequate information for my consideration of the rent-related matters you raised.

Aquatic Lands Lease No. 22-A02332 commenced on November 1, 2002, and continues to October 31, 2034 (a thirty-year term).

The leasehold area is 4.06 acres of Harbor Area located on the southerly side of Port Washington Narrows in Kitsap County. The water-dependent portion of the leasehold occupies 3.487 acres, permitted for marina use. The remaining nonwater-dependent portion of the leasehold occupies 0.573 acres, with upland characteristics and permitted for parking, bulkhead, office building, and marina access uses.

In 2008, DNR revalued the leasehold rental rate based on the tax-assessed land value for parcel you own (Kitsap County Tax Parcel No. 3711-000-009-0005). Most recently DNR used this same parcel to revalue the rental rate. The parcel meets the physical criteria for rental rate calculation purposes, per WAC 332-30-123(2). It is waterfront with upland characteristics and used in conjunction with the lease area. In addition to meeting the physical criteria for parcel selection, the parcel's tax assessed value is consistent with the purposes of the lease, per WAC 332-30-123(3). The tax assessment is current; it does not include any special tax classification or other adjustment not reflecting fair market value as developable upland property; and the majority of the tax parcel's area is used in conjunction with the marina, a water-dependent use. For these reasons there is no need to consider an alternate tax parcel.

Rent Revaluation
The annual rental rate for the water-dependent portion of the leasehold is revalued every four-year period of the lease term, in accordance with RCW 79.105.240 and Section 4.4(b) "Revaluation of Rent" in your lease.

Water-Dependent Rent Revaluation	11/1/2-12
Assessors Upland Parcel Number	3711-000-010-0002
Upland Parcel Assessed Value	$103,720.00
Upland Parcel Acreage	*0.650 ac.*
Upland Parcel Value per Acre	$159,569.23
Aquatic Lease Area Acres	*3.487 ac.*
Aquatic Lease Area Value	$91,433.17
2012 Rental Rate of Return	*@3.00%*
WD Annual Rent	$5,007.76
Stair-stepped WD Annual Rent (50% increase per year max.)	$1,878.62
For rent more than $250, add Leasehold Tax 12.84%	$241.21
WD Annual Rent + Leasehold Tax	**$2,119.83**

The annual rental rate for the nonwater-dependent portion of the lease is also revalued every four-year period of the lease term. The DNR is directed by RCW 79.105.270 and WAC 332-30-125 to charge lessees full fair market rental value for state-owned aquatic lands that are withdrawn from general public use for non water-dependent use. Per direction of WAC 332-30-

125(2) and WAC 332-30-125(3)(c) and using an upland extension method, rent for this nonwater-dependent portion of the lease is based on a rental rate return of 9.50%.

The current rent for the nonwater-dependent portion of the lease was calculated as follows:

Nonwater-Dependent Rent Revaluation	11/1/2-12
Assessors Upland Parcel Number	3711-000-010-0002
Upland Parcel Assessed Value	$103,720.00
Upland Parcel Acreage	*x 0.650 ac.*
Upland Parcel Value per Acre	$159,569.23
Aquatic Lease Area Acres	*x 0.573 ac.*
Aquatic Lease Area Value	$91,433.17
Rental Rate of Return	*@9.50%*
NWD Annual Rent	$8,686.15
For rent more than $250, add Leasehold Tax 12.84%	$1,115.30
NWD Annual Rent + Leasehold Tax	**$9,801.45**

Decision
After reviewing the supporting information, I have determined that the Land Manager selected the correct parcel in calculating this rent revaluation. Port Washington Marina's abutting upland parcel (Kitsap County Parcel No. 3711-000-010-0002) is used in conjunction with the lease and meets the criteria for water-dependent rent calculation purposes (per WAC 332-30-123).

Please provide us documentation of Kitsap County Assessor's decision if they adjust the tax-assessed value of Tax Parcel No. 3711-000-010-0002 for Tax Year 2012 in response to your tax appeal. At that time, DNR will consider whether the value of a revised tax assessment is consistent for the purpose of the lease. If so, the DNR will adjust the rental rate accordingly.

