SECURITY AGREEMENT COVERING CONSUMER GOODS, FIXTURES, OR EQUIPMENT INCLUDING FARM EQUIPMENT

(May Be Used For Motor Vehicles In These Categories)

5163

May 12, 1971
(Date)

1. John L. Cockrell
(Name)

750 East 11th (No. and Street) Eugene (City) Lane (County) Oregon (State)

(hereinafter called "Borrower") hereby grants to UNITED STATES NATIONAL BANK OF OREGON, (hereinafter called "Bank"), its successors and assigns, a security interest in the following property and any and all additions, attachments, and accessions thereto (hereinafter called the "Collateral"):

One (1) General American Transportation Corp. 20,000 gallon capacity Railroad Tank Car, manufactured in Sharon, Pa. in May, 1971, Serial #RTLX 2158.

2. The security interest granted hereby is to secure payment and performance of the liabilities and obligations of Borrower to Bank of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called "obligations").

3. BORROWER HEREBY WARRANTS AND COVENANTS:

3.01 **TITLE.** Borrower is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and except for purchase money security interests in collateral acquired hereafter Borrower will defend the Collateral against all claims and demands of all other persons at any time claiming the same or any interest therein.

3.02 **USE.** The Collateral is bought or used primarily for

(Check one)
- ☐ Personal, family or household purposes
- ☐ Farming operations
- ☒ Business use

and if checked here ☐, is being acquired with the proceeds of loans by Bank to Borrower, which Bank may disburse directly to the seller of the Collateral.

3.03 **LOCATION OF COLLATERAL.** The Collateral will be kept at

(No. and Street) (City)

(County) (State)

or if left blank, at the address shown at the beginning of this agreement. Borrower will not remove the Collateral from said state without the written consent of Bank.

3.04 **LOCATION OF BUSINESS.** If the Collateral is bought or used primarily for business use, Borrower's place of business in said state is

(No. and Street)

(City) (County)

(if none, write "none"), or if left blank, is that shown at the beginning of this agreement. Borrower has ☐, does not have ☐ (check one) places of business in more than one county in said state.

3.05 **FIXTURES.** If the Collateral is to be or has been attached to real estate, a description of the real estate is as follows:

and the name of the record owner is

Borrower will on demand of Bank furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is prior to Bank's interest.

3.06 **PERFECTION OF SECURITY INTEREST.** The Borrower agrees to execute and file financing statements and do whatever may be necessary under applicable law to perfect and continue the Bank's interest in the Collateral, all at Borrower's expense.

3.07 **SALE PROHIBITED.** Borrower will not sell or offer to sell or otherwise transfer the Collateral or any interest therein without the written consent of Bank.

3.08 **INSURANCE.** Borrower will have and maintain insurance at all times with respect to all Collateral against such risks as Bank may require, in such form, for such periods and written by such companies as may be satisfactory to Bank. All policies of insurance shall have endorsed thereon Bank's standard loss payable clause and/or such other endorsements as Bank may from time to time request and Borrower will promptly provide Bank with evidence of such insurance. Bank is hereby made attorney in fact for Borrower to obtain, adjust, settle, and cancel, in its sole discretion, such insurance and endorse any drafts. In the event of failure to provide insurance as herein provided, Bank may, at Bank's option, provide such insurance.

3.09 **ADVERSE LIENS AND USE.** Borrower will keep the Collateral free from any adverse lien, security interest (except as provided in paragraph 3.01 above) or encumbrance and in good order and repair and will not waste or destroy the Collateral or any part thereof. Borrower will not use or permit any one to use the Collateral in violation of any statute, ordinance, or state or federal regulation; and Bank may examine and inspect the Collateral at any time, wherever located.

3.10 **TAXES AND ASSESSMENTS.** Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the obligations.

4. **BANK'S RIGHT TO PAY TAXES, ETC.; BORROWER'S RIGHT TO POSSESSION.** At its option Bank may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral.

