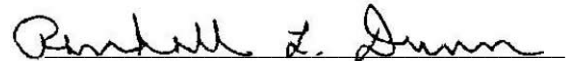


Below is an Order of the Court.



RANDALL L. DUNN
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT

DISTRICT OF OREGON

In re

Bonavia Timber Company, LLC, and
Nevada First Corporation,

Debtors.

Case No. 11-39459-rld11

LEAD CASE

(Jointly Administered with
Case No. 11-39460-rld11)

**ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

Debtors' First Amended Joint Plan of Reorganization (May 30, 2012) (the "Plan") having come on for hearing on May 31, 2012, and Third Eye Capital Corporation, as agent for Strative Capital, Ltd. ("Third Eye") having filed the only objection to confirmation of the Plan, and Debtors having appeared by and through its counsel, Albert N. Kennedy of Tonkon Torp LLP, and Third Eye having appeared through its counsel, Teresa H. Pearson of Miller Nash LLP, and Ronald K. Sittler of Blank Rome LLP, and Debtors and Third Eye having read into the record an outline of the business terms for replacement of Section 5.1 to the Plan in settlement of the Third Eye objection, such terms to be subject to documentation in this order, and Third Eye

having withdrawn its objection to confirmation based on the settlement, and the Court having considered the records in this case; now, therefore,

IT IS HEREBY FOUND AND CONCLUDED that:

- A. This Court has jurisdiction over this consolidated case pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is properly before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
- B. Notice of the confirmation hearing was provided to creditors and other parties in interest pursuant to Bankruptcy Rules 2002, 3017 and 3020, and such notice was reasonable, adequate, and sufficient in all respects.
- C. The disclosure statement and ballots were transmitted and served in compliance with the Bankruptcy Code and the Bankruptcy Rules. Votes for acceptance of the Plan were solicited in good faith and in compliance with Sections 1125 and 1126 of the Bankruptcy Code and Rules 3017 and 3018 of the Bankruptcy Code.
- D. The Plan complies with the applicable provisions of the Bankruptcy Code and satisfies Section 1129(a)(1) of the Bankruptcy Code. The Plan complies with the classification and other requirements of 11 U.S.C. §§ 1122 and 1123.
- E. Debtors have complied with all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules, and have satisfied Section 1129(a)(2) of the Bankruptcy Code.
- F. The Plan was proposed in good faith and not by any means forbidden by law, and Section 1129(a)(3) of the Bankruptcy Code has been satisfied.
- G. Any payment made or to be made by Debtors, or by any person issuing securities or acquiring property under the Plan, for services or costs and expenses in, or in connection with, this case, or in connection with the Plan and incident to this Case, have been

approved by, or are subject to the approval of, the Court as reasonable. Therefore, Section 1129(a)(4) has been satisfied.

H. Debtors have disclosed the identity and affiliation of any individual proposed to serve, after confirmation of the Plan, as a director or officer of Debtors, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy. Debtors have disclosed the identity of any insider that will be employed or retained by Reorganized Debtor and the nature of any compensation for such insider. Therefore, Section 1129(a)(5) has been satisfied.

I. No governmental regulatory commission has jurisdiction over the rates of Debtors, and Section 1129(a)(6) is not applicable.

J. The Plan impairs Class 2 (Third Eye) and Class 3 (General Unsecured Claims). All holders of General Unsecured Claims voted in favor of the Plan, and Third Eye has stipulated and agreed to the entry of this Order. Therefore, Section 1129(a)(7) has been satisfied.

K. Section 1129(a)(8) has been satisfied because Class 2 stipulated and agreed to the entry of this Order and Class 3 accepted the Plan.

L. Section 1129(a)(9) is satisfied because the Plan provides for payment in full of all priority claims on the later of the Effective Date or the date on which such Claim becomes Allowed.

M. At least one class of impaired claims has accepted the Plan and Section 1129(a)(10) is satisfied.

N. Section 1129(a)(11) is satisfied because confirmation of the Plan is not likely to be followed by the liquidation or further reorganization of Debtors.

O. All fees payable under 28 U.S.C. § 1930 have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan. The Plan, therefore, satisfies 11 U.S.C. § 1129(a)(12).

P. Sections 1129(a)(13) – (16) do not apply to the Plan.

Q. Because Third Eye's objection has been withdrawn and Third Eye has stipulated and agreed to the entry of this Order, Section 1129(b) of the Bankruptcy Code does not apply to the Plan.

R. The amendments incorporated into the Plan by Debtors' First Amended Joint Plan of Reorganization (May 30, 2012) and by this Order do not adversely change the treatment of the claim of any creditor or the interest of any equity security holder who has not accepted in writing the amendment. Therefore, the amendment is deemed to be accepted by all creditors who have previously accepted the plan. Now, therefore,

IT IS HEREBY ORDERED that:

1. The Plan is confirmed in all respects pursuant to 11 U.S.C. § 1129.

Capitalized terms used but not defined in this Order shall have the meaning assigned to them in the Plan. A copy of the confirmed Plan is attached hereto as Exhibit 1.

2. Section 5.1 of the Plan is deleted and replaced with the following:

5.1 Class 2 – Third Eye. Third Eye's secured claim will be paid and satisfied as follows:

5.1.1. The Initial Obligation

5.1.1.1. Within five business days of entry of this Order, Reorganized Debtors will execute and deliver to Third Eye a note in the form of the note attached to this Order as Exhibit 2 (the "Initial Obligation"). The Initial Obligation will require Reorganized Debtors to pay Third Eye the sum of \$6,100,000 on or before August 1, 2012. Any balance of the Initial Obligation remaining unpaid on August 2, 2012, shall accrue interest at an effective rate equal to 20% per annum to and including December 1, 2012. Thereafter, any unpaid balance will accrue interest at an effective rate equal to 60% per annum and will be due and payable in full on June 1, 2015.

5.1.1.2 The payment of the Initial Obligation will be secured by Third Eye's security interests in and liens on the real property located in Umatilla County, Oregon, generally referred to as the Ukiah Property (the "Ukiah Property"), and the real property located in Morrow County, Oregon, generally referred to as the

Cuhna or Heppner property (the "Morrow Property"). Within five business days of entry of this Order, Bonavia Timber Company, LLC, ("Bonavia") will execute and deliver into escrow at AmeriTitle in Pendleton, Oregon (a) an amendment to deed of trust for the Ukiah Property in the form attached to this Order as Exhibit 3, and (b) a trust deed for the Morrow Property in the form attached to this Order as Exhibit 4. AmeriTitle will return both Exhibit 3 and Exhibit 4 to Bonavia if the Warn Sale and the AXA Loan (as hereinafter defined) close on or before August 1, 2012. AmeriTitle will be authorized to record Exhibit 3 or Exhibit 4, or either of them, as appropriate, on or after August 2, 2012 in the event that the Warn Sale or the AXA Loan, or either of them, do not close on or before August 1, 2012.

5.1.1.3 Third Eye will cooperate in the closing of the sale of a portion of the Ukiah Property consisting of approximately 1,687 acres to Mike and Cynthia Warn for the purchase price of \$1,687,030 (the "Warn Sale") and will execute and deliver into the escrow at AmeriTitle in Pendleton, Oregon, any and all release documents that may be reasonably necessary or appropriate to close the Warn Sale. The net proceeds of the Warn Sale will be paid from escrow directly to Third Eye.

5.1.1.4. Third Eye will cooperate with the closing of the loan transaction for \$4,500,000 with AXA Equitable AgriFinance, LLC ("AXA") (the "AXA Loan") and will execute and deliver into escrow at AmeriTitle in Pendleton, Oregon, any and all release documents with respect to the portion of the Ukiah Property and the Morrow Property that may be reasonably necessary or appropriate to close the AXA Loan. All net proceeds from the AXA Loan will be payable from escrow directly to Third Eye.

5.1.1.5 In the event the proceeds from the Warn Sale and the AXA Loan exceed the Initial Obligation, then any such excess will be applied to the Second Obligation hereinafter described. In the event the proceeds from the Warn Sale and the AXA Loan are less than the Initial Obligation, or either the Warn Sale or the AXA Loan do not close, then any unpaid balance of the Initial Obligation will continue to be secured by the portion (if any) of the Ukiah Property and the Morrow Property that has not previously been released and will also be secured by the Second Obligation Collateral hereafter defined.

5.1.1.6 In the event either or both the Warn Sale or the AXA Loan do not close, Reorganized Debtor will have the right on or before June 1, 2015, to sell or refinance any remaining portions of the Ukiah Property and the Morrow Property and Third Eye will have the right to either credit bid any unpaid balance of the Initial Obligation or release its liens in connection with any sale or refinance, and will otherwise cooperate in the closing of

any such transactions. Net proceeds of any such sale or refinance will be paid to Third Eye for application first to any unpaid balance owing on the Initial Obligation and second for application to any unpaid balance of the Second Obligation. All such payments will be made from escrow. Any proceeds remaining after payment of the Initial Obligation and the Second Obligation in full will be payable to Reorganized Debtor.

5.1.2 The Second Obligation

5.1.2.1 Reorganized Debtor will execute and deliver to Third Eye a note in form and content reasonably acceptable to Third Eye evidencing the obligations set forth in this Section 5.1.2 (the "Second Obligation"). The Second Obligation will have a schedule of increasing principal balances payable as follows:

- (i) One million dollars through 12:01 a.m. Pacific time on December 2, 2012;
- (ii) One million four hundred thousand dollars from December 2, 2012, through 12:01 a.m. Pacific time on June 2, 2013;
- (iii) One million eight hundred thousand dollars from June 2, 2013 through 12:01 a.m. Pacific time on December 2, 2013;
- (iv) Two million two hundred thousand dollars from December 2, 2013, through 12:01 a.m. Pacific time on June 2, 2014;
- (v) Two million six hundred thousand dollars from June 2, 2014, through 12:01 a.m. Pacific time on December 2, 2014;
- (vi) Three million dollars from December 2, 2014, until paid.

The principal payable to satisfy the Second Obligation will be reduced by any payments made by Reorganized Debtor to Third Eye in respect of the Second Obligation. No interest will accrue or be payable on the unpaid balance until June 2, 2015. Any unpaid balance remaining as of 12:01 a.m. Pacific time on June 2, 2015, will accrue interest at an effective rate equal to 60% per annum and will be due and payable in full on June 1, 2017. For avoidance of doubt, the principal balance owing on the Second Obligation through December 1, 2012, is \$1,000,000. If Reorganized Debtor pays Third Eye \$1,000,000 on or before December 1, 2012, then the Second Obligation will be paid and satisfied in full. Also, for example, if Reorganized Debtor pays Third Eye \$900,000 as of

12:01 a.m. Pacific time on December 2, 2012, then the unpaid balance of the Second Obligation will be \$500,000 payable on or before 12:01 a.m. Pacific time on June 2, 2013.

All payments hereunder shall be made in U.S. Dollars by wire transfer of immediately available funds to an account designated by Third Eye Capital. The determination of whether the Second Obligation has been paid and satisfied in full shall be by reference to when Third Eye Capital actually receives the relevant funds in its designated account, and not when the Reorganized Debtor pays (or instructs its bank to pay) such funds.

5.1.2.2. The Second Obligation will be secured by a first lien on all of the real property owned by NFC Land & Cattle, LLC, in Nevada, and the real property owned by Bonavia Timber Company, LLC, located in Umatilla County, Oregon, and generally referred to as the Meacham Property (together, the "Second Obligation Collateral"). Reorganized Debtor represents that the Meacham Property has an appraised value of \$1,000,000. Promptly following a request of Third Eye, NFC Land & Cattle, LLC and Bonavia Timber Company, LLC, will execute and deliver to Third Eye trust deeds covering the Second Obligation Collateral in form and content reasonably satisfactory to Third Eye, including a trust deed for the Meacham Property in the form attached to this Order as Exhibit 5.

5.1.2.3. Reorganized Debtor will have the right to sell or refinance any of the Second Obligation Collateral subject to Third Eye's right to credit bid all or any portion of the then-unpaid balances of the First Obligation and the Second Obligation. Third Eye will cooperate in any such sale or refinance and will execute and deliver into escrow any releases or other documents reasonably necessary or appropriate to close a sale or refinance. Third Eye will be paid the net proceeds from any sale or refinance up to the then-unpaid balance owing on the First Obligation and the Second Obligation.

3. The Court expressly retains jurisdiction to resolve any disputes regarding treatment under the Plan of the Class 2 Secured Claim of Third Eye.

4. Debtors, and each of them, are hereby authorized and directed to take all actions and enter into and execute all documents reasonably necessary or appropriate to effectuate the Plan and to consummate the transactions contemplated by the Plan.

5. The Warn Sale and the AXA Loan are hereby approved as in the best interests of Debtors, Debtors' estates, and Debtors' creditors. Debtors are authorized and directed to take all actions necessary or appropriate to consummate the Warn Sale and the AXA Loan.

6. Pursuant to Section 1146(a) of the Bankruptcy Code, the transactions provided under the Plan and this Order shall not be subject to any stamp, real estate transfer, mortgage, recording, sales, or similar tax. All transactions provided for in the Plan or this Order and consummated by Debtors on or after the Effective Date shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, therefore, shall not be subject to any stamp, real estate transfer, mortgage records, sales, or similar tax. Consistent with the foregoing, each recorder of deeds or similar official for any city, county or governmental unit in which any instrument contemplated by the Plan or this Order is to be recorded, is ordered and directed to accept such instrument without requiring the payment of any recording tax, stamp tax, conveyance fee, sales tax, mortgage tax, filing or recording fee, transfer tax, or similar tax or fee. This Court retains jurisdiction to enforce the foregoing.

7. Pursuant to Section 1141 of the Bankruptcy Code, except as otherwise specifically provided in the Plan or this Order, the distributions and rights provided in the Plan and this Order shall be in complete satisfaction, discharge and release of all Claims, whether known or unknown, against Debtors that arose prior to the Effective Date.

8. Debtors hereby release and forever discharge Third Eye and Strative Capital, Ltd., and both of them, from any and all claims, liabilities, demands, actions and suits of every kind and nature whatsoever arising from facts known to Debtors as of the date of this Order.

9. If there is any conflict between the Plan and this Order, the terms of this Order shall control.

10. This Order is a Final Order. There shall be no stay of this Order under Bankruptcy Rule 3020(e) and the period in which an appeal must be filed shall commence immediately upon the entry hereof in accordance with Bankruptcy Rule 3020(e).

