

by a realtor and/or other persons competently qualified to appraise the value of Ellison's equity in said assets. And, in addition;

- (b) Farley may require Smith-Henry, Inc. to secure the balance due and owing on said note by executing and delivering unto him mortgages and/or instruments of security encumbering any or all of its assets, real or personal, to the extent that it may have an interest therein, and to the extent that the indebtedness to Farley is fully secured. In this connection, it is understood that the security that Farley may demand of Smith-Henry, Inc. shall not exceed the balance of the indebtedness due and owing him on the June 22, 1979 promissory note, and it is further agreed that what may or may not be sufficient security to fully secure the said indebtedness shall be determined and/or verified by a realtor and/or other persons competently qualified to appraise the value of Smith-Henry's equity in said assets. And, in addition;
- (c) Farley may require Ellison and Smith-Henry, Inc., in combination, to secure the balance due and owing on said note by executing and delivering unto him mortgages and/or instruments of security encumbering any or all of their assets, real or personal, to the extent that they may have an interest therein, and to the extent that the indebtedness to Farley is fully secured. In this connection, it is understood that the security that Farley may demand of Ellison and Smith-Henry shall not exceed the balance of the indebtedness due and owing him on the June 22, 1979 promissory note, and it is further agreed that what may or may not be sufficient security to fully secure the said indebtedness shall be determined and/or verified by a realtor and/or other persons competently qualified to appraise the value of Ellison's and Smith-Henry's equity in said assets. And, in addition;
- (d) Farley may require Smith-Henry, Inc. to assign its interest in and to any promissory notes that it holds, to include notes that may have been executed by and on behalf of The Pantry, as security and to guarantee payment and satisfaction of the balance due and owing on the said June 22, 1979 promissory note.

7. It is further agreed that Farley may immediately file notices of pendency of action against Ellison, Smith-Henry and Notes Receivable, in the counties in which they own real property or have an interest therein. In this connection, the parties hereto intend for this instrument to act as a lien and encumbrance on all such real property assets, and same may be filed of public record for such purposes. It is further agreed and understood that if the indebtedness owed to Farley is not fully

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