This concludes my Rental Dispute Officer decision, as required under WAC 332-30-128(6)(d). If you feel that this determination is in error and does not reflect the current fair market rent, you may exercise lease clause 4.5(b) Revaluation of Rent which reads, "*State shall, at the end of the first four-year-period of the Term, and at the end of each subsequent four-year period, revalue the nonwater-dependent Annual Rent to reflect the then-current fair market rent. In the event that agreement cannot be reached between State and Tenant on the fair market rental value, the valuation shall be submitted to a review board of appraisers. The board shall consist of three members, one selected by and at the cost of Tenant; a second member selected by and at the cost of State; and a third member selected by the other two members with the cost shared equally by State and Tenant. The decision of the majority of the board shall be binding on both parties. Until the new rent is established by agreement or by the review board, Tenant shall pay rent in*

the same amount established for the preceding year. If additional rent is required as a result of this review, Tenant shall pay the additional rent within ten (10) days of the board's decision. If a refund is required as a result of this review, State shall pay the refund within ten (10) days of the board's decision."

If you have any questions regarding this rent appeal decision or if you wish to submit this valuation to a review board of appraisers, please contact Lisa Randlette in Olympia at (360) 902-1085 to make further arrangements. Otherwise, please direct any future inquiries regarding your lease to Ms. Lindie Schmidt. You may reach Ms. Schmidt at (206) 949-1740.

Sincerely,

Kristin Swenddal, Manager
Aquatic Resources Division

Enc. WAC 330-30-125, WAC 332-30-128

WAC 332-30-125
Aquatic land use rental rates for nonwater-dependent uses.

All requirements in this section shall apply to the department and to port districts managing aquatic lands under a management agreement (WAC 332-30-114).

(1) The value of state-owned aquatic lands withdrawn from general public use for private nonwater-dependent use shall be recognized by charging lessees the full fair market rental. No rent shall be charged for improvements, including fills, on aquatic lands unless owned by the state. The fair market rental is based on: (a) Comparable non-DNR market rents, whether based on land value exclusive of improvements, a percent of gross revenues, or other appropriate basis, or if not available (b) the full market value (same as true and fair value) multiplied by the use rate percentage as determined under subsection (2) of this section and published in the Washington State Register.

(2) Use rate percentage.

(a) The percentage rate will be based on nondepartmental market rental rates of return for comparable properties leased on comparable terms in the locality, or when such do not exist;

(b) The percentage rate of return shall be based on the average rate charged by lending institutions in the area for long term (or term equivalent to the length of the lease) mortgages for comparable uses of real property.

(3) Appraisals: The determination of fair market value shall be based on the indications of value resulting from the application of as many of the following techniques as are appropriate for the use to be authorized:

(a) Shore contribution; utilizing differences in value between waterfront properties and comparable nonwaterfront properties. Generally best for related land-water uses which are independent of each other or not needed for the upland use to exist.

(b) Comparable upland use (substitution); utilizing capacity, development, operation, and maintenance ratios between a use on upland and similar use on aquatic land with such ratios being applied to upland value to provide indication of aquatic land value for such use. Generally best for aquatic land uses which are totally independent of adjacent upland yet may also occur on upland totally independent of direct contact with water.

(c) Extension; utilizing adjacent upland value necessary for total use as the value of aquatic lands needed for use on a unit for unit basis. Generally best for aquatic land uses which are integrated with and inseparable from adjacent upland use.

(d) Market data; utilizing verified transactions between knowledgeable buyers and sellers of comparable properties. Generally best for tidelands or shorelands where sufficient data exists between knowledgeable buyers and sellers.

(e) Income; utilizing residual net income of a commercial venture as the indication of investment return to the aquatic land. This can be expressed either as a land rent per acre or as a percent of gross revenues. Generally best for income producing uses where it can be shown that an owner or manager of the operation is motivated to produce a profit while recognizing the need to obtain returns on all factors of production.

(4) Negotiation of rental amounts may occur when necessary to address the uniqueness of a particular site or use.

(5) Rental shall always be more than the amount that would be charged if the aquatic land parcel was used for water-dependent purposes.

[Statutory Authority: 1984 c 221 and RCW 79.90.540. 84-23-014 (Resolution No. 470), § 332-30-125, filed 11/9/84. Statutory Authority: RCW 43.30.150. 80-09-005 (Order 343), § 332-30-125, filed 7/3/80.]

WAC 332-30-128
Rent review.

This section shall not apply to port districts managing aquatic lands under a management agreement (WAC 332-30-114).

(1) **Eligibility to request review.** Any lessee or applicant to lease or release state-owned aquatic lands may request review of any rent proposed to be charged by the department.

(2) **Dispute officers.** The manager of the marine lands division will be the rental dispute officer (RDO). The supervisor of the department, or his designee, will be the rental dispute appeals officer (RDAO).