11. To the extent any provision designated herein as a finding of fact is more properly characterized to be a conclusion of law, it shall be so deemed, and vice versa.

###

The undersigned stipulate and agree to the entry of this Order:

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By /s/ Albert N. Kennedy

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cc: List of Interested Parties

**EXHIBIT 1 TO
ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

Debtor's First Amended Joint Plan of Reorganization (May 30, 2012)

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7 Attorneys for Debtors

10 UNITED STATES BANKRUPTCY COURT

11 DISTRICT OF OREGON

12 In re

13 Bonavia Timber Company, LLC,
14 Nevada First Corporation,

15 Debtors.

Case No. 11-39459-rld11 (LEAD CASE)

Case No. 11-39460-rld11

(Jointly Administered Under Case

No. 11-39459-rld11)

**DEBTORS' FIRST AMENDED JOINT
PLAN OF REORGANIZATION
(MAY 30, 2012)**

DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION (MAY 30, 2012)

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1 Bonavia Timber Company LLC ("Bonavia") and Nevada First Corporation
2 ("Nevada First") (each a "Debtor" and collectively "Debtors") propose the following Joint
3 Plan of Reorganization (the "Plan") pursuant to Chapter 11 of the Bankruptcy Code. The
4 Plan provides for the payment in full of all Allowed Claims.

5 A Disclosure Statement is enclosed with this Plan to assist you in
6 understanding the Plan and making an informed decision whether to vote for or against the
7 Plan.

8 **ARTICLE 1**

9 **DEFINITIONS**

10 Definitions of certain terms used in the Plan are set forth below. Other terms
11 are defined in the text of the Plan or in the text of the Disclosure Statement. In either case,
12 when a defined term is used, the first letter of each word in the defined term is capitalized.
13 Terms used and not defined in the Plan or Disclosure Statement shall have the meanings
14 given in the Bankruptcy Code or Bankruptcy Rules, or otherwise as the context requires.
15 The meanings of all terms shall be equally applicable to both the singular and plural, and
16 masculine and feminine forms of the terms defined. The words "herein," "hereof," "hereto,"
17 "hereunder," and others of similar import, refer to the Plan as a whole and not to any
18 particular article, section, subsection, or clause contained in the Plan. Captions and headings
19 to articles, sections, and exhibits are inserted for convenience of reference only and are not
20 intended to be part of or to affect the interpretation of the Plan. The rules of construction set
21 forth in Section 102 of the Bankruptcy Code shall apply. In computing any period of time
22 prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

23 1.1. "Administrative Expense Claim" means any Claim entitled to the
24 priority afforded by Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

25 1.2. "Allowed" means, with respect to any Claim, (a) if no proof of claim
26 has been filed, the amount (if any) listed by Debtor in the Schedules as not being disputed,

1 contingent, or unliquidated, or (b) if a proof of claim has been filed (i) the amount of the
2 Claim as set forth on the proof of claim if no objection to such Claim, or motion to estimate
3 such Claim, has been Filed within any period of limitation fixed by the Code or the rules or
4 orders of the Court, or (ii) if an objection has been interposed, (x) the amount determined by
5 a Final Order with respect to such Claim or (y) the amount set forth in this Plan as the
6 allowed amount of such Claim.

7 1.3. "Avoidance Action" means any avoidance or recovery action of
8 Debtor that may be brought on behalf of Debtor or its estate under Sections 544, 545, 547,
9 548, 549, 550 and 553 of the Bankruptcy Code, or under any similar or related state or
10 federal statutes and common law, including, without limitation, state fraudulent transfer or
11 conveyance laws, whether or not such actions are pending on the Effective Date or are
12 thereafter asserted or commenced.

13 1.4. "Bankruptcy Code" or "Code" means the Bankruptcy Reform Act of
14 1978, as amended from time to time, set forth in Sections 101 *et seq.* of Title 11 of the United
15 States Code.

16 1.5. "Bankruptcy Court" or "Court" means the United States Bankruptcy
17 Court for the District of Oregon or such other court that exercises jurisdiction over the
18 Chapter 11 Case or any proceeding therein, including the United States District Court for the
19 District of Oregon, to the extent the reference to the Chapter 11 Case or any proceeding
20 therein is withdrawn.

21 1.6. "Bankruptcy Rules" means, collectively, the Federal Rules of
22 Bankruptcy Procedure, as amended and promulgated under Section 2075, Title 28, of the
23 United States Code, and the local rules and standing orders of the Bankruptcy Court.

24 1.7. "Bonavia" means Bonavia Timber Company, LLC, an Oregon limited
25 liability company.

26 1.8. "Cash" means lawful currency of the United States of America.

1 1.9. "Chapter 11 Case" or "Case" means, with respect to each Debtor, the
2 applicable case under Chapter 11 of the Bankruptcy Code with respect to such Debtor,
3 pending in the District of Oregon.

4 1.10. "Claim" means (a) any right to payment from Debtor arising before the
5 Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated,
6 fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or
7 unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective
8 Date for breach of performance if such breach gives rise to a right of payment from Debtor,
9 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,
10 matured, unmatured, disputed, undisputed, secured, or unsecured.

11 1.11. "Claims Bar Date" means March 5, 2012.

12 1.12. "Class" means and refers to a class of Claims described in Article 3
13 hereof.

14 1.13. "Collateral" means any property in which Debtor has an interest that is
15 subject to a lien or security interest securing the payment of an Allowed Secured Claim.

16 1.14. "Confirmation Date" means the date on which the Confirmation Order
17 is entered on the docket by the Clerk of the Bankruptcy Court.

18 1.15. "Confirmation Order" means the order of the Bankruptcy Court
19 confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

20 1.16. "Debtor" means each of Bonavia and Nevada First, as Debtor and
21 Debtor-in-Possession in their respective Chapter 11 Case.

22 1.17. "Debtors" means Bonavia and Nevada First, collectively.

23 1.18. "Disallowed Claim" means any Claim, or portion thereof, that has
24 been disallowed pursuant to a Final Order.

25 1.19. "Disclosure Statement" means Debtors' Joint Disclosure Statement as
26 amended, modified, restated, or supplemented from time to time pertaining to the Plan.

1 1.20. "Disputed Claim" means any Claim that is not an Allowed Claim or a
2 Disallowed Claim.

3 1.21. "Effective Date" means the date on which all conditions to
4 effectiveness specified in Section 11.4 of this Plan have been satisfied or waived.

5 1.22. "Equitable Loan" has the meaning assigned to such term in
6 Section 7.3.

7 1.23. "Federal Judgment Rate" means, with respect to an Allowed Claim,
8 the interest rate as of the Petition Date established by 28 U.S.C. § 1961 as the interest rate on
9 federal court judgments.

10 1.24. "Filed" means filed with the Bankruptcy Court in the Chapter 11 Case.

11 1.25. "Final Order" means an order or judgment entered on the docket by the
12 Clerk of the Bankruptcy Court, or any other court exercising jurisdiction over the subject
13 matter and the parties, that has not been reversed, stayed, modified, or amended and as to
14 which the time for filing a notice of appeal, or petition for *certiorari* or request for *certiorari*,
15 or request for rehearing, shall have expired.

16 1.26. "General Unsecured Claim" means any Claim that is not an
17 Administrative Expense Claim, a Secured Claim, a Priority Tax Claim, or an Other Priority
18 Claim.

19 1.27. "Heppner Property" means that certain real property of Bonavia
20 commonly referred to as "Heppner" or "Cunha Place" consisting of approximately 4,221
21 acres in Morrow County, Oregon, and more particularly described in Exhibit 1 to this Plan.

22 1.28. "Insider" shall have the meaning ascribed to it by Section 101(31) of
23 the Bankruptcy Code.

24 1.29. "Interests" means the rights of the owners of the membership interests,
25 or of the issued and outstanding shares of common stock, of Debtor, as applicable.
26

1 1.30. "Meacham Property" means that certain real property of Bonavia
2 commonly referred to as "Meacham" or "Rail Creek" consisting of approximately 1,110 acres
3 in Umatilla County, Oregon, and more particularly described in Exhibit 2 to this Plan.

4 1.31. "Nevada First" means Nevada First Corporation, a Nevada
5 corporation.

6 1.32. "Other Priority Claim" means any Claim for an amount entitled to
7 priority in right of payment pursuant to Section 507(a) of the Code, other than a Priority Tax
8 Claim or an Administrative Expense Claim.

9 1.33. "Petition Date" means November 1, 2011.

10 1.34. "Plan" means this Joint Plan of Reorganization (including all exhibits
11 and schedules), as amended, modified, restated, or supplemented from time to time.

12 1.35. "Priority Tax Claim" means a Claim of a governmental unit of the kind
13 entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

14 1.36. "Rejection Claim" means a Claim arising from the rejection of an
15 unexpired executory contract pursuant to this Plan or a Final Order.

16 1.37. "Reorganized Debtor" means, with respect to each Debtor, Debtor
17 from and after the Effective Date. Unless the context clearly requires otherwise, any
18 reference to "Debtor" herein for a period from and after the Effective Date shall be deemed to
19 refer to Reorganized Debtor.

20 1.38. "Scheduled Amounts" means the amount of Claims stated in the
21 Schedules.

22 1.39. "Schedules" means the Schedules of Assets and Liabilities Filed by
23 Debtor pursuant to Section 521 of the Bankruptcy Code, as amended, modified, restated, or
24 supplemented from time to time.

25 1.40. "Secured Claim" means any Claim to the extent such Claim constitutes
26 a secured claim under the Bankruptcy Code.

1 1.41. "South Ganger Property" means that certain real property of Bonavia
2 commonly known as "South Ganger," which consists of approximately 1,687 acres in
3 Umatilla County, Oregon (revised tax lot #1101; and is included within the Ukiah Property),
4 more particularly described in Exhibit 3 attached to this Plan. The South Ganger Property is
5 a part of the larger Ukiah Property.

6 1.42. "South Ganger Sale" has the meaning assigned to such term in Section
7 7.2.

8 1.43. "Third Eye" means Third Eye Capital Corporation, as agent for
9 Strative Capital, Ltd.

10 1.44. "Ukiah Property" means that certain real property of Bonavia
11 commonly known as "Ukiah," which consists of approximately 13,000 acres in Umatilla
12 County, Oregon, more particularly described in Exhibit 4 to this Plan.

13 **ARTICLE 2**

14 **UNCLASSIFIED CLAIMS**

15 2.1. Administrative Expense Claims. Each holder of an Allowed
16 Administrative Expense Claim shall receive payment of such Claim in full in Cash on the
17 later of (a) the Effective Date or (b) the date on which such Claim becomes Allowed, unless
18 such holder shall agree to a different treatment of such Claim (including, without limitation,
19 any different treatment that may be provided for in any documentation, statute, or regulation
20 governing such Claim); provided, however, that Administrative Expense Claims representing
21 obligations incurred in the ordinary course of business by Debtor during the Chapter 11 Case
22 shall be paid by Debtor or Reorganized Debtor in the ordinary course of business and in
23 accordance with any terms and conditions of the particular transaction, and any agreements
24 relating thereto. Any agreement between Debtor and a holder of an Allowed Administrative
25 Expense Claim for treatment other than payment in full on the date described above shall be
26 in writing.

1 2.2. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim
2 shall receive payment of such Claim in full in Cash in a manner and within the timeframes
3 specified by Section 1129(a)(9)(C) and (D) of the Bankruptcy Code.

4 2.3. United States Trustee Fees. Fees payable by Debtor to the United
5 States Trustee under 28 U.S.C. § 1930(a)(6), or to the Clerk of the Bankruptcy Court, will be
6 paid in full on the Effective Date. Reorganized Debtor shall continue to pay such fees until
7 this Case is closed by the Bankruptcy Court, dismissed, or converted. This requirement is
8 subject to any amendments to 28 U.S.C. § 1930(a)(6) that Congress makes retroactively
9 applicable to confirmed Chapter 11 cases. After confirmation, Reorganized Debtor shall file
10 with the Court a monthly financial report for each month, or portion thereof, that the case
11 remains open. The monthly financial report shall include a statement of all disbursements
12 made during the course of the month, whether or not pursuant to the Plan.

13 **ARTICLE 3**

14 **CLASSIFIED CLAIMS**

15 All Claims (other than unclassified Claims addressed in Article 2 above) are
16 divided into the following Classes for all purposes of this Plan, including voting,
17 confirmation, and distribution pursuant to this Plan.

18 3.1. Class 1 – Other Priority Claims. Class 1 consists of all Allowed Other
19 Priority Claims.

20 3.2. Class 2 – Third Eye. Class 2 consists of the Allowed Secured Claim
21 of Third Eye.

22 3.3. Class 3 – General Unsecured Claims. Class 3 consists of all Allowed
23 General Unsecured Claims.

24 3.4. Class 4 – Interests. Class 4 consists of all Interests.

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ARTICLE 4

TREATMENT OF UNIMPAIRED CLASSES

Class 1 (Other Priority Claims) is unimpaired under this Plan. Accordingly, pursuant to 11 U.S.C. § 1126(f), Class 1, and each holder of a Claim in Class 1, is conclusively presumed to have accepted this Plan, will not be solicited to accept this Plan, and is not entitled to vote to accept or reject this Plan.

Class 1 - Other Priority Claims. Each holder of an Allowed Class 1 Claim shall be paid the full amount of such Claim in Cash on the later of (a) the Effective Date, or (b) the date on which such Claim becomes Allowed.

ARTICLE 5

TREATMENT OF IMPAIRED CLASSES

Each holder of a Claim in Class 2 (Third Eye), Class 3 (General Unsecured Claims) and Class 4 (Interests) is impaired under this Plan and holders of Claims in such Classes are entitled to vote to accept or reject this Plan.

5.1. Class 2 – Third Eye. Third Eye will have an Allowed Secured Claim in such amount as is determined by agreement of Debtor and Third Eye or, absent agreement, in such amount as is determined and Allowed by the Bankruptcy Court. Third Eye's Allowed Secured Claim will be paid as follows:

On the Effective Date, Debtors will pay to Third Eye (or, with respect to the South Ganger Sale and in the event Third Eye exercises its right to credit bid pursuant to Section 7.6 of this Plan, offset against Third Eye's Class 2 Claim) an amount equal to the sum of (a) the net sales proceeds from the South Ganger Sale (which net sales proceeds shall not be less than \$1,500,000), plus (b) the net loan proceeds from the Equitable Loan (which net loan proceeds shall not be less than \$4,400,000).

