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The Honorable James L. Robart

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PATH AMERICA, LLC; PATH AMERICA
SNOCO LLC; PATH AMERICA FARMER'S
MARKET, LP; PATH AMERICA KINGCO
LLC; PATH AMERICA TOWER, LP; PATH
TOWER SEATTLE, LP; POTALA TOWER
SEATTLE, LLC; and LOBSANG DARGEY,

Defendants, and,

POTALA SHORELINE, LLC; POTALA
VILLAGE KIRKLAND, LLC; DARGEY
DEVELOPMENT, LLC; DARGEY
ENTERPRISES, LLC; PATH OTHELLO,
LLC; PATH FARMER'S MARKET, LLC; and
DARGEY HOLDINGS, LLC,

Relief Defendants.

Case No. 2:15-cv-01350-JLR

SECOND STIPULATED MOTION AND
~~PROPOSED~~ ORDER MODIFYING
PREVIOUS ORDERS REGARDING
UPDATED BUDGET, PROPOSAL FOR
FINANCING, AND CONSULTANT
AGREEMENT FOR FARMER'S MARKET
AND MOTION PRELIMINARILY
APPROVING DISPOSITION OF
RECEIVERSHIP ASSETS

JLR

NOTE ON MOTION CALENDAR: Date of
Filing per [Local Civil Rules 10(g), 7(d)1]

STIPULATED MOTION

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PLEASE TAKE NOTICE that Michael A. Grassmueck (the "Receiver"), the court-appointed Receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff Securities and Exchange Commission ("SEC")¹, hereby file this second stipulated motion ("Stipulated Motion") for an order modifying this Court's prior orders approving, among other things, the Receiver's recommendation to select the restructuring proposal submitted by EB5 Group, LLC ("EB5G") for the mixed use development project currently known as Potala Marketplace, located at 2900 Grand Avenue, Everett, Washington (the "Restructuring Transaction"), and extending the previously-ordered deadline to execute the final documents memorializing the Restructuring Transaction.

WHEREAS, on March 8, 2017, the Court entered an order (the "Preliminary Approval Order") which, among other things, approved the Receiver's recommendation to select the proposal for the Restructuring Transaction proposed by EB5G;

WHEREAS, the Preliminary Approval Order requires the Receiver and EB5G to finalize and execute final documents memorializing the Restructuring Transaction by no later than March 31, 2017, and submit a motion for approval of the final terms of the Restructuring Transaction, including the fully executed documents memorializing the Restructuring Transaction and agreement between the parties, by no later than April 13, 2017;

WHEREAS, the Parties filed a stipulated motion on March 28, 2017 (the "First Stipulation") seeking an extension of the March 31, 2017 deadline to finalize and execute final deal documents on the ground that the Receiver and EB5G required additional time to conclude their discussions regarding the final terms of the transaction and prepare final documents for execution;

¹ The Receiver and the SEC are together referred to herein as the "Parties."

1 **WHEREAS**, on March 29, 2017, this Court granted the First Stipulation and entered an
2 order extending the deadline to finalize and execute deal documents to April 7, 2017;

3 **WHEREAS**, the Receiver and EB5G have continued to diligently work to finalize all
4 documents for the Restructuring Transaction, including exchanging drafts of the various key deal
5 documents for review and revisions, and conducting a number of conferences between counsel for
6 the parties;

7 **WHEREAS**, the parties to the transaction have encountered some delay as a result of,
8 among other things, issues raised by the project lender concerning the existing loan, and thus the
9 Receiver and EB5G require additional time to address these issues in the deal documents;

10 **WHEREAS**, the Receiver anticipates that final deal documents will be prepared and
11 executed on or before April 17, and that his motion for approval of the transaction will be ready to
12 file by April 20, 2017, a schedule that will still allow the transaction to close before appeal papers
13 must be submitted to United States Citizenship and Immigration Services;

14 **WHEREAS**, the Parties have conferred regarding extending the deadlines to execute the
15 final documents memorializing the Restructuring Transaction and to submit the Receiver's motion
16 for approval of the transaction, and have agreed that: (i) the present deadline of April 7, 2017 to
17 finalize and execute final documents memorializing the Restructuring Transaction should be
18 extended to April 17, 2017, and (ii) the present deadline of April 13, 2017 for the Receiver to
19 submit a motion for approval of the transaction should be extended to April 20, 2017.

