VOL M71 PAGE 3223

SECURITY AGREEMENT AND ASSIGNMENT OF PROMISSORY NOTES, INSTRUMENTS, CHATTEL PAPERS AND LEASES

THIS SECURITY AGREEMENT AND ASSIGNMENT OF PROMISSORY NOTES, INSTRUMENTS, CHATTEL PAPERS AND LEASES, made this <u>M</u> day of January, 1971, by EDDIE MAYS ENTERPRISES, INC., TILLIE'S INCORPORATED, EDDIE MAYS SALEM PLAZA, INC., CONTINENTAL CATERING CO., an Oregon corporaton, and PORT-SAN, INC., an Oregon corporation, hereinafter called "Debtors," and each having its principal office at 2929 S.E. Powell Boulevard, Portland, Oregon 97202, to THE BANK OF CALLFORNIA, N.A., a national banking association, hereinafter called "Bank";

WITNESSETH:

FOR VALUE RECEIVED, Debtors hereby grant, sell, transfer, pledge, assign, convey, set over and grant a security interest unto Bank, its successors and assigns, all of the Debtors' individual and collective estate, right, title and interest in, to, under and by virtue of those certain promissory notes, instruments, chattel papers, contracts, security agreements and leases, with all amendments and modifications, if any, thereto, described in SCHEDULE A affixed hereto and made a part hereof, and in and to the personal property and equipment and/or any interest therein described therein under and by virtue thereof, together with the rights, powers, privileges, options and other benefits whatsoever of Debtors, or any one or more of them, therein or thereunder (all such rights, title and interest being hereinafter sometimes called the "Collateral") and each such promissory note, instrument, chattel paper, contract, security agreement and/or lease, together with any and all modifications or amendments thereto, being hereinafter sometimes referred to as the "Document."



Simultaneously with the execution of this Security Agreement and Assignment, Debtors shall deliver to the Bank all Collateral given as security by the Debtors, specifically including but not limited to all collateral documents given as security by the debtors of the Debtors.

This Security Agreement is made and given for the purpose of securing:

A. The payment of a Promissory Note made by EDDIE MAYS ENTERPRISES, INC., bearing even date herewith in the face amount of $\frac{373,000}{0}$, with interest, payable to the order of Bank;

B. Any and all other debts, obligations or liabilities, direct and indirect, absolute or contingent, now existing or hereafter arising, of the Debtors, or any one or more of them, to the Bank;

C. Performance and discharge of each obligation, covenant and agreement of Debtors, or any one or more of them, contained herein or in or under any certificate, instrument, agreement or document given or made by Debtors or any one or more of them to Bank at any time or times.

1. Each Debtor covenants and agrees with Bank that it will, at its sole cost and expense, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further act, deed, conveyance, assignment, security instrument and agreements, transfers and assurances, in law or in equity, as Bank shall require for the better assuring, pledging, assigning, and perfecting a security interest and confirming unto Bank all and singular the Collateral assigned or intended so to be, or which Debtors, or any one or more of them, may be or may hereafter become bound to assign or transfer to Bank.

-2-



2. Each Debtor covenants and agrees with Bank with respect to each Document that it will faithfully abide by, perform and discharge each and every obligation, covenant, condition, provision and agreement required in order to keep each Document in full force and effect and without default thereunder. It also agrees, at its sole cost and expense, to enforce or secure performance of each and every obligation, covenant, condition and agreement imposed on any other party thereto by the terms of the Document. If it should fail to cure any default of its obligations or fail to make any required payment or performance under the Document Bank may, but without any obligation so to do and without notice or demand to such Debtor and without releasing such Debtor from any obligation hereunder, take any actions Bank may deem necessary or expedient to protect Bank's security or to cure such default, and in the exercise of such powers to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and any sums expended by Bank under the authority hereof, together with interest thereon at the maximum legal rate permitted by law per annum shall be secured by this instrument and shall be immediately due and payable by Debtors to Bank upon demand.