Upon the closing of the South Ganger Sale and the payment of the net sales proceeds to Third Eye, Third Eye will release its lien on the South Ganger Property. Upon

1 the closing of the Equitable Loan and the payment of the net loan proceeds to Third Eye,
2 Third Eye will release its lien on the Ukiah Property (and any claimed lien on the Heppner
3 Property). Third Eye will cooperate with Debtors in closing the South Ganger Sale and the
4 Equitable Loan and will execute and deliver such lien releases and reconveyances into
5 closing escrow as may be necessary or appropriate to close such transactions.

6 The remaining balance, if any, of Third Eye's Allowed Secured Claim will be
7 paid in full within five years after the Effective Date, with interest accruing from and after
8 the Effective Date until paid at a fixed per annum interest rate of 4.5% per annum.

9 As Collateral securing any portion of Third Eye's Allowed Secured Claim that
10 is not paid on the Effective Date, Third Eye will retain its liens upon its Collateral (other than
11 the Collateral to be released by Third Eye as of the Effective Date) with the same priority and
12 to the same extent such liens had as of the Petition Date. Upon payment in full of its
13 Allowed Secured Claim, Third Eye shall release all of its liens upon the Collateral.

14 5.2. Class 3 – General Unsecured Claims. Each holder of an Allowed
15 Class 3 Claim will be paid in Cash the full amount of its Class 3 Claim no later than six
16 months after the Effective Date, with interest from the Petition Date at the Federal Judgment
17 Rate.

18 5.3. Class 4 – Interests. Existing Interests in Debtor will be preserved.
19 However, until all Allowed Claims have been paid in full, Reorganized Debtor will not
20 repurchase any stock or membership interests or make or pay any distributions or dividends
21 to its owners on account of their stock or membership interests, except for tax distributions
22 necessary to meet income tax obligations arising from income attributable to Debtor or
23 Reorganized Debtor.

ARTICLE 6**DISPUTED CLAIMS; OBJECTIONS TO CLAIMS; SETOFFS**

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3 6.1. Disputed Claims; Objections to Claims. No payments or distributions
4 shall be made with respect to any Claim to the extent it is a Disputed Claim unless and until
5 the Disputed Claim becomes an Allowed Claim. Debtor reserves the right to contest and
6 object to any Claims and previously Scheduled Amounts, including, without limitation, those
7 Claims and Scheduled Amounts that are specifically referenced herein, are not listed in the
8 Schedules, are listed therein as disputed, contingent, or unliquidated in amount, or are listed
9 therein at a different amount than Debtor currently believes is validly due and owing. Unless
10 otherwise ordered by the Bankruptcy Court, all objections to Claims and Scheduled Amounts
11 (other than Administrative Expense Claims) shall be Filed and served upon counsel for
12 Debtor and the holder of the Claim objected to on or before the later of (a) 30 days after the
13 Effective Date or (b) 60 days after the date (if any) on which a proof of claim is Filed in
14 respect of a Rejection Claim. The last day for filing objections to Administrative Expense
15 Claims shall be set pursuant to order of the Bankruptcy Court. All Disputed Claims shall be
16 resolved by the Bankruptcy Court, except to the extent that (a) Debtor may otherwise elect
17 consistent with the Plan and the Bankruptcy Code, or (b) the Bankruptcy Court may
18 otherwise order.

19 6.2. Setoffs. Debtor or Reorganized Debtor may, but shall not be required
20 to, set off against any Claim and the distributions to be made pursuant to the Plan in respect
21 of such Claim, any claims of any nature whatsoever that Debtor or Reorganized Debtor may
22 have against the holder of such Claim, but neither the failure to do so nor the allowance of
23 any Claim hereunder shall constitute a waiver or release of any such claim Debtor or
24 Reorganized Debtor may have against such holder.
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1 **ARTICLE 7**

2 **MEANS FOR IMPLEMENTATION OF THE PLAN**

3 7.1. Continuation of Debtor. Reorganized Debtor will fund payments to its
4 Creditors and otherwise satisfy its Plan obligations from available Cash, from continuing
5 operations, and, as more fully set forth below, from the sale or finance of certain of Debtor's
6 assets.

7 7.2. Sale of South Ganger Property. Unless Third Eye exercises its right to
8 credit bid as provided hereafter in Section 7.6, this Section 7.2 will govern the South Ganger
9 Sale. Promptly after entry of the Confirmation Order, Bonavia will sell and convey to
10 Michael Warn and Cynthia Warn (or their successors or assigns, the "Warns") the South
11 Ganger Property, free and clear of all liens, security interests, claims and encumbrances
12 (including any lien of Third Eye), and on such terms as are agreed to between Bonavia and
13 the Warns (the "South Ganger Sale"). Debtors are hereby authorized to enter into such
14 documents or agreements in connection with the South Ganger Sale as Debtors deem
15 necessary or appropriate. The South Ganger Property is encumbered in favor of Third Eye.
16 Upon closing of the South Ganger Sale, the net sales proceeds (which shall not be less than
17 \$1,500,000) will be paid by or on behalf of Debtors to Third Eye toward satisfaction of Third
18 Eye's Allowed Class 2 Claim. Third Eye will execute and deliver into a closing escrow such
19 lien releases and reconveyances as may be necessary or appropriate to close the South
20 Ganger Sale. In the event Third Eye fails or refuses to execute and deliver such documents,
21 this Plan may be recorded with the Register of Deeds for Umatilla County, Oregon and will
22 for all purposes give notice that Debtor conveyed the South Ganger Property to the Warns
23 free and clear of all liens, security interests, claims, and encumbrances, including all liens,
24 security interests, claims, and encumbrances of Third Eye.

25 7.3. Equitable Loan. Promptly after entry of the Confirmation Order,
26 Debtors will obtain and close on a \$4,500,000 loan to be obtained from AXA Equitable Life

1 Insurance Company, or its successor or assigns ("Equitable"), on such terms as are agreed to
2 between Debtors and Equitable (the "Equitable Loan"). Debtors will enter into such
3 documents or agreements with Equitable in connection with the Equitable Loan as Debtors
4 deem necessary or appropriate, including security documents granting to Equitable a lien on
5 the Ukiah Property (but not including the South Ganger Property) and on the Heppner
6 Property, free and clear of any lien or claimed lien of Third Eye. Upon the closing of the
7 Equitable Loan, the net loan proceeds (which shall not be less than \$4,400,000) will be paid
8 by or on behalf of Debtors to Third Eye toward satisfaction of Third Eye's Allowed Class 2
9 Claim. Third Eye will execute and deliver into a closing escrow such lien releases and
10 reconveyances as may be necessary or appropriate to close the Equitable Loan. In the event
11 Third Eye fails or refuses to execute and deliver such documents, this Plan may be recorded
12 with the Register of Deeds for Umatilla County, Oregon and Morrow County, Oregon, and
13 will for all purposes give notice that Debtor encumbered the Ukiah Property (excluding the
14 South Ganger Property) and the Heppner Property in favor of Equitable free and clear of all
15 liens, security interests, claims, and encumbrances, including all liens, security interests,
16 claims, and encumbrances of Third Eye.

17 7.4. Additional Sales. Reorganized Debtors will sell or refinance, or cause
18 NFC to sell or finance, such additional properties as are necessary to pay and satisfy any
19 portion of the Class 2 Claim that remains unpaid after the South Ganger Sale and the
20 Equitable Loan are closed and the net proceeds are paid to Third Eye. Any out of the
21 ordinary course sale of property on which Third Eye has a lien will be subject to Section 7.6
22 of this Plan.

23 7.5. Corporate Action. Upon entry of the Confirmation Order by the Clerk
24 of the Bankruptcy Court, all actions contemplated by the Plan shall be authorized and
25 approved in all respects (subject to the provisions of the Plan), including, without limitation,
26 the execution, delivery and performance of all documents and agreements relating to the Plan

1 and any of the foregoing. On and following the Effective Date, the appropriate officers of
2 Reorganized Debtor are authorized and directed to execute and deliver any and all
3 agreements, documents, and instruments contemplated by the Plan and/or the Disclosure
4 Statement in the name of and on behalf of Reorganized Debtor.

5 7.6. Credit Bid. Third Eye shall have the right to credit bid its Class 2
6 Claim in connection with the sale out of the ordinary course of Reorganized Debtor's
7 business of property on which Third Eye has a lien, including the South Ganger Sale. Third
8 Eye shall exercise its right to credit bid on the South Ganger Property by delivering to Debtor
9 an unconditional commitment to purchase the South Ganger Property in exchange for an
10 offset of its Class 2 Claim in an amount not less than \$1,687,031. The unconditional
11 commitment shall be delivered to Debtor and its counsel on or before the seventh day
12 following the Confirmation Date. In the event Third Eye exercises its right to credit bid in
13 connection with any sale, including the South Ganger Sale, the sale will be closed promptly.

14 **ARTICLE 8**

15 **EXECUTORY CONTRACTS**

16 8.1. Generally. Except as otherwise specifically provided in this Plan, all
17 of Debtor's executory contracts will be deemed assumed by operation of law on the Effective
18 Date, except any executory contract that has been specifically assumed or rejected by Debtor
19 on or before the Effective Date or in respect of which a motion for assumption or rejection
20 has been Filed by Debtor on or before the Effective Date. The Confirmation Order shall
21 constitute an order authorizing assumption of all such executory contracts and unexpired
22 leases. Reorganized Debtor shall promptly pay all amounts required under Section 365 of
23 the Bankruptcy Code to cure any monetary defaults for executory contracts and unexpired
24 leases being assumed, and shall perform its obligations under such assumed executory
25 contracts and unexpired leases from and after the Effective Date in the ordinary course of
26 business. To the extent necessary, all assumed executory contracts and unexpired leases

1 shall be deemed assigned to Reorganized Debtor as of the Effective Date. The Confirmation
2 Order shall constitute an order authorizing such assignment of assumed executory contracts
3 and unexpired leases, and no further assignment documentation shall be necessary to
4 effectuate such assignment.

5 8.2. Rejection Claims. A Rejection Claim must be filed no later than the
6 later of the Claims Bar Date or 30 days after the rejection of the executory contract. Any
7 Rejection Claim not Filed within such timeframe shall be forever barred. Each Allowed
8 Rejection Claim shall constitute a General Unsecured Claim.

9 8.3. Compensation and Benefit Programs. Except to the extent specifically
10 provided otherwise in this Plan or the Confirmation Order, all employee compensation and
11 benefit plans, policies and programs of Debtor applicable to its employees as in effect on the
12 Effective Date, including, without limitation, all savings plans; retirement plans; health care
13 plans (including Debtor's self-funded medical benefit plan); disability plans; severance
14 benefit plans; incentive plans; stock incentive plans; and life, accidental death, and
15 dismemberment insurance plans; shall continue in full force and effect, without prejudice to
16 Reorganized Debtor's rights under applicable non-bankruptcy law to modify, amend or
17 terminate any of the foregoing arrangements.

18 **ARTICLE 9**

19 **EFFECT OF CONFIRMATION**

20 9.1. Effect of Confirmation. The effect of confirmation shall be as set forth
21 in Section 1141 of the Bankruptcy Code.

22 9.2. Debtor's Injunction. Except to the extent specifically provided
23 otherwise in this Plan or in the Confirmation Order, confirmation of the Plan shall act as a
24 permanent injunction applicable to entities against (a) the commencement or continuation,
25 including the issuance or employment of process, of a judicial, administrative, or other action
26 or proceeding against Reorganized Debtor that was or could have been commenced before

1 the entry of the Confirmation Order; (b) the enforcement against Reorganized Debtor or its
2 assets of a judgment obtained before the Petition Date; and (c) any act to obtain possession of
3 or to exercise control over, or to create, perfect or enforce a lien upon, all or any part of the
4 assets.

5 9.3. Discharge. Except to the extent specifically provided otherwise in this
6 Plan or in the Confirmation Order, the confirmation of the Plan shall, provided that the
7 Effective Date shall have occurred, discharge all Claims to the fullest extent authorized or
8 provided for by the Bankruptcy Code, including, without limitation, to the extent authorized
9 or provided for by Sections 524 and 1141 thereof.

10 9.4. Revesting; Operation of Business. Except as otherwise expressly
11 provided in this Plan, on the Effective Date all property and assets of the estate of Debtor
12 shall revert in Reorganized Debtor, free and clear of all claims, liens, encumbrances, charges,
13 and other interests of Creditors arising on or before the Effective Date; and Reorganized
14 Debtor may operate, from and after the Effective Date, free of any restrictions imposed by
15 the Bankruptcy Code or the Bankruptcy Court.

16 **ARTICLE 10**

17 **RETENTION OF JURISDICTION**

18 10.1. Jurisdiction of the Bankruptcy Court. Notwithstanding the entry of the
19 Confirmation Order, the Court shall retain jurisdiction of the Chapter 11 Case pursuant to
20 and for the purposes set forth in Sections 1127(b) and 1141-1146 of the Code to enforce the
21 provisions of this Plan and to ensure that the intent and purposes of this Plan are carried out
22 and given effect. Without limiting the preceding, the Court shall retain jurisdiction to:

23 (a) Classify the Claim or interest of any Creditor, reexamine
24 Claims or Interests that have been allowed for voting purposes, and determine any objections
25 that may be Filed to Claims or Interests;
26

1 (b) Determine requests for payment of Claims entitled to priority
2 under Section 507(a) of the Bankruptcy Code, including compensation and reimbursement of
3 expenses in favor of professionals employed at the expense of the Estate;

4 (c) Avoid transfers or obligations to subordinate Claims under
5 Chapter 5 of the Bankruptcy Code;

6 (d) Approve the assumption, assignment, or rejection of an
7 executory contract or unexpired lease pursuant to this Plan;

8 (e) Resolve controversies and disputes regarding the interpretation
9 or enforcement of this Plan;

10 (f) Implement the provisions of this Plan and enter orders in aid of
11 confirmation;

12 (g) To the extent the Court has jurisdiction, adjudicate adversary
13 proceedings and contested matters pending or hereafter commenced in the Chapter 11 Case;
14 and

15 (h) Enter a final decree closing the Chapter 11 Case.

16 10.2. Failure of Bankruptcy Court to Exercise Jurisdiction. If the
17 Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction over any
18 matter arising under, arising in, or related to the Chapter 11 Case, this Article shall not
19 prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction
20 with respect to such subject matter.