20 **THEREFORE**, the Parties hereby **STIPULATE** and **AGREE** as follows:

21 1. The deadline to execute the final documents memorializing the Restructuring
22 Transaction is to be extended to April 17, 2017;

23 2. The deadline for the Receiver to submit a motion for approval of the final terms of
24 the Restructuring Transaction is to be extended to April 20, 2017; and

25 3. All other deadlines established in the Preliminary Approval Order shall otherwise
26 remain unchanged.

27 **IT IS SO STIPULATED.**

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Dated: April 6, 2017

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Michael R. Farrell

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(Pro Hac Vice Granted Oct. 26, 2015)
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(Pro Hac Vice Granted Nov. 6, 2015)
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MICHAEL A. GRASSMUECK

Dated: April 6, 2017

SECURITIES AND EXCHANGE
COMMISSION

By: /s/ Susan F. LaMarca

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~~PROPOSED~~ ORDER

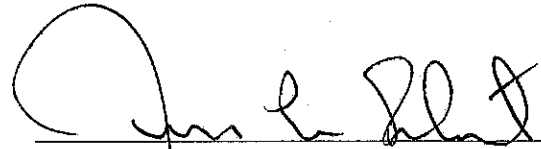
The Second Stipulated Motion and Proposed Order Modifying Previous Orders Regarding Updated Budget, Proposal for Financing, and Consultant Agreement for Farmer's Market and Motion Preliminarily Approving Disposition of Receivership Assets (the "Second Stipulated Motion"), filed by Michael A. Grassmueck, the Court-appointed receiver for Path America LLC; Path America SnoCo LLC; Path America Farmer's Market, LP; Potala Shoreline, LLC; Potala Village Kirkland, LLC; Dargey Development, LLC; Dargey Enterprises, LLC; Path Farmer's Market, LLC; and Dargey Holdings, LLC, and Plaintiff Securities and Exchange Commission, seeks an order modifying this Court's prior orders approving the Receiver's recommendation to select the restructuring proposal submitted by EB5 Group, LLC ("EB5G") for the mixed use development project currently known as Potala Marketplace, located at 2900 Grand Avenue, Everett, Washington (the "Restructuring Transaction"), and later extending related deadlines established by this Court. Specifically, the Second Stipulated Motion seeks an order extending the present deadlines to execute the final documents memorializing the Restructuring Transaction and to submit a motion for approval of the final terms of the Restructuring Transaction.

Good cause appearing therefor, the Court hereby **ORDERS** as follows:

1. The Second Stipulated Motion is hereby Approved;
2. The deadline for the Receiver and EB5G to execute final agreements for the Restructuring Transaction is hereby extended to April 17, 2017;
3. The deadline for the Receiver to submit a motion for approval of the final terms of the Restructuring Transaction is hereby extended to April 20, 2017; and
4. All other deadlines established in the Preliminary Approval Order shall otherwise remain unchanged.

IT IS SO ORDERED.

Dated: April 7, 2017



Hon. James L. Robart
Judge, United States District Court

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CERTIFICATION OF MEET AND CONFER

In accordance with Local Civil Rule 5(g)(3)(A), I hereby certify that I met and conferred with all other parties to this Stipulated Motion and Proposed Order Modifying Previous Order Regarding Updated Budget, Proposal for Financing, and Consultant Agreement for Farmer's Market and Motion Preliminarily Approving Disposition of Receivership Assets on March 28, 2017, by way of e-mail communications with counsel for the Parties, and the Parties agree that:

(i) the present deadline of April 7, 2017 to execute final agreements for the restructuring transaction for the mixed use development project currently known as Potala Marketplace, located at 2900 Grand Avenue, Everett, Washington should be extended to April 17, 2017, and

(ii) the present deadline of April 13, 2017 for the Receiver to submit a motion for approval of the transaction should be extended to April 20, 2017.

Dated: April 6, 2017

/s/ Michael R. Farrell
Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)

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CERTIFICATE OF SERVICE

I hereby certify that on April 6, 2017, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of the filing to all counsel of record.

Dated: April 6, 2017

/s/ Michael R. Farrell
Michael R. Farrell, Esq. #173831 (CA)
(Pro Hac Vice Granted Nov. 6, 2015)