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PAGE-001 OF 009  
03/20/2009 15:16  
KING COUNTY, WA

50.00

**AFTER RECORDING RETURN TO:**

Bishop, White & Marshall, P.S.  
720 Olive Way, Suite 1301  
Seattle, WA 98101  
(206) 622-7527  
Ref: Southgate Enterprises, Inc., 1676.0902961

**Reference Number(s) of Documents assigned or released:** 200701203001848

**Grantor:** Bishop, White & Marshall, P.S.

**Grantee:** Southgate Enterprises, Inc., a Washington Corporation

**Abbreviated Legal Description as Follows:** Ptn. of Sec 1, Twn. 23 N., Rng. 3 E., W.M.

**Assessor's Property Tax Parcel/Account Number(s):** 012303-9389-01

**NOTICE OF TRUSTEE'S SALE**

I

**ISTAM**

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**NOTICE IS HEREBY GIVEN** that the undersigned Bishop, White & Marshall, P.S. will on June 19, 2009 at 10:00 am outside the Fourth Avenue entrance to the King County Administration Building, 500 4th Avenue, in the City of Seattle located at King County, State of Washington, sell at public auction to the highest bidder, payable, in the form of cash, or cashier's check or certified checks from federally or State chartered banks, at the time of sale, the following described real property, situated in King County, State of Washington, to-wit;

See Exhibit 'A'

Together with All that tract or parcel of land being more particularly described in Exhibit A attached hereto and together with the property described on Exhibit B attached hereto, and all furniture, fixtures, equipment, inventory, and all other personal property of any kind now located or hereafter located at:

Ptn SE 1/4 NE 1/4 NE 1/4 NE 1/4 Section 1, Township 23 N, R 3 E.

TPN: 0123039389

which is subject to that certain Deed of Trust dated November 30, 2007, recorded December 3, 2007, under Auditor's File No. 200701203001848 records of King County, Washington, from Southgate Enterprises, Inc., a Washington Corporation, as Grantor, to Reed, Longyear, Malnati, Ahrens & West, PLLC, as Trustee, to secure an obligation in favor of Direct Lending Group, Inc, a

NOTICE OF TRUSTEE'S SALE - 1

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Washington corporation as beneficiary. Said Deed of Trust was assigned on May 22, 2008 to Direct Lending Group, Inc. as Investment Manager for its investors listed on Exhibit 'Z' attached under Auditor's File No. 20080522000775. The sale will be made without any warranty concerning the title to, or the condition of the property.

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 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:

- i) Failure to pay the following amounts, now in arrears:

**Delinquent Monthly Payments Due from 12/1/2008 through 3/1/2009:**

**4 payment(s) at \$7583.33**  
**3 Default Interest at \$5833.34**  
**4 Reserves at \$1891.52**

**Total: \$55,399.42**  
**Late Charges:**

**4 late charge(s) at \$379.17**  
for each monthly payment not made within 10 days of its due date

**Total Late Charges 1,516.68**  
**TOTAL DEFAULT \$56,916.10**

IV

The sum owing on the obligation secured by the Deed of Trust is: \$700,000.00, together with interest from October 1, 2008 as provided in the note or other instrument, and such other costs and fees as are due under the note or other instrument secured, and as are provided by statute.

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 June 19, 2009. The payments, late charges, or other defaults must be cured by June 8, 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 June 8, 2009 (11 days before the sale date) the default(s) as set forth in paragraph III, together with any subsequent payments, late charges, or other defaults, is/are cured and the Trustee's fees and costs are paid. Payment must be in cash or with cashier's or certified checks from a State or federally chartered bank. The sale may be terminated any time after June 8, 2009 (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 address(es):

See 'Mailing List' attached hereto and incorporated herein by this reference.

by both first class and certified mail on February 13, 2009, proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on February 15, 2009, 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 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 any objections to this 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 20<sup>th</sup> 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 and tenants. After the 20<sup>th</sup> day following