(3) **Submittals.** A request for review of the rent (an original and two copies) shall be submitted within thirty days of notification by the department of the rent due from the lessee/applicant. The request for review shall contain sufficient information for the officers to make a decision on the appropriateness of the rent initially determined by the department. The burden of proof for showing that the rent is incorrect shall rest with the lessee/applicant.

(4) **Rental due.** The request for review shall be accompanied by one year's rent payment based on the preceding year's rate, or a portion thereof as determined by RCW 79.105.340; or based on the rate proposed by the department, or a portion thereof as determined by RCW 79.105.340, whichever is less. The applicant shall pay any additional rent or be entitled to a refund, with interest, within thirty days after completion of the review process provided in this section.

(5) **Contents of request.** The request for review shall state what the lessee/applicant believes the rent should be and shall contain, at the minimum, all necessary documentation to justify the lessee/applicant's position. This information shall include but not be limited to:

(a) **Rationale.** Why the rent established by the department is inappropriate. The supporting documentation for nonwater-dependent leases may include appraisals by professionally accredited appraisers.

(b) **Lease information.** A description of state-owned aquatic land under lease which shall include, but not be limited to:

(i) Lease or application number;

(ii) Map showing location of lease or proposed lease;

(iii) Legal description of lease area including area of lease;

(iv) The permitted or intended use on the leasehold; and

(v) The actual or current use on the leasehold premises.

(c) **Substitute upland parcel.** A lessee/applicant whose lease rent is determined according to RCW 79.105.240 (water-dependent leases) and who disputes the choice of the upland parcel as provided by WAC 332-30-123, shall indicate the upland parcel that should be substituted in the rental determination and shall provide the following information on the parcel:

(i) The county parcel number;

(ii) Its assessed value;

(iii) Its area in square feet or acres;

(iv) A map showing the location of the parcel; and

(v) A statement indicating the land use on the parcel and justifying why the parcel should be substituted.

(6) **RDO review.**

(a) The RDO shall evaluate the request for review within fifteen days of filing to determine if any further support materials are needed from the lessee/applicant or the department.

(b) The lessee/applicant or the department shall provide any needed materials to the RDO within thirty days of receiving a request from the RDO.

(c) The RDO may, at any time during the review, order a conference between the lessee/applicant and department staff to try to settle the rent dispute.

(d) The RDO shall issue a decision within sixty days of filing of the request. Such decision shall contain findings of fact for the decision. If a decision cannot be issued within that time, the lessee/applicant's request will automatically be granted and the rent proposed by the lessee/applicant will be the rent for the lease until the next rent revaluation; provided that, the RDO

DNR-00019413

may extend the review period for one sixty-day period.

(7) **RDAO review.**

(a) The lessee/applicant may submit a petition within thirty days to the rental dispute appeals officer (RDAO) for review of that decision.

(b) If the RDAO declines to review the petition on the decision of the RDO, the RDO's decision shall be the final decision of the RDAO.

(c) If the RDAO consents to review the decision, the review may only consider the factual record before the RDO and the written findings and decision of the RDO. The RDAO shall issue a decision on the petition containing written findings within sixty days of the filing of the petition. The RDAO may extend the review period for one sixty-day period. This decision shall be the RDAO's final decision. This decision shall be the RDAO's final decision.

(8) **Board review.**

(a) The lessee/applicant may submit a petition within thirty days to the board of natural resources (board) for review of the RDAO decision.

(b) If the board declines to review the petition, the RDAO decision shall be the final decision of the board.

(c) If the board decides to review the petition, the department and the lessee/applicant shall present written statements on the final decision of the RDAO within thirty days of the decision to review. The board may request oral statements from the lessee/applicant or the department if the board decides a decision cannot be made solely on the written statements.

(d) The board shall issue a decision on the petition within ninety days of the filing of the written statements by the lessee/applicant and the department.

[Statutory Authority: RCW 79.105.360, 79.105.320. 06-18-082, § 332-30-128, filed 9/5/06, effective 10/6/06. Statutory Authority: RCW 79.105.360. 06-06-005 (Order 724), § 332-30-128, filed 2/16/06, effective 3/19/06. Statutory Authority: RCW 79.90.520. 06-01-075 (Resolution No. 1186), § 332-30-128, filed 12/20/05, effective 1/20/06. Statutory Authority: RCW 79.90.105, 79.90.300, 79.90.455, 79.90.460, 79.90.470, 79.90.475, 79.90.520, 79.68.010, 79.68.68 [79.68.080], and chapter 79.93 RCW. 85-22-066 (Resolution No. 500), § 332-30-128, filed 11/5/85.]

