

EXHIBIT C

This Exhibit is attached to and made a part of that certain Security Agreement-Farm Loan dated April 28, 1987, pertaining to Section 1.1, between Cheyne Brothers aka Cheyne Bros., a partnership, Klamath Potato Distributors, Inc., an Oregon Corporation, Vincent O. Cheyne, Diane L. Cheyne, James C. Cheyne and Loretta M. Cheyne.

The following equipment is owned by Vincent O. Cheyne:

- 1969 International F856D Wheel Tractor s/n 25016
- 1972 International F1566 Wheel Tractor with cab s/n 13996
- 1968 International F544 Wheel Tractor s/n 10879
- International Super M. Wheel Tractor s/n 210384
- 1974 International 1066 Wheel Tractor with cab s/n U044012
- 1968 International F544 Wheel Tractor s/n 12445
- 1973 International 1066 Wheel Tractor, s/n 210547740
- International TD14 Crawler Tractor, with canopy and hydraulic blade s/n TDF10513T70M
- Lockwood EX 3 point potato Windrower s/n 5111.
- Lockwood Mark 15 3 point Potato Windrower s/n 8041EF
- Lockwood Mark XL 3 point Potato Harvester s/n 90434H
- 1966 International 806 Wheel Tractor with cab s/n 19496F
- 1973 International 1466 Wheel Tractor with cab s/n 2650134V03143
- 1974 International Load Star 1800 Potato Truck with potato bed s/n 21486
- Freeman Bailer s/n 63576
- 1969 Ford s/n F61CRE071
- 1969 Ford F600 Bulk Truck s/n F61CRF14958 with bed and chainlink conveyor
- 1968 Ford F600 Bulk Truck, s/n F61CR018760 with bed and chainlink conveyor
- 1974 Steiger Articulated Wheel Tractor, Bear Cat II with cab and duals s/n 55052
- Portable Berkley 10" Pump s/n 3748D with cat diesel engine
- Portable Cornell 8" Pump s/n 13811 with gas engine
- Portable Berkley 10" Pump s/n 769906 with cat diesel engine
- 1965 Chevrolet 060 Bulk Truck s/n RC6835081633 with bed and chainlink conveyor
- 1967 Ford F600 Bulk Truck s/n F60CRA15566 with bed and chainlink conveyor
- 1974 International 1800 Bulk Truck s/n 15682CCA20391 with bed and conveyor
- 1974 Chevrolet Bulk Truck s/n 674V166619 with 20' bed and chainlink conveyor
- 1975 International Bulk Truck s/n 17795 with 20' bed and chainlink conveyor
- 1956 Ford T700 Flatbed Truck s/n T70J6477494
- 1959 Chevrolet Flatbed Truck s/n 6C590101761
- 1960 Ford F600 Flatbed Truck s/n F60COR10949
- 1959 Ford F600 Truck s/n F60C9R11786
- 1963 Fruehauf Lowboy Trailer s/n FWD701201
- 1982 F S System V-Bottom Bulk Trailer s/n F020001

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Equipment List

7644

Page 2 of 6

- 1970 Fruehauf 40' Dry Van Trailer s/n MEK852575
- 1965 White Freightliner COE Truck Tractor s/n AP16675
- Lockwood Potato Planter model 06200-0041, s/n 623377
- Combination Rototillers, two spring tooth, drum rollers, 3 way disc, two fertilizer spreaders, Clampco Inc. Planters, Leroy RH 400-40 3 point four Rototiller, all 3 point, United Rototiller s/n 81-3-121451B
- Portable Cornell 12" Pump with GMC diesel engine
- Portable Cornell 8" Pump with gas engine
- Portable Cornell 8" Pump with gas engine
- Portable Cornell 8" Pump with gas engine
- Portable Cornell 12" Pump with cat diesel engine s/n 85B140
- Portable Cornell 12" Pump with cat diesel engine s/n 85B553
- Weston Land Roller
- 1970 Lewis Potato Feeder with incline belt conveyor, 24' extension model 981811 s/n 0070
- Lockwood Piler model 12324-36 s/n 482
- Brady Vine Beater model 840 s/n 574
- Spudnik single axle Potato Piler with 2 hp electric drive s/n 676
- Wheel lines, irrigation equipment, additional pumps, motors, pipe trailers.
- Shop equipment, grinders, presses, welders, shop trucks, lathes.
- Additional tillers, horrows, discs, set plows, and potato processing equipment and tractors.
- International Harvester Tractor H s/n 62283
- Massy Tractor and Back Hoe s/n 6425
- Caterpillar D2 589089
- 3 Northwest Rototillers s/n 2122, 3396, and 3768
- 3 International Harvester Chisel Plows s/n 8654
- Speedy Beater s/n 81-3-121451B
- International Plow 4 Bottom s/n 642
- Swedish Trailer Cultivator s/n 361620316
- Peugh Ripper Ditcher
- 2 Rollers Potato
- 3 Bedders Potato Tool Bar
- Tracson Carryall s/n 10027
- 12' Scraper
- 3 Cultipackers
- Big Ed Ripper
- Lely Rotera s/n 400-40-838
- 2 Trailers and Tanks - home made
- International Harvester Drill s/n 620C1311
- Brillion 16' Clod Stomper s/n 113773
- International Harvester Front End Cultivator
- Lilliston 4 Row Cultivator
- 8 Harrows
- Carrier
- Lockwood Planter s/n 62337
- Milestone Seed Cutter sn/ 700821
- Spudnik Piler Model 400 s/n 1246
- Lockwood Piler Model 104 s/n P12324-2B
- Lockwood Elevator model 401 s/n 91241500
- Spudnik Elevator s/n 676
- Lockwood Seed Elevator s/n 5112316-16

