

Hacker & Willig, Inc., P.S.
1501 Fourth Avenue, Suite 2150
Seattle, Washington 98101-3225



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11/23/2011 10:46am \$69.00
SNOHOMISH COUNTY, WASHINGTON

FIRST AMERICAN 17932602

Grantor(s): ESC, Associates
Beneficiary: Banner Bank
Legal Description: PEN GL 2 & 3 SEC 23 TWP 27N RGE 3E, SNOHOMISH
COUNTY
Assessor's Tax Parcel ID: 270323-001-045-00
File No: 2011-315

NOTICE OF TRUSTEE'S SALE

PURSUANT TO THE REVISED CODE OF WASHINGTON CHAPTER 61.24, *ET SEQ.*

I.

NOTICE IS HEREBY GIVEN that the undersigned Trustee, HACKER & WILLIG, INC., P.S., will on **February 24, 2012 at 10:00 a.m.** at the following location: outside Main North Entrance Snohomish County Courthouse, 3000 Rockefeller Ave, City of Everett, State of 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 Snohomish, State of Washington, to wit:

PARCEL 1:

All that portion of Government Lot 2, Section 23, Township 27 North, Range 3 East, WM, in Snohomish County, Washington, lying Southerly of James Street in the City of Edmonds, and lying between the right-of-way of the Great Northern Railway Company and that certain strip of land, being an extension of Front Street, as deeded to the City of Edmonds by Deed filed for record under Recording No. 725561

PARCEL 2:

All that portion of Government Lot 3, in Section 23, Township 27 North, Range 3 East, WM, in Snohomish County, Washington, lying North of Dayton Street in the City of Edmonds, and lying between the right-of-way of the Great Northern Railway Company and that certain strip of land, being an extension of Front Street as deeded to the City of Edmonds by Deed filed for record under Recording No. 715333,

EXCEPT that portion in the Southeast corner conveyed to the State of Washington for Highway SR-104, by Warranty Deed recorded March 24, 1971, under Recording No. 2189320

SITUATE in the County of Snohomish, State of Washington

The addresses of said property are believed to be: 190 Sunset Avenue, Edmonds, WA 98020; 188 Sunset Avenue, Edmonds, WA 98020; 186 Sunset Avenue, Edmonds, WA 98020; 184 Sunset Avenue, Edmonds, WA 98020; 182 Sunset Avenue, Edmonds, WA 98020; 176 Sunset Avenue, Edmonds, WA 98020; 172 Sunset Avenue, Edmonds, WA 98020; 192 A Sunset Avenue, Edmonds, WA 98020; 192 B Sunset Avenue, Edmonds, WA 98020; 123 Sunset Avenue, Edmonds, WA 98020; 119 Sunset Avenue, Edmonds, WA 98020; 115 Sunset Avenue, Edmonds, WA 98020; 111 Sunset Avenue, Edmonds, WA 98020; 178 Sunset Avenue, Edmonds, WA 98020; and 194 Sunset Avenue, Edmonds, WA 98020.

Assessor's Tax Parcel ID: 270323-001-045-00.

The afore-described real property is subject to that certain Deed of Trust dated October 20, 2004 and recorded on October 22, 2004, under Auditor's File No. 200410220095, records of Snohomish County, Washington from ESC, Associates, a Washington limited partnership, as Grantor, to Northwest Financial Corporation, a Washington corporation, as Trustee, to secure an obligation in favor of Banner Bank, as Beneficiary (jointly, Grantees).

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.

As more particularly stated below, the Beneficiary alleges that you are in default on the obligation secured by the subject Deed of Trust.

