

AFTER RECORDING MAIL TO:

Name Gary and Elia Talboy

Address 1101 Matthews Rd

City, State, Zip Washougal, WA 98671

Filed for Record at Request of: Cascade Title Company

CS0406MN

DEED OF TRUST

(For use in the state of Washington only)

GRANTOR(S): NSHE Tujunga, LLC Additional on page:

GRANTEE(S): GARY G. TALBOY and ELIA M. TALBOY Additional on page:

TRUSTEE: CASCADE TITLE COMPANY

LEGAL DESCRIPTION (abbreviated): LOT 1, WEST FORK ESTATES, BK 2/PG 163

ASSESSOR'S TAX PARCEL ID#: 02052000020200

THIS DEED OF TRUST, made this 27th day of August, 2008 between NSHE Tujunga, LLC, an Arizona limited liability company, GRANTOR, whose address is 2390 E. Camelback Road, #325, Phoenix, AZ 85016, Cascade Title Company, a corporation, TRUSTEE, whose address is 805 Broadway, Suite 747, Vancouver, WA 98660, and GARY G. TALBOY and ELIA M. TALBOY, BENEFICIARY, whose address is 1101 MATHEWS RD, WASHOUGAL, WA 98671.

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property in SKAMANIA County, Washington:

Lot No. 1, WEST FORK ESTATES I, in Book 2 of SHORT PLATS, Page 163 in Section 20, Township 2 North, Range 5 East of the Willamette Meridian, Skamania County, Washington.

Assessor's Property Tax Parcel Account Number(s): 02052000020200

which real property is not used principally for agricultural or farming purposes, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of **Three hundred twenty-two thousand two hundred fifty and no/100 Dollars (\$322,250.00)** with interest, in accordance with the terms of a promissory note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

DUE DATE: The entire balance of the promissory note secured by this Deed of Trust, together with any and all interest accrued thereon, shall be due and payable in full on **August 29, 2013**

To protect the security of this Deed of Trust, Grantor covenants and agrees:

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 its interest may appear and then to the Grantor. 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 foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers 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 foreclose 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 attorney's fees actually incurred, as provided by statute.

6. Should Grantor 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 forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

7. DUE ON SALE: (OPTIONAL - *Not applicable unless initialed by Grantor and Beneficiary*) The property described in this security instrument may not be sold or transferred without the Beneficiary's consent. Upon breach of this provision, Beneficiary may declare all sums due under the note and Deed of Trust immediately due and payable, unless prohibited by applicable law.

 RH KH
Grantor (Initials)

 ET
Beneficiary (Initials)

IT IS MUTUALLY AGREED THAT:

8. 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.

9. 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.

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

11. Upon default by Grantor in the 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 at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public 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 attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

12. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor 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.

13. 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.

14. In the event of the death, incapacity or disability or resignation of Trustee, Beneficiary may 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 Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

15. 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 Beneficiary herein.

16. ADDITIONAL TERMS AND CONDITIONS: (Check One)

a. ☐ NONE

b. ☒ Sec Promissory Note and Exhibit A (not attached) for additional payment terms

c. ☒ **SPECIAL PROVISIONS:** Both Grantor and Beneficiary understand and agree that the beneficiary will be held harmless and will be indemnified and defended against any claims, forthcoming assessments, penalties, or injuries of any kind by any persons or entity, as directly related to the property after the closing date. Especially, the seller brings attention to Grantor of the serious potential for injury as related to the hot tub which does not have a locked top, and the stairways which provide easy access to the river. Respecting this potential the seller offers to pay for the removal of either or both of these potential hazards at sellers complete expense, and should the Grantor not elect to notify the seller of their intention to accept this offer on or before the date of closing, the Grantor then accepts complete responsibility for any or all claims by any persons, organizations, agencies, etc. as related to these improvements.

