



**WHEN RECORDED MAIL TO:**

Rock Creek Resources LLC  
C/O Richard Gwin Jr.  
PO Box 187  
Vernonia, OR 97064

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST AND SECURITY AGREEMENT**

This Deed of Trust ("Deed"), is between THE CARSON HOUSE, LLC, a Washington limited liability company ("Grantor"); COLUMBIA GORGE TITLE, whose address is P. O. Box 277, Stevenson, Washington 98648, and its successors in trust and assigns ("Trustee"), and ROCK CREEK RESOURCE MANAGEMENT, L.L.C., an Oregon limited liability company, whose address is PO Box 187, Vernonia, Oregon 97064 ("Beneficiary").

1. **Granting Clause.** Grantor, in consideration of the acceptance by Trustee of this trust, and of other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure the payment of the indebtedness evidenced by the Note (as hereinafter defined) with interest, and any other sums payable pursuant to the Note, and to secure the performance of and obligations contained herein, irrevocably and immediately grants, bargains, sells, and conveys to Trustee and its successors in trust and assigns, forever, in trust, with power of sale and right of re-entry and possession, all of Grantor's estate, right, title, interest, claim and demand in and to the property in the County of Skamania, State of Washington, described as follows (all of the property described in all parts of this Section I herein called the "Property"):

See attached Exhibit 1 for full legal description.

Tax Parcel Number:

04-75-25-4-0-0100-00

Abbreviated Legal:

SECTION 25, TOWNSHIP 4 NORTH,  
RANGE 7½ EAST WM

2. **Security Agreement.** Grantor, as debtor, hereby grants to Beneficiary, as secured party, a security interest in and to the any and all improvements to the Property, personal property, proceeds constituting personal property and fixtures, together with a security interest in all other personal property of any nature which is located on or used or to be used in connection with any of the Property, including without limitation all building materials and supplies and all construction forms and equipment. This Deed of Trust shall constitute a security agreement pursuant to the Uniform Commercial Code of the State of Oregon (the "UCC"), on the terms and conditions contained herein except that where any provision hereof is in conflict with the UCC, the UCC shall control. Beneficiary hereby conveys this security interest to Trustee, in trust, for the benefit of Beneficiary to be dealt with as a portion of the "Property" except as otherwise specified herein.

2.1 Upon the occurrence of an Event of Default, Beneficiary shall have with respect to the personal property and fixtures, in addition to all of its rights and remedies as stated in this Deed, all rights and remedies of a secured party under the UCC as well as all other rights and remedies available at law or in equity.

2.2 This Deed constitutes a financing statement filed as a fixture filing under the UCC in the official records of the county in which the Property is located with respect to any and all fixtures included within the term "Property" and with respect to any goods or other personal property that may now be or hereafter become such a fixture.

2.3 Beneficiary has no responsibility for, and does not assume any of, Grantor's obligations or duties under any agreement or obligation which is part of the personal property or fixtures or any obligation relating to the acquisition, preparation, custody, use, enforcement or operation of any of the Property.

3. **Obligations Secured.** This Deed is given for the purpose of securing:

3.1 Performance and Payment. The performance of the obligations contained herein and the payment of THREE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$395,000.00), with interest thereon, according to the terms of a promissory note of even date payable to Beneficiary or order, and any and all renewals, whether in greater or lesser amounts (the "Note").

3.2 Loan Documents. Payment and performance of all obligations of Grantor under (i) this Deed of Trust, (ii) the Promissory Note of even date herewith, including payment of all sums expended or advanced by Beneficiary, together with interest.

3.3 Future Advances. The repayment of any and all sums advanced or expenditures made by Beneficiary subsequent to the execution of this Deed of Trust for the maintenance or preservation of the Property or Improvements or advanced or expended by Beneficiary pursuant

to any provision of this Deed subsequent to its execution, together with interest, and the repayment of all other sums advanced to Grantor by Beneficiary.

**4. Warranties and Covenants of Grantor.** Grantor warrants, covenants, and agrees:

4.1 **Warranties.** Grantor has full power and authority to grant the Property to Trustee and warrants the Property to be free and clear of all liens, charges, and other encumbrances.

4.2 **Preservation of Lien.** Grantor will preserve and protect the priority of this Deed of Trust as a lien on the Property, junior only to the financing described in paragraph 4.7.4 herein.