As of December 31, 2010, you are out of compliance with the minimum 1.50:1 debt service coverage ratio requirement as set forth in the Business Loan Agreement executed in connection with the obligation, for fiscal year-end 2010. The Business Loan Agreement you executed concurrently with the Deed of Trust requires that the borrower complies with the following covenants and ratios: **"MAINTAIN A MINIMUM DEBT SERVICE OF AT LEAST 1.50 TO 1.00 MEASURED ON AN ANNUAL BASIS. THE NET OPERATING INCOME IS DEFINED AS NET RENTAL/LEASE INCOME AFTER EXPENSES AS SHOWN ON THE BORROWER'S TAX RETURN ADDING BACK INTEREST EXPENSE, DEPRECIATION AND AMORTIZATION WILL BE ADDED BACK IF THEY ARE INCLUDED IN THOSE EXPENSES. THE MONITORING OF THIS COVENANT SHALL BEGIN WITH THE FISCAL YEAR END 2004 NET OPERATING INCOME AND CONTINUE UNTIL THE LOAN IS PAID IN FULL.**

REALTY TAX SERVICE REQUIRED. THE BANK RESERVES THE RIGHT TO REQUIRE AN ESCROW ACCOUNT FOR TAXES IN THE EVENT PROPERTY TAXES BECOME DELINQUENT."

As of April, 2010, you have failed to make when due payment of Snohomish County Real Property Taxes pursuant to the terms of the Promissory Note ("Note") and the Deed of Trust. Penalties and interest will continue to accrue subsequent to April 30, 2010 until paid. The amounts past due and owing are:

April 30, 2010 – November 21, 2011

2010 Property taxes, interest and penalties	\$ 112,299.00
2011 Property taxes, interest and penalties	\$ 81,202.69
Total Due	\$ 193,501.69

Your deed of trust provides that you are required to make your payments when due and pay all taxes, prior to delinquency, on the Property. If you fail to do so it is considered an "Event of Default." Specifically, the deed of trust provides:

TAXES AND LIENS.

Payment Default. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property...

EVENTS OF DEFAULT.

Payment. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust...

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

To cure these defaults you must pay all outstanding taxes and provide proof of payment of same to Beneficiary. In addition you must provide proof of compliance with all affirmative covenants, including compliance with all financial covenants and ratios to Beneficiary.

Other potential defaults pursuant to the terms of the Note secured by the Deed of Trust may exist which do not involve payment to the Beneficiary. If applicable, each of these defaults must be cured. Listed below are categories of common defaults which do not involve payment of money to the Beneficiary. Opposite each listed default is a brief description of the action and/or documentation necessary to cure the potential default. This list does not exhaust all possible other

defaults; any defaults identified by the Beneficiary or Trustee that are not listed below must also be cured.

OTHER DEFAULT

Nonpayment of Taxes/Assessments

Default under any senior lien

Waste

Unauthorized sale of property (Due on Sale)

CURE

Written proof to the Trustee that all taxes and assessments against the property are paid current;

Written proof to the Trustee that all senior liens are paid current and that no other defaults exist;

Cease and desist from committing waste, repair all damage to property and maintain property as required in Deed of Trust;

Revert title to permitted vestee.

Costs and Fees

In addition to the amounts in arrears specified above; you are or may be obligated to pay the following estimated charges, costs and fees to pay off the Deed of Trust.

Trustee's or Attorneys' Fees	\$	2,000.00
Title Report	\$	2,951.67
Recording Fees	\$	80.00
Posting of Notice of Default	\$	435.00
Posting of Notice of Sale	\$	435.00
Postage	\$	200.00
Photocopies	\$	100.00
Long distance telephone charges	\$	10.00
Federal Express	\$	40.00

ESTIMATED TOTAL CHARGES, COSTS AND FEES \$ 6,251.67

ESTIMATED TOTAL BREACH AMOUNTS \$ 193,501.69

Total Current Estimated Amounts to be paid for Reinstatement: \$ **199,753.36**

The estimated amounts that will be due to reinstate on February 13, 2012 (11 days before the sale date):

Additional Costs and Fees

Est. Additional Trustee's or Attorneys' Fees	\$	1,000.00
Estimated Publication Costs	\$	800.00
Subtotal:	\$	1,800.00

Total Estimated Payments to be made as of February 13, 2012 to Reinstate: \$201,553.36

Payment of the Real Estate Taxes must be made directly to the Snohomish County Treasurer and proof of payment must be provided to the Beneficiary and the Trustee no later than February 13, 2012. Payment of the other charges, fees and costs as set forth above (currently estimated to be \$6,251.67) must be in the full amount and paid by certified funds or cash, and mailed to the Trustee at the address below.