21 **ARTICLE 11**

22 **ADMINISTRATIVE PROVISIONS**

23 11.1. Modification or Withdrawal of the Plan. Debtors may alter, amend, or
24 modify the Plan pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019
25 at any time prior to the time the Bankruptcy Court has signed the Confirmation Order. After
26 such time, and prior to the substantial consummation of the Plan, Debtor may, so long as the

1 treatment of holders of Claims and Interests under the Plan is not adversely affected, institute
2 proceedings in Bankruptcy Court to remedy any defect or omission or to reconcile any
3 inconsistencies in the Plan, Disclosure Statement, or Confirmation Order, and any other
4 matters as may be necessary to carry out the purposes and effects of the Plan; provided,
5 however, that prior notice of such proceedings shall be served in accordance with Bankruptcy
6 Rule 2002.

7 11.2. Revocation or Withdrawal of Plan

8 11.2.1. Right to Revoke. Debtors reserve the right to revoke or
9 withdraw the Plan at any time prior to the Effective Date.

10 11.2.2. Effect of Withdrawal or Revocation. If Debtors revoke or
11 withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and void.

12 In such event, nothing contained herein shall be deemed to constitute a waiver or release of
13 any claims by or against Debtors or any other Entity, or to prejudice in any manner the rights
14 of Debtors or any Entity in any further proceeding involving Debtor.

15 11.3. Nonconsensual Confirmation. Debtors may request that the
16 Bankruptcy Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if
17 the requirements of all provisions of Section 1129(a) of the Bankruptcy Code, except
18 Subsection 1129(a)(8), are met.

19 11.4. Conditions of Effectiveness. The Effective Date will not occur and the
20 Plan will not become effective unless and until each of the following conditions has been
21 satisfied or waived by Debtors:

22 11.4.1. The Bankruptcy Court shall have entered the Confirmation
23 Order in form and substance reasonably acceptable to Debtors;

24 11.4.2. The South Ganger Sale shall have closed; and

25 11.4.3. The Equitable Loan shall have closed.
26

1 11.5. Compromise of Controversies. Pursuant to Bankruptcy Rule 9019,
2 and in consideration for the classification, distributions, and other benefits provided under the
3 Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all
4 Claims or controversies resolved pursuant to the Plan. The entry of the Confirmation Order
5 shall constitute the Court's approval of each of the compromises and settlements provided for
6 in the Plan, and the Court's findings shall constitute its determination that such compromises
7 and settlements are in the best interests of Debtors.

8 **ARTICLE 12**

9 **MISCELLANEOUS PROVISIONS**

10 12.1. Utility Deposits. All utilities holding a utility deposit obtained as a
11 result of this Bankruptcy Case shall immediately after the Effective Date return or refund
12 such utility deposit to Reorganized Debtor. At the sole option of Reorganized Debtor,
13 Reorganized Debtor may apply any such utility deposit that has not been refunded to
14 Reorganized Debtor in satisfaction of any payments due or to become due from Reorganized
15 Debtor to a utility holding such a utility deposit.

16 12.2. Retiree Benefits. On or after the Effective Date, to the extent required
17 by Section 1129(a)(13) of the Bankruptcy Code, Reorganized Debtor shall continue to pay all
18 retiree benefits (if any), as that term is defined in Section 1114 of the Bankruptcy Code,
19 maintained or established by Debtor prior to the Effective Date, without prejudice to
20 Reorganized Debtor's rights under applicable non-bankruptcy law to modify, amend or
21 terminate the foregoing arrangements.

22 12.3. Rights of Action. Except as otherwise expressly provided herein, any
23 rights or causes of action (including, without limitation, any and all avoidance actions)
24 accruing to Debtor shall remain assets of Reorganized Debtor. Reorganized Debtor may
25 pursue such rights of action, as appropriate, in accordance with what is in its best interests
26 and for its benefit.

1 12.4. Governing Law. Except to the extent the Bankruptcy Code, the
2 Bankruptcy Rules, or other federal laws are applicable, the laws of the State of Oregon shall
3 govern the construction and implementation of the Plan, and all rights and obligations arising
4 under the Plan.

5 12.5. Withholding and Reporting Requirements. In connection with the
6 Plan and all instruments issued in connection therewith and distributions thereon, Debtor and
7 Reorganized Debtor shall comply with all withholding, reporting, certification, and
8 information requirements imposed by any federal, state, local, or foreign taxing authorities,
9 and all distributions hereunder shall, to the extent applicable, be subject to any such
10 withholding, reporting, certification, and information requirements. Entities entitled to
11 receive distributions hereunder shall, as a condition to receiving such distributions, provide
12 such information and take such steps as Reorganized Debtor may reasonably require to
13 ensure compliance with such withholding and reporting requirements, and to enable
14 Reorganized Debtor to obtain the certifications and information as may be necessary or
15 appropriate to satisfy the provisions of any tax law.

16 12.6. Time. Unless otherwise specified herein, in computing any period of
17 time prescribed or allowed by the Plan, the day of the act or event from which the designated
18 period begins to run shall not be included. The last day of the period so computed shall be
19 included, unless it is not a Business Day, in which event the period runs until the end of the
20 next succeeding day that is a Business Day.

21 12.7. Section 1146(c) Exemption. Pursuant to Section 1146(c) of the
22 Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan; or the
23 execution, delivery, or recording of an instrument of transfer pursuant to, in implementation
24 of, or as contemplated by the Plan; or the revesting, transfer, or sale of any real property of
25 Debtor or Reorganized Debtor pursuant to, in implementation of, or as contemplated by the
26 Plan; shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or

1 similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official
2 for any city, county, or governmental unit in which any instrument hereunder is to be
3 recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such
4 instrument without requiring the payment of any documentary stamp tax, deed stamps,
5 transfer tax, intangible tax, or similar tax.

6 12.8. Severability. In the event any provision of the Plan is determined to be
7 unenforceable, such determination shall not limit or affect the enforceability and operative
8 effect of any other provisions of the Plan. To the extent any provision of the Plan would, by
9 its inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the
10 Confirmation Order, the Bankruptcy Court, on the request of Debtor, may modify or amend
11 such provision, in whole or in part, as necessary to cure any defect or remove any
12 impediment to the confirmation of the Plan existing by reason of such provision.

13 12.9. Binding Effect. The provisions of the Plan shall bind Debtor,
14 Reorganized Debtor and all holders of Claims and Interests, and their respective successors,
15 heirs, and assigns.

16 12.10. Recordable Order. The Confirmation Order shall be deemed to be in
17 recordable form, and shall be accepted by any recording officer for filing and recording
18 purposes without further or additional orders, certifications, or other supporting documents.

19 12.11. Plan Controls. In the event and to the extent any provision of the Plan
20 is inconsistent with the provisions of the Disclosure Statement, or any other instrument or
21 agreement contemplated to be executed pursuant to the Plan, the provisions of the Plan shall
22 control and take precedence.

23 12.12. Effectuating Documents and Further Transactions. Debtor and
24 Reorganized Debtor shall execute, deliver, file, or record such contracts, instruments,
25 assignments, and other agreements or documents, and take or direct such actions as may be
26

1 necessary or appropriate to effectuate and further evidence the terms and conditions of this
2 Plan.

3 12.13. Saturday, Sunday or Legal Holiday. If any payment or act under the
4 Plan is required to be made or performed on a date that is not a Business Day, then the
5 making of such payment or the performance of such act may be completed on the next
6 succeeding Business Day, but shall be deemed to have been completed as of the required
7 date.

8 12.14. Timing of Distributions. Notwithstanding anything to the contrary
9 herein: (a) any distribution required by the Plan to be made on the Effective Date in respect
10 of a Claim shall be made as soon as practicable after (but in any event within 30 days of) the
11 later of (i) the Effective Date or (ii) the date on which such Claim becomes Allowed and any
12 other conditions to distribution with respect to such Claim shall have been satisfied; and
13 (b) any distribution required by the Plan or any instrument issued pursuant to the Plan to be
14 made on a date subsequent to the Effective Date shall be made on the later of (i) such date or
15 (ii) as soon as practicable after (but in any event within 30 days of) the date on which the
16 pertinent Claim becomes Allowed and any other conditions to distribution with respect to
17 such Claim shall have been satisfied.

18 12.15. Final Order. Any requirement in the Plan for a Final Order may be
19 waived by Debtor or Reorganized Debtor; provided, however, that nothing contained herein
20 shall prejudice the right of any party-in-interest to seek a stay pending appeal with respect to
21 such Final Order.

22 12.16. Event of Default; Remedy. Except as otherwise provided in the Plan
23 or in the Confirmation Order, in the event Reorganized Debtor shall default in the
24 performance of its obligations under the Plan, and shall not have cured such default within 10
25 days after receipt of written notice of default from the Creditor to whom the performance is
26 due, then such Creditor may exercise its remedies on default. An event of default occurring

1 with respect to one Creditor or Claim shall not be an event of default with respect to any
2 other Creditor or Claim.

3 DATED this 30th day of May, 2012.

4 BONA VIA TIMBER COMPANY LLC

5
6 By /s/ Gary L. Bengochea
7 Gary L. Bengochea, Manager

8 NEVADA FIRST CORPORATION

9
10 By /s/ Gary L. Bengochea
11 Gary L. Bengochea, President

12 Presented by:

13 TONKON TORP LLP

14 By /s/ Albert N. Kennedy
15 Albert N. Kennedy, OSB No. 82142
16 Michael W. Fletcher, OSB No. 010448
17 Of Attorneys for Debtors

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036040/00001/3647490v1

EXHIBIT 1 TO
FIRST AMENDED
PLAN OF REORGANIZATION
Heppner Property Legal Description

EXHIBIT A

Cunha
Heppner

Township 2 South, Range 27, East of the Willamette Meridian, Morrow County, Oregon.

Section 28: The South Half.

Section 29: The Southeast Quarter. EXCEPTING THEREFROM a parcel described as follows: Beginning at the center of said Section 29, said point being the True Point of Beginning of this description; Thence East a distance of 660.00 feet to a point on the East-West centerline of said Section 29; Thence Southwesterly to the Southeast corner of the Southwest Quarter of said Section 29; Thence North to the True Point of Beginning of this description.

Section 33: All.

Section 34: All.

Section 35: The West Half of the Southwest Quarter; The Northwest Quarter.

EXCEPTING THEREFROM all roads and road rights of way.

Township 3 South, Range 27, East of the Willamette Meridian, Morrow County, Oregon.

Section 2: Government Lot 4, also known as the Northwest Quarter of the Northwest Quarter; The South West Quarter of the Northwest Quarter; The West Half of the Southwest Quarter.

Section 3: Government Lots 1, 2, 3 and 4, also known as the North Half of the North Half; The South Half of the North Half; The South Half.

Section 4: Government Lots 1, 2, 3 and 4, also known as the North Half of the North Half; The South Half of the North Half; The South Half. EXCEPTING THEREFROM a parcel described as follows: Beginning at the Northwest corner of said Section 4, said point being the True Point of Beginning of this description; Thence South to the Southwest corner of said Section 4; Thence East to the Southeast corner of the Southwest Quarter of the Southwest Quarter; Thence Northwesterly to the True Point of Beginning of this description.

Section 10: All.

Section 11: The West Half. EXCEPTING THEREFROM a parcel described as follows: Beginning at a point on the South line of said Section 11 which lies East a distance of 340.00 feet, more or less, from the Southwest corner of said Section 11, said point being the True Point of Beginning of this description; Thence East a distance of 2,300.00 feet, more or less, to the Southeast corner of the Southwest Quarter of said Section 11; Thence North, along the North-South centerline of said Section a distance of 3,000.00 feet, more or less, to a point; Thence in a Southwesterly direction to the True Point of Beginning.

EXHIBIT 2 TO
FIRST AMENDED
PLAN OF REORGANIZATION
Meacham Property Legal Description

meacham

TOWNSHIP 1 SOUTH, RANGE 34, E.W.M.

- Section 1 : South Half of the Southwest Quarter.
- Section 2 : Southeast Quarter of the Southeast Quarter.
- Section 10: North Half of the Northeast Quarter.
Southeast Quarter of the Northeast Quarter.

Excepting therefrom that tract of land conveyed to the Directors of School District No. 89 by deed recorded in Book 119, Page 360, Deed Records described as beginning at a point 20 feet East of and 64 rods (1,056 feet) South of the Northwest corner of the Northeast Quarter of said Section 10, Township 1 South, Range 34, E.W.M; thence East 10 rods (165 feet); thence South 16 rods (264 feet); thence West 10 rods (165 feet); thence North 16 rods (264 feet) to the point of beginning. (Containing 1 acre)

- Section 11: South Half.
South Half of the North Half.
Northeast Quarter of the Northwest Quarter.
Northwest Quarter of the Northeast Quarter.
- Section 12: West Half.
- Section 14: North Half.

All being East of the Willamette Meridian, Umatilla County, Oregon.

1,436.18 ACRES

1,436.18 (above)
 319.00 sold (excluded from Meacham)
 5.62 sold (excluded from Meacham)

1,111.56 Remaining is Meacham

Order No. 0052869
Page 3

Meacham

Sold
BOB BURNS

LEGAL DESCRIPTION
FILE NO.: FD0052869

TOWNSHIP 1 SOUTH, RANGE 34, East of the Willamette Meridian, Umatilla County, Oregon.

Section 10: North Half of the Northeast Quarter.
Southeast Quarter of the Northeast Quarter.

EXCEPTING THEREFROM, that Tract of land conveyed to the Directors of School District No. 89 by Deed recorded in Book 119, Page 360, Deed Records described as:

Beginning at a point 20 feet East of and 64 rods (1,056 feet) South of the Northwest Corner of the Northeast Quarter of said Section 10; thence East 10 rods (165) feet; thence South 16 rods (264 feet); thence West 10 rods (165 feet); thence North 16 rods (264 feet); to the point of beginning.

Section 11: Beginning at the Southeast Corner of the Northwest Quarter of the Northwest Quarter of said Section 11; thence Southeasterly in a straight line to the Northeast Corner of the Southeast Quarter of the Southwest Quarter of said Section 11; thence along the East line of said Southeast Quarter of the Southwest Quarter to the Southeast Corner of said Southeast Quarter of the Southwest Quarter of said Section 11; thence West along the South line of said Section 11 to the Southwest Corner of said Section 11; thence north along the West line of said Section 11 to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said Section 11; thence East along the South line of said Northwest Quarter of the Northwest Quarter of said Section 11 to the point of beginning.

319 Acres Sold
Excluded From Meacham

Meachum

Sold
BoB. Burns

DESCRIPTION OF A TRACT OF LAND TO BE SUBTRACTED FROM TAX LOT 2790 AND ADDED TO TAX LOT 2090.