4.3 **Right of Inspection.** Grantor shall permit Beneficiary or its agents, at all reasonable times, to enter upon and inspect the Property.

4.4 **Preservation of Licenses, Etc.** Grantor shall observe and comply with all requirements necessary to the continued existence and validity of all rights, licenses, permits, privileges, franchises and concessions relating to any existing or presently contemplated use of the Property, including but not limited to any zoning variances, special exceptions and nonconforming use permits.

4.5 **Taxes, Assessments and Other Liens.** Grantor will pay not later than when due all taxes, assessments, encumbrances, charges, and liens with interest, on the Property or any part, which at any time appear to be or are alleged to be prior and superior hereto, including but not limited to any tax on or measured by rents of the Property, the Note, this Deed, or any obligation or part secured hereby.

4.6 **Liability Insurance.** Grantor will maintain general public liability insurance covering the legal liability of the Grantor against claims for bodily injury, death or property damage occurring on, in or about the Property and adjoining streets, sidewalks and passageways to the limit of not less than \$500,000 for one person and to the limit of not less than \$500,000 for each occurrence. Beneficiary shall be named as an additional insured under said policy.

4.7 **Sale, Transfer, or Subsequent Encumbrance.** Grantor will not, except for the sale of lots in the ordinary course of business, without the prior written consent of Beneficiary, sell, transfer or otherwise convey the Deed of Trust, the Property or any interest therein or create or suffer to exist any assignment, mortgage, security interest, lien, charge or other encumbrance upon the Property or any interest therein nor agree to do any of the foregoing.

4.7.1 Beneficiary's consent to any subordinate encumbrance shall be withheld only if it will impair Beneficiary's security for this loan. Any subordinate mortgage or deed of trust shall be deemed to impair the security unless it provides by its terms: (a) that is in all respects subject and subordinate to this Deed and (b) that in any action taken by the mortgagor or beneficiary thereunder to foreclose such subordinate mortgage or deed of trust, no tenant of any portion of the Property will be named as a party defendant, nor will any other action be taken which would terminate any tenancy of the Property without the consent of Beneficiary.

4.7.2 Beneficiary's consent to any transfer will not be unreasonably withheld and Beneficiary may, in its sole discretion, permit Grantor to transfer the Property without paying the Note in full, provided that the proposed transferee meets the underwriting criteria of the Beneficiary then applicable to loans of similar size for similar purposes with comparable security. Consent to any one occurrence shall not be deemed a waiver of the right to require consent to any future occurrence.

## **5. Default.**

5.1 Definition. Any of the following shall constitute an "Event of Default" as that term is hereinafter used:

5.1.1 Grantor shall fail to pay when due any indebtedness secured hereby;

5.1.2 Grantor shall default in the performance of any covenant or agreement contained in this Deed of Trust, the Note, or any other agreement securing the indebtedness evidenced by the Note; or

5.1.3 Grantor shall admit in writing its inability to pay its debts as they mature, or file, or have filed a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or be adjudicated bankrupt or insolvent.

### **5.2 Beneficiary's and Trustee's Right to Perform.**

5.2.1 Upon the occurrence of any Event of Default, Beneficiary or Trustee, but without the obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligations hereunder, may: make any payments or do any acts required of Grantor in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following paragraph; and in exercising any such powers, pay necessary expenses, employ counsel and pay a reasonable fee therefor. All sums so expended shall be payable on demand by Grantor, be secured hereby and bear interest at the greater of the rate specified in the Note or the rate of twelve percent (12%) per annum from the date advanced or expended until repaid.

5.2.2 Beneficiary or Trustee in making any payment authorized, in the place and stead of the Grantor, in the case of a payment of taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Property, may make the payment in reliance on any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; in the case of any apparent or threatened adverse claim of title, lien, statement of lien, encumbrance, deed of trust, claim or charge Beneficiary or Trustee, as the case may be, shall be the sole judge of the legality or validity of same; and in the case of a payment for any other





purpose authorized, but not enumerated in this paragraph, such payment may be made whenever, in the sole judgment and discretion of Trustee or Beneficiary, as the case may be, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, provided further, that in connection with any advance, Beneficiary at its option may and is authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expenses of which shall be repayable by the Grantor without demand and shall be secured hereby.

