

After recording, return to:
Barbless Investments II, LLC
234 5th Ave South
Edmonds WA 98020



201111170111
Skagit County Auditor

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SHORT FORM DEED OF TRUST

GRANTOR: JKC International LLC

GUARDIAN NORTHWEST TITLE CO.

GRANTEE: Barbless Investments II, LLC

102372-2

LEGAL: Section 18, Township 34, Range 4; Ptn. SE NE

ASSESSOR'S TAX ACCOUNT NO.: P26133, 340418-0-056-0009

THIS DEED OF TRUST DATED AS OF Nov. 17, 2011, IS MADE BY AND AMONG:

A. JKC International LLC, a Washington limited liability company (herein "Grantor"), whose address is 8103 125th PL NE Kirkland WA 98033

B. First American Title Insurance Company (herein "Trustee"), whose address is 1301 B Riverside Dr., Mount Vernon, WA 98273; and

C. Barbless Investments, LLC (herein "Beneficiary"), whose address is 234 5th Ave South, Edmonds WA 98020.

WITNESSETH that Grantor, in consideration of that certain loan in the amount of \$250,000 as evidenced by the Promissory Note, dated as of even date herewith, and other good and valuable consideration in hand paid, the receipt and legal sufficiency of which is hereby acknowledged, irrevocably grants, bargains, sells and conveys to Trustee, its successors and assigns, in trust, with power of sale, all right, title, claim, estate and interest of every kind, character and description in and to that certain real property (herein, the "Subject Property") located in the County of Skagit and the State of Washington, and legally described in Exhibit A attached hereto.

TO HAVE AND TO HOLD and same to Trustee, its successors and assigns, in trust, forever, as security for (a) the obligations of Grantor under that certain Promissory Note dated as of even date herewith, payable to Beneficiary in the amount of \$250,000 and (b) payment of any and all advances by Beneficiary or its successor, for fire and other hazard insurance and taxes assessed upon the Subject Property or payments due on any loan secured by the Subject Property, according to the terms of this Deed of Trust.

To protect the security of this Deed of Trust, and for other purposes, Grantor covenants and agrees as follows:

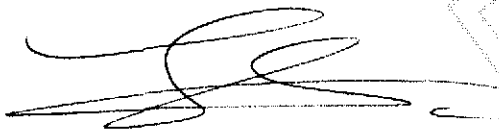
Section 1. Warranty by Grantor. Grantor represents and warrants to Beneficiary that the Subject Property is not used principally or primarily for agricultural or farming purposes.

Section 2. Incorporation of Master Form Deed of Trust. By executing this Deed of Trust, the parties agree that all the provisions of paragraphs 1 through 35 inclusive of the Master Form Deed of Trust, which is recorded under Skagit County Auditor's No. 716277 are hereby incorporated herein by reference and made an integral part hereof for all purposes the same as if set forth herein at length, and Grantor hereby makes said covenants and agrees to fully perform all of said provisions. Grantor acknowledges receipt of a copy of such Master Form Deed of Trust. The term "property" within the Master Form Deed of Trust shall be deemed to include and be coextensive with the definition of "Subject Property" defined herein.

Section 3. Due on Sale. In the event the Subject Property or any interest therein is sold, encumbered, conveyed or transferred, the principal balance of the Promissory Note and all accrued interest thereunder shall immediately become due and payable.

IN WITNESS WHEREOF, Grantor has duly executed this Deed of Trust as of the day and year first above written.

JKC International LLC

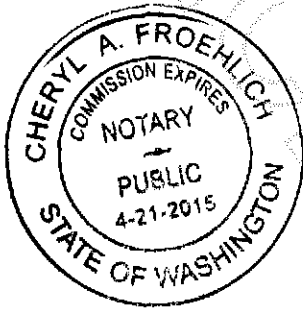
By 
Janet Lau, Chief Executive Manager



STATE OF WASHINGTON)
) ss:
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Janet Lau is the person who appeared before me, and that she acknowledged that she signed this instrument as the Chief Executive Manager for JKC International LLC and acknowledged on oath stated that she was authorized to execute the instrument and acknowledged it as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Nov. 17, 2011



[Signature]
Notary Public for the State of Washington
My commission expires: 4-21-15



**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

That portion of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of said Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$; thence North $00^{\circ}24'07''$ West along the East line of said subdivision, said line being also the centerline of Riverside Drive, a distance of 120.00 feet; thence North $90^{\circ}00'00''$ West along a line drawn parallel to and 120 feet North of the South line of said subdivision a distance of 37.00 feet to the West margin of Riverside Drive as established by deed recorded under Auditor's File No. 200904020111 and the true point of beginning; thence continuing North $90^{\circ}00'00''$ West along said parallel line 173.00 feet; thence South $00^{\circ}24'07''$ East parallel to the East line of said subdivision 76.36 feet to the North margin of College Way as established by deed recorded under Auditor's File No. 200712030192; thence Easterly and Northerly along the North margin of College Way and the West margin of Riverside Drive as established by deeds recorded under Auditor's File Nos. 200712030192 and 200904020111, the following bearings and distances: North $87^{\circ}42'23''$ East 83.90 feet; North $89^{\circ}59'49''$ East 55.07 feet; North $50^{\circ}12'24''$ East 41.67 feet; North $02^{\circ}22'31''$ East 38.64 feet; North $00^{\circ}24'07''$ West 7.72 feet to the true point of beginning.