Township 1 South, Range 34 East, W.M., Umatilla County, Oregon:

BEGINNING at the Northwest Corner of Section 14; thence East along the North line of Section 14 a distance of 700.00 feet; thence Southwesterly in a straight line a distance of 990 feet, more or less, to a point on the West line of Section 14, said point being South, 700.00 feet from the Northwest Corner of said Section 14; thence North along the West line of Section 14 a distance of 700.00 feet to the POINT OF BEGINNING.

COPY

REGISTERED
PROFESSIONAL
LAND SURVEYOR

WILLIAM R. WELLS

OREGON
JULY 22, 1977
WILLIAM R. WELLS
1106

renews 6-30-06

5.62 Acres Sold
Excluded from
Meachum

EXHIBIT 3 TO
FIRST AMENDED
PLAN OF REORGANIZATION
South Ganger Property
Legal Description

Order No. 0068027
Page 5

LEGAL DESCRIPTION

A tract of land located in Township 5 South, Range 31 East, W.M., and Township 5 South, Range 32 East, W.M., Umatilla County, Oregon, described as follows:

TOWNSHIP 5 SOUTH, RANGE 31 EAST, W.M.:

Section 12: That portion of the Southeast Quarter lying South of the Southerly Right-of-Way line of State Highway 244.

TOWNSHIP 5 SOUTH, RANGE 32 EAST, W.M.:

Section 7: That portion lying South of the Southerly Right-of-Way line of State Highway 244.

Section 8: That portion lying South of the Southerly Right-of-Way line of State Highway 244.

Section 9: That portion lying South of the Southerly Right-of-Way line of State Highway 244.

EXCEPTING THEREFROM any portion lying within County Road and Highway Rights-of-Ways.

EXHIBIT 4 TO
FIRST AMENDED
PLAN OF REORGANIZATION
Ukiah Property Legal Description

Quitclaim Deed
Page Two



EXHIBIT "A"
Ukiah Property

*See corrected
Deed 990 0138*

Township 4 South, Range 31, East of the Willamette Meridian, Umatilla County, Oregon.

- Section 31: East Half of the Southeast Quarter.
- Section 32: Southeast^{west} Quarter.
West Half of Southeast Quarter.
Southeast Quarter of Southeast Quarter.
- Section 33: South Half of Northwest Quarter.
West Half of Southwest Quarter.
Southwest Quarter of Southeast Quarter.
Southeast Quarter of Southwest Quarter.
East Half of Southeast Quarter.
- Section 34: West Half of Southwest Quarter.

Township 4 South, Range 32, East of the Willamette Meridian, Umatilla County, Oregon.

- Section 31: West Half of West Half, aka Lots 1, 2, 3 & 4.
Southeast Quarter of Southwest Quarter.

Township 5 South, Range 31, East of the Willamette Meridian, Umatilla County, Oregon.

- Section 1: Lot 1, aka Northeast Quarter of Northeast Quarter.
South Half of Northeast Quarter.
South Half.
- Section 2: South Half.
- Section 3: South Half of Northwest Quarter.
West Half of Southeast Quarter.
Southwest Quarter
- Section 4: All
- Section 5: All
- Section 6: Lot 1, Southwest Quarter of Northeast Quarter.
South Half of Northwest Quarter.
South Half.
- Section 7: North Half.
- Section 8: North Half.
- Section 9: North Half.
North Half of South Half.
- Section 10: Southeast Quarter of Northeast Quarter.
West Half of Northeast Quarter.

All that portion of East Half of Northwest Quarter,
lying East of U. S. Highway No. 395;

North 1640 feet of that portion of East Half of Northwest
Quarter lying West of U. S. Highway No. 395;

West Half of Northwest Quarter.
Southwest Quarter,

EXCEPTING THEREFROM lands described in Book 130, Page 637, Deed Records.

North Half of Southeast Quarter.
Southeast Quarter of Southeast Quarter.

- Section 11: North Half of North Half.
South Half of Northwest Quarter.
North Half of Southwest Quarter.

Quitclaim Deed
Page Three



Section 12: North Half of Northwest Quarter.
Southeast Quarter of Northwest Quarter.
Southeast Quarter.

Township 5 South, Range 32, East of the Willamette Meridian, Umatilla County,
Oregon.

Section 6: West Half of Northeast Quarter.
West Half.
North Half of Southeast Quarter.

Section 7: West Half.

Township 4 South, Range 32, East of the Willamette Meridian, Umatilla County,
Oregon.

Section 17: Southwest Quarter of Northwest Quarter.
West Half of Southwest Quarter.
Southeast Quarter of Southwest Quarter.
Southwest Quarter of Southeast Quarter.

Section 18: Southeast Quarter of Southeast Quarter.

Section 19: East Half of Northeast Quarter.
South Half of Northwest Quarter.
North Half of Southwest Quarter.
Southeast Quarter.

Section 20: West Half of Northeast Quarter.
Northwest Quarter.
North Half of Southwest Quarter.
Southwest Quarter of Southwest Quarter.

Section 29: West Half of Northwest Quarter.

Section 30: East Half of Northeast Quarter.

Township 4 South, Range 31, East of the Willamette Meridian, Umatilla County,
Oregon.

Section 24: East Half of Southwest Quarter.
Northwest Quarter of Southeast Quarter.

Section 25: Northeast Quarter of Northwest Quarter.

SUBJECT TO any and all water rights of way and roads.

Township 4 South, Range 31, East of the Willamette Meridian, Umatilla County,
Oregon.

Section 23: Southwest Quarter.

Section 25: Southwest Quarter of Southwest Quarter.

Section 26: West Half.
South Half of Northeast Quarter.
North Half of Southeast Quarter.
Southeast Quarter of Southeast Quarter.

Section 27: North Half of Northeast Quarter.
Southeast Quarter of Northeast Quarter.

EXCEPTING THEREFROM lands described in Microfilm R-192, Page 1358, Deed
Records.

Section 35: Northeast Quarter.
Northeast Quarter of Northwest Quarter.
South Half of Northwest Quarter.
South Half.

Section 36: All

Township 5 South, Range 31, East of the Willamette Meridian, Umatilla County,
Oregon.

Section 1: Northwest Quarter.
Northwest Quarter of Northeast Quarter.

Quitclaim Deed

Page Four



2003-4330493 4 of 5

Section 2: North Half.

SUBJECT TO any and all water rights of way and roads.

Township 4 South, Range 31, East of the Willamette Meridian, Umatilla County, Oregon.

Section 11: That portion of South Half of Southeast Quarter and of Southeast Quarter of Southwest Quarter lying Southwesterly of County Road No. 1417.

Section 14: East Half of West Half and West Half of Southeast Quarter. That portion of Northeast Quarter lying Southwesterly of County Road No. 1417.

SUBJECT TO any and all water rights of way and roads.

Township 5 South, Range 32, East of the Willamette Meridian, Umatilla County, Oregon.

Section 4: Southwest Quarter of Southwest Quarter.

Section 5: South Half.

Section 6: South Half of Southeast Quarter.

Section 7: East Half.

Section 8: All

Section 9: All

SUBJECT TO any and all roads and highways.

Township 4 South, Range 31, East of the Willamette Meridian, Umatilla County, Oregon.

Section 27: A tract of land lying in North Half of Southeast Quarter and described as all that portion lying East of the following described fence line:

Commencing at Southeast corner of Section 27, said corner being a 1 inch diameter steel pipe with a 2.5 inch diameter brass cap;

Thence North 48° 16' 16" West, 2056.07 feet to a 5/8 inch diameter steel rebar with an aluminum cap stamped PLS 933, said point being the true point of beginning for this description;

Thence following an existing fence line the following courses and distances:

North 12° 39' 51" East, 46.95 feet;

North 44° 14' 02" East, 155.95 feet;

North 5° 28' 52" East, 69.74 feet;

North 19° 25' 01" West, 128.36 feet;

North 19° 15' 16" East, 407.55 feet;

North 38° 05' 56" East, 200.31 feet;

North 27° 48' 18" East, 195.39 feet;

North 2° 37' 01" East, 211 feet more or less, to North

line of said North Half of Southeast Quarter;

Thence leaving the existing fence line East along North

line of said North Half of Southeast Quarter, 1093

feet, more or less, to East Quarter corner of

Section 27;

Thence South along East line of Section 27, 1321.45

feet to South 1/16 corner;

Thence West along South line of said North Half of

Southeast Quarter, 1477 feet, more or less, to a

point on existing fence line;

Thence North 50° 21' 58" West along said existing

fence line 74 feet, more or less, to the point of

beginning.

SUBJECT TO any and all water rights of way and roads.

**EXHIBIT 2 TO
ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

Promissory Note

PROMISSORY NOTE

\$6,100,000

Dated July __, 2012

FOR VALUE RECEIVED, Bonavia Timber Company, LLC, an Oregon limited liability company, and its successors and permitted assigns (if any), and Nevada First Corporation, a Nevada corporation, and its successors and permitted assigns (if any), (collectively, "Borrowers") promise to pay to the order of Third Eye Capital Corporation, as agent for Strative Capital, Ltd., ("Lender"), the principal amount of \$6,100,000, or such lesser amount as is outstanding under this promissory note, on the terms set forth in this promissory note. In addition, Borrowers hereby promise to pay interest on the unpaid principal amount owed under this promissory note (which shall accrue as specified in paragraph 2 below), together with all costs and fees, including reasonable attorney fees, incurred by Lender in enforcing Borrowers' obligations under this promissory note. Principal hereof and the interest owing under this promissory note are payable to Lender into escrow at AmeriTitle at Pendleton, Oregon, at Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3930, Toronto, Ontario M5J 2S1 Canada, Attention Arif N. Bhalwani, or such other place as Lender may direct, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

1. Defined Terms. As used in this promissory note, the following terms have the meanings noted below:

"Collateral" means real property owned by Bonavia Timber Company, LLC, in Ukiah, Umatilla County, Oregon, and Morrow County, Oregon, described more particularly in the Deeds of Trust. In the event that this promissory note is not paid in full by August 1, 2012, Collateral will also include all real property owned by Bonavia Timber Company, LLC, in Meacham, Oregon, and all of the real property owned by NFC Land & Cattle, LLC, in Nevada.

"Default" means any event or occurrence that with the passage of time, or the provision of notice, or both, would constitute an Event of Default.

"Deeds of Trust" means deeds of trust given to secure Borrowers' obligations to Lender pursuant to this promissory note. The term Deeds of Trust includes all amendments, extensions, modifications, renewals, replacements, and restatements of the documents described in the preceding sentence.

"Default Interest Rate" means a per annum interest rate that is one percent (1%) per annum greater than the rate of interest specified in paragraph 2 of this promissory note at the time in question.

"Event of Default" has the meaning specified in paragraph 9 of this promissory note.

"Maturity Date" has the meaning specified in paragraph 3 of this promissory note.

“Person” means an individual, a partnership, a corporation (including a business trust), a joint stock company, a trust, an unincorporated association, a joint venture, a limited liability company, a limited liability partnership or other entity, or a governmental authority or any agency, instrumentality, or political subdivision thereof.

2. Interest Rate. Interest will not accrue on this promissory note through August 1, 2012. Commencing on August 2, 2012, interest shall accrue on the principal amount outstanding under this promissory note at the rate of twenty percent (20%) per annum to and including December 1, 2012. Thereafter, interest shall accrue at the rate of sixty percent (60%) per annum until paid in full.

3. Maturity of Note. Borrowers’ obligations pursuant to this promissory note shall mature on June 1, 2015. On that date (or any earlier maturity date, if any, resulting from an acceleration of Borrowers’ obligations under this promissory note following an Event of Default) (the earlier of which dates to occur is referred to in this promissory note as the “Maturity Date”), the entire balance of principal and interest owed under this promissory note shall be due and payable by Borrowers in full.

4. Collateral. Borrowers’ obligations to Lender pursuant to this promissory note shall be secured by the Deeds of Trust.

5. Computation of Interest; Application of Payments. All interest owed under this promissory note shall be computed at the applicable rate based on a 360-day year, applied to actual days elapsed. All payments made under this promissory note shall be applied first to any costs, fees, or expenses (including reasonable attorney fees) that Borrowers are obligated to pay under this promissory note, then to interest, and finally to the principal amount owed under this promissory note.

6. Permitted Prepayment. Borrowers may prepay amounts outstanding under this promissory note at any time, in whole, or in part, without Lender’s consent and without incurring and paying a prepayment fee.

7. Representations and Warranties Regarding Bonavia Timber Company, LLC. Borrowers represent and warrant to Lender as follows:

(a) Bonavia Timber Company, LLC, is a limited liability company duly organized, validly existing, and in good standing under the laws of Oregon, and is qualified to do business in each other jurisdiction where the conduct of its business or the ownership of its properties requires such qualification. Furthermore, Bonavia Timber Company, LLC, has full limited liability company power, authority, and legal right to carry on its business as presently conducted, to own and operate its properties and assets, and to execute, deliver, and perform its obligations under this promissory note and the Deeds of Trust;

(b) The execution, delivery, and performance by Bonavia Timber Company, LLC, of this promissory note and the Deeds of Trust have been duly authorized by all necessary action of Bonavia Timber Company, LLC, do not require any member approval, or the approval or consent of any trustee or the

holders of any indebtedness of Bonavia Timber Company, LLC, do not contravene any law or order binding on Bonavia Timber Company, LLC, or Bonavia Timber Company, LLC's organizational documents, and do not contravene the provisions of or constitute a default under any indenture, mortgage, contract, or other agreement or instrument to which Bonavia Timber Company, LLC, is a party, or by which Bonavia Timber Company, LLC, or any of Bonavia Timber Company, LLC's properties, may be bound or affected;

(c) This promissory note, the Deeds of Trust, and all of the terms and provisions thereof are the legal, valid, and binding obligations of Bonavia Timber Company, LLC, enforceable against Bonavia Timber Company, LLC, in accordance with their terms, except as they may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally, and except as the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought; and

(d) The execution, delivery, and performance of this promissory note and the Deeds of Trust, and the transactions contemplated hereby and thereby, do not require any approval or consent of, or filing or registration with, any governmental authority, any other agency or authority, or any other Person.

