After recording, return to LUDWIGSON, THOMPSON, HAYES & BELL Bellingham Towers, Suite 170 119 No. Commercial, P.O. Box 399 Bellingham, WA. 98227 (360) 734-2000



CHICAGO TITLE ICG39604

DOCUMENT: GRANTOR: BENEFICIARY: ABBREVIATED LEGAL; PARCEL NO.: NOTICE OF TRUSTEE'S SALE HORIZON BANK AARON W. YARCHO Ptn W-1/2 NE, Sec. 18, T35N, R7EWM 360718-1-035-0118

NOTICE OF TRUSTEE'S SALE

TO: AARON W. YARCHO 36647 State Route 20 Sedro Woolley, WA 98284

NOTICE IS HEREBY GIVEN that the undersigned Successor Trustee John S Ludwigson will on the 3rd of November, 2006, at the hour of 10:00 a.m., in the Lobby of the Skagit County Courthouse, 205 W. Kincaid Street, in the City of Mt. Vernon, State of Washington, sell at public auction to the highest and best bidder, payable at the time of sale, the following described property, situated in the County of Skagit, State of Washington, to-wit:

That portion of the following described real estate lying Easterly of the center line of Alder Creek:

That portion of the West ½ of the Northeast 1/4 of Section 18, Township 35 North, Range 7 East, W.M., described as follows:

Commencing at a point at the foot of a 28 degree slope 728 feet West of the Northwest corner of the Southeast 1/4 of the Northeast 1/4 of said Section 18; thence South 17 degrees East, 51.5 feet; thence South 10.5 degrees East, 100 feet; thence South 24.5 degrees East, 170 feet; thence South 6 degrees East, 106 feet; thence South 17 degrees East a distance of 61 feet; thence South 5 degrees West to the North boundary of the Great North Railroad right-of-way to a point on said line 645.5 feet Westerly of the East line of the Southwest 1/4 of the Northeast 1/4 of Section 18; thence Westerly along said line to a point 40 feet East of the center line of said Section 18; thence North 1,308 feet to the South boundary line of said Section 18; thence North 1,308 to the South boundary line of the Puget Sound and Baker River Railroad right-of-way; thence Easterly along said line to a point 10 feet West of the West bank of Alder Creek; thence Southerly 10 feet West of the West bank of Alder Creek to a point 50 feet North of the Northwest 1/4 of the Northeast 1/4 South boundary line; thence Easterly to the place of beginning.

commonly known as 36647 State Route 20, Sedro Woolley, WA 98284, which is subject to that certain Deed of Trust dated August 6, 2003, recorded August 12, 2003 under Skagit County Auditor's File No. 200308120104, of the official records of Skagit County, Washington, and Deed of Trust dated August 3, 2003, recorded August 4, 2004, under Skagit County Auditor's File No. 200408040025, both with Aaron W. Yarcho as Grantor, to Westward Financial Services, as Trustee, to secure an obligation in favor of HORIZON

BANK, as Beneficiary. JOHN S LUDWIGSON has been appointed as Successor Trustee.

11.

No action commenced by the Beneficiary of the Deed of Trust 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 default for which this foreclosure is made is failure to pay when due the following amounts which are now in arrears:

Deed of Trust dated August 6, 2003, recorded August 12, 2003 under Skagit County Auditor's File No. 200308120104: **DELINQUENCIES:**

Six (6) interest payments February 2006 ----\$ 371.19

March 2006 ----- \$ 341.53

April 2006 ----- \$ 381.41 May 2006 ----- \$ 375.80

June 2006 ----- \$391.62

July 2006 ----- \$388.98 Late charges ---- \$111.13

\$2,361.66

Deed of Trust dated August 3, 2004, recorded August 4, 2004 under Skagit County Auditor's File No. 200408040025:

(6) Monthly payments for February, March, April and May, 2006, of \$756.54 each, and June and July, 2006 of \$721.25 each -----

\$4,468.66

Late charges -----\$ 179.58

\$4,648,24 Less partial payment 189.02

TOTAL IN ARREARS

\$6,820.88

In addition, any delinquent taxes plus penalties and interest must be paid, proof of payment by receipt from the Skagit County Treasurer's office to be provided to the Trustee.

IV.

The total sum owing on the obligations secured by the Deeds of Trust is: Principal \$150,783.94 plus interest as provided in the Notes or other instrument secured from August 6, 2003 and August 3, 2004, respectively, and such other costs and fees as are due under the notes or other instruments secured and as are provided by statute.

٧.

The above described property will be sold to satisfy the expense of sale and the obligation secured by said Deed of Trust as provided by statute. The sale will be made without warranty, express or implied, regarding title, possession or encumbrances, on November 3, 2006. The default referred to in Paragraph III must be cured by October 23, 2006, (11 days before the sale) to cause a discontinuance of that sale. The sale will be discontinued and terminated if at any time before October 23, 2006 (11 days before the sale date) the default as set forth in Paragraph III is cured and the Trustee's fees and costs are paid. The sale may be terminated by the Grantors any time before October 23, 2006 (11 days before the sale date) and before the sale by Borrower, Grantors, or 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.

NOTICE OF TRUSTEE'S SALE - 2



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A written notice of default was transmitted by the Beneficiary or Trustee to the Borrower and Grantor at the following address(es):

36647 State Route 20 Sedro Woolley, WA 98284

by both first class and certified mail on May 11, 2006, proof of which is in the possession of the Trustee; and the Borrower and Grantor were personally served on the 16th of May, 2006, with said written notice of default, or and the notice of default was posted in a conspicuous place on the real property described in Paragraph I above, and the Trustee has in his possession proof of such posting or 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 Grantors and all those who hold by, through or under them, of all their interest in the above described property.

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 and tenants. After the 20th 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.

DATED: / day of July, 2006.

Jofan S. Ludwigson, Trustee

/ Bellingham Towers, Suite 170 119 North Commercial Street

Bellingham, WA 98225

(360) 734-2000

STATE OF WASHINGTON)

COUNTY OF WHATCOM)

I hereby certify that I know or have satisfactory evidence that JOHN S. LUDWIGSON signed this instrument and acknowledged it to be his free and voluntary act, for the uses

NOTICE OF TRUSTEE'S SALE - 3



and purposes mentioned in the instrument.

DATED: July <u>/</u>8_, 2006.



NOTARY PUBLIC for the State of Washington
My appointment expires: 9-4-09