

Recorded at the Request of:
Michael D. Bohannon, PLLC
P. O. Box 2326
Poulsbo, WA 98370



201012150058
Skagit County Auditor

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NOTICE OF TRUSTEE'S SALE

100703

GUARDIAN NORTHWEST TITLE CO.

Reference Number: 200707130123
Grantor: Anacortes Chocolate Factory, LLC, a Washington limited liability company
Grantee: Whidbey Island Bank
Legal Description: Lots 4 & 5, and North 70' of Lots 1, 2 & 3, Block 8, "FIRST ADDITION TO THE CITY OF ANACORTES"
Tax Parcel Number: 3788-008-003-0002 and 3788-008-005-0000
P57213 P57215
Pursuant to the Revised Code of Washington, Chapter 61.24 RCW:

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I

NOTICE IS HEREBY GIVEN that the undersigned Trustee, Michael D. Bohannon, will on **March 25, 2011 at 10:00 a.m.**, at the main entrance of the Skagit County Courthouse, located at 205 W. Kincaid Street, Mount Vernon, 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 Skagit, State of Washington, to wit:

PARCEL A:

The North 70 feet of Lots 1, 2 and 3, Block 8, "FIRST ADDITION TO THE CITY OF ANACORTES", according to the plat thereof recorded in Volume 1 of Plats, page 24, records of Skagit County, Washington.

PARCEL B:

Lots 4 and 5, Block 8, "FIRST ADDITION TO THE CITY OF ANACORTES", according to the plat thereof recorded in Volume 1 of Plats, page 24, records of Skagit County, Washington.

All situated in Skagit County, Washington; and

TOGETHER WITH all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water,

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water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and profits relating to such real property, including without limitation all minerals, oil, gas, geothermal and similar matters; and

TOGETHER WITH all equipment, fixtures and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the real property; together with all accessories, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) for any sale or other disposition of the property; and

TOGETHER WITH all inventory, chattel paper, accounts, equipment and general intangibles, plus one (1) Huffman freezer (Model Number FR136) (Serial Number 948J); whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds); whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds); and

TOGETHER WITH all furniture and fixtures located at 2302 Commercial Avenue, Anacortes, WA 98221, Parcel Numbers 3788-008-003-0002 and 3788-008-005-0000; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds); and

TOGETHER WITH all of the Grantor's right, title, and interest in and to all leases, rents and profits of all of the real property.

The above described real and personal property and the leases and rents are referred to, collectively, as the "Property."

The Property is subject to that certain Deed of Trust dated July 11, 2007, recorded July 13, 2007, under Auditor's File No. 200707130123 (the "Deed of Trust"), records of Skagit County, State of Washington from Anacortes Chocolate Factory, LLC, a Washington limited liability company, as Grantor, to Chicago Title Company-Anacortes, as initial Trustee, to secure an obligation in favor of Whidbey Island Bank, the present Beneficiary. The sale will be made without any warranty concerning the title to, or the condition of, the Property.

The Beneficiary is the current owner and holder of the Promissory Note and the other obligations secured by 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 secured by the Deed of Trust in any Court by reason of the Borrower's or Grantor's default on the obligation secured by the Deed of Trust.

III

The defaults for which this foreclosure is made are as follows. Failure to pay when due the following amounts which are now in arrears:

CURRENTLY DUE TO REINSTATE AS OF DECEMBER 6, 2010		AMOUNT
Principal & interest payments 6/11/10 to 12/6/10		\$19,823.22
Late charges on above payments		\$706.04
TOTAL		\$20,529.26
EXPENSES		
(a)	Attorneys' fees	\$0.00
(b)	Advances by Beneficiary	\$0.00
(c)	Trustee's fees	\$2,250.00
(d)	Trustee's sale guarantee	\$1,198.86
(e)	Service/posting of notices	\$260.00 (estimated)
(f)	Postage/copying expense	\$400.00 (estimated)
(g)	Recording fees	\$83.00 (estimated)
TOTAL CHARGES, COSTS AND FEES		\$4,191.86(estimated)
TOTAL ESTIMATED AMOUNT AS OF DECEMBER 6, 2010		\$24,721.12

Other potential defaults do not involve payment to the Beneficiary of the obligation secured by the Deed of Trust. If applicable, each of these defaults must also be cured. Listed below are categories of common defaults which are or may be applicable. Opposite each such listed default is a brief description of the action/documentation necessary to cure the default. The list does not exhaust all possible other defaults; any defaults identified by Beneficiary or Trustee that are not listed below must also be cured.