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Equipment List

7645

Page 3 of 6

Ford 2 Ton Truck s/n F60CRA15566
Trailmobile Trailer s/n 8104020407
Trailmobile Trailer s/n 8103521467
3 1/4 Mile Wheel Lines
2 1/4 Mile Wheel Lines
420 Acres Solid Set Sprinklers

The following equipment is owned by Cheyne Brothers:
30"X30" steel through unloading belt conveyor, to 30"X15' steel trough
incline belt conveyor, both with electric gear head drives, supports,
and controls. 9'X5'X6' steel constructed potato wash and dump system,
floor inserted, all electric pumps, electric motors, controls,
transfer pipe and sensors. 42" flanged incline belt load out conveyor
with 4 station spray system. All rock and dirt separating systems.
Water agitators and return pumps. Steel 18'X12'X15' potato holding
bin, top load, bottom belt discharge conveyor with 1 hp electric gear
head drive. F.M.C. 6 station sorting system with 12 drop out chutes,
grade belt stations, roll station, electric gear head drives. All
grade belt off feed conveyors with electric drives, 4 position grade
table with belt and sort flanged conveyors. Three steel sort and hold
storage bins with belt infeed/outfeed conveyors and electric gear head
drives. All steel supports, catwalks, and walkways. 16 station
Weigh-O-Matic bagger with twist and lock station. 6 station revolving
sort, 4 row grade cup station, all feed conveyors and electric drives.
All electric Allen Bradley center line electric panel switch control
board. 14 station Weigh-O-Matic bagger with infeed outfeed conveyor.
Steel constructed 5 chute box drop station. ACME box stitcher s/n
B2464-2. Interlake box stitcher model H12P, s/n 827704. All steel
structure supports, chutes, and controls. Approximately 6 portable
24" and 30" belt conveyors with electric gear head drives.

Portable Berkley 10" pump s/n 66B43423 mounted on 2 axle trailer
Portable Berkley 10" pump s/n 660362B mounted on 2 axle trailer
Portable Cornell 10" pump s/n 140218 mounted on single axle trailer
Portable Cornell 10" pump s/n 149227 mounted on single axle trailer
Lockwood self-contained potato digger model 6030-0660 s/n 131
Lockwood self-contained potato digger model 6030-0660 s/n 114574
Lockwood 3 point potato digger model 6030-0206 s/n 1285
1976 John Deere turbo 7700 Combine, s/n 215082H with 220 header s/n
222667

Two portable Gas Tanks with pumps
Two Pipe trailers, 2 axle and racks
Better Built Potato Seed Cutter, s/n 950-115-70
Lockwood Potato Planter
Hallway Potato Digger
Spudnik Elevator Piler model DRP820 s/n 68477
1976 Lewis Potato Dry Grader model B004H s/n 0023
1979 Allis Chalmers 7020 Wheel Tractor s/n S2410
Exide Battery Charging Station, s/n 3870055FF
Elliott Mfg. Co. Case Gluer model 76-10 s/n 76-7-20

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Equipment List

Cat V40B Forklift, s/n 79M2730
 1974 International Conv Potato Bulk Truck 1800 s/n 15682DCA20527
 1974 International Conv Potato Bulk Truck 1800 s/n 15682DCA2116
 1974 International Conv Potato Bulk Truck 1800 s/n 1562DCA21128
 1978 Gooseneck Trailer 18' bed s/n GSFD2084818 Model 900 Eliminator

sorter
 All shop equipment including presses, lathes, skid steer loader, cranes, jacks, welders, and grinders.

