

RETURN TO:
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601 Union Street, Suite 4100
Seattle, WA 98101-2380
WKG CM #25358.0103



201112090060
Skagit County Auditor

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LAND TITLE OF SKAGIT COUNTY

140918-0

NOTICE OF TRUSTEE'S SALE

Grantor: LaConner Associates Limited Liability Company, a Washington limited liability company

Grantee: Whidbey Island Bank, a Washington state bank, successor in interest by assignment from North County Bank
WKG, Inc.

Legal Description: The Harbor Area of the Swinomish Channel fronting Tracts 15 and 16 and Southwesterly 26.50 feet of Tract 14 within Government Lots 3 and 4 of Section 36, Township 34 North, Range 2 East, W.M., LaConner Tidelands Plates, bounded by the inner and outer harbor lines, the Northeast line of the Southwesterly 26.50 feet of Tract 14 produced Northwesterly across the harbor Area and the Southwesterly line of said Tract 16 produced Northwesterly across the Harbor Area. Situate in the Town of LaConner, County of Skagit, State of Washington

Reference No: 201107150002

Assessor's Tax Parcel No.: N/A

NOTICE OF TRUSTEE'S SALE

I.

NOTICE IS HEREBY GIVEN that the undersigned Trustee will on the 9th day of March, 2012, at the hour of 10 o'clock a.m., at the main entrance to the Skagit County Courthouse, located at 3rd & Kincaid, Mount Vernon, WA, Washington, sell at public auction to the highest and best bidder, payable at the time of sale, the following described real property, situated in the County of Skagit, State of Washington, to-wit:

The Harbor Area of the Swinomish Channel fronting Tracts 15 and 16 and Southwesterly 26.50 feet of Tract 14 within Government Lots 3 and 4 of Section 36, Township 34 North, Range 2 East, W.M., LaConner Tidelands Plates, bounded by the inner and outer harbor lines, the Northeast line of the Southwesterly 26.50 feet of Tract 14 produced Northwesterly across the harbor Area and the Southwesterly line of said Tract 16 produced Northwesterly across the Harbor Area. Situate in the Town of LaConner, County of Skagit, State of Washington

(the "Property"), which is subject to that certain Leasehold Deed of Trust and Assignment of Rents dated July 13, 2011 and recorded on July 15, 2011 under Recording No. 201107150002, Records of Skagit County, Washington, from LaConner Associates Limited Liability Company, who acquired title as LaConner Associates, a limited liability company, who is a Washington Limited Liability Company, as Grantor, to First American Title Insurance Company, as Trustee, to secure an obligation in favor of Whidbey Island Bank, a Washington state bank, successor in interest by assignment from North County Bank, as Beneficiary (the "Deed of Trust"). WKG, Inc. is the successor Trustee to the Deed of Trust.

II.

No action commenced by the Beneficiary of the Deed of Trust is now pending to seek satisfaction of the obligation in any Court by reason of the Borrower's or Grantor's default on the obligation secured by the Deed of Trust.

III.

The default(s) for which this foreclosure is made is/are as follows (as of December 5, 2011):

Failure to pay when due the following amounts which are now in arrears:

<u>Default</u>	<u>Amount</u>
Failure to pay the outstanding principal amount of the Promissory Note dated September 10, 2003, as amended, (which Promissory Note is secured by the Deed of Trust) due in full on February 5, 2009:	\$4,953,757.13
Failure to pay accrued interest due under the Note at 7.75% per annum (\$1,051.64 per day) through February 4, 2009 and default interest at 18% per annum (\$2,442.95 per day) from February 5, 2009 to December 5, 2011: (which continues to accrue at a rate of 18.00%):	\$3,536,768.44



Failure to pay late charges:	\$1,000
Failure to pay Beneficiary's attorney's fees and costs and additional fees and expenses as set forth in the Note and Deed of Trust:	\$58,387.07 (estimated)
TOTAL	\$8,549,912.64

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal in the amount of \$4,953,757.13, together with interest and default interest as provided in the Promissory Note or other instrument secured from the 10th day of September 2003, and such other costs and fees as are due under the note or other instrument secured, and as are provided by statute, exclusive of advances made by Lender to protect the security of the Deed of Trust and exclusive of attorneys fees and costs incurred by Lender in connection with any default under the Deed of Trust or the foreclosure of the Deed of Trust.