5.3 Remedies. Upon the occurrence of any Event of Default, Beneficiary may at any time after five (5) days written notice of a payment default, and after twenty (20) days written notice and opportunity to pursue a cure of a nonpayment default, at its option and in its sole discretion, declare all Secured Obligations to be immediately due and payable; provided, if any provision in the Note provides for the automatic acceleration of the indebtedness evidenced by the Note upon the occurrence of any act or event, such provision shall control and preempt any contrary provision herein. Beneficiary may also do any or all of the following, although it shall have no obligation to do any of the following:

5.3.1 Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of Beneficiary's security, enter upon and take possession of the Property, or any part thereof, and do any acts which Beneficiary deems necessary or desirable to preserve the value, marketability or rentability of the Property, or to increase the income or to protect the security and, with or without taking possession of any of the Property, sue for or otherwise collect all rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees and expenses, upon the Secured Obligations, all in such order as Beneficiary may determine. The collection of rents and profits and the application thereof shall not cure or waive any Event of Default or notice or invalidate any act done in response or pursuant to such notice.

5.3.2 Bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants hereof.

5.3.3 Exercise any or all of the remedies available to a secured party under the UCC.

5.3.4 Elect to sell by power of sale the Property and Improvements and, upon such election, notice of default and election to sell shall be given as may then be required by law. Thereafter, upon the expiration of the time and the giving of the notice of sale as may then be required by law, at the time and place specified in the notice of sale, Trustee shall sell such property, or any portion specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States. Trustee may, and upon request of Beneficiary shall from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Property consists of several lots, parcels or interests, Beneficiary may designate the order in which the same shall be offered for sale or sold. Should Beneficiary desire that more than one sale or other disposition be conducted, Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively on the same, day, or at such



different days or times and in such order as Beneficiary may deem to be in its best interest. Any person, including Grantor, Trustee or Beneficiary, may purchase at the sale. Upon any sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon the purchaser or purchasers shall be let into immediate possession.

5.3.5 Exercise each of its other rights and remedies under this Deed of Trust and each of the other Loan Documents.

5.3.6 Except as otherwise required by law, apply the proceeds of any foreclosure or disposition hereunder to payment of the following: (i) the expenses of the foreclosure or disposition, (ii) the cost of any search or other evidence of title procured in connection therewith and revenue stamps on any deed or conveyance, (iii) all sums expended under the terms hereof, not then repaid, with accrued interest in the amount provided herein, (iv) all other sums secured hereby and (v) the remainder, if any, to the person or persons legally entitled thereto.

5.3.7 Upon any sale or sales made under or by virtue of this section, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof. In lieu of paying cash for the Property, Beneficiary may make settlement for the purchase price by crediting against the Secured Obligations the sales price of the Property as adjusted for the expenses of sale and the costs of the action and any other sums for which Grantor is obligated to reimburse Trustee or Beneficiary under this Deed of Trust.

5.4 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare an Event of Default for failure to do so.

6. **Condemnation.** Any award of damages, whether paid as a result of judgment or prior settlement, in connection with any condemnation or other taking of any portion of the Property, for public or private use, or for injury to any portion of the Property is hereby assigned and shall be paid to Beneficiary which may apply the monies received by it in the same manner and with the same effect as provided for disposition of proceeds of fire or other insurance.

7. **Notices.**

7.1 Grantor and Beneficiary. Any notice to or demand upon Grantor (including any notice of default or notice of sale) or notice to or demand upon Beneficiary shall be deemed to have been sufficiently made for all purposes when deposited in the United States mails, postage prepaid, registered or certified, return receipt requested, addressed as set forth at the beginning of this Deed of Trust.

7.2 Waiver of Notice. The giving of notice may be waived in writing by the person or persons entitled to receive the notice, either before or after the time established for the giving of the notice.



DATED this 12<sup>th</sup> day of May 2021.