OTHER DEFAULT

Non payment of Taxes/Assessments

Default under any senior liens

Failure to insure Property against hazard

ACTION NECESSARY TO CURE

Deliver to Trustee written proof that all taxes and assessments against the Property are paid current.

Deliver to Trustee written proof that all senior liens are paid current and that no other defaults exist.

Deliver to Trustee written proof that the Property is insured against hazard as required

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Waste

by the Deed of Trust.

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

Unauthorized sale of Property (Due on Sale)

Revert title to permitted vestee.

IV

The sum owing on the obligation secured by the Deed of Trust is: Principal \$371,197.58, 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.

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 **March 25, 2011**. The defaults referred to in Paragraph III must be cured by **March 14, 2011**, to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before **March 14, 2011** 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 **March 14, 2011**, and before the sale by the Borrower, Grantor, any Guarantor, their successor in interest or the holder of any recorded junior lien or encumbrance, by 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, Grantor and Guarantors at the following addresses:

Anacortes Chocolate Factory, LLC
(Borrower/Grantor)
2302 Commercial Avenue
Anacortes, WA 98221

Sam Yam, Registered Agent
(Guarantor)
2302 Commercial Avenue
Anacortes, WA 98221

Sam Yam
(Guarantor)
3519 West 7th Place
Anacortes, WA 98221

Sik C. Oeng
(Guarantor)
3519 West 7th Place
Anacortes, WA 98221

by both first class mail and certified mail on October 18, 2010, proof of which is in the possession of the Trustee; and on October 21, 2010 the written Notice of Default was posted in a conspicuous place on the Property described in paragraph I above, and the Trustee has possession of proof of such posting.

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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.

Michael D. Bohannon, Trustee
19586 10th Avenue NE, Suite 300
P. O. Box 2326
Poulsbo, WA 98370// (360) 779-6665

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 Property.

IX

Anyone having any objection to the sale on any grounds whatsoever is afforded an opportunity to be heard as to those objections if they bring a lawsuit to restrain the sale pursuant to the 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 Grantors 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 GUARANTORS

NOTICE TO ALL PERSONS AND PARTIES WHO ARE GUARANTORS OF THE OBLIGATIONS SECURED BY THIS DEED OF TRUST: (1) 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; (2) the Guarantor has the same rights to reinstate the debt, cure the default, or repay the debt as is given to the Grantors in order to avoid the trustee's sale; (3) the Guarantor will have no right to redeem the Property after the trustee's sale; (4) 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

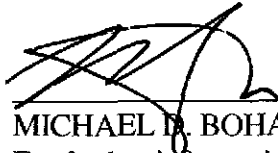
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the last trustee's sale under any deed of trust granted to secure the same debt; and (5) in any action for a deficiency, the Guarantor will have the right to establish the fair value of the property as of the date of the trustee's sale, less prior 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 this 10 day of December, 2010.



MICHAEL D. BOHANNON, Trustee
For further information please call (360) 779-6665

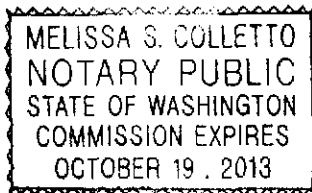
STATE OF WASHINGTON)

: ss.

County of Kitsap)

On this day personally appeared before me MICHAEL D. BOHANNON, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 10th day of December, 2010.



NOTARY PUBLIC in and for the State of Washington
Residing at: Poulsbo, WA
My Commission Expires: 10/19/13

THIS IS AN ATTEMPT TO COLLECT A DEBT AND INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. HOWEVER, IF YOU HAVE OR ARE IN THE PROCESS OF OBTAINING DISCHARGE OF THE DEBT FROM A BANKRUPTCY COURT, THIS DOCUMENT IS NOT AN ATTEMPT TO COLLECT A DEBT, BUT ONLY ENFORCEMENT OF LIEN RIGHTS AGAINST THE PROPERTY.