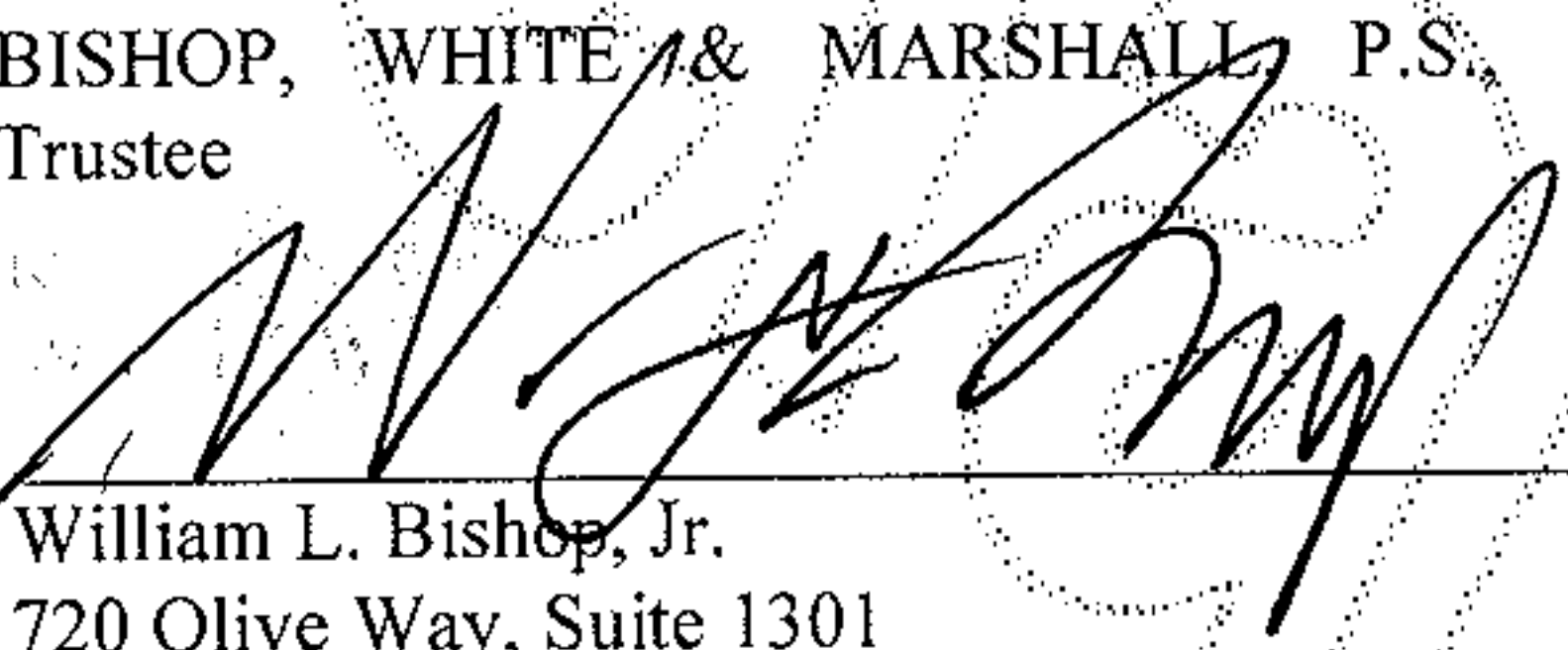
the sale the purchaser has the right to evict occupants and tenants by summary proceedings under the Unlawful Detainer Act, Chapter 59.12 RCW.

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 grantor 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 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.

EFFECTIVE DATE: March 20, 2009

BISHOP, WHITE & MARSHALL P.S. Successor Trustee

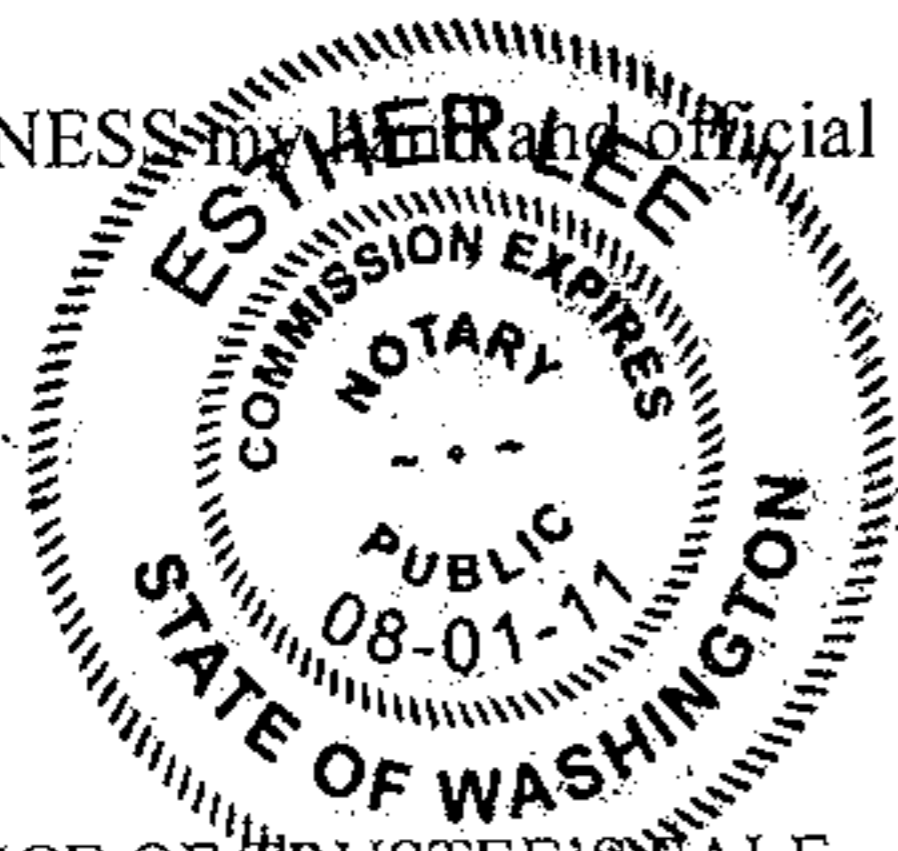
By:

  
William L. Bishop, Jr.  
720 Olive Way, Suite 1301  
Seattle, WA 98101  
(206) 622-7527

State of Washington )  
                                  ) ss.  
County of King       )

On this 19<sup>th</sup> day of March, 2009, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared the above named person, to me known to be an Officer of Bishop, White & Marshall, P.S., 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 states that they are authorized to execute the said instrument.

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



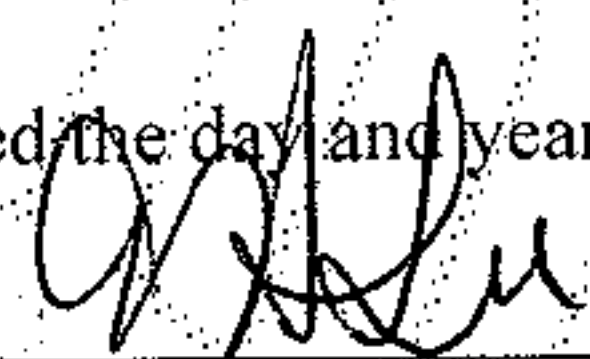
  
Name: Esther Lee  
NOTARY PUBLIC in and for the State of  
Washington at King County  
My Appt. Exp: 8-1-2011

EXHIBIT "A"

LEGAL DESCRIPTION OF REAL ESTATE

THAT PORTION OF THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 23 NORTH, RANGE 3 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 7, BLOCK 2, HAPPY HOME, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 25 OF PLATS, PAGE 28, IN KING COUNTY, WASHINGTON;  
THENCE SOUTH ALONG THE EAST LINE OF 17<sup>TH</sup> AVENUE SOUTHWEST A DISTANCE OF 107 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING SOUTH ALONG SAID EAST LINE 80.47 FEET;  
THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID SUBDIVISION 261.94 FEET TO THE WEST LINE OF 16<sup>TH</sup> AVENUE SOUTHWEST;  
THENCE NORTH ALONG SAID WEST LINE 75.78 FEET TO A POINT 111.5 FEET SOUTH OF THE SOUTHWEST CORNER OF LOT 8, BLOCK 2 OF SAID PLAT;  
THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 2 A DISTANCE OF 60 FEET;  
THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION 4.5 FEET;  
THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 2 A DISTANCE OF 201.93 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "B"

- (a) All fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Real Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants.
- (b) All assets of the Grantor, including all cash and non-cash proceeds, accounts receivable, contract rights, checks, notes, drafts, rights to payments and insurance proceeds, as the case may be, and all proceeds of proceeds.
- (c) All rents, profits, issues and revenue of the Real Property and the buildings on the Real Property from time to time accruing, whether under leases or tenancies now existing or hereafter created.
- (d) All of Borrower's right, title and interest in and to any judgments, awards of damages, condemnation payments and settlements, including interest thereon, and the right to receive the same, which may be made with respect to the Real Property as a result of the exercise of the right of eminent domain, the alteration of the side of any street, any other injury or a decrease in the value of the Real Property, or proceeds of insurance awards.
- (e) All machinery, apparatus, equipment, fittings, fixtures and tangible personal property of every kind and nature whatsoever now or hereafter located on the Real Property or in any buildings or improvements upon the Real Property, or any part thereof, and used or usable in connection with the construction of or any occupancy of any buildings on the Real Property or the operation of the Real Property, all additions thereto, and all substitutions and replacements therefor, but specifically excluding all equipment, machinery, furniture and other items of tangible personal property owned by tenants occupying buildings on the Real Property.
- (f) Borrower's interest in all leases and/or purchase and sale contracts of the Real Property or portions thereof now existing or hereafter entered into by Borrower, and all right, title and interest of Borrower thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees and purchasers of their obligations thereunder and other payments whatsoever with respect thereto, subject, however, to the terms of the leases or purchase and sale contracts pursuant to which such deposits are held.