Irrigation equipment, wheel lines, electric motors, pumps, and controls

International 806 Wheel Tractor s/n 546-5Y

2 30'X8' Belt pups model 2200 s/n 17771790

Spudnik Piler s/n 278

2 1000 fuel tanks s/n 7305-71

Irrigation Equipment as follows:

1390'6" Main Line

129910'3" Lateral Pipe

3310'8" Main Line

3020'10" Main Line

1050 12" Main Line

4 Dragon Filters

3 Ditch Screens

2 Filter Main folds 120 3" End Plugs

30 3" Elbows

20 3" Tees

30 3" Openers

Misc. Parts and Attachments

Lewis Scoopie s/n 0070

Lewis Bulk Seed Elevator

Northwest Tiller

Kewanee Mulcher s/n 1288

IH Chisel Plow

A.C. 12' Packer

Saizer 10' Packer

Flow Packer 4 Bottom

Big Ed Ripper

Misc. Tools and Equipment

The following equipment owned by Klamath Potato Distributors, Inc.:

21' x 66' drive-through, 2 station, bulk carrier wash and spray line. Open ends and top. 2 sided. Plastic panel fill-ins. Steel pipe and angle structure support with water spray nozzles, two water pumps, one 25 hp electric drive, one 20 hp electric drive and controls. 24" x 60' 3 section steel through, belt unloading conveyor with electric gear head drive. All electric water pumps, returns, and controls. 18' x 18' x 5' steel water tank with 48" flanged belt washed potato incline, 5 spray bar water system with pumps and electric drives. Complete electrical panel control. 10 safety switch boxes, breaker panels, and transformer. Shopmade 6' x 9' potato wash tank with nylon roll scrubbers, drain pump, hydraulic operated lift, hydraulic

Equipment List

Page 5 of 6

reservoir, 3 hp electric motor and controls. 6' x 6' stainless steel wire mesh separator with hydraulic drive steel chute dropout and belt conveyor. 6 station grade and sort system with weight cup dropout, F.M.C. manufacturer. 42" roll out with 8 grade station, two (2) belt, steel through conveyor, spiral roll transfer 4' belt grade and roll and steel grade plates, all electric gear head drives, steel supports, all console controls, and electric panel station. Four (4) all steel potato holding storage tanks with overhead steel through belt conveyors, manual set on grade system.

All steel stairs, catwalks, sensors, and miscellaneous portable conveyors. ELLIOTT MFG. CO. box gluer, model 8-14, s/n 84-5-16. C S T hotstitch controls, 8 station WEIGHMATIC bagger with stitcher-sealer s/n 27S. 30" flanged belt incline to 6' x 6' shaker, 18 station WEIGH-O-MATIC bagger, chain driven with electric gear head drive and twist and lock former. Complete electrical switch gear panel with gutter, transformer, and breaker panel. IDEAL stitcher model W S A 110-42. MCCORMICK compressor with electric motor, cooler, and duct work.

MOTO-TRUCK electric pallet forklift.

Hyster electric pallet forklift s/n E058.3

1981 Hyster 4000 lb Forklift s/n 2092B

Clark Bobcat Skid Steer Loader s/n 4892M71254

International Super M Wheel Tractor

Lockwood Mark 15, Windrower s/n 97760F

Lockwood Mark 76 Potato Bulker s/n 203776

Approximately 1974 International 1566 Wheel Tractor

Approximately 1974 Yale Lift Truck, Model L83C-040-SAS08B

S/N L272042

1968 Mack Truck Tractor s/n LST2544 and 5th wheel

1971 Hobbs 40' Refrig. Van s/n 866602

1970 Fruehauf 40' Dry Van s/n 852657

1972 International COE Truck Tractor s/n 32398 and 5th wheel

1972 White Freightliner COE Bulk Truck s/n 55084

1965 White Freightliner COE Bulk Truck s/n 17349

1976 International Conv. Bulk Truck s/n 25927

1976 International Conv. Bulk Truck s/n 25944

All Motorola radio equipment with sender/receiver

1975 International Conv. Bulk Truck s/n 17613

1976 Ford F800 Bulk Truck s/n 37581

1979 GMC C70 Bulk Truck s/n 579854

1980 Ford F100 4x4 Pickup s/n 0930

1974 Ford F100 Pickup Truck s/n 66303

1963 Dodge Conv. Dump Truck s/n 275615

All shop equipment welders, lathes, presses, grinders, jacks, cranes, and supplies

