

20090318001772

CHICAGO TITLE NTS 50.00
PAGE 001 OF 009
03/18/2009 15:09
KING COUNTY, WA

Recorded at the Request of
and after Recording Return to:

Daniel P. Pepple
Pepple Johnson Cantu & Schmidt, PLLC
1501 Western Avenue, Suite 600
Seattle, WA 98101

NOTICE OF TRUSTEE'S SALE

PURSUANT TO THE REVISED CODE OF WASHINGTON
CHAPTER 61.24

Grantor (Borrower): CONNER HOMES COMPANY, a Washington corporation

Grantee (Lender): BANK OF AMERICA, N.A.

Legal Description (abbreviated): PTNS E 1/2, SE 1/4, 18-26-5.

Full legal description attached on Exhibit A hereto.

Assessor's Tax Parcel No. 182605-9029-03, 182605-9027-05, 182605-9075-06, 182605-9024-08, 182605-9028-04, 182605-9046-02, 182605-9039-01, 182605-9076-05, 182605-9036-04, 182605-9043-05, 182605-9019-05, 182605-9049-09, and 182605-9049-82

Recording No. of Deed of Trust 20060606002069

CHICAGO TITLE INS. CO. 9
REF# 1278337-6

NOTICE IS HEREBY GIVEN that the undersigned Trustee will on the 19th day of June, 2009, at the hour of ten o'clock a.m. at the Third Avenue entrance of the King County Courthouse, at 516 Third Avenue, in the City of Seattle, State of Washington, sell at public auction to the highest and best bidder, payable at the time of sale, the real property, situated in the County of King, State of Washington, and legally described on Exhibit A hereto, together with the personal property described on Exhibit A-1 hereto (collectively, the "Property"), which is subject to that certain Deed of Trust, Security Agreement and Fixture Filing (the "Deed of Trust") dated as of June 5, 2006, recorded on June 6, 2006, under Recording Number 20060606002069 in the Real Property Records of King County, Washington, from Conner Homes Company, a Washington corporation ("Borrower"), as

Grantor, to PRLAP, Inc. as Trustee, in favor of Bank of America, N.A., a national banking association as Beneficiary ("Beneficiary"), in its capacity as Administrative Agent for the Lenders ("Lenders") party to the Construction Loan Agreement referred to below, in order to secure obligations owing by Borrower to the Lenders, which obligations were guaranteed by Charles F. Conner ("Guarantor").

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 default on the obligations secured by the Deed of Trust.

III.

The defaults for which this foreclosure is made are as follows:

(a) Failure to pay the following amounts which are now in arrears:

(i) A "Borrower Deposit" in the amount of \$2,441,000.00 required under Section 1.5 of the Construction Loan Agreement dated June 5, 2006, between Borrower and Beneficiary, as amended July 20, 2007, December 3, 2007, and August 21, 2008 (the "Loan Agreement"), within seven (7) days of Beneficiary's notice to Borrower dated November 17, 2008.

(ii) The interest payment in the amount of \$48,983.49 due on December 1, 2008.

(iii) The late charge in the amount of \$1,959.34 due with respect to the December 1, 2008, interest payment.

(iv) The interest payment in the amount of \$45,730.03 due on January 2, 2009.

(v) The late charge in the amount of \$1,829.20 due with respect to the January 2, 2009, interest payment.

(vi) The interest payment in the amount of \$41,136.62 due on February 2, 2009.

(vii) The late charge in the amount of \$1,645.46 due with respect to the February 2, 2009, interest payment.

(viii) The principal payment in the amount of \$3,486,000.00 due on December 1, 2008.

(ix) The late charge in the amount of \$139,440.00 due with respect to the December 1, 2008, principal payment.

(b) Failure to remove the construction lien filed by Hos Brothers Construction, Inc. on December 12, 2008, within the 20 day period required under the Loan Agreement.

IV.

