

805

SECURITY AGREEMENT Vol. ⁱⁿ 25 Page 5374

38-7959

This Agreement is made and entered into on May 16, 1975
by and between INDEPENDENT FARMS, LTD., a California limited
partnership (Independent Farms), and UNION BANK, a California
banking corporation (Bank).

Bank has agreed to extend the loan to Independent Farms in
an amount not to exceed \$350,000.00, said loan is to be guaranteed
by Russell H. Gillman, Eli Blumfield, Sidney Greenfield, Indepen-
dent Tool & Supply Company and Independent Warehouse and Distribu-
ting Company.

This Agreement is to set forth the understanding of the
parties in connection with that loan and to establish the security
therefor. In consideration of the mutual covenants and conditions
hereof the parties agree as follows:

1. Independent Farms hereby grants to Union Bank a security
interest in and to the below described property and herewith
assigns to Union Bank as security for the payment of its obliga-
tion to Union Bank under Union Bank's loan of not in excess of
\$350,000 all right, title and interest it presently has, or may
in the future acquire in and to the following described property:

A. All right, title and interest in and to that cer-
tain approximately 1800 acres of real property located at Sprague
River, Oregon, being portions of Sections 8, 9, 10, 11, 15, 16
and 17 of Township 36 South, Range 11 East of the Willamette
Meridian, Klamath County, Oregon, which is the subject of that

RECORDED MAY 19 1975

11:30 am

5375

certain written agreement of sale dated March 1, 1972 (hereinafter referred to as "Sales Agreement") originally by and between Accurate Electronics, Inc., as Vendor, and Independent Farms, as Vendee. Said Agreement transfers to Independent Farms all interest of Accurate Electronics, Inc. in said property as Vendee under prior agreements of sale.

(i) The fee simple title to said real property presently stands in the name of First National Bank of Oregon (First National) and First National as Vendor under the initial sales agreement is obligated to convey title to the Vendee or its successors, in this case Independent Farms, upon the repayment of certain obligations due to First National and First National has no other right, title or interest in and to said property other than its security interest.

2. It is agreed between Bank and Independent Farms that in the event that First National is repaid the amount outstanding and the conditions are met to release their encumbrance on the property and convey title, Union Bank shall also be paid in full under the obligation which is secured hereby. Should First National wish to convey the property to Independent Farms and take back as security a mortgage or deed of trust as opposed to retaining legal title to the property, in that event, Independent Farms shall execute and deliver to Union Bank a mortgage or deed of trust with the same relative priority as Union Bank's security

5376

interest hereunder has at the time of execution of this Agreement as security for the loan secured hereby.

3. Independent Farms will execute a promissory note on the standard form therefor used by Union Bank to evidence the loans secured hereby, and by reference each of the provisions thereof are incorporated herein as though fully set forth here in full.

4. Independent Farms by the execution of this Agreement grants to Bank the authority and appoints Union Bank as agent, to serve any notice it deems necessary on any person or entity to give full force and effect to the Agreement and appoints Union Bank as attorney-in-fact to demand and receive and enforce payments, to execute all documents, instruments and other papers either in the name of Independent Farms or in the name of Bank in the same manner and with the same effect as if this Security Agreement had not been executed, all to carry out the purposes and intent of this Security Agreement.

5. If suit is brought to enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs in addition to any other remedy or recovery awarded by the court.

6. Independent Farms hereby agrees and covenants on demand to execute all such additional agreements, contracts, indentures, documents and instruments in connection with this Agreement as Bank in its sole discretion may consider necessary and proper.

5377

7. This Agreement shall be recorded in the real property records of Klamath County, Oregon and a financing statement covering the interest granted hereby shall be recorded under Title 9 of the Commercial Code of the State of Oregon.

Executed on the date first above written.

INDEPENDENT FARMS, LTD., a
California limited partnership

Call and Call By
By *R. Knight V. Call*
Call & Call, General Partner

UNION BANK

By *Dennis McGaughey*
Title Dennis McGaughey, Asst. Vice President

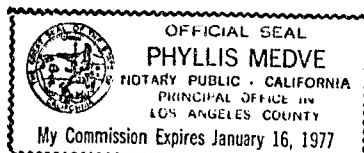
By *Robert L. Modell*
Title Robert L. Modell, Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

5378

On May 16, 1975, before me, the undersigned, a
Notary Public in and for said State, personally appeared
DWIGHT CALL, known to me to be one of the general
partners of the partnership that executed the within instrument,
and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.



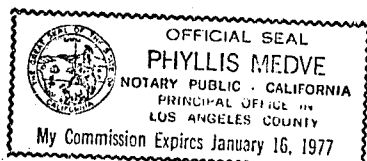
Phyllis Medve
Notary Public in and for
said County and State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

Return to:
Loft Russell Remstein
1880 Century Park East
Los Angeles, CA 90067

On May 16, 1975 before me, the undersigned, a
Notary Public in and for said State, personally appeared
ROBERT L. MODELL, known to me to be a vice president, and
DENNIS McGAUGHEY, known to me to be an
assistant vice president of the corporation that executed the
within instrument, known to me to be the persons who executed the
within instrument on behalf of the corporation therein named, and
acknowledged to me that such corporation executed the within in-
strument pursuant to its bylaws or a resolution of its board of
directors.

WITNESS my hand and official seal.



Phyllis Medve
Notary Public in and for
said County and State

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of TRANSAMERICA TITLE INS. CO

this 19th day of May A. D., 1975 at 11:30 o'clock AM. and duly recorded in

Vol. M. 75 of DEEDS on Page 5374

FEE \$ 10/00

WM. D. MILNE, County Clerk

By *Hazel Drazie* Deputy