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal \$1,365,626.71, together with interest as provided in the underlying Note and such other costs and fees as are due under the Note and Deed of Trust and as are provided by statute. Of course, as time passes other payments may become due, and any further payments coming due and any additional late charges must be added to the reinstating payment. Any new defaults not involving payment of money that occur after the date of this notice must also be cured in order to effect reinstatement. In addition, because some of the charges can only be estimated at this time and because the amount necessary to reinstate may include presently unknown expenditures required to preserve the property, or to comply with state or local laws, it is necessary for you to contact the Trustee before the time you tender reinstatement so that you may be advised of the exact amount you will be required to pay. Tender of payment or performance must be in the full amount by certified funds or cash equivalent to the Trustee whose address is:

HACKER & WILLIG, INC., P.S.
1501 Fourth Avenue, Suite 2150
Seattle, Washington, 98101-3225
(206) 340-1935

V.

The above-described real 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 February 24, 2012. The defaults referred to in Paragraph III must be cured by February 13, 2012, to cause a discontinuance of sale. The sale will be discontinued and terminated if at any time on or before February 13, 2012 the defaults as set forth in Paragraph III are cured and the Trustee's fees and costs are paid. The sale may be terminated any time after February 13, 2012, 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 Trustee to the Borrower and Grantor and any successor at the following addresses:

ESC, Associates
PO Box 579
Leavenworth, WA 98826

Occupants/Tenants
176 Sunset Ave
Edmonds, WA 98020

ESC Associates
2850 SW Yancy Street #M221
Seattle, WA 98128

Albert L. Dykes, Managing General Partner
ESC Associates
PO Box 579
Leavenworth, WA 98826

Ned C. Lumpkin, General Partner
ESC Associates
6947 Coal Creek Pkwy SE #274
Newcastle, WA 98059

Occupants/Tenants
190 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
188 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
186 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
184 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
182 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
178 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
172 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
192 A Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
192 B Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
123 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
119 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
115 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
111 Sunset Ave
Edmonds, WA 98020

Occupants/Tenants
194 Sunset Ave
Edmonds, WA 98020

by both first class and certified mail on October 11, 2011 proof of which is in the possession of the Trustee; and on October 11, 2011 the Borrower and Grantor were personally served 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.

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 an objection to the sale on any grounds whatsoever are afforded an opportunity to be heard as to these objections if they bring a lawsuit to restrain the sale pursuant to the Revised Code of Washington, Chapter 61.24.130. Failure to bring such a lawsuit may result in a waiver of any proper grounds for invalidating the Trustee's Sale. Service of process of any lawsuit or legal action may be made on **Hacker & Willig, Inc. P.S.**, whose address is 1501 Fourth Avenue, Suite 2150, Seattle, WA 98101-3225.

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. 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.

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. Any action 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 the same debt (subject to such longer periods as are provided in RCW 61.24).