(NOTE: If neither a nor b is checked, then option "a" applies)

In the event we are executing a third-party note and security instrument, the loan must be assumable at least once by the Exchanger. In addition, all loan documents that we will be asked to sign must contain the following language:

Exchange Exculpation: National Safe Harbor Exchanges, a California corporation ("NSHE"), is acting as an exchange accommodation titleholder in connection with a like-kind exchange under IRC Section 1031 and Revenue Procedure 2000-37 for the benefit of **RICHARD AND KATHERINE HOWELLS** ("Exchanger"). NSHE is the sole member of **NSHE TUJUNGA, LLC** ("Borrower"). As accommodation parties the general credit of NSHE and Borrower, while Borrower is owned by NSHE, are not obligated or available for the payment of the indebtedness created or secured by the loan agreement, promissory note, deed of trust/mortgage, environmental indemnities and any other documents executed by NSHE or Borrower in connection with this loan (the "Loan Documents"). Notwithstanding any provisions of the Loan Documents to the contrary, Lender will not look to NSHE, Borrower, while Borrower is owned by NSHE, or NSHE's directors, officers, and employees with respect to the indebtedness evidenced by the Loan Documents or any covenant, stipulation, promise, indemnity, agreement or obligation contained herein. In enforcing its rights and remedies under the Loan Documents, the Lender will look solely to the Property, Exchanger and/or any guarantors for the payment of the indebtedness secured by these Loan Documents and for the performance of the provisions hereof. The Lender will not seek a deficiency or other money judgment against NSHE, Borrower, while Borrower is owned by NSHE, or NSHE's member's directors, officers, and employees and will not institute any separate action against NSHE by reason of any default that may occur in the performance of any of the terms and conditions of the Loan Documents between Borrower and Lender. This agreement on the part of the Lender shall not be construed in any way so as to effect or impair the lien of the Loan Documents or the Lender's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Lender in any foreclosure proceedings or other enforcement of payment of the indebtedness secured hereby out of and from the security given therefore.

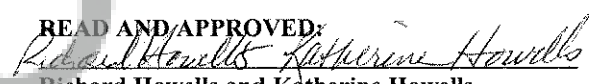
Permitted Transfer (Exchange): The Lender shall allow NSHE, to transfer the Property to Exchanger pursuant to a Qualified Exchange Accommodation Agreement between said parties and such transfer shall not constitute an event permitting Lender to declare the loan immediately due and payable, nor shall such transfer subject Borrower, NSHE or Exchanger to payment of any Lender transfer fee. Upon such permitted transfer, NSHE shall be released from any and all liability. Lender consents to such transfer of the Property either by deed from Borrower to Exchanger or NSHE's assignment to Exchanger of the sole membership interest in Borrower. Upon the transfer of the sole membership interest in Borrower to Exchanger, the limitations on personal recourse to Borrower shall expire.

Dated: 9-2-08

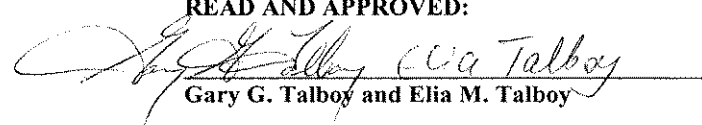
NSHE Tujunga, LLC, an Arizona limited liability company
BY: National Safe Harbor Exchanges, a California corporation
Its: Sole Member

By: 
By: Karin A. Church, Its Vice President

READ AND APPROVED:


Richard Howells and Katherine Howells

READ AND APPROVED:

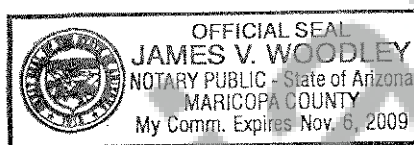

Gary G. Talboy and Elia M. Talboy

STATE OF ARIZONA
 COUNTY OF MARICOPA } ss

I certify that I know or have satisfactory evidence that **Karin A. Church** is the persons who appeared before me, and said persons acknowledged that **she** signed this instrument, on oath stated that **she** authorized to execute the instrument and acknowledged it as the **Vice President of National Safe Harbor Exchanges, a California corporation, the sole member of NSHE Tujunga, LLC, an Arizona limited liability company** to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 8/29/08

James V. Woodley
 Notary Public in and for the State of Arizona
 Residing at Phoenix, AZ
 My appointment expires: Nov. 6, 2009



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 reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____