2332

Parking Lot Parcel

General

Parcel #: 3711-000-010-0002
1805 THOMPSON DR SUITE B
BREMERTON, WA 98337

Taxpayer Name BRIDGEVIEW MARINA INC
Mailing Address PO BOX 10400
RENO, NV 89510
(Change Mailing Address)
Parcel No. 3711-000-010-0002
Account ID 1423110
Site Address 1805 THOMPSON DR SUITE B
BREMERTON, WA 98337
Status Active
Property Use 460- Parking

Tax Description

Parcel #: 3711-000-010-0002
1805 THOMPSON DR SUITE B
BREMERTON, WA 98337

THE NORTH 60 FEET OF LOT 10 AND ALL OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, AS PER PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, RECORDS OF KITSAP COUNTY, WASHINGTON.

Value & Tax History

Parcel #: 3711-000-010-0002
1805 THOMPSON DR SUITE B
BREMERTON, WA 98337

Tax Year	Land	Bldgs, etc.	Market Value	Taxable Value	Exemption	Tax	FFP	SSWM	Nox Weed	Other	Total Billed
2017	100,910	32,120	133,030	133,030		0.00	0.00	0.00	0.00	0.00	0.00
2016	100,910	32,120	133,030	133,030		1,838.88	0.00	0.00	2.00	0.00	1,840.88
2015	74,910	131,560	206,470	206,470		2,867.98	0.00	0.00	2.00	0.00	2,869.98
2014	79,520	126,950	206,470	206,470		2,957.28	0.00	0.00	2.00	0.00	2,959.28
2013	93,340	113,130	206,470	206,470		2,829.24	0.00	0.00	2.00	0.00	2,831.24
2012	103,720	102,750	206,470	206,470		2,645.08	0.00	0.00	2.00	0.00	2,647.08

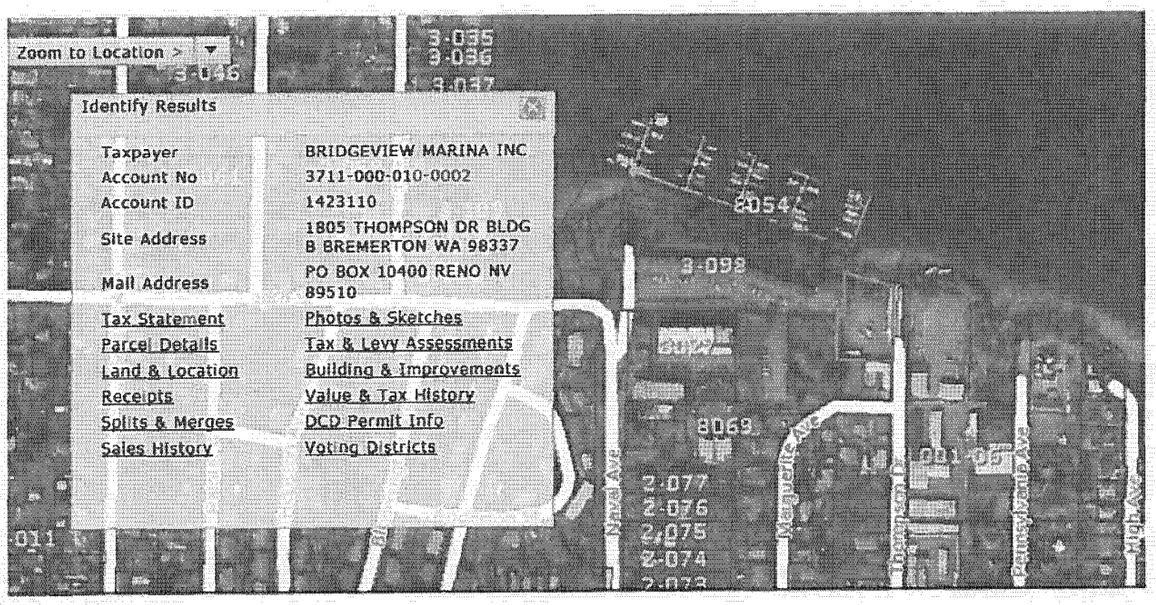
OLYMPIA COPY

Land & Location

Parcel #: 3711-000-010-0002

1805 THOMPSON DR SUITE B
BREMERTON, WA 98337

Site Address	1805 THOMPSON DR SUITE B BREMERTON, WA 98337
Jurisdiction - Tax Code Area	City of Bremerton - 0010
Zoning	Incorporated City
Sec-Twn-Rng-Qtr	Sec 11 Township 24 Range 1E SW Qtr
Acres	0.65 (approx. 28,314 sq. ft.)
Land where Account is Located	N/A
Latitude	47.57814715
Longitude	-122.64376706
Last Inspected	03/25/15
View Rating	N/A
Waterfront	No
Property Use	460- Parking