8. Representations and Warranties Regarding Nevada First Corporation. Borrowers represent and warrant to Lender as follows:

(a) Nevada First Corporation is a corporation duly organized, validly existing, and in good standing under the laws of Nevada, and is qualified to do business in each other jurisdiction where the conduct of its business or the ownership of its properties requires such qualification. Furthermore, Nevada First Corporation has full corporate power, authority, and legal right to carry on its business as presently conducted, to own and operate its properties and assets, and to execute, deliver, and perform its obligations under this promissory note;

(b) The execution, delivery, and performance by Nevada First Corporation of this promissory note have been duly authorized by all necessary action of Nevada First Corporation, do not require any shareholder approval, or the approval or consent of any trustee or the holders of any indebtedness of Nevada First Corporation, do not contravene any law or order binding on Nevada First Corporation, or Nevada First Corporation's organizational documents, and do not contravene the provisions of or constitute a default under any indenture, mortgage, contract, or other agreement or instrument to which Nevada First Corporation is a party, or by which Nevada First Corporation, or any of Nevada First Corporation's properties, may be bound or affected;

(c) This promissory note, and all of the terms and provisions thereof are the legal, valid, and binding obligations of Nevada First Corporation, enforceable against Nevada First Corporation in accordance with their terms,

except as they may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally, and except as the remedy of specific performance or of injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought; and

(d) The execution, delivery, and performance of this promissory note, and the transactions contemplated hereby and thereby, do not require any approval or consent of, or filing or registration with, any governmental authority, any other agency or authority, or any other Person.

9. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this promissory note:

(a) Borrowers shall fail to pay any amount of principal or interest owed pursuant to this promissory note when due;

(b) Borrowers shall fail to perform or observe any term, covenant or agreement contained in this promissory note or any other writing delivered to Lender that Borrowers are required to perform or observe;

(c) An Event of Default shall occur under the any of the Deeds of Trust;

(d) Any representation or warranty of Borrowers made in this promissory note, or any certificate, notice, or other writing delivered hereunder, shall prove to have been false in any material respect upon the date when made or deemed to have been made;

(e) One or more of Borrowers shall file bankruptcy, commence a receivership proceeding, or make a general assignment for the benefit of creditors, or any such proceeding shall be instituted against one or more of Borrowers that is not dismissed within 90 days after the institution thereof.

10. Remedies Upon Default. If an Event of Default occurs, the principal balance of this promissory note thereafter at Lender's election shall bear interest at the Default Interest Rate (which Default Interest Rate shall remain in effect until the Event of Default is cured). Furthermore, if an Event of Default occurs, Lender without prior notice to Borrowers immediately may exercise any or all of Lender's rights under this promissory note, the Deeds of Trust, and applicable law and may declare the entire balance of principal owed pursuant to this promissory note and any accrued interest under this promissory note immediately due and payable. Lender's failure to exercise any remedies or rights, or failure immediately to accelerate the debt evidenced by this promissory note, shall not constitute a waiver of Lender's right to do so at any other time.

11. Costs and Attorney Fees. In case of an Event of Default, Lender shall have the right, at Borrowers' expense, to consult an attorney or collection agency,

to make any demand, enforce any remedy, or otherwise protect Lender's rights under this promissory note. Borrowers hereby promise to pay all reasonable costs, fees, and expenses incurred by Lender in connection with Lender's efforts to recover the amount owed under this promissory note, including, without limitation, reasonable attorney fees (whether or not arbitration or litigation has been commenced), arbitration and court costs, collection agency charges, notice expenses and title search expenses, and the failure of Borrowers to pay the same shall, in itself, constitute a further and additional Event of Default. In the event that a suit, action, or arbitration is instituted to enforce this promissory note, the prevailing party shall be entitled to recover, in addition to costs and expenses provided by statute or otherwise, such sums as the court or arbitrator may adjudge reasonable as attorneys' fees in such proceeding and on any appeals from any judgment or decree entered therein and the costs and attorneys' fees for collection of the amount due therein. Borrowers further agree to pay immediately upon demand all costs and expenses of Lender including (but not limited to) reasonable attorney fees (a) if Lender seeks to have any or all of the property securing the loan evidenced by this promissory note abandoned by any estate in bankruptcy; (b) if Lender attempts to have any stay or injunction prohibiting the enforcement or collection of this promissory note lifted by any bankruptcy court or other court; (c) if Lender participates in any subsequent proceedings or appeals from any order or judgment entered in any such proceeding; (d) if Lender deems it appropriate to file a proof of claim, or in any other manner participate in any bankruptcy or similar proceedings; or (e) if Lender retains legal counsel in connection with any amendments or modifications of this promissory note requested by Borrowers, or required by or resulting from Borrowers' default hereunder.

12. Maintenance of any Real Property Securing this Note.

Borrowers shall (a) manage and operate any real property securing this note in a manner consistent, in Borrower's commercially reasonable judgment, and shall keep any improvements on any real property securing this note in good condition and repair, ordinary wear and tear excepted; (c) complete and maintain promptly and in a good and workmanlike manner any improvements (including roads and erosion control devices or systems) now or hereafter constructed on any real property securing this note; (d) comply with all applicable laws, ordinances, rules, regulations, covenants, conditions, and restrictions (including those relating to silviculture, land use and development, water rights and use, noise and pollution, harvesting and transportation of timber, reforestation, road construction and maintenance, disposal of slash, maintenance of water quality standards, wetlands, fire protection, insect and disease control, forest practices, and threatened or endangered species) now or hereafter affecting any real property securing this note; and (e) not commit or permit any waste or deterioration of any real property securing this note.

13. Environmental Indemnity. Borrowers agree to indemnify and hold Lender harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings and costs and expenses (including attorney fees), arising directly or indirectly from or out of, or in any way connected with, (a) any activities or conditions on any real property securing this note during Borrower's ownership, possession, or control of such real property that directly

or indirectly result in any real property securing this note, or any other property, ground or surface water, or air becoming contaminated with hazardous substances in violation of applicable law, (b) the discovery of hazardous substances on any real property securing this note or the discovery of hazardous substances on any other property, ground or surface water, or air caused by activities or conditions on any real property securing this note, and (c) the cleanup of hazardous substances from any real property securing this note or the cleanup of hazardous substances from any other property, ground or surface water, or air caused by activities or conditions on any real property securing this note. Borrowers acknowledge that, as between Borrowers and Lender, Borrowers will be solely responsible for all costs and expenses relating to the cleanup of hazardous substances from any real property securing this note or from any other properties, ground or surface water, or air that become contaminated with hazardous substances as a result of activities or conditions on or the contamination of any real property securing this note, provided that each costs and expenses do not result from the gross negligence or willful misconduct of Lender.

14. Notices. All notices and other communications provided for in this promissory note shall be in writing and shall be sent (unless otherwise specified) by certified mail, return receipt requested (with postage prepaid) or delivered to each party at the following addresses, or at such other address as shall be designated by such party in a written notice to each other party:

Lender: Third Eye Capital Corporation
Brookfield Place, TD Canada Trust Tower
161 Bay Street, Suite 3930
Toronto, Ontario M5J 2S1 Canada
Attention: Arif N. Bhalwani
Managing Director

Borrowers: _____

Attention: Gary L. Bengochea
President

Except as otherwise specified, all such notices and communications if duly given or made shall be effective upon receipt.

15. Strictly Enforceable Agreement. Time is of the essence with respect to Borrowers' obligations under this promissory note. Borrowers agree that Borrowers have received valuable consideration under this promissory note, that Borrowers sign this promissory note as makers and not as sureties, and that any and all suretyship defenses hereby are waived by Borrowers. Borrowers for themselves and all drawers and endorsers waive presentment, demand for payment, protest, and notice of dishonor of this promissory note.

16. Assignment. Borrowers may not assign their rights or obligations in and under this promissory note. Lender may assign or transfer its rights or obligations under this promissory note without Borrowers' prior written consent at any time.

17. Governing Law. This promissory note is governed by the laws of the state of Oregon, without regard to conflict of laws principles; provided, however, that to the extent the holder of this promissory note has greater rights or remedies under federal law, this provision shall not be deemed to deprive the holder of such rights and remedies as may be available under federal law.

18. Consent to Jurisdiction. Borrowers and Lender hereby irrevocably submit to the jurisdiction of any state or federal court sitting in Portland, Oregon, in any action or proceeding brought to enforce or otherwise arising out of or relating to this promissory note and irrevocably waive to the fullest extent permitted by law any objection that Borrowers or Lender now or hereafter may have to the laying of venue in any such action or proceeding in any such forum, and Borrowers and Lender hereby further irrevocably waive any claim that any such forum is an inconvenient forum. Borrowers and Lender agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment, or in any other manner provided by law.

19. Waiver of Jury Trial. **BORROWERS AND LENDER HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY OF ANY CLAIM OR CLAIMS THAT BORROWERS OR LENDER HAS OR HEREAFTER MAY HAVE AGAINST EACH OTHER (INCLUDING CROSS-CLAIMS AND COUNTERCLAIMS), WHETHER ANY SUCH CLAIM ARISES OUT OF CONTRACT, TORT, OR OTHERWISE AND WHETHER ANY SUCH CLAIM ARISES BEFORE OR AFTER THE DATE OF THIS PROMISSORY NOTE.**

20. Statutory Notice. **UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY LENDER CONCERNING LOANS AND OTHER CREDIT EXTENSIONS THAT ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION, AND BE SIGNED BY LENDER TO BE ENFORCEABLE.**

BONAVIA TIMBER COMPANY, LLC

By _____
Name _____
Title _____

NEVADA FIRST CORPORATION

By _____
Gary L. Bengochea
President

036040/00001/3719128v1

**EXHIBIT 3 TO
ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

Amendment of Deed of Trust

When Recorded Return To:

Third Eye Capital Corporation
c/o Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204
Attention: Teresa H. Pearson

AMENDMENT OF DEED OF TRUST

Date: July____, 2012

Grantor: BONA VIA TIMBER COMPANY, LLC, whose address is 620 Melarky Way,
Winnemucca, Nevada, 89445.

Beneficiary: THIRD EYE CAPITAL CORPORATION, AS AGENT FOR STRATIVE
CAPITAL, LTD., whose address is Brookfield Place, TD Canada Trust Tower,
161 Bay Street, Suite 3930, Toronto, Ontario M5J 2S1 Canada, Attention Arif N.
Bhalwani.

RECITALS

A. Grantor executed and delivered to Beneficiary a Trust Deed dated November 19, 2009, and recorded on December 17, 2009, as document number 2009-5600156 in the real property records of Umatilla County, Oregon, granting Beneficiary an interest in the real property legally described on the attached Exhibit A. The deed of trust, as amended, is hereafter referred to as the "Trust Deed."

B. The Trust Deed secured payment of each agreement by Grantor contained in the Trust Deed, and payment of all obligations of Grantor to Beneficiary under the Limited Recourse Secured Guaranty dated November 19, 2009.

C. Grantor filed a voluntary petition under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Oregon under Case No. 11-39459-rld11.

D. Grantor, its affiliate Nevada First Corporation, and Beneficiary have entered into a settlement of obligations owed from Grantor to Beneficiary under the Limited Recourse Secured Guaranty dated November 19, 2009, and from Nevada First Corporation to Beneficiary under its Secured Guaranty dated November 19, 2009. This settlement is memorialized in the Order Confirming Debtors' First Amended Joint Plan of Reorganization (May 30, 2012), entered by the United States Bankruptcy Court for, on July____, 2012, as docket number ____ (the "Order").

E. Pursuant to the Order, Bonavia is obligated to deliver this Amendment of Deed of Trust to Beneficiary.

**EXHIBIT 4 TO
ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

**Trust Deed, Assignment of Leases and Rents,
Security Agreement, and Fixture Filing
(Morrow County Property)**

After Recording, Mail To:

Third Eye Capital Corporation
c/o Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204
Attention: Teresa H. Pearson

**TRUST DEED, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING**

(Morrow County Property)

This Trust Deed, Assignment of Leases and Rents, and Fixture Filing (this "Trust Deed") is entered into as of July __, 2012, among BONAVIA TIMBER COMPANY, LLC ("Bonavia"), whose address is 620 Melarky Way, Winnemucca, Nevada, 89445; _____ ("Trustee"), whose address is _____; and THIRD EYE CAPITAL CORPORATION, AS AGENT FOR STRATIVE CAPITAL, LTD. ("Lender"), whose address is Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3930, Toronto, Ontario M5J 2S1 Canada, Attention Arif N. Bhalwani.

RECITALS

Bonavia, Nevada First Corporation, and Lender have entered into a settlement of obligations owed from Bonavia and Nevada First Corporation to Lender, which settlement is memorialized in the Order Confirming Debtors' First Amended Joint Plan of Reorganization (May 30, 2012), entered by the United States Bankruptcy Court for the District of Oregon in In re Bonavia Timber Company, LLC, U.S. Bankruptcy Court for the District of Oregon case no. 11-39459-rld11, on July __, 2012, as docket number ____ (the "Order"). Pursuant to the Order, Bonavia is obligated to deliver this Trust Deed to Lender.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Bonavia and Lender agree as follows:

GRANT OF LIEN/SECURITY INTEREST

As security for the Obligations (as that term is defined below), Bonavia hereby irrevocably grants, pledges, sets over, confirms, transfers, conveys, and assigns to Trustee in trust, with the power of sale upon default, for the benefit and security of Lender under and subject to the terms and conditions set forth in this Trust Deed, all of the right, title, interest, estate, power, and privilege of Bonavia, whether now existing or hereafter acquired, in and to the following assets:

1. The real property (the "Real Property") located in Morrow County, Oregon, that is more particularly described in Exhibit A to this Trust Deed (which shall include, unless the context otherwise requires, the Timber, the Mineral

Rights, the Appurtenant Rights, and the Development Rights (as such terms are defined below));

2. Any and all buildings, structures, fixtures, and improvements now or hereafter erected on or appurtenant to the Real Property, including all machinery, attachments, appliances, and other equipment now or hereafter incorporated into or attached to the Real Property (including, but not limited to, equipment that provides or generates electricity, water lines, fire sprinklers, alarm systems, heating systems, air conditioning systems, refrigeration systems, ducts and ductwork, ventilation systems, and all support and ancillary facilities, all roads, storage areas and facilities, and parking areas and facilities, together with all replacements and substitutions of and additions and accessions to all of the foregoing (collectively the “Improvements”), all of which shall be deemed and construed for purposes of this Trust Deed to be a part of the Real Property;

3. All trees, timber (whether severed or unsevered and including standing and downed timber), perpetual timber rights, stumps, cut timber, logs, and other forest products, whether now located on or hereafter planted, growing, or located in or on the Real Property (the “Timber”);

