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AFTER RECORDING MAIL TO:

Michael W. Babcock
66 S. Hanford Street, Suite 300
Seattle, WA 98134

LAND TITLE OF SKAGIT COUNTY

ACCOMMODATION RECORDING DEED OF TRUST

(For Use in the State of Washington Only)

S1/2 SW 1/4 NE 1/4 SE 1/4, 2-35-3 | P# 33700

THIS DEED OF TRUST ("Deed of Trust" or "Deed") made this 18th day of June, 2013, by James R. Kyle and Clara B. Kyle, husband and wife, ("Grantors"), whose address is 327 E. College Way, Mount Vernon, WA 98273, and Land Title and Escrow Company ("Trustee"), whose address is 111 East George Hopper Road, P.O. Box 445, Burlington, WA 98233, in trust for Barbless Investments, LLC, a Washington limited liability company ("Beneficiary"), whose address is 234 5th Avenue South, Edmonds, WA 98020.

WITNESSETH: Grantors hereby bargain, sell, assign and convey:

A. To Trustee in trust, **with power of sale**, the following described real property ("Property") in Skagit County, Washington, described as:

See Exhibit "A" attached hereto and incorporated by this reference

which real property is not used principally for agricultural or farming purposes, together with all rents, income, contract rights, issues and profits which are due or may become due, all tenements, hereditament, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof, all amounts, compensation and settlements in lieu of taking of the Property by the power of eminent domain of the whole or the part of the Property.

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B. To Beneficiary, as secured party, a security interest in any portion of the Real Property owned by Grantors which may be construed to be personal property and in all other personal property of every kind and description, whether now existing or hereafter acquired and owned by Grantors, now or at any time hereafter attached to, erected upon, situated in or upon, forming a part of or appurtenant to and which is used or useful in the construction or operation of or in connection with, or arising from the use or enjoyment of all or any portion of, or from any lease or agreement pertaining to, the Property.

This Deed is for the purpose of securing performance of each agreement of Grantors herein contained, and payment of the sum of Sixty Thousand and 00/100 dollars (\$60,000.00) with interest, in accordance with the terms of a Promissory Note ("Note") of even date herewith payable to Beneficiary or order, and made by Grantors, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantors, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of the Deed of Trust, Grantors covenant and agree:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as their interest may appear, and then to the Grantors. All such policies shall provide the Beneficiary with 30 days notice of cancellation. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclosure this Deed of Trust. In the event of foreclosure, all rights of the Grantors in insurance policies then in force shall pass to the purchaser at the foreclosure sale. Grantors shall be responsible for procuring and paying for the cost of insurance as referenced herein.

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4. To defend any action or proceeding purported to affect the security thereof or the rights or power of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclosure this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantors fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set for in the note secured hereby, shall be added to and become a part of the debt secured by this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. That this Deed of Trust secures real property that is not principally used for agricultural purposes.

3. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

4. The Trustees shall reconvey all or any part of the property covered by the Deed of Trust to the person entitled thereto on written request of the Grantors and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

5. Upon default by Grantors in payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable in the option of the Beneficiary. In such event and upon written request of the Beneficiary, Trustee or its authorized agent shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public

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auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorneys' fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

6. Trustee shall delivery to the purchaser at the sale of the deed, without warranty, which shall convey to the purchaser the interest in the property which Grantors had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value.

7. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

8. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiary shall appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantors, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

9. If foreclosure be made by Trustee, to the extent allowed by law, reasonable attorneys' fees for services in the supervision of foreclosure proceedings shall be allowed by Trustee as part of the costs of foreclosure. After deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate as provided in the Note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

10. If Beneficiary refers the Note to an attorney for collection or seeks legal advice following a default alleged in good faith under the Note; if Beneficiary is the prevailing party in any litigation instituted in connection with the Note; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit or proceeding in connection with the Note, the indebtedness evidenced thereby or the security therefor (including, but not limited to, an action to recover possession of the Property after foreclosure), and an attorney is

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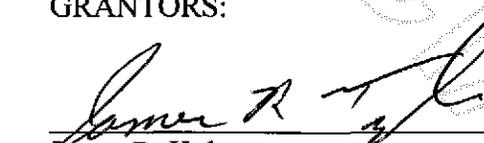
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employed by Beneficiary to (a) appear in any such action, suit or proceeding, or (b) reclaim, seek relief from a judicial or statutory stay, Grantors shall pay to Beneficiary all attorneys fees and costs incurred in connection with the above-mentioned events and any appeals related to such events, including but not limited to costs incurred in searching records, the cost of title reports, the cost of appraisals, and the cost of environmental surveys. If not paid within ten (10) days after such fees, costs and expenses become due and written demand for payment is made upon Trustor, such amount may, at Beneficiary's option, be added to the principal of the Note and shall bear interest at the Default Rate.

11. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as a Beneficiary herein.

GRANTORS:


James R. Kyle


Clara B. Kyle

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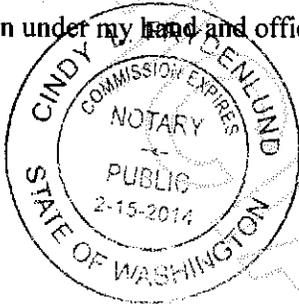
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STATE OF WASHINGTON)
County of King *of Skagit*) ss.
)

On this 18th day of June, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared James R. Kyle to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed the said instrument as his voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 18th day of June, 2013.



Cindy L. Frydenlund
NOTARY PUBLIC STATE OF WASHINGTON
Residing at: Mt Vernon
My Commission Expires: 2-15-14
Printed Name: Cindy L. Frydenlund

STATE OF WASHINGTON)
County of King *of Skagit*) ss.
)

On this 18th day of June, 2013, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Clara B. Kyle to me known to be the individual described in and who executed the foregoing instrument, and acknowledged to me that she signed the said instrument as her voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 18th day of June, 2013.



Cindy L. Frydenlund
NOTARY PUBLIC - STATE OF WASHINGTON
Residing at: Mt Vernon
My Commission Expires: 2-15-14
Printed Name: Cindy L. Frydenlund

DEED OF TRUST - 6

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REQUEST FOR FULL RECONVEYANCE

(Do not record. To be used only when note has been paid.)

TO: TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to convey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 19_____.

Mail reconveyance to:

James and Clara Kyle
327 E. College Way
Mount Vernon, WA 98273

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EXHIBIT A

PARCEL "A":

The South ½ of the Southwest ¼ of the Northeast ¼ of the Southeast ¼ of Section 2, Township 35 North, Range 3 East, W.M.;

Situate in the County of Skagit, State of Washington.

PARCEL "B":

A non-exclusive easement for ingress, egress and utilities over and across the South 30 feet of the following described parcel:

The South ½ of the Southeast ¼ of the Northeast ¼ of the Southeast ¼ of Section 2, Township 35 North, Range 3 East, W.M., EXCEPT the East 30 feet thereof for Brshig Road as conveyed to Skagit County by deed recorded January 22, 1976 under Auditor's File No. 829050;

Situate in the County of Skagit, State of Washington.

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