Waterfront Parcel

General

Parcel #: 8054-000-000-0008

1805 THOMPSON DR SUITE A
BREMERTON, WA 98312

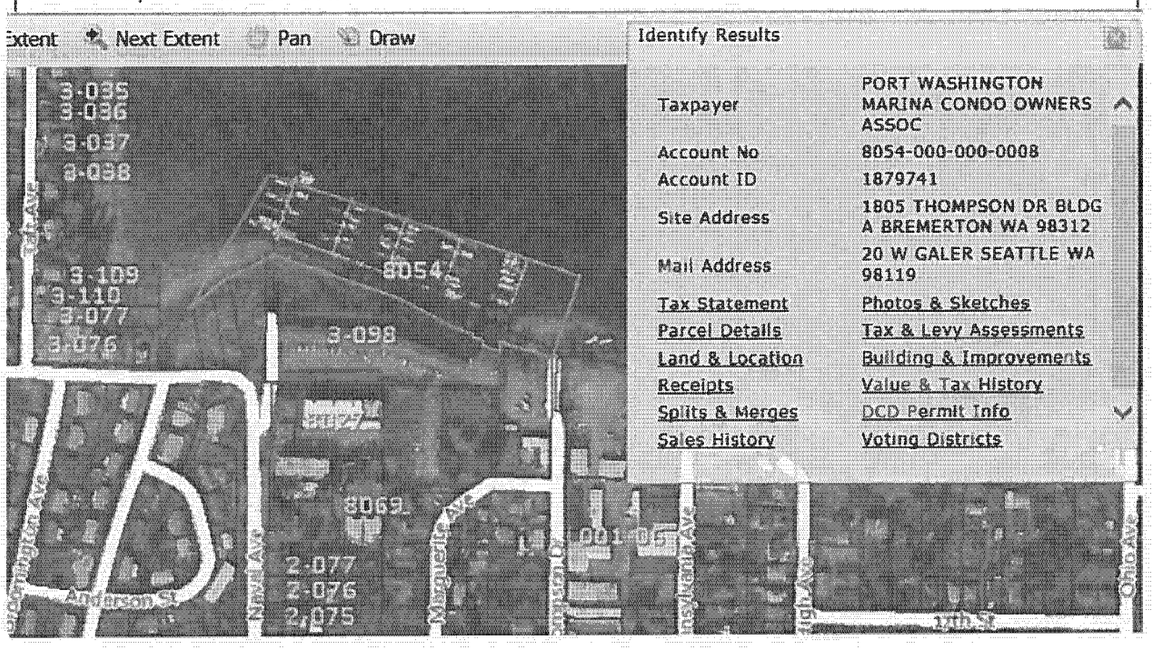
Taxpayer Name	PORT WASHINGTON MARINA
Mailing Address	20 W GALER SEATTLE, WA 98119 *(Change Mailing Address)*
Parcel No.	8054-000-000-0008
Account ID	1879741
Site Address	1805 THOMPSON DR SUITE A BREMERTON, WA 98312
Status	Active
Property Use	911- Common area

Tax Description

Parcel #: 8054-000-000-0008

1805 THOMPSON DR SUITE A
BREMERTON, WA 98312

COMMON AREA OF THE PORT WASHINGTON MARINA COMDOMINIUM, RECORDED IN VOLUME 3 OF CONDOMINIUMS, PAGES 127 THROUGH 130, RECORDS OF KITSAP COUNTY WASHINGTON; TOGETHER WITH THAT PORTION OF GOVERNMENT LOT 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., INCLUDED IN A TRACT DESCRIBED AS FOLLOWS: BEGINING AT A POINT ON THE INNER HARBOR LINE, SAID POINT BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, AS PER PLAT RECORDED IN VOLUME 5 OF PLATS, PAGE 19, RECORDS OF KITSAP COUNTY, WASHINGTON; THENCE S00*14'39 E, A DISTANCE OF 21.00 FEET; THENCE N75*43'58 W, A DISTANCE OF 42.97 FEET; THENCE N00*14'39 W A DISTANCE OF 10.67 FEET; THENCE N75*43'58 W A DISTANCE OF 28.20 FEET; THENCE N00*14'39 W A DISTANCE OF 10.33 FEET TO THE INNER HARBOR LINE; THENCE S75*43'58 E ALONG SAID INNER HABOR LINE, A DISTANCE OF 71.17 FEET TO THE TRUE POINT OF BEGINNING; SITUATE IN CITY OF BREMERTON, KITSAP COUNTY, WASHINGTON.