- (g) All deposits made with, or other security given to, utility companies by Borrower or any partner of Borrower with respect to the Real Property.
- (h) All of Borrower's rights relating to the Real Property or the operation thereof, or used in connection therewith, including, without limitation, the non-exclusive right to use trade names, service marks and trademarks.
- (i) All rights to any permits, licenses, authorizations and approvals granted to or otherwise held by the Borrower in regard to the Real Property such as, but not limited to, all building permits, certificates of occupancy, etc.
- (j) All rights of the Borrower to any contracts relating to the Real Property such as, but not limited to, all contracts with any general contractors or subcontractors with regard to improvements to be constructed on the Real Property, engineering contracts, architectural contracts, marketing contracts, management contracts, etc. and to any engineering, architectural, marketing and other plans, drawings and specifications in connection therewith.
- (k) All intangible rights of the Borrower regarding the Real Property such as, but not limited to, impact fee credits, sewer and water fee credits, sewer and water rights, and development rights, including, but not limited to, rights regarding concurrency and the right to develop.
- (l) All of Borrower's rights in any construction and other materials stored on the Real Property or elsewhere.
- (m) All of Borrower's rights under any warranties (seller's, manufacturer's, contractor's or other), service or maintenance contracts or guaranties, relating to development of the Real Property or the equipping thereof.
- (n) All deposit balances, accounts, items, certificates of deposit and monies of Borrower in possession of or on deposit with Lender or other designated mortgagee, including without limitation, any replacement reserve, equity deposit, cash collateral, construction or other account established or maintained with respect to Lender's loan to Borrower.
- (o) All proceeds of the conversion, voluntary or involuntary, or any of the foregoing into cash or liquidated claims, including proceeds of insurance and condemnation awards.

## Exhibit Z

Client Name	As to the Following %
Merle D. and Helen M. Muxen, husband and wife	1.4286
The Gig Harbor Family Trust DTD 3/18/1999, Daniel W. & Valerie L. White, trustees	2.8571
Bruce A. Burris, an unmarried individual	7.1429
Robert R. McInturff & Karen B. McInturff, joint tenants with right of survivorship	1.4286
Hieu D. Bui & Hong-Thuy Pham Bui, husband and wife	3.5714
Reasy Living Trust DTD 2/10/1997, Charles F. & Lorraine M. Reasy, trustees	3.5714
Elanore B. Senty, Barbara C. Allen, as remainderman	2.1429
James R. Susan M. Metzger, husband and wife	1.4286
Sam Chui & Mingxia Wang, husband and wife	4.2857
Mel R. Codd, an unmarried individual	7.1429
John S. Gipson & Tamako Gipson, husband and wife	0.7143
Glenn R. Holst, an unmarried individual	2.8571
Dr. Steve R. Styskal & Diane L. Styskal, husband and wife	14.2857
Jules F. Lynch and Gale M. Lynch, husband and wife	4.2857
Sheila McClintock, an unmarried individual	1.7143
Townley L. Anderson and Jane A. Anderson	1.4286
Francé Cokan	3.8571
Roy Batham and Marjorie Batham, joint tenants with right of survivorship	3.3929
Vernon F. Russell and Carolyn A. Russell, joint tenants with right of survivorship	0.7143
Howard & April Roseman, husband and wife	0.7143
Security State Bank, custodian, FBO: Andrew W. Torrance IRA	0.7143
Equity Trust Company, Custodian, FBO: Karin Anne Dickerman IRA	3.5714
The William Joseph, Sr. and Doreen R. Barrett Family Revocable Living Trust	1.8571
Norman E. & Eleanor McDonald	1.4286
Ron Ibsen, Don Ibsen & Kathy Ingebretson, joint tenants with right of survivorship	1.4286
James R. Susan M. Metzger, husband and wife	1.7857
William P. Torrance and Pamela Torrance	0.7143
Security State Bank, custodian, FBO: Russell H. Dawson SEP IRA	1.4286
David Michaud Charitable Remainder Unitrust with a life estate and Pacific NW Ballet as remainderman	3.5714
AAL Financial LLC, Michael Hankal Trust, member	5.9643
Sheila McClintock, an unmarried individual	1.4286
Sam Chui & Mingxia Wang, husband and wife	1.4286
Ralph E. Kreider and Astrid G. Kreider Revocable Living Trust dtd 11-2-1993, Astrid Kreider, trustee	2.1429
Direct Lending Group, Philip Chesterfield, Director of Underwriting	3.5714



**'Mailing List'**

Southgate Enterprises, Inc.  
12455 2nd Ave S  
Seattle, WA 98168

Thomas R. Brown  
12455 2nd Ave S  
Seattle, WA 98168

Jane Doe Brown  
Spouse of Thomas R. Brown  
12455 2nd Ave S  
Seattle, WA 98168

Southgate Enterprises, Inc.  
c/o Thomas R. Brown  
12455 2nd Ave S  
Seattle, WA 98168

Southgate Enterprises, Inc.  
c/o Mary E. Jensen, reg. agt.  
2201 SW Holden St Apt E108  
Seattle, WA 98106

Southgate Enterprises, Inc.  
9639 16th Ave SW  
Seattle, WA 98106