The sum owing on the obligation secured by the Deed of Trust is: Principal \$14,698,939.88, together with interest as provided in the deed of trust notes secured by the Deed of Trust from the 1st day of November, 2008, through January 28, 2009, at the regular rate of interest set out in the Loan Agreement and at the "Past-Due Rate" set out in the Loan Agreement after January 31, 2009, together with such other costs and fees as are due under the instruments secured by the 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 the 19th day of June, 2009. The defaults referred to in Paragraph III must be cured by the 8th day of June, 2009 (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 8th day of June, 2009 (11 days before the sale date), 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 the 8th day of June, 2009 (11 days before the sale date), and before the sale by the Borrower, Guarantor, 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 Trustee to the Borrower and the Guarantor at the following addresses:

Conner Homes Company
846 108th Ave. NE
Bellevue, WA 98004
Attn: Charles F. Conner

Charles F. Conner
c/o Conner Homes Company
846 108th Ave. NE
Bellevue, WA 98004

by both first class and certified mail on the 5th day of February, 2009, proof of which is in possession of the Trustee; and the Borrower and Guarantor were personally served on the 4th day of February, 2009, with said written Notice of Default, and the Trustee has possession of proof of such service.

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 Borrower and all those who hold by, through or under the Borrower 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.

SPECIAL NOTICE TO GUARANTOR

Pursuant to RCW 61.24.042, Guarantor is hereby notified as follows:

(1) Guarantor may be liable for a deficiency judgment to the extent the sale price for the Property obtained at the trustee's sale is less than the debt secured by the Deed of Trust.

(2) Guarantor has the same rights to reinstate the debt, cure the default or repay the debt as are given to the Borrower in order to avoid the trustee's sale.

(3) 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 (RCW Ch. 61.24), any action brought to enforce a guaranty must be commenced within one (1) year after the trustee's sale, or the last trustee's sale under any deed of trust granted to secure the same debt.

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

DATED: March 18, 2009.

TRUSTEE & CORPORATE SERVICES,
INC., Successor Trustee

By [Signature]
Daniel P. Pepple, Vice President

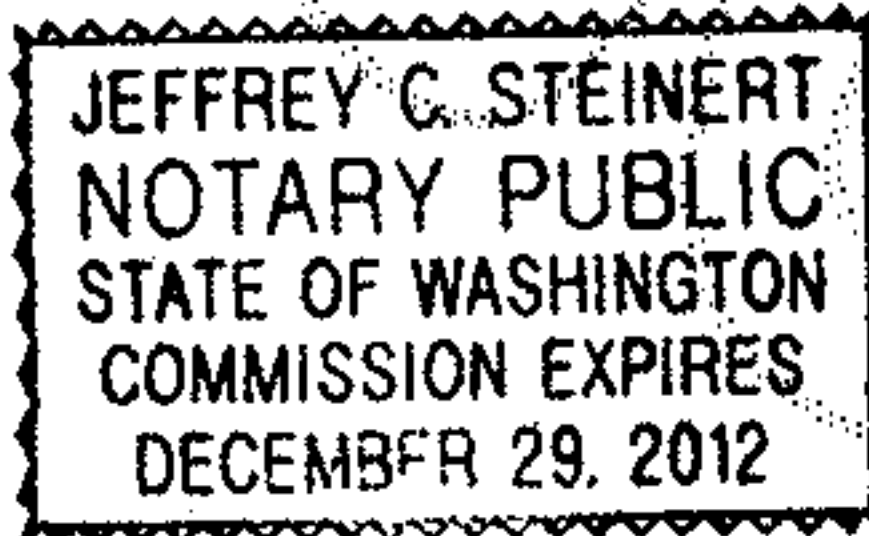
Address of Trustee:

Trustee & Corporate Services, Inc.
1501 Western Avenue, Suite 600
Seattle, WA 98101
Telephone: 206-625-9960
Attn: Daniel P. Pepple

STATE OF WASHINGTON)
County of King) ss.

On this 18th day of March, 2009, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Daniel P. Pepple, to me known to be the Vice President of Trustee & Corporate Services, 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 he was authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.



[Signature]
Name (typed or printed): Jeffrey C. Steinert
NOTARY PUBLIC in and for the State of
Washington, residing at Federal Way
My appointment expires: 12-29-12

EXHIBIT A

LEGAL DESCRIPTION

The real property ("Property") located in King County, Washington and legally described as follows:

PLATTED PARCEL:

LOTS 2, 7, 9, 10, 12, 13, 14, 20, 21, 22, 25 THROUGH 29, 31, 33, 34, 35, 40 AND 42 THROUGH 47, AND TRACT I, BENTLEY DIVISION 1, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 245 OF PLATS, PAGES 64 THROUGH 70, IN KING COUNTY, WASHINGTON;

LOTS 34 AND 35 BEING TOGETHER WITH AN UNDIVIDED INTEREST IN TRACT H OF SAID PLAT;

AND

EACH LOT BEING TOGETHER WITH AN UNDIVIDED INTEREST IN TRACTS A THROUGH G OF SAID PLAT.