DATED this 22nd day of November, 2011

HACKER & WILLIG, INC., P.S., Trustee

By: 
Elizabeth H. Shea

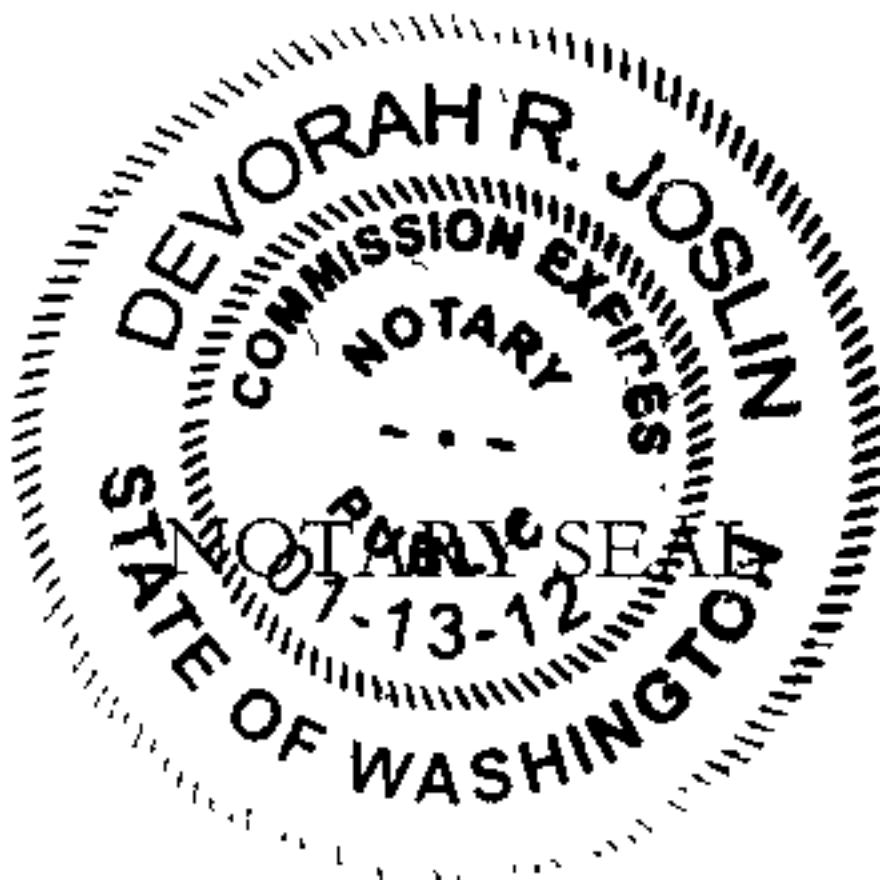
For further information, please call Ashley Jones at (206) 340-1935.

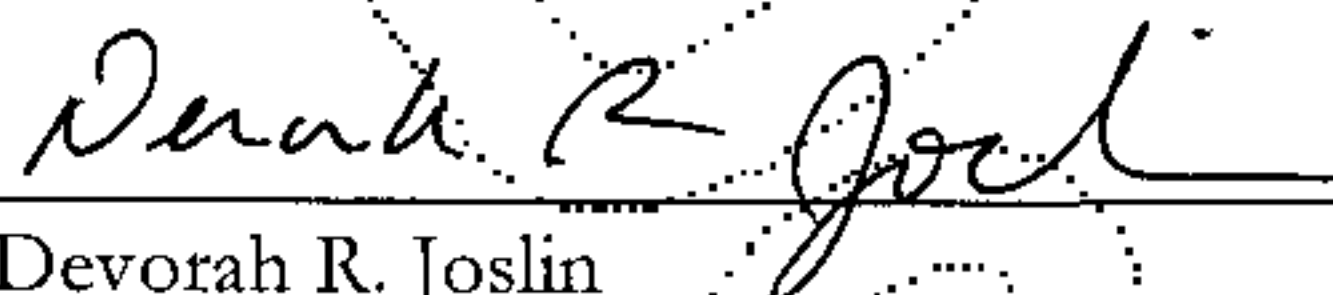
STATE OF WASHINGTON)

COUNTY OF KING) ss

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

DATED: Nov. 22, 2011




Devorah R. Joslin
Notary Public in and for the State of Washington
My Commission/Appointment expires 1/13/12