

TOGETHER WITH all leases, rents and profits of the real property; 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 accessions, 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.

The Deed of Trust covers the above-described real property, together with and inclusive of the improvements and fixtures thereon and all leases, rents, issues and profits therefrom and thereon (collectively, the "Property").

The Property is subject to a Construction Deed of Trust (the "Deed of Trust") recorded June 24, 2005, under recording no. 200506240167, records of Skagit County, Washington, from Stuart A. Harr and Jamie D. Harr, husband and wife, ("Borrower" or "Grantor"), as grantor, in favor of Chicago Title Company-Mt. Vernon, as initial trustee, and Whidbey Island Bank ("Beneficiary") as beneficiary.

The Deed of Trust secures all of Borrower's obligations under that certain Promissory Note made and delivered by Borrower in favor of and payable to Beneficiary dated May 25, 2005, in the original principal amount of \$470,000.00, as modified by that certain Change in Terms Agreement dated December 2, 2005; as further modified by that certain Change in Terms Agreement dated December 14, 2006; as further modified by that certain Change in Terms Agreement dated December 10, 2009 and as further modified by that certain Change in Terms Agreement dated August 20, 2010 (collectively, the "Note"). The Beneficiary is the owner and holder of the Note and the other obligations secured by the Deed of Trust and is entitled to enforce same.

Unless otherwise specified in any subsequent notice from Beneficiary or the trustee under the Deed of Trust, any trustee's sale held pursuant to this Notice of Default and any subsequent Notice of Trustee's Sale will be a unified sale of all of the Property, real and personal, pursuant to RCW 62A.9A.604(a)(2).

II

No action commenced by the Beneficiary of the Deed of Trust is now pending to seek satisfaction of the obligations secured by the Deed of Trust in any Court by reason of the Borrower's or Grantor's default on the obligations 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:

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CURRENTLY DUE TO REINSTATE AS OF MARCH 26, 2012		AMOUNT
Principal and interest payments		\$56,294.28
Late charges on above payments		1,695.54
TOTAL		\$57,989.82
CHARGES, COSTS AND FEES		
(a)	Attorneys' fees (bankruptcy)	\$8,521.00 (estimated)
(b)	Advances by Beneficiary (appraisal, review fees & real estate taxes)	6,504.60
(c)	Trustee's fees	1,750.00
(d)	Trustee's sale guarantee	1,422.83
(e)	Service/posting of notices	260.00 (estimated)
(f)	Postage/copying expense	175.00 (estimated)
(g)	Recording fees	100.00 (estimated)
TOTAL CHARGES, COSTS AND FEES		\$18,733.43 (estimated)
TOTAL ESTIMATED AMOUNT AS OF MARCH 26, 2012		\$76,723.25 (estimated)

The foregoing amounts will increase with the passage of time. You should contact the undersigned Trustee for a current reinstatement amount. If any other events of default under the Deed of Trust exist at any time prior to reinstatement, they must also be cured in order to reinstate the Deed of Trust.

IV

The sum owing on the obligations secured by the Deed of Trust is: Principal **\$468,335.94**, together with interest as provided in the underlying loan documents and such other costs and fees as are due under the Note and the other loan documents and as are provided by statute.

V

The above-described Property will be sold to satisfy the expense of sale and the obligations 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 **July 20, 2012**. The defaults referred to in Paragraph III must be cured before **July 9, 2012**, to cause a discontinuance of the sale. The sale will be discontinued and terminated if at any time before **July 9, 2012**, 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 on or after **July 9, 2012**, 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 the Deed of Trust, and paying all other amounts owing on the obligations secured by the Deed of Trust.

VI

A written Notice of Default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor at the following addresses:

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Stuart A. Harr
Jamie D. Harr
8129 Pipeline Road
Lyman, WA 98263

Stuart A. Harr
Jamie D. Harr
P.O. Box 1368
Lyman, WA 98263

by both first class mail and certified mail on February 2, 2012, proof of which is in the possession of the Trustee; and on February 8, 2012 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.

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 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

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.

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