Land & Location

Parcel #: 8054-000-000-0008

1805 THOMPSON DR SUITE A
BREMERTON, WA 98312

Site Address	1805 THOMPSON DR SUITE A BREMERTON, WA 98312
Jurisdiction - Tax Code Area	City of Bremerton - 0010
Zoning	Incorporated City
Sec-Twn-Rng-Qtr	Sec 11 Township 24 Range 1E SW Qtr
Acres	0.36 (approx. 15,682 sq. ft.)
Land where Account is Located	N/A
Latitude	47.57914630
Longitude	-122.64499497
Last Inspected	03/25/15
View Rating	N/A
Waterfront	Yes
Property Use	911- Common area

Value & Tax History

Parcel #: 8054-000-000-0008

1805 THOMPSON DR SUITE A
BREMERTON, WA 98312

Tax Year	Land	Bldgs, etc	Market Value	Taxable Value	Exemption	Tax	FFP	SSWM	Nox Weed	Other	Total Billed
2017	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00
2016	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00
2015	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00
2014	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00
2013	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00
2012	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00

Comments:

The majority of the waterfront parcel (Parcel 8054-000-000-0008) is comprised of the leasehold area. Since it is the common area of a condominium association, no taxable value has been assigned to this parcel. As a result, the landward parcel used in conjunction with the lease (Parcel 3711-000-010-0002) has been used to determine the leasehold value. The landward parcel is utilized for access to the marina and marina parking.

2332

4-YEAR RENT ADJUSTMENT SUMMARY

Aquatic Lands Lease #	22-A02332
Lease Site Address	1805 Thompson Drive
City	Bremerton
Lease Term	11/01/2004-10/31/2034
Tenant Name	Bridgview Marina
Date	9/7/2016
Land Manager	Lindie Schmidt
New rent or rent reval year (2010)	2016
New rent or rent reval month (1-12)	11
New rent or rent reval day (1-31)	1

		Rent	LHT	Rent + LHT
Year 1 11/1/2016	Water-dependent Rent	$5,027.83	$645.57	$5,673.40
	Nonwater-dependent Rent	$8,185.35	$1,051.00	$9,236.35
	Log Storage	NA	NA	NA
	Current Rent Total	$13,213.18	$1,696.57	**$14,909.76**
Year 2 11/1/2017	Water-dependent Rent			
	Nonwater-dependent Rent			
	Log Storage	NA	NA	NA
	Current Rent Total			
Year 3 11/1/2018	Water-dependent Rent			
	Nonwater-dependent Rent			
	Log Storage	NA	NA	NA
	Current Rent Total			
Year 4 11/1/2019	Water-dependent Rent			
	Nonwater-dependent Rent			
	Log Storage	NA	NA	NA
	Current Rent Total			

Water- dependent parcel selection:

Adjacent ☐
Alternative ☑

New surveys only:

	1st Class	2nd Class
% Tidelands		
% Shorelands		
% Bedlands		
% Harbor Area	100%	

Land Manager Comments/Notes:

No land value is assigned to the waterward parcel used in conjunction with the marina. The landward parcel used in conjunction with the marina (Parcel 3711-000-010-0002) has been used to determine rent. The NWD area reflects removal of the floating home (Letter Dated May 1, 2015).

TOTAL LEASEHOLD AREA

USES	TYPE	AREA
Moorage	WD	3.505
Buildings; parking; rip-rap	NWD	0.555

OLYMF

Y

Washington State Department of Natural Resources

4-YEAR RENT ADJUSTMENT FOR WATER DEPENDENT USES

Aquatic Lands Lease #: 22-A02332
Lease Site Address: 1805 Thompson Drive
City: Bremerton
Lease Term: 11/01/2004-10/31/2034

Tenant Name: Bridgview Marina
Date: 9/7/2016
Land Manager: Lindie Schmidt
4-year rent from: 11/1/2016
To: 10/31/2020

	Due Date			
Rent Billed Last Year	11/1/2015	$5,080.62	RCW 79.105.240	WAC 332-30-123