4. Any and all logs, timber, lumber, finished or milled lumber, bark, sawdust, logging and milling waste, hog fuel, wood chips (including any of the foregoing subject to any manufacturing process or that constitutes work in progress), and all goods, inventory, and other timber products now or hereafter owned or acquired by Bonavia, or in which Bonavia has an interest, in each case as derived from the Real Property, or any Timber thereon;

5. All water, steam, thermal energy, and other geothermal resources and all oil, gas, hydrocarbons, gravel, phosphate, limerock, coal, and other mineral resources and subterranean substances, and all existing and after-acquired surface and subsurface water and water rights and shares of stock evidencing the same, and all products thereof in, on, under, or pertaining to the Real Property (the “Minerals”) and all surface access and mining rights in, on, under, or pertaining to the Real Property (collectively the “Mineral Rights”);

6. All accounts, revenues, rents, issues, profits, royalties, proceeds, income, and other benefits (collectively the “Rents”) derived from the Real Property, the Improvements, the Timber, or the Mineral Rights, including, without limitation, all Rents under all agreements providing for the payment of royalties (including overriding royalties) derived from any part of the Trust Estate (as defined below), and all issues and profits from the sale or other disposition of Timber, Minerals, or Mineral Rights;

7. All existing and future leases, whether written or oral (including subleases thereof), rental agreements, and all future agreements for use and occupancy, and any and all extensions, renewals, and replacements thereof, upon

all or relating to any part of the Real Property (hereinafter collectively referred to as the "Leases");

8. All guaranties of any tenant's performance under any and all of the Leases;

9. The immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits, and other income of any nature (including any income of any nature coming due during any redemption period) now due, or that may become due, or to which Bonavia may now or shall hereafter become entitled to or may make demand or claim for, arising or issuing from or out of the Leases, or from or out of the Real Property, or any part thereof, including, but not limited to, minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents, and liquidated damages following default in any Lease, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Real Property, together with any and all rights and claims of any kind that Bonavia has or may have against any tenant under the Leases or any subtenants or occupants of the Real Property (all such monies, rights, and claims described in this paragraph being hereinafter called "Cash Collateral"), excepting therefrom any sums that by the express provisions of any of the Leases are payable directly to any governmental authority, or to any other person, firm, or corporation other than the landlord under the Leases;

10. All additions, accessions, replacements, substitutions, proceeds, and products of the property described in this Trust Deed;

11. All permits, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, building permits, subdivision approvals, site plan reviews, environmental approvals (including an environmental impact statement or report if required under applicable law for Bonavia's acquisition, use, or disposition of the Real Property, or otherwise), sewer and waste discharge permits, appropriative water rights and permits, zoning and land use entitlements, and other authorizations, whether now existing or hereafter issued to or obtained by or on behalf of Bonavia, that relate to or concern in any way the Real Property, the Improvements, the Timber, or the Mineral Rights, and are given or issued by any governmental or quasi-governmental authority (collectively the "Authorizations");

12. All easements, rights-of-way, and rights now owned or hereafter acquired by Bonavia and used or usable in connection with or appurtenant to the Real Property or the Improvements, including, without limiting the generality of the foregoing, all easements, reciprocal easement agreements, rights and rights-of-way to enter, use, occupy, and have access to all portions of the Improvements that may be located off the Real Property, if any, and all rights to the use of roads and common drive entries, and all tenements, hereditaments, easements, and

appurtenances of and to the Real Property (collectively the “Appurtenant Rights”);

13. All air rights, development rights, zoning rights, or other similar rights or interests that benefit or are appurtenant to the Real Property or the Improvements, or any or all thereof, and any proceeds arising therefrom (collectively the “Development Rights”);

14. All interests, estates, or other claims, both in law and in equity, that Bonavia now has or hereafter may acquire in the Real Property, the Improvements, the Timber, the Minerals and Mineral Rights, the Appurtenant Rights, and the Development Rights (collectively the “Property”) and all right, title, and interest now owned or hereafter acquired by Bonavia in and to any greater estate in the Property;

15. All other claims or demands, both in law and in equity, including claims or demands with respect to the proceeds of insurance, that Bonavia now has or hereafter may acquire in or with respect to the Trust Estate (as hereinafter defined) or any part thereof, and any and all awards previously or subsequently made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages, or any other damage to any part of the Trust Estate for which compensation shall be given by any governmental or quasi-governmental authority; and

16. All right, title, and interest of Bonavia in the funds (if any) deposited pursuant to Section 1.4 of this Trust Deed.

The entire estate, property, and interest conveyed by Bonavia to Trustee under this Trust Deed and described above, and any and all proceeds thereof, may be referred to in this Trust Deed collectively as the “Trust Estate.”

OBLIGATIONS SECURED

The foregoing conveyance by Bonavia to Trustee of the Trust Estate secures the following obligations of Bonavia and Nevada First Corporation (collectively, the “Obligations”) to Lender:

1. Payment of indebtedness in the aggregate principal amount of \$6,100,000 (or such lesser amount that may be owed at the time in question) pursuant to that certain promissory note in the original principal amount of \$6,100,000 from Bonavia and Nevada First Corporation (the “First Obligation Note”) to Lender, with interest thereon as specified in the First Obligation Note, and any and all amendments, extensions, modifications, renewals, replacements, and restatements of the First Obligation Note. The interest rate, payment terms, or the balance due on the First Obligation Note and the indebtedness evidenced

thereby may be indexed, adjusted, renewed, or renegotiated without affecting the priority of this Trust Deed.

2. Payment of (a) all sums that may become due from Bonavia to Lender, including, without limitation, Bonavia's liability for waste on the Real Property, or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards, (b) advances by Lender with interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, which advances include, but are not limited to, taxes upon the Real Property, according to the terms of this Trust Deed; (c) all attorney fees and costs, including, without limitation, the cost of any appraisal of the Real Property, incurred by Trustee or Lender in foreclosing this Trust Deed, or realizing upon any of the collateral for the Obligations; (d) all attorney fees and costs incurred by Trustee or Lender in defending the priority or validity of this Trust Deed, or Bonavia's interest in and title to the Real Property; (e) all sums advanced by Lender to or on behalf of Bonavia for the purpose of clearing encumbrances or defects from the title to the Real Property where Lender in good faith believes such encumbrances to be superior to the lien of the Trust Deed, including, without limitation, payment of ad valorem taxes and mechanics' or materialmen's liens that may have gained priority over the lien of this Trust Deed; (f) all attorney fees and costs incurred by Trustee or Lender in any case or proceedings under the United States Bankruptcy Code affecting Bonavia or this Trust Deed arising after entry into this Trust Deed; and (g) all other sums advanced by Lender to protect the Trust Estate, with interest on such sums at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

3. Payment of all other sums, with interest thereon in accordance with the terms thereof, that may be loaned to (a) Bonavia, (b) Nevada Timber Corporation, (c) NFC Land & Cattle, LLC, or (d) any of their successors or assigns by Lender after the date of this Trust Deed, when evidenced by a promissory note (or notes) reciting that such amounts are secured by this Trust Deed.

4. Notwithstanding anything to the contrary in this Trust Deed, the First Obligation Note, or any other agreement between Lender and Bonavia, Bonavia's obligation to indemnify and hold Lender harmless with respect to various matters, including any violation of any environmental law, shall not be secured by the Trust Estate.

ARTICLE I

COVENANTS AND AGREEMENTS OF BONAVIA

1.1 Maintenance of the Trust Estate. Bonavia shall (a) manage and operate the Trust Estate in a manner consistent, in Bonavia's commercially reasonable judgment, with sound forestry management practices and shall keep the Improvements in good condition and repair, ordinary wear and tear excepted; (b) complete and maintain promptly and in a good and workmanlike manner any Improvement (including roads and erosion control devices or

systems) now or hereafter constructed; (c) comply with all applicable laws, ordinances, rules, regulations, covenants, conditions, and restrictions (including those relating to silviculture, land use and development, water rights and use, noise and pollution, harvesting and transportation of Timber, reforestation, road construction and maintenance, disposal of slash, maintenance of water quality standards, wetlands, fire protection, insect and disease control, forest practices, and threatened or endangered species) now or hereafter affecting the Trust Estate; (d) not commit or permit any waste or deterioration of the Trust Estate; (e) comply with the provisions of every material Authorization; (f) not commit any act to be done in or upon the Trust Estate in violation of any applicable law, ordinance, rule, or regulation, or of any Authorization, (g) conduct, and cause persons other than Bonavia with rights in the Timber to conduct, all harvesting operations on the Real Property in a manner consistent, in Bonavia's commercially reasonable judgment, with sound forestry practices and procedures, and use reasonable care to avoid unnecessary damage to the remaining Timber on the Real Property; (h) maintain memberships in forest protective associations where any of the Trust Estate falls within a forest protective district under the jurisdiction of any such associations; (i) pay as due any forest patrol assessments of the state forester, or a forest protective association described in the clause above; and (j) within 30 days from any determination that an operation on the Trust Estate has resulted in an additional fire hazard (or other hazard), obtain a release of such additional hazard from the state forester by performing all necessary burning or other work to reduce the hazard, or by paying a fee designated by the state forester for such release.

1.2 Indemnification; Subrogation; Waiver of Offset.

(a) If Lender is made a party defendant to any litigation concerning this Trust Deed or the Trust Estate, or any part thereof or interest therein, or the occupancy thereof by Bonavia, then Bonavia shall indemnify, defend, and hold Lender harmless for, from, and against all liability, loss, cost, or damage by reason of said litigation (except to the extent such litigation is caused by the gross negligence or willful misconduct of Lender), including reasonable attorney fees and expenses incurred by Lender in any such litigation, whether or not any such litigation is prosecuted to judgment.

(b) All sums payable by Bonavia hereunder shall be paid without notice, demand, counterclaim, setoff, deduction, or defense and without abatement, suspension, deferment, diminution, or reduction; and the obligations and liabilities of Bonavia hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Real Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, dissolution, liquidation, or other like proceeding relating to Bonavia, or any action taken with respect to this Trust Deed by any trustee or receiver of Bonavia, or by any court, in any such proceeding; (v) any claim that Bonavia has or might have against Lender; (vi) any default or failure on the part of

Lender to perform or comply with any of the terms hereof or of any other agreement with Bonavia; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing and whether or not Bonavia shall have notice or knowledge of any of the foregoing. Nothing herein shall constitute a waiver by Bonavia of any claim or cause of action Bonavia now or hereafter may have against Lender, or operate as a bar to asserting such claim or cause of action in a separate action unless the same is a mandatory counterclaim in any action or proceeding on the debt secured by this Trust Deed.

1.3 Taxes and Liens. Bonavia shall pay before they become delinquent all taxes and assessments levied against or on account of the Trust Estate (each of which taxes and assessments is referred to in this Trust Deed as an “Imposition”) and shall pay as due all claims for work done on or for services rendered or material furnished to the Real Property or the Improvements. Special assessments shall be paid currently, without deferral, unless the lien for deferred assessments is subordinate to the interest of Lender under this Trust Deed, or Lender gives its prior, written consent to the deferral. Bonavia shall maintain the Trust Estate free of any liens having priority over or equal to the interest of Lender under this Trust Deed, except for the lien of taxes and assessments that are not delinquent. Bonavia may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender’s interest in the Trust Estate is not jeopardized or likely to be jeopardized (as determined by Lender in its reasonable discretion). If a lien arises or is filed as a result of nonpayment, Bonavia shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Bonavia has notice of the filing, secure the discharge of the lien or deposit with cash or a sufficient corporate surety bond or other security satisfactory to Lender an amount sufficient to discharge the lien plus any costs, attorney fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. The assessor or tax collector of the county in which the Real Property is located is authorized to deliver to Lender a written statement of the property taxes assessed or owing at any time. Bonavia shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate proceedings, but this shall not be construed in any way as relieving, modifying, or extending Bonavia’s covenant to pay any such Imposition at the time and in the manner provided in this Section 1.3 of this Trust Deed, unless Bonavia has given prior written notice to Lender of Bonavia’s intent to contest or object to an Imposition, and unless: (a) Bonavia shall demonstrate to Lender’s reasonable satisfaction that the proceedings to be initiated by Bonavia shall operate conclusively to prevent the suspension, termination, nonrenewal, or revocation of any Authorization and to prevent the sale of the Trust Estate to satisfy such Imposition prior to final determination of such proceedings; or (b) Bonavia shall furnish a good and sufficient bond or surety as requested by and in form, substance, and amount and issued by a person satisfactory to Lender in its reasonable discretion; or (c) Bonavia shall demonstrate to Lender’s reasonable satisfaction that Bonavia has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such suspension, termination, nonrenewal, revocation, or sale. If Bonavia pays the Imposition, it shall have the right to contest or object to the amount or validity of such Imposition without Lender’s consent.

1.4 Reserves. If Bonavia and Lender do not otherwise expressly agree in writing, after an Event of Default has occurred, Lender may require Bonavia to maintain

reserves for payment of taxes (including special assessments and other charges against the Trust Estate by governmental or quasi-governmental bodies). The reserves shall be created by payment each month to Lender of an amount determined by Lender in its reasonable discretion to be sufficient to produce by the date they are due amounts equal to the estimated taxes to be paid. If at the time that payments are to be made the reserve for either taxes is insufficient, Bonavia shall upon demand pay such additional sum as Lender reasonably shall determine to be necessary to cover the required payment. Lender shall not charge a service charge for collecting reserves and paying taxes. The reserves shall not constitute a trust. Bonavia agrees that Lender may commingle reserve funds with other funds of Lender and need not invest them for the benefit of Bonavia. Bonavia agrees that Lender need not pay Bonavia interest on reserves, unless applicable statutes require payment of interest notwithstanding any contrary agreement.

1.5 Expenditures by Lender. If Bonavia shall fail to comply with any provision of this Trust Deed beyond any applicable cure period, Lender may, at its option, on Bonavia's behalf take the required action and any amount that Lender expends in so doing shall be added to the indebtedness secured hereby and become part of the Obligations. Amounts so added shall be payable on demand with interest at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question from the date of expenditure, until the amount of such expenditure, plus interest thereon, is repaid by Bonavia. The rights provided for in this section shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default, and Lender shall not by taking the required action cure the default so as to bar Lender from any remedy that it otherwise has under this Trust Deed, the First Obligation Note, any other agreements between Bonavia and Lender, or applicable law.

1.6 Utilities.

(a) Bonavia shall pay or cause to be paid when due all utility charges that are incurred by Bonavia for the benefit of the Trust Estate, or that may become a charge or lien against the Trust Estate for gas, electricity, water, or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such assessments or charges are liens thereon.

