

*When Recorded Return to:*

**HILLIS CLARK MARTIN & PETERSON P.S.**

Attn: Julie B. Hamilton

1221 Second Avenue, Suite 500

Seattle, WA 98101-2925



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Skagit County Auditor

5/6/2011 Page

1 of 11 3:15PM

Loan No. 075-209-374569-2 ) (the "**Loan**")

Trustee No. 15419.122.10 / JBH

### **NOTICE OF TRUSTEE'S SALE**

Pursuant to the Revised Code of Washington  
Chapter 61.24, et seq.

**Grantor(s):** Hillis Clark Martin & Peterson P.S., Successor Trustee

Washington Federal Savings

**Grantee(s):** Chaffey North, LLC

**Legal Description\*:** Lot 20, "BAY MEADOWS," as per plat recorded on November 28, 2005, under Auditor's File No. 200511280180, records of Skagit County, Washington.

**Assessor's Parcel No(s):** P123862 (xRefID: 4876-000-020-0000)

**Reference No. of Related Documents:** 201005110046

\*The Assessor's Parcel Number and Abbreviated Legal Description are provided solely to comply with the recording statutes and are not intended to supplement, amend or supersede the Property's full legal description provided herein.

#### **I.**

NOTICE IS HEREBY GIVEN that the undersigned successor trustee will, on **August 5, 2011**, at the hour of **11:00 a.m.**, at the **main entrance of Skagit County Courthouse, located at 205 West Kincaid, Mount Vernon, Washington**, sell at

public auction to the highest and best bidder, payable at time of sale, the following property (collectively, the **"Property"**):

- (i) the real property, situated in the County of Skagit, State of Washington legally described on EXHIBIT A, attached hereto (the **"Real Property"**); and
- (ii) the personal property and fixtures located on the Real Property or otherwise related thereto, as legally described on EXHIBIT B, attached hereto (the **"Personal Property"**).

which Property is subject to (a) that certain Deed of Trust from CHAFFEY NORTH, LLC, a Washington limited liability company, as grantor, (**"Borrower"**), to Washington Services, Inc., as trustee, to secure an obligation in favor of WASHINGTON FEDERAL SAVINGS, as beneficiary, (**"Beneficiary"**), dated April 26, 2010, and recorded on May 11, 2010, under Recording No. 201005110046, records of Skagit County, Washington, (the **"Deed of Trust"**), and (b) the security agreement and fixture filing that is included within the Deed of Trust (the **"Security Agreement"**).

Hillis Clark Martin & Peterson P.S., is now **"Successor Trustee"** by reason of an Appointment of Successor Trustee recorded concurrently herewith in the records of Skagit County, Washington.

## II.

No action commenced by the Beneficiary of the Deed of Trust and the secured party under the Security Agreement, or the Beneficiary's successor 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:

- (1) Failure to make the payment due on April 1, 2011 on the Loan;
- (2) Failure to make those payments set forth on EXHIBIT C attached hereto under the various loans from Lender to Borrower (the **"Related Loans"**) that are cross-defaulted with the Loan;
- (3) Failure to pay when due the real property taxes for the Property;  
and



- (4) Failure to keep the Property free and clear of liens and encumbrances not agreed to by Beneficiary.

An itemized summary of the amounts that are now in arrears on the Loan and Related Loans, \$2,698,268.30, is set forth on EXHIBIT C attached hereto.

IV.