V.

The Property will be sold to satisfy the expense of sale and the obligation secured by the Deed of Trust as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on the 9th day of March, 2012. The default(s) referred to in paragraph III must be cured by the 27th day of February, 2012 (11 days before the sale date), to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before the 27th day of February, 2012 (11 days before the sale date) the default(s) as set forth in paragraph III is/are cured and the Trustee's fees and costs are paid. The sale may be terminated any time after the 27th day of February, 2012 (11 days before the sale date), and before the sale by the Borrower, Grantor any Guarantor, or the holder of any recorded junior lien or encumbrance paying the entire principal and interest secured by the Deed of Trust, plus costs, fees, and advances, if any, made pursuant to the terms of the obligation and/or Deed of Trust, and curing all other defaults.

VI.

A written notice of default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor at the following addresses:

LaConner Associates Limited Liability Company
P.O. Box 1155
LaConner, WA 98257
Attn: Vaughn W. Jolley, Manager

and

LaConner Associates Limited Liability Company
813 South Second Street
LaConner, WA 98257
Attn: Vaughn W. Jolley, Manager



by both first class and certified mail on the 17th day of October, 2011, proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on the 18th day of October, 2011, with said written notice of default or the written notice of default was posted in a conspicuous place on the real property described in paragraph I above, and the Trustee has possession of proof of such service or posting.

VII.

The Trustee whose name and address are set forth below will provide in writing to anyone requesting it, a statement of all costs and fees due at any time prior to the sale.

WKG, INC.
Attn: Melissa Patton
601 Union Street, Suite 4100
Seattle, WA 98101
(206) 628-6600

VIII.

The effect of the sale will be to deprive the Grantor and all those who hold by, through or under the Grantor of all their interest in the above described Property.

IX.

Anyone having any objection to the sale on any grounds whatsoever will be afforded an opportunity to be heard as to those objections if they bring a lawsuit to restrain the sale pursuant to RCW 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's sale.

X.

NOTICE TO OCCUPANTS OR TENANTS

The purchaser at the trustee's sale is entitled to possession of the Property on the 20th day following the sale, as against the Grantor under the Deed of Trust (the owner) and anyone having an interest junior to the Deed of Trust, including occupants who are not tenants. After the 20th day following the sale the purchaser has the right to evict occupants who are not tenants by summary proceedings under chapter 59.12 RCW. For tenant-occupied property, the purchaser shall provide a tenant with written notice in accordance with RCW 61.24.060.

XI.

NOTICE TO GUARANTOR

The guarantor may be liable for a deficiency judgment to the extent the sale price obtained at the trustee's sale is less than the debt secured by the Deed of Trust. The guarantor has the same rights to reinstate the debt, cure the default, or repay the debt as is given to the grantor in order to avoid the trustee's sale. The guarantor will have no right to redeem the Property after the trustee's sale. Subject to such longer periods as are provided in the Washington Deed Of Trust Act, Chapter 61.24 RCW, any action brought to enforce a guaranty must be commenced within one year after the trustee's sale, or the last trustee's sale under any deed of trust granted to secure

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the same debt. In any action for a deficiency, the guarantor will have the right to establish the fair value of the Property as of the date of the trustee's sale, less prior liens and encumbrances, and to limit its liability for a deficiency to the difference between the debt and the greater of such fair value or the sale price paid at the trustee's sale, plus interest and costs.

DATED: December 7th, 2011.

WKG, INC., Successor Trustee

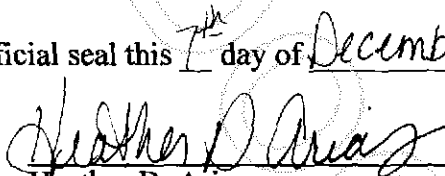


Melissa Patton, Secretary
601 Union Street, Suite 4100
Seattle, Washington 98101
(206) 628-6600

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Melissa Patton, to me known to be a Secretary of WKG, 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 uses and purposes therein mentioned, and on oath stated that she was authorized to execute the same instrument.

GIVEN under my hand and official seal this 7th day of December, 2011.



Heather D. Arias
Notary Public in and for the State of Washington,
residing at Seattle.
My commission expires: 4/10/2012