Year 1: Rent Revaluation		11/1/2016	WAC 332-30-123 (9)
Lease Area Acres	Fill in only Acres (C13) or Square Feet (C14), not both. C15 will calculate off of either cell.	3.50500	
If lease area not shown in acres, Lease Area Square Feet			
Lease Area Acres or Square Feet Converted to Acres		3.50500	
Upland Parcel - Number		3711-000-010-0002	
Upland Parcel - Assessed Value		$100,910.00	
Upland Parcel - Acres	Fill in only Acres (C18) or Square Feet (C19), not both. C15 will calculate off of either cell.	0.65000	
If Upland Parcel area not shown in acres, Upland Parcel Area Square Feet			
Upland Parcel area Acres or Square Feet Converted to Acres		0.65000	
Upland Parcel - Value per Acre		$155,246.15	
Lease Area Value		$544,137.77	
Aquatic Value - 30%		$163,241.33	
Real Capitalization Rate		3.08%	Real Capitalization Rate RCW 79.105.060 (16)
WD formula Rent Aquatic Value x Real Cap Rate		$5,027.83	Link to current Real Cap Rate on PPI/CPI sheet

Year 1: WD Rent 11/1/2016	
$5,027.83	Leasehold tax to add in NaturE if appropriate
	$645.57
Total	$5,673.40

Compute rent revalue with stairstepping:			WAC 332-30-123 (8)
Percent rent increased from last year		-1.0%	
Is this new rate more than a 50% increase?	11/1/2016	NO	
If yes, stairstep for a 50% increase.		NA	

Year 2 - Rent With Inflation Adjustment or Stairstepping	Due date	11/1/2017	WAC 332-30-123 (7)	Year 2: WD Rent 11/1/2017
Producer Price Index (PPI)	11/1/2017		Link to PPI/CPI rates	
Is (year 1 rent x 150%) less than WD FORMULA RENT for?	11/1/2016	NO		
Was rent stairstepped last year?	11/1/2016	NO		
Should this year's rent be stairstepped?	11/1/2017	NO		Leasehold tax to add in NaturE if appropriate
			Total	

Year 3 - Rent With Inflation Adjustment or Stairstepping	Due Date	11/1/2018		Year 3: WD Rent 11/1/2018
Producer Price Index (PPI)	11/1/2018		Link to PPI/CPI rates	
Is (year 2 rent x 150%) less than WD FORMULA RENT for?	11/1/2017	NO		
Was rent stairstepped last year?	11/1/2017	NO		
Should this year's rent be stairstepped?	11/1/2018	NO		Add LHT Tax in NaturE, if appropriate
			Total	

Year 4 - Rent With Inflation Adjustment or Stairstepping	Due Date	11/1/2019		Year 4: WD Rent 11/1/2019
Producer Price Index (PPI)	11/1/2019		Link to PPI/CPI rates	
Is (year 3 rent x 150%) less than WD FORMULA RENT for?	11/1/2018	NO		
Was rent stairstepped last year?	11/1/2018	NO		
Should this year's rent be stairstepped?	11/1/2019	NO		Leasehold tax to add in NaturE if appropriate
			Total	

PARCEL SELECTION FOR WATER-DEPENDENT RENT VALUATION

Aquatic Lands Lease #: 22-A02332
Tenant name: Bridgview Marina
Site Address: 1805 Thompson Drive
Upland Tax Parcel Number: 3711-000-010-0002
Upland Parcel Assessed Value: $100,910.00
Upland Parcel Square Acres: 0.65000
WAC 332-30-123

The above parcel was selected for valuation of this lease because:

OPTION A

☐ This waterfront parcel is used in conjunction with and proximate to the lease area, has some portion with upland characteristics, and meets the criteria below:

OR

☒ If the waterfront parcel's assessed value is inconsistent with the purposes of the lease, this landward parcel meets the criteria below:

AND

This parcel is:

☑ #1 - structurally connected to the lease area

OR

☐ #2 - abuts the lease area

OR

☐ #3 - The parcel is closest in distance to the lease area

OR

#4 - If more than one parcel fits the selection priority, then

☐ Use each parcel for its portion of the lease,

OR

☐ If DNR & lessee agree, use one parcel the for entire lease area.

If no parcel meets the criteria in Option A, explain why, then choose Option B (next page):

OPTION B **Alternate parcel**

☐ Measure the distance of the alternate parcel along the shoreline from the tax parcel.

☐ #1 - Within the same city as the lease area.

AND/OR

☐ #2 - Within the same county and water body as the lease area.

OR

☐ #3 - Within the same county on similar bodies of water.

OR

☐ #4 - Within the state.

AND

The alternative parcel is also:

☐ #1 - The same water-dependent use as the lease area.

OR

☐ #2 - Any water-dependent use within the same upland zoning.

OR

☐ #3 - Any water-dependent use.