**GRANTOR:**

THE CARSON HOUSE, LLC,  
a Washington limited liability company

By: Matthew M. Chesley  
MATTHEW M. CHESLEY, Manager

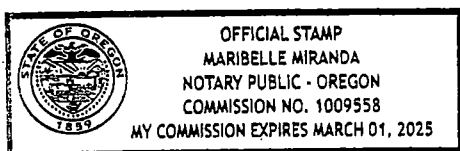
By: Julie P. Chesley  
JULIE P. CHESLEY, Manager



STATE OF Oregon )  
 ) ss.  
County of Washington )

I certify that I know or have satisfactory evidence that MATTHEW M. CHESLEY, is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of THE CARSON HOUSE, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/12/21, 2021

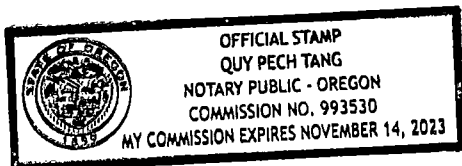


Maribelle Miranda  
Notary Public in and for the State of Oregon,  
residing at Beaverton  
My appointment expires: 3/1/2025

STATE OF Oregon )  
 ) ss.  
County of Washington )

I certify that I know or have satisfactory evidence that JULIE P. CHESLEY, is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Manager of THE CARSON HOUSE, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/24<sup>th</sup> 13<sup>th</sup>, 2021.



Quy Pech Tang  
Notary Public in and for the State of Oregon,  
residing at Beaverton  
My appointment expires: 11/14/23



## EXHIBIT 1

### Legal Description

**Skamania County Assessor's Parcel No.:** 04-75-25-4-0-0100-00

**Site Address:** 502 Cedar Creek Road, Carson, Washington

**Legal Description:** The following property in Skamania County, Washington:

#### PARCEL 1

The following described real property in Skamania County, Washington:

Commencing at a point 1,980 feet East of the Southwest corner of the Southeast Quarter of Section 25, Township 4 North, Range 7½ East of the Willamette Meridian; thence North 1,320 feet; thence East 660 feet to the Section line; thence South 1,320 feet to the Southeast corner of said Section 25; thence West 660 feet to the POINT OF BEGINNING.

EXCEPTING therefrom the East 660 feet of the South 1,080 feet as deeded to Floyd L. Ott, Deed Records Book "Z", Page 355, records of Skamania County, Washington.

FURTHER EXCEPTING Public Roads.

FURTHER EXCEPTING Township 4 North, Range 7½ East of the Willamette Meridian, Section 25, that portion of the Southeast Quarter of the Southwest Quarter more particularly described as follows:

Beginning at the Northeast corner of the Southeast Quarter of Section 25; thence South 01-25-12 West, 1,325.03 feet to a 2" aluminum pipe with cap, said point being the POINT OF BEGINNING; thence continuing South 01-25-12 West, 245.03 feet to a ½" iron rod; thence North 88-40-47 West, 153.72 feet to a ½" iron rod; thence North 01-25-12 East, 245.04 feet to a ½" iron rod; thence South 88-40-41 East 153.72 feet to the POINT OF BEGINNING.

#### PARCEL 2

That portion of the Southeast Quarter of the Southeast Quarter of Section 25, Township 4 North, Range 7½ East of the Willamette Meridian, Skamania County, Washington, more particularly described as follows:

BEGINNING at a point 1,650 feet East of the Southwest corner of the Southeast Quarter of the said Section 25; thence North 1,320 feet; thence East 330 feet; thence South 1,320 feet; thence West 330 feet to the POINT OF BEGINNING.

EXCEPT public Roads.

#### PARCEL 3

A tract of land in the Northeast corner of the Southeast Quarter of Section 25, Township 4 North, Range 7½ East of the Willamette Meridian, in the County of Skamania, State of Washington described as follows:

BEGINNING at the Northeast corner of the Southeast Quarter of said Section 25; thence South 01-25-12 West, 1,325.03 feet; thence North 88-40-41 West, 529.37 feet to the POINT OF BEGINNING; thence North 88-40-41 West, 366.38 feet to a ½" iron rod; thence continuing North 88-40-41 West, 50 feet to the center line of Cedar Creek; thence along said center line North 66-13-29 East, 126.62 feet; thence North 37-22-27 East, 58.11 feet; thence North 43-15-00 East, 25.96 feet; thence leaving said center line of Cedar Creek South 88-40-41 East, 35 feet to a ½" iron rod; thence continuing South 88-40-41 East, 215.83 feet to a ½" iron rod; thence South 01-25-12 West, 120 feet to the POINT OF BEGINNING.