The sum owing on the Loan, which is secured by the Deed of Trust and Security Agreement is: Principal balance, \$417,625.84, together with interest as provided in the note or other instrument secured from March 1, 2011, and such other costs and fees as are due under the note or other instrument secured, 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 and Security Agreement as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession, or encumbrances on August 5, 2011. The defaults referred to in paragraph III must be cured by July 25, 2011 (11 days before the sale) to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time on or before July 25, 2011 (11 days before the sale date) the default as set forth in paragraph III is cured and the Successor Trustee's fees and costs are paid. The sale may be terminated any time after July 25, 2011 (11 days before the sale) and before the sale by the Borrower, Grantor, any Guarantor (defined below), or the holder of any recorded junior lien or encumbrance paying the entire principal and interest owing on the Loan, 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 Successor Trustee to the Borrower, Grantor, and Guarantors at the following address(es):

Chaffey North, LLC  
ATTN: David C. Groff,  
Registered Agent  
300 East Pine Street, Suite 300  
Seattle, WA 98122

Chaffey Homes Incorporated  
ATTN: Carina Shively, Registered Agent  
205 Lake Street South, Suite 101  
PO Box 560  
Kirkland, WA 98083



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Richard T. Chaffey  
328 – 10th Avenue West  
Kirkland, WA 98033

Jane Doe Chaffey  
Unknown Spouse of Richard T. Chaffey  
328 – 10th Avenue West  
Kirkland, WA 98033

Herbert D. Chaffey  
7820 NE Eighth Street  
Medina, WA 98039

John Rizzardi  
Cairncross & Hempelmann, P.S.  
524 Second Avenue, Suite 500  
Seattle, WA 98104-2323

Robert A. Chaffey  
9420 NE 31st Street  
Clyde Hill, WA 98033

Jane Doe Chaffey  
Unknown Spouse of Herbert D. Chaffey  
7820 NE Eighth Street  
Medina, WA 98039

Jennifer A. Chaffey  
9420 NE 31st Street  
Clyde Hill, WA 98033

by both first class and certified mail on March 17, 2011, proof of which is in the possession of the Successor Trustee; and the Borrower and Grantor were personally served on March 17, 2011, 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 Successor Trustee has possession of proof of such service or posting.

VII.

The Successor 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, Grantor and all those who hold by, through or under the Borrower or Grantor of all their interest in the 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 GUARANTORS

If any of the parties receiving this notice are guarantors of the obligations referenced above, each such guarantor (individually and collectively, "**Guarantor**") is hereby notified that: (1) 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) 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 any 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, 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 obligations referenced above; and (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 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.

XI.

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 and the Helping Families Save Their Homes Act of 2009.

XII.

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

Sale status may be accessed at <http://ts.hcmp.com>.



DATED this 5th day of May, 2011.

HILLIS CLARK MARTIN & PETERSON P.S.

By

Julie B. Hamilton  
Julie B. Hamilton

Successor Trustee  
1221 Second Avenue, Suite 500  
Seattle, Washington 98101-2925  
Telephone: (206) 623-1745

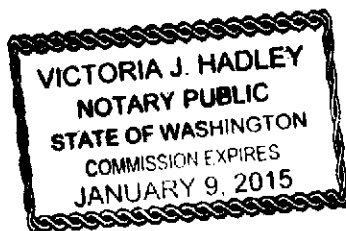
STATE OF WASHINGTON

COUNTY OF KING

} ss.

I certify that I know or have satisfactory evidence that JULIE B. HAMILTON is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the representative of HILLIS CLARK MARTIN & PETERSON P.S., a Washington professional services corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 5<sup>th</sup> day of May, 2011.



Victoria J. Hadley  
Printed Name: Victoria J. Hadley

NOTARY PUBLIC in and for the State of Washington,  
residing at Auburn, WA.  
My Commission Expires 01/09/2015.



**EXHIBIT A**

**LEGAL DESCRIPTION OF REAL PROPERTY**

LOT 20, "BAY MEADOW," AS PER PLAT RECORDED ON NOVEMBER 28, 2005,  
UNDER AUDITOR'S FILE NO. 200511280180, RECORDS OF SKAGIT COUNTY,  
WASHINGTON.

SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON.



## EXHIBIT B

### PERSONAL PROPERTY

The Property includes the following-described personal property ("**Personal Property**") that relates to the real property described in EXHIBIT A ("**Real Property**"). Any capitalized terms used but not defined in this EXHIBIT B have the same meanings ascribed to them in the Deed of Trust.