White Freightliner COE Truck Tractor s/n 104564 and 5th wheel

1979 Chevrolet Pickup s/n 78021

1974 Chevrolet 2/TRK s/n 36898

1974 Chevrolet 2/TRK s/n 48985

1983 Ford 1 ton F350 Truck s/n 16571

Two (2) single axle Dollies with 10X20 tires

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Equipment List

7648

Page 6 of 6

1962 Fruehauf 40' Dry Van s/n 197806
1971 Hobbs 40' Ref. Van s/n 86601
1974 Utility 40' Dry Van s/n 36005
1982 J.B. 5th wheel trailer s/n 01982-01
1963 White Freightliner s/n AP09524 and 5th wheel
1960 Kenworth bulk truck s/n 73543 and 5th wheel
1976 International Conv. 2050 Potato Truck s/n 17775
1966 White Freightliner COE Bulk Truck s/n 21455
105 foot scales with digital readout and scale hours
1969 Fruehauf 40' Dry Van s/n 824591
1969 Fruehauf 40' Dry Van s/n 24602
1969 Fruehauf 40' Dry Van s/n 57192
1963 International Dump Truck s/n Yf192APD314844
Western Battery charger, model 6515 FIA s/n 1952
Western battery charger, model 6515 FIA s/n 1951

Cheyne Brothers aka Cheyne Bros.

BY: James C. Cheyne
Partner

Klamath Potato Distributors, Inc.

BY: James C. Cheyne
Title

Vincent O. Cheyne
Vincent O. Cheyne, Individually

James C. Cheyne
James C. Cheyne, Individually

Date: Apr. 26.87

Diane L. Cheyne
Diane L. Cheyne, Individually

Loretta M. Cheyne
Loretta M. Cheyne, Individually

Legal Descriptions

EXHIBIT A

This Exhibit is attached to and made a part of that certain Security Agreement - Farm Loan dated April 28, 1987, between Cheyne Brothers aka Cheyne Bros., a partnership, Klamath Potato Distributors, Inc., an Oregon Corporation, Vincent O. Cheyne, Diane L. Cheyne, James C. Cheyne and Loretta M. Cheyne.

Oregon Land
Legal Descriptions

Hilyard - legal description

The following described real property situated in Klamath County, Oregon:

W 1/2 W 1/2 NE 1/4, EXCEPT the East 198 feet thereof in Section 18, Township 39 South, Range 10 East of the Willamette Meridian.

SE 1/4 of Section 18 Township 39 South, Range 10 East of the Willamette Meridian, EXCEPT a tract beginning at the Southeast corner of Section 18, said point begin marked by a 1 1/4"x32" iron pin stamped OLS 354, thence North 89 52'30" West along the South line of said Section 18 a distance of 1000.00 feet to a 5/8"x30" iron pin with aluminum cap stamped OLS 354, thence North parallel with the East line of said Section 18 a distance of 261.36 feet to a 5/8"x30" iron pin stamped OLS 354, thence South 89 52'30" East parallel with the South line of said Section 18 a distance of 1000.00 feet to a 5/8"x30" iron pin with aluminum cap stamped OLS 354 on the East line of said Section 18, thence South along the East line of said Section 18 a distance of 261.36 feet to the point of beginning.

SE 1/4 NE 1/4 OF Section 18, Township 39 South, Range 10 East OF THE Willamette Meridian.

A portion of Section 17, Township 39 South, Range 10 East of the Willamette Meridian, more particularly described as follows:

Commencing at the corner common to Sections 17, 18, 19, and 20, Township 39 South, Range 10 East of the Willamette Meridian, thence North along the West boundary of Section 17, 30.0 feet to the true point of beginning, thence North 89 32'36" East along the North boundary of Reeder Road, 947.17 feet to the West boundary of the Klamath Irrigation District "B" Canal, thence along said canal boundary of the Klamath Irrigation District "B" Canal, thence along said canal boundary 266.0 feet along a 904.93 foot radius curve left, (the long chord bears North 10 04'15" East, 265.06 feet) thence North 1 39" East 1678.70 feet, thence 530.37 feet along a 408.10 foot radius curve to the right (the long chord bears North 38 52'50" East, 493.83 feet) to a point 25.00 feet West from the center line of a drain ditch thence North 4 31'10" West parallel to said drain to the North boundary of the SW 1/4 NW 1/4 of said Section 17, thence West along

said boundary to the West boundary of Section 17, thence South along the West boundary of Section 17 to the true point of beginning.

