

1977-1987

**MORTGAGE**, is this 22nd day of December, 1976, between PIXIELAND CORPORATION, a Corporation, organized and existing under the laws of the State of Oregon, hereinafter called the Mortgagor, and WILLIAM A. SUTTON & SUTTON INVESTMENT CO., hereinafter called the Mortgagee, **WITNESSETH**, That said mortgagor, in consideration of \$161,572.87 Dollars, to it paid by said mortgagee, does hereby grant, bargain, sell and convey unto said mortgagee, his heirs, executors, administrators and assigns, that certain real property situated in Skamania County, State of Oregon, bounded and described as follows:

The West Half (W1/2) of Lot 3 of OREGON LUMBER COMPANY'S SUBDIVISION according to the official plat thereof on file and of record at page 29 of Book A of Plats, Records of Skamania County, Washington, in Section 14, Township 3 North, Range 9 E. W. M.;

ALSO: Beginning at the point of intersection of the West line of the East Half (E 1/2) of the said Lot 3 with the South line of the county road known and designated as the Jessup Road; thence South 280 feet; thence East 112 feet; thence North to the South line of the said Jessup Road; thence Westerly along the South line of the said Jessup Road to the point of beginning.

together with the tenements, hereditaments and appurtenances thereto belonging or appertaining. TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee, his heirs, executors, administrators and assigns forever.

This mortgage is intended to secure the payment of one promissory note of which the following is a substantial copy:

## PROMISSORY NOTE

FOR VALUE RECEIVED, LYDIARD DEVELOPMENT CORPORATION, an Oregon corporation, and PIXIELAND CORPORATION, an Oregon corporation, promise to pay to the order of WILLIAM A. SUTTON & SUTTON INVESTMENT CO., a California corporation, at 607 Siskiyou Boulevard, Ashland, Oregon, the sum of ONE HUNDRED EIGHTY-ONE THOUSAND FIVE HUNDRED SEVENTY-TWO AND 87/100 (\$181,572.87) DOLLARS on the 22nd day of March, 1977, the balance of the principal balance at 10% per annum from December 22, 1976 until paid. Interest to be paid at maturity and if not so paid, the whole sum of both principal and interest to become immediately due and payable at the option of the holder of this note.

If this note is placed in the hands of an attorney for collection, the undersigned promise and agree to pay the reasonable collection costs of the holder hereof; and if suit or action is filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, or the holder's reasonable attorney's fees in the appellate court.

We and each and all of the undersigned hereon jointly and

Unofficial Copy

BOX 125 PAGE 103



And said mortgagor covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that it is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto and will warrant and forever defend the same against all persons; that it will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid it will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property, or this mortgage or the note, above described, when due and payable and before the same may become delinquent; that it will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises or any part thereof superior to the lien of this mortgage; that it will keep the buildings now on or which may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire in the sum of \$141,000.00 in such company or companies as the said mortgagee may designate, and will have all policies of insurance on said property made payable to the mortgagee as said interest may appear and will deliver all policies of insurance on said premises to the mortgagee as soon as insured; that it will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises.

Now, therefore, if said mortgagor shall keep and perform the covenants herein contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note; it being agreed that a failure to perform any covenant herein, or if proceeding of any kind be taken to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note, or on this mortgage at once due and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagor shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagee may at any option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note, without waiver, however, of any right arising to the mortgagee for breach of covenant. And this mortgage may be foreclosed for principal interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. And if suit be commenced to fore-

IN WITNESS WHEREOF, PIXIELAND CORPORATION pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereunto affixed this 22nd day of December A. D. 1976

EXECUTED IN THE PRESENCE OF  
By Thomas J. Bowie President  
By William H. Seibert Secretary

STATE OF OREGON, ss.  
County of Jackson  
On this 22nd day of December, 1976, before me appeared Thomas J. Bowie and William H. Seibert both to me personally known, who being duly sworn, did say that he, the said Thomas J. Bowie is the President, and he, the said William H. Seibert is the Secretary of PIXIELAND CORPORATION the within named Corporation, and that ~~the said officers to said instrument in the corporate name of said Corporation~~ the said instrument was signed ~~and sealed~~ in behalf of said Corporation by authority of its board of directors, and said Thomas J. Bowie and William H. Seibert acknowledged said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, this the day and year first in this, my certificate, written.  
John H. Williams  
Notary Public in and for said County and State.  
My Commission expires July 2, 1978

83377  
MORTGAGE  
(CORPORATION)

TO

STATE OF OREGON, ss.  
County of Jackson  
I certify that the within instrument was received for record on the 22 day of December, A. D. 1976 at 1:00 o'clock P. M., and recorded in book 53 of Record of Mortgages of said County.  
Witness my hand and seal of County of Jackson

County Clerk  
Recorder of Conveyances  
By John H. Williams Deputy

TRANSMERICA TITLE INSURANCE CO.  
130 West 6th St., Suite 100  
Madford, Oregon 97501

REGISTERED  
INDEXED: DR.  
EXTRACT  
RECORDED  
COMPARED  
MAILED

together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining.  
TO HAVE AND TO HOLD the said premises with the appurtenances unto the said mortgagee,  
his heirs, executors, administrators and assigns forever.  
This mortgage is intended to secure the payment of one promissory note of which  
the following is a substantial copy:

#### PROMISSORY NOTE

FOR VALUE RECEIVED, LYDIARD DEVELOPMENT CORPORATION, an Oregon corporation, and PIXIELAND CORPORATION, an Oregon corporation, promise to pay to the order of WILLIAM P. SUTTON and SUTTON INVESTMENT CO., a California corporation, at 607 Siskiyou Boulevard, Ashland, Oregon, the sum of ONE HUNDRED EIGHTY-ONE THOUSAND FIVE HUNDRED SEVENTY-TWO AND 87/100 (\$181,572.87) DOLLARS on the 22nd day March, 1977, plus interest on the unpaid balance at 10% per annum from December 22, 1976 until paid, interest to be paid at maturity and if not so paid, the whole sum of both principal and interest to become immediately due and payable at the option of the holder of this note.

If this note is placed in the hands of an attorney for collection, the undersigned promise and agree to pay the reasonable collection costs of the holder hereof; and if suit or action is filed hereon, also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum as may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

We and each and all of the undersigned hereon jointly and severally guarantee payment of principal and interest after maturity at the highest legal contract rate, collection expenses, costs and attorney's fees, of the within note, as and when the same shall become due, and on any extension thereof in whole or in part, accepting all its provisions, authorizing the maker, without notice to us or either of us, to obtain and the holder hereof to grant us extension or extensions in whole or in part, and waiving demand, protest, and notice of protest and non-payment; also agreeing that in case of non-payment of principal and interest after maturity when due, suit may be brought by the holder of this note against any one or more or all of us at the option of said holder, whether such suit has been commenced against the maker or not, and that in any such suit the maker may be joined with one or more or all of us at the option of the holder.



BOOK 53 PAGE 803



And said mortgage covenants to and with the mortgagee, his heirs, executors, administrators and assigns, that it is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto and will warrant and forever defend the same against all persons; that it will pay said note, principal and interest, according to the terms thereof; that while any part of said note remains unpaid it will pay all taxes, assessments and other charges of every nature which may be levied or assessed against said property; or this mortgage or the note above described, when due and payable and before the same may become delinquent; that it will promptly pay and satisfy any and all liens or encumbrances that are or may become liens on the premises on any part thereof in full for to the lien of this mortgage; that it will keep the buildings now on or which may be hereafter erected on the premises insured in favor of the mortgagee against loss or damage by fire in the sum of \$140,000.00 in such company or companies as the said mortgagee may designate, and will have all policies of insurance on said property made payable to the mortgagee as soon as insured; that it will keep the buildings and improvements on said premises in good repair and will not commit or suffer any waste of said premises.

Now, therefore, if said mortgagor shall keep and perform the covenants hereto contained and shall pay said note according to its terms, this conveyance shall be void, but otherwise shall remain in full force as a mortgage to secure the performance of all of said covenants and the payment of said note. It being agreed that a failure to perform any covenant herein, or if proceeding of any kind to foreclose any lien on said premises or any part thereof, the mortgagee shall have the option to declare the whole amount unpaid on said note, or on this mortgage at once due, and payable, and this mortgage may be foreclosed at any time thereafter. And if the mortgagee shall fail to pay any taxes or charges or any lien, encumbrance or insurance premium as above provided for, the mortgagee may at its option do so, and any payment so made shall be added to and become a part of the debt secured by this mortgage, and shall bear interest at the same rate as said note, without waiver, however, of any right arising to the mortgagee at breach of covenant. And this mortgage may be foreclosed for principal, interest and all sums paid by the mortgagee at any time while the mortgagor neglects to repay any sums so paid by the mortgagee. And, if suit be commenced to foreclose this mortgage, the attorney's fees provided for in said note shall be included in the lien of this mortgage.

Each and all of the covenants and agreements herein contained shall bind and bind the heirs, executors, administrators and assigns of said mortgagor and of said mortgagee respectively.

EXECUTED IN THE PRESENCE OF

By William H. Seibert Secretary

STATE OF OREGON,

County of Jackson ss.

On this 22nd day of December, 1976, before me appeared

Thom J. Bowie and William H. Seibert

both to me personally known, who being duly sworn, did say that he, the said Thom J. Bowie

is the President, and he, the said William H. Seibert

is the Secretary of

PIXIELAND CORPORATION

the within named Corporation,

and that ~~the said officers do so~~ the instrument is the property of said Corporation, and that the said

instrument was signed ~~and sealed~~ in behalf of said Corporation by authority of its board of directors,

and said Thom J. Bowie and William H. Seibert

acknowledged said instrument to be the free and

and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this the day and year first in this, my certificate, written.

Notary Public in and for said County and State.

My Commission expires July 2, 1977

MORTGAGE  
(CORPORATION)

FORM 75A

TO

STATE OF OREGON, to-wit:

County of Jackson

I certify that the within instrument was received for record on the 22 day of December, 1976, at 1:40 o'clock P.M., and recorded in book 272 on page 272. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

County Clerk  
Recorder of Conveyances

By William H. Seibert Deputy.

TRANSAMERICA TITLE INSURANCE CO.  
130 West 6th St., Suite 100  
Portland, Oregon 97201

RECORDED  
INDEXED  
FILED  
JAN 1977  
CLERK  
COUNTY OF JACSON  
MAILED