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3. Bank shall not be obligated to perform or discharge any obligation under any Document or under or by reason of this Security Agreement and Assignment, and Debtors hereby agree to indemnify Bank against and hold it harmless from any and all liability, loss or damage which it may or might incur under a Document or under or by reason of this Security Agreement and Assignment, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms of a Decument; should Bank incur any such liability,

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loss or damage under a Document or under or by reason of this Security Agreement and Assignment or in defense against any such claims or demands, the amounts thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the maximum legal rate permitted by law per annum, shall be secured hereby, and Debtors shall reimburse Bank therefor immediately upon demand.

4. Debtors hereby authorize and direct Bank to notify any debtor of the Debtors, or any one or more of them, of the transfer and creation of the security interest in the Collateral and to advise such debtor to make all further payments directly to the Bank and by check payable to the order of the Bank, but if it should occur that payment is made by check payable to the Debtors, or any one or more of them, or to the Debtors, or any one or more of them, and the Bank jointly, the Debtors authorize the Bank to endorse the name of the Debtors, or any one or more of them, on any check, money order or other evidence of remittance. If any payment is made directly to the Debtors, or any one or more of them, Debtors agree to hold such payment in trust and to immediately deliver the check, money order or other evidence of remittance to Bank. Bank, in its name or in the name of the Debtors, may demand and enforce payment under any of the Collateral by suit, taking possession of the personal property or equipment, or otherwise, and to deal with the Collateral as the owner thereof as fully as Debtors, or any one or more of them, might do.

5. The Debtors shall be in default under this Agreement upon the occurrence of any of the following events:(a) failure to pay when due the principal of or interest



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on any promissory note, debt, obligation or liability of the Debtors, or any one or more of them, to Bank;

- (b) failure by the Debtors, or any one or more of them, to keep, observe or perform any provision of this Security Agreement and Assignment, or any other certificate, instrument, agreement or document given or made by Debtors, or any one or more of them, with or to the Bank;
- (c) Termination of business or commencement of any insolvency proceedings by or against Debtors, or any one or more of them.

6. Upon the occurrence of any event of default, Bank may, at its option and without prior notice, declare all notes and other debts, obligations and liabilities of the Debtors, or any one or more of them, secured by this Security Agreement immediately due and payable, and shall have and may exercise each and all of the rights and remedies granted to it by said notes, this Security Agreement and the Uniform Commercial Code of Oregon. All remedies of the Bank shall be cumulative. If Bank's realization on the proceeds of the Collateral exceeds the sums due to the Bank on the obligations of Debtors, or any one or more of them, the Debtors shall be entitled to the surplus; otherwise Debtors shall pay to the Bank on the latter's demand any deficiency that there may be.

7. Debtors waive demand, presentment, notice of dishonor and protest of any instrument either of Debtors or others which may be included in the Collateral or in the obligations secured hereby. Debtors consent and agree to any extension, postponement of time of payment, indulgences, and to any substitution, exchange or release of Collateral. Without limiting



the generality of previous provisions of this Security Agreement the Debtors specifically agree that the Bank shall have no duty:

- (a) to collect the Collateral or any proceeds thereof;(b) to preserve the rights of the Debtors, or any one or
- more of them, against prior or other parties;

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- (c) to realize on the Collateral in any particular manner or seek reimbursement from any particular source; or
- (d) to preserve, protect, insure or care for any personal property or equipment constituting part of the Collateral.

8. Any notice or demand required or permitted by this Security Agreement and Assignment to be given to or served upon Debtors shall be in writing and shall be sufficiently given or served for all purposes if it shall be sent by registered or certified mail, postage prepaid, addressed (unless and until another address is designated by written notice given to Bank) to Debtors, or any one or more of them, at 2929 S.E. Powell Boulevard, Portland, Oregon 97202.

9. All the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of Oregon. The obligation of each Debtor shall be joint and several.

10. In case suit or action is instituted by Bank to enforce any provision of this Security Agreement and Assignment, Debtors promise and agree to pay, in addition to the costs and disbursements provided by statute, such additional sum as the court may adjudge reasonable as attorneys' fees to be allowed in such suit or action, including those on any appeal thereof.

