

Filed for Record at Request of:

Shropshire Law Firm, PLLC
1223 Commercial Street
Bellingham, WA 98225



201102040032
Skagit County Auditor

2/4/2011 Page 1 of 3 9:41AM

REFERENCE NUMBER OF RELATED DOCUMENT: 200811130086

GRANTOR: Shropshire Law Firm, PLLC

GRANTEE: Knorr Homes LLC

ABBREVIATED LEGAL DESCRIPTION: A -101 thru A-112, D-1 thru D-4, Padilla Heights Suites Condo
(AF# 200805090149)

ASSESSOR'S TAX PARCEL NUMBER: 4957-001-101-0000, 4957-001-102-0000, 4957-001-103-0000, 4957-001-104-0000, 4957-001-105-0000, 4957-001-106-0000, 4957-001-107-0000, 4957-001-108-0000, 4957-001-109-0000, 4957-001-110-0000, 4957-001-111-0000, 4957-001-112-0000, 4957-004-001-0000, 4957-004-002-0000, 4957-004-003-0000 and 4957-004-004-0000.

NOTICE OF TRUSTEE'S SALE

I.

NOTICE IS HEREBY GIVEN that the undersigned Trustee will, on May 13, 2011, at the hour of 10:00 a.m., inside the lobby of the Skagit County Courthouse, 205 West Kincaid Street, in the City of 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 Skagit County, State of Washington, to-wit:

An undivided 50% interest in the following described tract of land:

Units A-101 through A-112, inclusive and development Units D-1 through D-4, (including all development rights, special declarant rights, and all easements) inclusive, "Padilla Heights Suites, a Condominium", according to the Declaration thereof, recorded May 9, 2008 under Auditor's File No. 200805090149 and Survey Map and Plans thereof, recorded May 9, 2008 under Auditor's File No. 200805090148; being a portion of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 3, Township 34 North, Range 2 East, W.M..

Commonly known as: 9642 Padilla Heights Road, Anacortes, WA 98221.

The above-described property is subject to a Deed of Trust recorded under 200811130086 County Auditor's File No. 200811130086, from Knorr Homes LLC, a Washington limited liability company, as to an undivided 50% interest; and Z & D II, L.L.C., a Washington limited liability company, as to an undivided 50% interest, as Grantors, to Guardian Northwest Title & Escrow, as Trustee, to Whidbey Island Bank, Beneficiary. The beneficial interest in said Deed of Trust was assigned to Z & D Properties III, L.L.C., a Washington limited liability company under instrument recorded December 10, 2010, under Skagit County Auditor's File No. 201012100107. **NOTE, HOWEVER, THAT ONLY KNORR HOMES LLC'S UNDIVIDED 50%**

INTEREST IN THE ABOVE DESCRIBED PROPERTY WILL BE FORECLOSED SHOULD THE DEFAULTS NOT BE TIMELY CURED.

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 defaults for which this foreclosure is made are as follows:

Defaults Other Than Payment of Money:

None at this time.

Arrearages	Amount Due
Principal due	\$318,336.45
Interest @ 10% per annum	\$7,781.56
Late Charges @ \$500.00 each	\$500.00
Subtotal:	\$326,618.01

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal \$318,336.45, together with interest as provided in the Note or other instrument secured from November 15, 2010, and such other costs and fees as are due under the Note and any security instrument, and as are provided by statute.

V.

The above-described real property will be sold to satisfy the expenses of sale and the obligations secured by said Deed of Trust as provided by statute. Sale will be made without warranty, express or implied, regarding title, possession, encroachments or encumbrances on May 13, 2011. The defaults referred to in paragraph III must be cured by May 2, 2011 (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 May 2, 2011, the default as set forth in paragraph III is cured and the Trustee's fees and costs are paid. The sale may be terminated any time after May 2, 2011, and before the sale by the Borrower, Grantor, any Guarantor, or the Grantor's successor in interest or the holder of any recorded junior lien or encumbrance paying the entire principal balance and interest, plus costs, fees and advances, if any, made pursuant to the terms of the Promissory Note and/or Deed of Trust, and by curing all other defaults.

VI.

A written Notice of Default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor or to the Grantor's successor in interest at the following address:

Zwi Anthony Pechthalt
320 Bayside Road
Bellingham, WA 98225

Knorr Homes LLC
c/o Edward Knorr
3604 W 10th Street
Anacortes, WA 98221

by both first class and certified mail on December 22, 2010, proof of which is in the possession of the Trustee; and the