Green - Legal Description

All that portion of the following described property lying East of center line of irrigation ditch as presently located:

A parcel of land situated in the SE 1/4 SW 1/4 of Section 7 and the NE 1/4 NW 1/4 of Section 18 all in Township 40 South, Range 10 EWM, Klamath County, Oregon, begin more particularly described as follows: Beginning at a point in Section 18 from which the East one-quarter corner of said Section 18 bears South 54° 24' 25" East, 4271.20 feet distant, said point being the intersection of the Northeast right of way line of the Klamath Falls-Malin Highway (Oregon Highway #39) with an existing fence line, said point also being the Northwest corner of property described in Deed from Joseph R. Cook, et al, to Monte J. Brollier in Micro records, M74, Page 8982; thence N 89° 22' 48" East along said fence line 792.30 to a point on the North-South center-of-section line of said Section 18, said point also being the Northeast corner of property described in Deed M74, Page 8982; thence N 00° 23' 45" West along said center-of-section line 175 feet, more or less, to the North one-quarter corner of said Section 18; thence North along center-of-section line of said Section 7, 1302 feet, more or less to a point on the Southerly right of way line of Elliott Road; thence West along said right of way line 1320 feet, more or less, to the West line of the SE 1/4 SW 1/2 of said Section 7; thence South along said West line to a point where said West line intersects the Northeastly right of way line of said Oregon Highway #39; thence South 33° 27' 04" East along said right of way line to the point of beginning.

Agency Lake - legal description

The following described real property is situated in Klamath County, Oregon:

Approximately 100 acres NW 1/2 Section 12, Township 36S, Range 7 1/2 East Willamette Meridian.

Approximately 70 acres SE 1/2 Section 1, Township 36S, Range 7 1/2 East Willamette Meridian.

Approximately 150 acres N 1/2 Section 35, Township 35, Range 7 1/2 East Willamette Meridian.

Approximately 200 acres, N 1/2 Section 34, Township 35, Range 7 1/2 East Willamette Meridian.

Ward - legal description

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All that portion of Farm Unit "C" in Section 16, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon;

Beginning at a point on the West line of said Farm Unit "C" at the intersection thereof with the North line of proposed 80 foot roadway running through said Farm Unit "C" being further described as South 0 03" East 277.9 feet from the Northeast corner of the SE 1/4 SW 1/4 of Section 16; thence North 70 45' East along the North line of said proposed highway a distance of 703 feet; thence North 78 10' West 708 feet; thence South 1 03' East 502.5 feet more or less to the point of beginning.

EXCEPTING THEREFROM THE FOLLOWING:

A tract of land situated in Farm Unit "C" and Government Lot 6, being in the SE 1/4 of Section 16, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the East 1/4 corner of Section 16; thence South 00 14' West 1150.00 feet to intersection of Broadway and centerline of Rosicky Avenue; thence North 89 46' West along the centerline of said Rosicky Avenue and its extension, 2087.16 feet to a point marking the true point of beginning; thence South 00 14' West 216 feet, more or less, to the Northerly right of way line of Depot Road; thence South 71 23'40" West along said right of way line 588 feet, more or less, to the West line of the SE 1/4 of said Section 16; thence Northerly along the West line of the said SE 1/4 406 feet, more or less, to a point which bears North 89 46' West from the true point of beginning, thence South 89 46' East 557 feet, more or less to the true point of beginning.

Weston - legal description

That portion of the E 1/2 SE 1/4 SE 1/4 lying Southwesterly of the Northeasterly line of the C 7 Lateral and the West half of the Southeast quarter of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 7 and North half of the Northeast quarter of Section 18, in Township 40 South, Range 10 EWM, Klamath County, Oregon.

Cheyne Brothers aka Cheyne Bros., a partnership

BY James C. Cheyne Partner

Klamath Potato Distributors, Inc.

BY James C. Cheyne Title

Vincent O. Cheyne, Individually

James C. Cheyne, Individually

Diane L. Cheyne, Individually

Loretta M. Cheyne, Individually

DATE: 5/26/87

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of U.S. National Bank of Oregon the 5th day of May A.D., 19 87 at 3:10 o'clock P M., and duly recorded in Vol. M87, of Mortgages on Page 7642.

FEE \$41.00

Evelyn Biehn, County Clerk
By Ann Smith