OR

☐ #4 - Any water-oriented use.

4-YEAR RENT ADJUSTMENT FOR NONWATER-DEPENDENT USES

Aquatic Lands Lease #: 22-A02332
Lease Site Address: 1805 Thompson Drive
City: Bremerton
Lease Term: 11/01/2004-10/31/2034

Tenant Name: Bridgview Marina
Date: 9/7/2016
Land Manager: Lindie Schmidt
4-year rent from: 11/1/2016
To: 10/31/2020

Nonwater-dependent Use

WAC 332-30-125 WAC 332-30-127

EXTENSION METHOD ONLY

YEAR 1 - New Rent or Rent Reval	11/1/2016	
Aquatic Lease Area Acres	0.55500	Fill in only Acres (B12) or Square Feet (B13), not both. B14 will calculate off of either cell.
Lease Area Square Feet		
Square Feet Converted to Acres	0.55500	
Upland Tax Parcel Number	3711-000-010-0002	
Upland Parcel Assessed Value	$100,910.00	
Upland Parcel Acres	0.65000	Fill in only Acres (B17) or Square Feet (b18), not both. b19 will calculate off of either cell.
Upland Parcel Area Square Feet		
Square Feet Converted to Acres	0.65000	
Upland Parcel Value per Acre	$155,246.15	
Aquatic Lease Area Value	$86,161.62	
Real Rate of Return	9.50%	RCW 79.105.060 (16)
NWD Rent	$8,185.35	Use Rate Percentage filed 2000 per WAC 332-30-125
For rent more than $250, add 12.84% leasehold tax	$1,051.00	
NWD + LHT	**$9,236.35**	

YEAR 2 -Rent with CPI Adjustment	11/1/2017	
Consumer Price Index (CPI) %		Link to PPI/CPI rates
Year 1 NWD Rent	$8,185.35	
CPI amount	NA	
NWD Rent	NA	
For rent more than $250, add 12.84% leasehold tax	NA	
NWD RENT + LHT	**NA**	

YEAR 3 -Rent with CPI Adjustment	11/1/2018	
Consumer Price Index (CPI) %		Link to PPI/CPI rates
Year 2 NWD Rent	NA	
CPI amount	NA	
NWD Rent	NA	
For rent more than $250, add 12.84% leasehold tax	NA	
NWD RENT + LHT	**NA**	

YEAR 4 -Rent with CPI Adjustment	11/1/2019	
Consumer Price Index (CPI) %		Link to PPI/CPI rates
Year 3 NWD Rent	NA	
CPI amount	NA	
NWD Rent	NA	
For rent more than $250, add 12.84% leasehold tax	NA	
NWD RENT + LHT	**NA**	

NONWATER-DEPENDENT RENT METHOD SELECTION

Lease #: 22-A02332 **Tenant Name:** Bridgview Marina
Address: 1805 Thompson Drive **Date:** 9/7/2016
City: Bremerton **Land Manager:** Lindie Schmidt

NOTE: Nonwater-dependent uses must meet the exceptional circumstances in WAC 332-30-137.

RCW 79.105.270 NWD Rent is always more than a water-dependent rate.
WAC 332-30-125

The fair market value for NWD rent is based on either option A or B:

OPTION A

☐ **Comparable non-DNR market rents based on either:**

☐ land value exclusive of improvements

OR

☐ percent of gross revenues

OR

☐ other appropriate basis (explain)

OR

OPTION B **Explain below**

☐ **Full market value (same as true and fair value)**

Determined by **ONE** of the options below

☐ Extension **Explain below**

Use the adjacent upland parcel value as the aquatic land value.

Best for aquatic land uses which are integrated with and inseparable from the adjacent upland use.

OR

☐ Shore contribution **Explain below**

Use the differences in value between waterfront properties and comparable nonwaterfront properties.

Best for related land-water uses which are independent of each other, or not needed for the upland use to exist.

OR

☐ Comparable upland use (substitution) **Explain below**

Use capacity, development, operation, and maintenance ratios between upland and a similar use on aquatic land.

Best for uses totally independent of the adjacent upland which may also occur on upland with water contact.

OR

☐ Market data **Explain below**

Use verified transactions between knowledgeable buyers and sellers of comparable properties.

Best for tidelands or shorelands where sufficient data exists between knowledgeable buyers and sellers.

OR

☐ Income **Explain below**

Use the residual net income of a commercial venture, either land rent per acre or a % of gross revenues.

Best for income producing uses where the operation owner or manager is motivated to produce a profit.

OR

☐ Negotiation **Explain below**

Other notes