- (a) All furniture, furnishings, appliances, machinery, vehicles, equipment and all other property of any kind now or hereafter located on the Real Property, used or intended to be used on the Real Property, wherever actually located, or purchased with the proceeds of the Loan (as defined herein), and all rights of Borrower as lessee of the Real Property or any of the other Property described herein.
- (b) All compensation, awards, damages, rights of action and proceeds (including insurance proceeds and any interest on any of the foregoing) arising out of or relating to a taking or damaging of the Real Property by reason of any public or private improvement, condemnation proceeding (including change of grade), fire, earthquake or other casualty, injury or decrease in the value of the Real Property.
- (c) All returned premiums or other payments on any insurance policies pertaining to the Property and any refunds or rebates of taxes or assessments on the Property.
- (d) All plans, specifications, contracts, agreements and purchase orders pertaining or incidental to the design or construction of any improvements on the Real Property, Borrower's rights under any payments, performance, or other bond in connection with construction of improvements on the Real Property, and all construction materials, supplies, and equipment delivered to the Real Property of intended to be used in connection with the construction of improvements on the Real Property wherever actually located.
- (e) All contracts and agreements pertaining to or affecting the Real Property including management, operating and franchise agreements and licenses.



- (f) All commitments or agreements, now or hereafter in existence, which will provide Borrower with proceeds to satisfy the Loan and the right to receive the proceeds due under such commitments or agreements including refundable deposits and fees.
- (g) All general intangibles relating primarily to the development or use of the Real Property, including but not limited to (1) all assignable privately-created or governmentally-created development rights in and to the Real Property, (2) all assignable rights, as a result of any governmental decision involving the Real Property, to transfer "development rights" in the Real Property to other real property, any "density transfer" entitlements, or similar land use entitlement related directly to the Real Property, and (3) all assignable government permits relating to construction on the Real Property;
- (h) All rights as declarant (including, but not limited to, any reservation of development rights by declarant) under any declaration of covenants, conditions and restrictions or condominium or planned unit development declaration (or similar instrument, whether recorded or unrecorded) that may now or hereafter encumber or purport to affect use of the Real Property or the conduct of owners of any of the Real Property with respect to said use;
- (i) All names under or by which the Real Property or any of the improvements may at any time be operated or known and all rights to carry on business under any such names or any variant thereof, and all trademarks and good will in any way relating to the Real Property;
- (j) All water stock relating to the Real Property, all shares of stock or other evidence of ownership of any part of the Real Property that is owned by the Borrower in common with others, all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Real Property, and all rights as declarant under any such documents; and
- (k) All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on the Real Property.



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- (1) All additions, accessions, replacements, substitutions, proceeds and products of the property described above and of any of the described Real Property that is personal property.



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**EXHIBIT C  
ARREARAGES UNDER LOANS**

Loan #	Principal Owed - 4/26/11	Interest Owed to 4/26/11	Total Arrearages on 4/26/11	Per Diem	Int Pd to	Maturity
<b>Chaffey North LLC</b>						
3252186	\$627,389.73	\$3,614.76	\$631,004.49	\$64.66	03/01/11	04/01/10
3335478	\$602,852.25	\$3,473.39	\$606,325.64	\$62.13	03/01/11	04/01/10
3123890	\$367,041.20	\$2,114.74	\$369,155.94	\$37.82	03/01/11	06/01/10
3188026	\$73,072.28	\$421.02	\$73,493.30	\$7.53	03/01/11	04/01/10
3141223	\$1,008,813.66	\$5,812.38	\$1,014,626.04	\$103.97	03/01/11	08/01/10
3745692		\$3,662.89	\$3,662.89	\$43.17	03/01/11	04/26/12

<b>Total Arrearages as of 4/26/11:</b>	<b>\$2,698,268.30</b>
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