4.1 Until default Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

5. **DEFAULT.** Borrower shall be in default under this agreement upon the happening of any of the following events or conditions:

5.01 default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

5.02 any warranty, representation or statement made or furnished to Bank by or on behalf of Borrower proves to have been false in any material respect when made or furnished;

5.03 any event which results in the acceleration of the maturity of the indebtedness of Borrower to others under any indenture, agreement or undertaking;

5.04 loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon;

5.05 death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Borrower or any guarantor or surety for Borrower, or entry or any judgment against them, or failure of any guarantor or surety for borrower to provide Bank with financial information promptly when requested by Bank.

5.10 Upon such default and at any time thereafter Bank may declare all Obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code. Bank may require Borrower to assemble the Collateral and make it available to Bank at a place to be designated by Bank which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Bank will give Borrower reasonable notice of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown at the beginning of this agreement at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Bank's reasonable attorney's fees and legal expenses.

6. **ADDITIONAL SECURITY.** Regardless of the adequacy of any security which the Bank may at any time hold hereunder, and regardless of the adequacy of any other security which the Bank may obtain at any of its offices from Borrower in connection with any other transactions, any deposits or other moneys due from Bank at any of its offices to Borrower shall constitute additional security for, and may be set off against, obligations secured hereby even though said obligations may not then be due. Any and all instruments, documents, policies and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property and the proceeds thereof owned by Borrower or in which Borrower has an interest, which now or hereafter are at any time in possession or control of Bank at any of its offices or in transit by mail or carrier to or from Bank or in the possession of any third party acting in Bank's behalf, without regard to whether Bank received the same in pledge, for safekeeping, as agent for collection or transmission, or otherwise, or whether Bank has conditionally released the same, shall constitute additional security for obligations and may be applied at any time to obligations which are then due whether by acceleration or otherwise.

7. **GENERAL.** Bank shall not be deemed to have waived any of Bank's rights hereunder or under any other writing signed by Borrower unless such waiver be in writing and signed by Bank. No delay or omission on the part of Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All Bank's rights and remedies, whether evidenced hereby or by any other writing shall be cumulative and may be exercised singularly or concurrently. Any demand upon or notice to Borrower that Bank may give shall be effective when addressed and mailed to Borrower's address at which Bank customarily communicates with Borrower. This agreement and all rights and liabilities hereunder and in and to any and all obligations secured hereby, and in and to all collateral described above, shall inure to the benefit of the Bank and its successors and assigns, and shall be binding upon the Borrower and its successors and assigns. Whenever there is no outstanding obligation and no commitment on the part of Bank under any agreement which might give rise to an obligation, Borrower may terminate this agreement upon written notice to Bank. Prior to such termination this shall be a continuing agreement in every respect. This agreement shall be governed by the law of Oregon. This agreement is intended to take effect when signed by Borrower and delivered to Bank.

7.1 Borrower shall pay to Bank on demand, together with interest at the highest rate allowed by law, any and all expenses, including legal expenses and reasonable attorney's fees, reasonably incurred or expended by Bank in the insurance, discharge of encumbrances as provided by paragraph 4 above, protection, storage, maintenance, and liquidation of Collateral pledged hereunder and in the collection or attempted collection of proceeds thereof and in protecting and enforcing the covenants and other rights of Bank hereunder.

7.2 If anything in this agreement is held to be illegal, then only that portion is void and not the entire agreement.

7.3 If this agreement is signed by two or more persons they shall be jointly and severally liable thereunder.

8. **SPECIAL PROVISIONS.** (If none, write "None")

None

Signed and delivered to Bank on the day and year first above written.

Carolyn Cockrell
(Name of Co-Borrower)

Carolyn Cockrell
(Co-Borrower's Signature)

John F. Cockrell
(Name of Borrower)

By John L. Cockrell
(Authorized Signature)

BORROWER