11. Upon payment in full of all indebtedness secured hereby and the due observance, performance and discharge of each

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3229 obligation, covenant and agreement secured hereby, this Security Agreement shall become and be void and of no effect. IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Security Agreement and Assignment on the day and year first above written. ENTERS EDDIE MAYS ENDERPRISES / INC S 1. [CORPORATE SEAL] President င်္ပ SF m 1. Back Secretary 4 TILLIE'S INCORPORATED ORECON x. [CORPORATE SEAL] President R -21 Secretary SENI: EDDIE MAYS SALEM PLAZA, INC. Sett. By 2520% President [CORPORATE SEAL] Bu By ecretary CONTINENTAL CATERING CO. President By [CORPORATE SEAL] By au in Secretary PORT-SAN, INC. By CONTORATE SEAL] President Debtors THE BANK OF CALIFORNIA, N.A. (CORPORATE SEAL) By Vice President Bank -- 7--



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1. 1 3231 STATE OF OREGON, County of Multnomah.) SS. On this 2 day of <u>te bauge</u>, 1971, before me, the undersigned, a notary public in and for the said county and state, appeared <u>the gase</u> of <u>to me personally known</u> who, being duly sworn, did say that he, the said _______ and ______, to me personally known, he, the said ________ President ______ ٢ he, the said _____, is the _____ President, and Secretary, of EDDIE MAYS SALEM PLAZA, INC., is the corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument is was signed and sealed in behalf of said corporation by authorhe, the said and ______ acknowledged said instrument to be the free act and deed of said corporation. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this, the day and year first in this, my certificate, written. Colleen Marill Notary Public for Oregon My commission expires STATE OF OREGON, County of Multnomah.) (ss. On this day of me, the undersigned, a notary public in and for the said county who, being duly sworn, did say that he, the said said , 15 the President, and he, the of CONTINENTAL CATERING CO., the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed of said corporation, and that the said instrument is the corporate sea and sealed in behalf of said corporation by authority of its he se th of to be the free act and deed of said corporation. acknowledged said instrument and IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this, the day and year first in this, my certificate, written. 0f 50 affix my cel Notary Public for Oregon My commission expires STATE OF County of me, the un and state, me persona Beat 1.1

3232 STATE OF OREGON, (ss. County of Multnomah. 1 ÷١ On this day of , 1971, before me, the undersigned, a notary public in and for the said county and state, appeared _______ and É. and who, being duly sworn, did say that he, the said he, the said ______, is the _______, is the ________, is the ________, that the seal affixed to said instrument is the corporation, and of said corporation, and that the said instrument is the corporate seal _, is the 17 of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board 1 and be the free act and deed of said corporation. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this, the day and year first in this, my certificate, written. Notary Public for Oregon ø My commission expires STATE OF OREGON, (ss. County of Multnomah, On this <u>15</u> day of <u>Invalue</u>, 1971, before me, the undersigned, a notary public in and for the said county and state, appeared <u>Richard 1. Wells</u>, to me personally known, who, being duly sworn, did say that he is the <u>Vice President of THE BANK OF CALIFORNIA</u>, N.A., the within named national banking association, and that the seal affixed to said instrument is the corporate seal of sealed in behalf of said association by authority of its Board of Directors, and he acknowledged said instrument to be the free act and deed of said association. 1 . M act and deed of said association. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this, the day and year first in this, my certificate, written. Notary Public for Oregon My commission expires MAURINE LACE NOTARY PUBLIC FOR GREGON My Commission Expires Nov. 6, 1973 -10-PRISE being

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(Affixed to and Made a Part of Security Agreement and Assignment of Promissory Notes, Instruments, Chattel Papers and Leases, dated 1971, by EDDIE MAY ENTERPRISES, INC. et al., Debtors, to THE BANK OF CALIFORNIA, N.A., Bank)

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 Promissory Note dated October 6, 1970, in the face amount of \$117,000.00 payable to the order of SENORA TILLIE'S INC., made by DONALD L. HANER.

2. Security Agreement (Equipment), dated September 22, 1970, given by DONALD L. HANER to TILLIE'S INCORPORATED to secure payment of the aforesaid \$117,000.00 Promissory Note, covering furnishings, fixtures and equipment described in Exhibit thereof and any and all furnishings, fixtures and equipment, all replacements acquired by debtor thereafter and all proceeds from any thereof, land, Oregon.

3. Promissory Note dated October 6, 1970, in the face amount of \$3,000.00 payable to the order of EDDIE MAYS ENTERPRISES, INC., made by DONALD L. HANER.