PARCEL F2:

THE NORTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THAT PORTION THEREOF LYING WITHIN THE RIGHT OF WAY OF 100TH AVENUE NORTHEAST.

PARCEL G:

THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR ROADWAY KNOWN AS 100TH AVENUE NORTHEAST BY DEED RECORDED UNDER RECORDING NUMBER 377476; AND

THE NORTH HALF OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 30 FEET THEREOF CONVEYED TO KING COUNTY FOR ROADWAY KNOWN AS 100TH AVENUE NORTHEAST BY DEED RECORDED UNDER RECORDING NUMBER 377476.

PARCEL H:

LOT 2 OF CITY OF BOTHELL BOUNDARY LINE ADJUSTMENT NUMBER BLA2006-00005, RECORDED UNDER RECORDING NUMBER 20060606900005, IN KING COUNTY, WASHINGTON;

SAID BOUNDARY LINE ADJUSTMENT BEING A SUBDIVISION OF A PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

PARCEL J:

THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 5 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON;

EXCEPT THE EAST 30 FEET CONVEYED TO KING COUNTY FOR ROAD PURPOSES BY INSTRUMENT RECORDED UNDER RECORDING NUMBER 377476.

EXHIBIT A-1

DESCRIPTION OF PERSONAL PROPERTY

(a) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Property or the ownership, use, management, operation, leasing or occupancy of the Property including, without limitation, those past due and unpaid;

(b) All present and future right, title and interest of Borrower in and to all inventory, equipment, materials, supplies, fixtures and other goods and property of every kind, type and description now or in the future located at, upon or about, or affixed or attached to or installed in the Property, or used or to be used in connection with or otherwise relating to the Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Property wherever such property may be actually located including, without limitation, building materials and supplies, tools and equipment, machinery, furnaces, water tanks, ventilating and air conditioning equipment, furniture, furnishings, appliances, and all other types of tangible personal property and fixtures of any kind or nature, and all accessories, additions, attachments, parts, replacements, substitutions, products and proceeds of or to any such property;

(c) All present and future right, title and interest of Borrower in and to all accounts and proceeds (whether cash or non-cash and including payment intangibles), general intangibles, chattel paper, money, deposit accounts, loan disbursement accounts, accounts receivable, instruments, documents, letter of credit rights and all other agreements, contract rights, obligations, rights, claims, causes of action and written materials now or in the future relating to or otherwise arising in connection with or derived from the Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Property including, without limitation, (i) studies, reports, maps, diagrams, surveys, plats, design and consulting work, and land use permit applications, filings and supporting information, (ii) permits, approvals and other governmental and non-governmental consents, licenses and authorizations, (iii) improvement plans and specifications and architectural drawings, (iv) agreements with contractors, subcontractors, suppliers, project managers and supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (v) takeout, refinancing, standby and permanent loan commitments, (vi) warranties, guaranties, indemnities and insurance policies, insurance payments and unearned insurance premiums, (vii) claims, demands, awards, settlements and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, or injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (viii) Borrower's funds or any other amounts deposited by or on behalf of Borrower with Beneficiary or with another in connection with the making of on-site or off-site Property related improvements, (ix) leases, rental agreements, license agreements, service and maintenance agreements, listing agreements, signs, telecommunication numbers, purchase and sale agreements and purchase options, together with advance payments, earnest money, security deposits, and other amounts paid to or deposited with Borrower under such agreements, (x) reserves, deposits, bonds, surety bonds, payment and performance bonds, letters of credit, deferred payments, latecomer payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and all

other rights to the payment of money, trade names, trademarks, service marks, logos, goodwill and all other type of intangible personal property of any kind or nature, and (xi) all supplements, modifications, amendments, renewals, restatements, extensions, proceeds, repairs, replacements and substitutions of such property; and

(d) All books and records pertaining to the Property including, without limitation, all computer readable memory and any computer hardware or software necessary to access and process such memory.