



A handwritten signature in black ink, appearing to read "Timothy W. Dore", is written over a horizontal line.

Timothy W. Dore
U.S. Bankruptcy Court
(Dated as of Entered on Docket date above)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re

DANCING WATERS, LLC,

Debtor.

In re

GOVERNOR'S POINT DEVELOPMENT CO.,

Debtor.

In re

PLEASANT BAY PROPERTIES &
ASSOCIATES, LP,

Debtor.

In re

PLEASANT ROAD PARTNERS, LP,

Debtor.

In re

CARL ROGER SAHLIN,

Debtor.

Lead Case No. 15-13216

(Jointly Administered with
Case Nos. 15-13217; 15-13218; 15-13219;
and 15-13220)

ORDER APPROVING MOTION FOR
SALE OF REAL PROPERTY

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ORDER APPROVING MOTION FOR SALE OF REAL
PROPERTY – Page 1

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THIS MATTER came before the Court upon the joint motion ("Sale Motion") of debtors Dancing Waters, LLC, Governor's Point Development Co., Pleasant Bay Properties & Associates, LP, Pleasant Road Partners, LP and C. Roger Sahlin, debtors-in-possession herein ("Debtors"), debtors-in-possession herein, for entry of an order approving the sale ("Sale") of certain real property in Whatcom County, Washington (the "Property"), as defined in the Sale Motion. The Court, having reviewed the files and records herein, and deeming itself fully advised, and finding and concluding that notice hereof was given in accordance with the Order Shortening Time (Doc 256) entered on December 8, 2016, that no objection or other response has been filed as to the Sale Motion, that the proposed terms of the Sale appear reasonable and appropriate under the circumstances of these cases, and good cause having been otherwise shown for the relief requested, now, therefore, it is hereby

ORDERED as follows:

1. The Sale Motion is hereby granted and approved in all respects.
2. Pursuant to 11 U.S.C. § 363(b), the Debtors are authorized and directed to consummate the Sale pursuant to, and in accordance with, the terms and conditions of Madrona PSA.
3. The Debtors are authorized and directed to execute and deliver, and empowered to perform under, consummate and implement, the Madrona PSA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Madrona PSA, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Property, or as may be necessary or appropriate to the performance of the obligations contemplated in the Madrona PSA.
4. Pursuant to 11 U.S.C. § 363(f), the Property shall be transferred at closing to Buyer, free and clear of all liens, interests and encumbrances (collectively, the "***Interests***"), with all such Interests to attach to the net proceeds of sale (after payment in full of Closing Costs ~~and the Co-Owner~~

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1 ~~Interest~~), in the order of their priority, with the same validity, force and effect which they now have as
2 against Property, subject to any claims and defenses the Debtors may possess with respect thereto.

3 5. Except as expressly permitted or otherwise specifically provided by the Madrona PSA
4 or this Order, all persons and other entities holding Interests against the Property, including but not
5 limited to, all debt security holders, equity security holders, governmental, tax, and regulatory
6 authorities, lenders, trade and other unsecured creditors (whether legal or equitable, secured or
7 unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under
8 or out of, in connection with, or in any way relating to, the Debtors, the Property, or the transfer of the
9 Property to the Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting
10 against the Buyer, their successors or assigns, its property or Interests, such persons' or other entities'
11 Interests.

12 6. The Sale of the Property by Debtors to Buyer (a) is or will be a legal, valid and
13 effective transfer of the Property; (b) vest or will vest Buyer with all right, title and interest of the
14 Debtors to the Property free and clear of all Interests pursuant to 11 U.S.C. § 363(f); and (c)
15 constitutes a transfer for reasonably equivalent value and fair consideration under the Bankruptcy
16 Code and the laws of the State of Washington and any other applicable non-bankruptcy laws.

17 7. If the Debtors confirm a Chapter 11 Plan prior to the closing of the sale of the Property,
18 no excise tax will be incurred on the transaction pursuant to 11 U.S.C. § 1146.

19 8. At closing, there will be paid from gross proceeds of sale of the Property the usual and
20 necessary expenses, including escrow fees, title fees, recording fees, excise tax (if no Chapter 11 Plan
21 has been confirmed prior to sale), real estate taxes (if any are owed at the time of sale), and real estate
22 commissions (hereafter, the "**Closing Costs**").

23 9. As of closing, each entity holding a lien or other encumbrance against the Property is
authorized and directed to execute such documents and take all other actions as may be necessary to
release such creditor's Interests in the Property, if any, as such Interests may have been recorded or
may otherwise exist.

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1 10. Each and every federal, state, and local governmental agency or department is hereby
2 directed to accept any and all documents and instruments necessary and appropriate to consummate
3 the Sale.

4 11. The Buyer shall not be liable or responsible for any liability or other obligation of the
5 Debtors arising under or related to the Property, except as expressly stated in the Madrona PSA.

6 12. Any and all net proceeds of sale remaining after payment of the foregoing expenses,
7 interests, and liens, shall be held in escrow or paid to Ogden Murphy Wallace, PLLC or Bush
8 Kornfeld LLP, to be held in trust pending further Order of this Court.

9 13. This Court retains exclusive jurisdiction to (a) interpret, enforce, implement and
10 resolve any disputes arising under or in connection with the terms and provisions of the Madrona
11 PSA, all amendments thereto, any waivers and consents thereunder, and any agreements executed
12 therewith, (b) compel delivery of the Property to Buyer, and (c) protect the Buyer against (i) any
13 liabilities relating to or in connection with the Property that the Buyer do not expressly assume under
14 the Madrona PSA, or (ii) any Interests in the Property; provided, however, that in the event this Court
15 abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in
16 this clause, or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no
17 effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court
18 having competent jurisdiction with respect to such matter.

19 14. The reversal or modification on appeal of the authorization provided herein to
20 consummate the sale shall not affect the validity of such sale unless such authorization is duly stayed
21 pending such appeal.

22 15. The terms and provisions of the Madrona PSA and this Order shall be binding in all
23 respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, the Buyer
and its affiliates, successors and assigns, and any affected third parties including, but not limited to, all
persons asserting Interests in the Property, and any trustees, examiners, “responsible persons”, or

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1 other fiduciaries appointed in the Debtors' bankruptcy case or under any chapter of the Bankruptcy
2 Code. The Madrona PSA shall not be subject to rejection or avoidance under any circumstance.

3 16. The Madrona PSA and any related agreements, documents or other instruments may be
4 modified, amended or supplemented by the parties thereto, in a writing signed by both parties, an in
5 accordance with the terms thereof, without further order of this Court, except that the deadlines in the
6 Madrona PSA may not be extended by more than 60 days, and the purchase price may not be lowered
absent prior approval of this Court.

7 17. This Order shall be effective immediately upon entry notwithstanding any stays of
8 order provided for under Federal Rules of Bankruptcy Procedure 6004(h), 6006(d), 7062, and/or any
9 other provision of Title 11 or the Federal Rules of Bankruptcy Procedure, and that any such provisions
10 or Rules are hereby expressly lifted, rendering this Order immediately effective and enforceable.

11 DATED this 22nd day of December, 2016.

12 // /End of Order/ //

13 Presented by:

14 OGDEN MURPHY WALLACE, PLLC

BUSH STROUT & KORNFELD LLP

15
16 By /s/ William F. Malaier, Jr.

17 William F. Malaier, Jr., WSBA# 34152
18 Of Attorneys for Carl Roger Sahlin

By /s/ James L. Day

James L. Day, WSBA #20474
Katriana L. Samiljan, WSBA #28672
Attorneys for Dancing Waters, LLC

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