Lease dated October 1, 1970, by and between EDDIE MAYS ENTER-PRISES, INC., as lessor, and DONALD L. HANER, as lessee, covering certain premises described therein in more detail being located at 12035 N.E. Glisan Street, Portland, Oregon.

Promissory Note dated November 30, 1970, in the face amount of \$110,000.00 payable to the order of EDDIE MAYS ENTERPRISES, INC., and made by THOMAS D. MCCARNEY, LARRY C. BARNHART and

Undated Security Agreement (Equipment) made by THOMAS D. McCARNEY, LARRY C. BARNHART and DAVID B. POSTLEWAITE to EDDIE MAYS ENTERPRISES, INC., and CONTINENTAL CATERING CO. to secure payfurnishings, fixtures and equipment described in detail in an thereof and any and all furnishings, fixtures and equipment acquired by debtors thereafter, and all proceeds from any thereof, located at 800 East Burnside, Portland, Oregon.

Agreement dated November 30, 1970, by and between EDDIE MAYS ENTERPRISES, INC., CONTINENTAL CATERING CO. and THOMAS D. MCCARNEY, LARRY C. BARNHART and DAVID B. POSTLEWAITE covering the sale of 544 shares of the capital stock of CONTINENTAL CATERING CO.

8. 544 shares of the capital stock of CONTINENTAL CATERING CO. issued in the name of EDDIE MAYS ENTERPRISES, INC., subject to the terms and provisions of the Agreement described in Item 7.

Schedule A - Page 1.

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Schedule A - Page 2.

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sai Þoi 17. The real property description of the real property leased under the Lease described as Item 4 to this Schedule is as

That part of Lot 8, HAZELWOOD, in the County of Multnomah and State of Oregon, described as

Beginning at the point of intersection of the North line of N. E. Glisan Street and the West line of N. E. 122nd Avenue, as now laid out and established; thence Westerly along the North line of N. E. Glisan Street, 127.51 feet to a point which is 160 feet East of the East line of that tract of land conveyed to Cormany and Ruef, Partners, by deed recorded Feburary 27, 1948 in Book 1246, page 460, Deed Records, said point being the true point of beginning of the tract of land herein described; thence West along the North line of N. E. Glisan Street, 160 feet to the southeast corner of said Cormany and Ruef tract; thence North along the East line of said Cormany and Ruef tract, 160 feet to the southwest corner of that tract of land conveyed to Hesco, Inc., by deed recorded May 17, 1955, in Book 1722, page 503, Deed Records; thence East along the South line of said Hesco, Inc. tract, 160 feet; thence South parallel to the East line of said Cormany and Ruef tract, 160 feet to the true

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The real property description of the real property covered by the Assignment of Lease and Mortgage of Leasehold described as Item 12 to this Schedule is as follows:

A piece or parcel of land in the NW 1/4 of Section 3, Twp. 39 S. R. 9 E.W.M., more particularly described as follows:

Starting at the Northwest corner of Section 3, Twp. 39 S.R. 9 E.W.M., and running thence S. 0° 00 1/2' more or less, to its intersection with a line parallel with and fifty feet distant at right angles Southwesterly from the center line of the Dalles California State Highway, also known as South Sixth Street, as the same is now located and constructed; thence S. 55° 52 1/2' E. along said parallel line 1656.6 feet to a point from which the group on a pailurat point or bandard to E. along said parallel line 1656.6 feet to a point from which the cross on a railroad spike embedded in the asphalt roadway bears N. 34° 07 1/2' E. 11. feet; W. fifty feet to the true point of beginning of this description; thence S. 55° 52 1/2' E. parallel to South Sixth Street 358.8 feet to a point from which a cross chiseled in the concrete sidewalk hears N. 34° 07 1/2' chiseled in the concrete sidewalk bears N. 34° 07 1/2 Chiseled in the concrete sidewalk bears N. 34° U/ $1/2^{\circ}$ E. 61 feet, thence at right angles to South Sixth Street S. 34° 07 1/2' W. 206.3 feet, more or less, to an iron peg on the Northerly right of way line of the O. C. 4 E. RR; thence N. 66° 57 1/2' W. along said Northerly line 365.4 feet, more or less, to an iron

Schedule A - Page 3.

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