(b) Bonavia shall have the right before any delinquency occurs to contest or object to the amount or validity of any such utility charge by appropriate proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending Bonavia's covenant to pay any such utility charge at the time and in the manner provided in this Section 1.6 of this Trust Deed, unless Bonavia has given prior written notice to Lender of Bonavia's intent to contest or object to a utility charge, and unless: (i) Bonavia shall demonstrate to Lender's reasonable satisfaction that the proceedings to be initiated by Bonavia shall operate conclusively to prevent the suspension, termination, nonrenewal, or revocation of any material utility service and to prevent the sale of the Trust Estate to satisfy such utility charge prior to final determination of such proceedings; or (ii) Bonavia shall furnish a good and sufficient bond or surety as

requested by and in form, substance, and amount and issued by a person satisfactory to Lender in its reasonable discretion; or (iii) Bonavia shall demonstrate to Lender's reasonable satisfaction that Bonavia has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such suspension, termination, nonrenewal, revocation, or sale. If Bonavia pays the utility charge, Bonavia shall have the right to contest or object to the amount or validity of such utility charge without Lender's consent.

1.7 Warranty; Defense of Title. Bonavia warrants that Bonavia holds merchantable title to the Real Property in fee simple, free of all encumbrances, except liens for current taxes and assessments. Bonavia warrants and forever will defend the title to the Real Property against the claims of all persons. If any action or proceeding is commenced that questions Bonavia's title or interest in the Real Property, or the interest of Lender under this Trust Deed, Bonavia shall defend the action at Bonavia's expense.

1.8 Actions Affecting Trust Estate. With respect to the Trust Estate, Bonavia shall appear in and defend any action or proceeding purporting to affect the security hereof, any additional or other security for the obligations secured by this Trust Deed, or the interests of Lender, or the rights, powers, or duties of Trustee under this Trust Deed. Bonavia shall pay all costs, fees, and expenses, including costs of evidence of title, trustee's fees, court costs, and reasonable attorney and consultant fees paid or incurred by Lender in any action or proceeding in which Lender or Trustee may appear or be made a party, whether or not pursued to final judgment, and in any exercise of the power of sale contained in this Trust Deed, whether or not such sale actually is consummated.

1.9 Actions by Trustee or Lender to Preserve Trust Estate. If Bonavia fails to make any payment or to perform any obligation as and in the manner provided in this Trust Deed, Lender and/or Trustee, each in its own discretion, without obligation to do so, without releasing Bonavia from any Obligation and without notice to or demand upon Bonavia, may make or do the same in such manner and to such extent as either reasonably may deem necessary to protect the security hereof. Upon the occurrence and during the continuation of an Event of Default (without limiting their general powers, whether conferred herein, in another written agreement between Bonavia and Lender, or by law), Lender and Trustee shall have and are hereby given the right, but without the obligation, and without releasing Bonavia from any Obligation, without notice to or demand upon Bonavia: (a) to enter upon and take possession of the Trust Estate; (b) to make additions, alterations, repairs, and improvements to the Trust Estate that they (or either of them) reasonably consider necessary or proper to keep the Trust Estate in good condition and repair, in which event prior notice shall be given to Bonavia; (c) to appear and participate in any action or proceeding affecting or that may affect the security hereof or the rights or powers of Lender or Trustee; (d) to pay, purchase, contest, or compromise any encumbrance, claim, charge, lien, or debt that in the reasonable judgment of Lender or Trustee may affect the security of this Trust Deed or be prior or superior hereto; (e) in exercising such powers, to pay necessary expenses, including employment of an independent consulting engineer and counsel or other necessary or desirable consultants; and (f) to take any and all reasonable actions to protect the rights of Lender or Trustee set forth herein, or to sustain the lien or priority of this Trust Deed. Immediately upon demand therefor by Lender and Trustee (or either of them), Bonavia shall pay to Lender and Trustee an amount

equal to all costs and expenses incurred by them in connection with the exercise by Lender or Trustee of any of the foregoing rights in respect of the Trust Estate, including costs of evidence of title, court costs, appraisals, and receiver's, trustee's and reasonable attorney fees, together with interest thereon from the date of such expenditures until fully reimbursed by Bonavia at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, and such costs and expenses shall be added to the Obligations secured by this Trust Deed and be a lien or charge on the Trust Estate.

1.10 Full Performance Required; Survival of Warranties. All representations, warranties, and covenants of Bonavia made to Lender in connection with the Obligations secured by this Trust Deed or contained in the First Obligation Note, or any other agreement between Bonavia and Lender, or incorporated by reference therein shall survive the execution and delivery of this Trust Deed and shall remain continuing covenants, warranties, and representations of the person making such covenants, warranties, or representations so long as any portion of the Obligations secured by this Trust Deed remains outstanding.

1.11 Eminent Domain.

(a) If any proceeding or action be commenced for the taking of all or any portion of the Trust Estate for public or quasi-public use under the power of eminent domain, or if the Trust Estate be damaged or its value diminished by reason of any taking or any public improvement or any inverse condemnation, or should Bonavia receive any notice or other information regarding such proceeding, action, taking, or damage, Bonavia shall give prompt written notice thereof to Lender. Bonavia shall have the right to commence, appear in, and prosecute in its own name any such action or proceeding and to negotiate any settlement or sale in lieu of condemnation. All compensation, awards, damages, rights of action, and proceeds awarded with respect to the Trust Estate by reason of any such taking or damage (including any sale in lieu of condemnation) (the "Condemnation Proceeds") hereby are assigned to Lender as security for the Obligations, and Bonavia agrees to execute such further assignments of the Condemnation Proceeds as Lender reasonably may require.

(b) The Condemnation Proceeds shall be applied to the repayment of the outstanding balance of the First Obligation Note, together with accrued interest thereon, notwithstanding that said outstanding balances may not be due and payable, in such order as is selected by Lender in its reasonable discretion. If there are Condemnation Proceeds remaining after repayment of the First Obligation Note and the satisfaction of all other Obligations in full, such remaining proceeds shall be paid to Bonavia as Bonavia may direct.

(c) Any reasonable expense incurred by Lender in connection with the foregoing, and interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question accruing from the date paid by Lender until reimbursed by Bonavia, shall be added to the Obligations secured by this Trust Deed and shall be a lien or charge on the Trust Estate.

1.12 Imposition of Tax. The following shall constitute taxes to which this paragraph applies:

- (a) A specific tax upon trust deeds, or upon all or any part of the indebtedness secured by a trust deed;
- (b) A specific tax on the owner of property covered by a trust deed that the taxpayer is authorized or required to deduct from payments on the trust deed;
- (c) A tax on premises covered by a trust deed chargeable against Lender under the trust deed or any holder of the First Obligation Note; and
- (d) A specific tax on all or any portion of the indebtedness secured hereby or on payments of principal and interest made by a grantor under a trust deed.

If any federal, state, or local tax to which this paragraph applies is enacted subsequent to the date of this Trust Deed, this shall have the same effect as a default and Lender may exercise any or all of the remedies available to it in the event of a default, unless the following conditions are met:

- (y) Bonavia may lawfully pay the tax or charge imposed; and
- (z) Bonavia pays the tax or charge within 30 days after notice from Lender that the tax law has been enacted.

1.13 No Waiver. By accepting payment of any obligation mentioned in this Trust Deed after its due date, Lender does not waive Lender's right either to require prompt payment when due of all other obligations mentioned in this Trust Deed, or to declare default for Bonavia's failure to timely pay the obligation in question.

1.14 Repayment of Advances. Upon receipt of notice, Bonavia immediately shall repay all sums expended or advanced under this Trust Deed by or on behalf of Lender or Trustee, with interest from the date of such advance or expenditure at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, and the repayment thereof shall be secured by this Trust Deed. Failure to repay such expenditure or advance and interest thereon within 10 days of such notice will, at Lender's option, constitute an Event of Default under this Trust Deed; or Lender may, at its option, commence an action against Bonavia for the recovery of such expenditure or advance and interest thereon, and in such event Bonavia agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with reasonable attorney fees at trial and on appeal.

1.15 Use of Loan Proceeds. The commercial loans evidenced by the First Obligation Note were not made for, and their proceeds were not used for, personal, family, or household purposes.

1.16 Authorizations. Bonavia hereby agrees not to amend, supplement, cancel, surrender, release, or waive any material Authorization issued to it and required for the operation of its business on the Real Property, or any portion thereof, or permit any of the foregoing to occur without the prior written consent of Lender (which consent shall not be withheld without reasonable cause). Consent to one amendment, supplement, cancellation, surrender, release, or waiver shall not be deemed to be a waiver of the right to require consent to other, further, or successive amendments, supplements, cancellations, surrenders, releases, or waivers. Any such amendment, supplement, cancellation, surrender, release, or waiver, whether oral or in writing, made without the prior written consent of Lender shall, to the extent permitted by law, not be valid or effective against Lender. Bonavia shall perform all of the requirements and covenants under the material Authorizations and shall not take any action or omit to take any action that would adversely affect, or permit the suspension, termination, non-renewal, or revocation of any such Authorizations. Bonavia agrees promptly to notify Lender in writing with respect to any default or alleged default by Bonavia under any such Authorization, or the commencement of any investigations, hearings, or proceedings that specifically involve any such Authorization and could lead to modification, suspension, termination, nonrenewal, or revocation of any such Authorization. Bonavia also promptly shall deliver to Lender copies of all notices, demands, complaints, or other communications received or given by Bonavia with respect to any such default or alleged default or such investigation, hearing, or proceeding. Upon receipt by Lender of any notice of default issued by the issuer of any Authorization, Lender may give notice thereof to Bonavia and if Bonavia shall fail to correct such default within 30 days after the delivery of such notice, Lender may rely thereon and take any action to cure such default even though the existence of such default, or the nature thereof, is questioned or denied by Bonavia; provided, that Lender shall not be required to give Bonavia notice in an emergency or if the security for the First Obligation Note and other Obligations of Bonavia would be jeopardized or impaired by the passage of time. Lender shall have the option, but not the obligation, to cure any such default and to perform any or all of Bonavia's obligations thereunder that are in default, and may enter the Trust Estate for such purposes, but no such action by Lender shall relieve Bonavia of its obligations under the Authorizations or this Trust Deed. All sums reasonably expended by Lender in curing any such default shall be added to the Obligations secured by this Trust Deed, be a lien or charge on the Trust Estate, and be immediately due and payable by Bonavia upon notice from Lender and shall bear interest from the date of expenditure until fully reimbursed by Bonavia at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

1.17 Limitations of Use. Bonavia shall not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private restrictions limiting or defining the uses that may be made of the Real Property to the extent such change would be likely to have a material adverse effect on the Real Property.

1.18 Hazardous Waste. Bonavia agrees that at all times Bonavia and the Real Property shall comply in all material respects with all applicable environmental laws. Bonavia agrees to provide written notice to Lender immediately if Bonavia becomes aware that the Real Property or any adjacent property is being or has been contaminated with hazardous substances. Bonavia shall not cause or permit any activities on the Real Property that directly or indirectly could reasonably be expected to result in the Real Property or any

other property becoming contaminated with hazardous substances. Bonavia acknowledges that, as between Lender and Bonavia, Bonavia shall be responsible for all costs and expenses relating to compliance with the environmental laws, including, but not limited to, costs associated with the clean-up of hazardous substances from the Real Property or from any other properties that become contaminated with hazardous substances as a result of the contamination of or activities on the Real Property. Nothing in this Trust Deed constitutes a waiver of any rights or claims Bonavia may have against any third party, and no third party is an intended beneficiary of Bonavia's obligations, duties, and agreements hereunder. Notwithstanding the foregoing, Lender acknowledges and agrees that neither the storage by Bonavia or a lessee on all or any portion of the Real Property of petroleum products, chemicals, cleaning solvents, or other materials reasonably used in connection with Bonavia's (or such lessee's) business, nor the lawful use of such petroleum products, chemicals, solvents, or other materials, shall violate the foregoing provisions of this Section 1.18 of this Trust Deed, provided that such storage or use does not result in contamination of the Real Property (or any material portion thereof), or any adjacent property

1.19 Access Laws. Bonavia agrees that at all times the Real Property shall comply in all material respects with the applicable requirements of the Americans with Disabilities Act of 1990 (including, without limitation, the Americans with Disabilities Act accessibility guidelines for buildings and facilities); the Fair Housing Amendments Act of 1988; all other federal and state and local laws and ordinances related to disabled access; and all rules, regulations, and orders issued pursuant thereto; all as amended from time to time (collectively the "Access Laws"). Bonavia shall not alter (or permit any tenant or other person to alter) the Real Property or any portion thereof in any manner that would increase Bonavia's responsibilities for compliance with the Access Laws without the prior written approval of Lender, which approval shall not be withheld without reasonable cause. In connection with any such approval, Lender may require a certificate of compliance with the Access Laws from an architect, engineer, or other person acceptable to Lender in its reasonable discretion. Bonavia agrees to give prompt notice to Lender of any claims of violations of any Access Laws and of the commencement of any proceedings or investigations that relate to compliance with any Access Laws.

ARTICLE II

FIXTURE FILING

2.1 Fixture Filing. This Trust Deed constitutes a financing statement filed as a fixture filing in the official records of the county in which the Real Property is located with respect to any and all fixtures included within the term "Trust Estate" as used in this Trust Deed and with respect to any goods or other personal property that may now or hereafter become such fixtures.

ARTICLE III

ASSIGNMENT OF LEASES AND RENTS

3.1 Assignment. Bonavia hereby assigns to Lender and grants to Lender a security interest in all Leases as security for performance of the Obligations.

3.2 Representations and Warranties. Bonavia represents and warrants as follows:

(a) Bonavia has good right, title, and interest in and to the Leases and Cash Collateral and good right to assign the same.

(b) Bonavia has performed all the terms, covenants, conditions, and warranties of the Leases on Bonavia part to be kept, observed, and performed and is not in material default under any of the terms thereof.

(c) The existing Leases, if any, are valid and unmodified and are in full force and effect.

(d) Bonavia has not previously sold, assigned, transferred, mortgaged, pledged, or granted a security interest in the Cash Collateral, whether now due or hereafter to become due.

(e) Bonavia has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Cash Collateral.

(f) To Bonavia's knowledge, no tenant under any existing Lease is in default of any of the terms of such Lease.

3.3 Covenants of Performance. Bonavia covenants and agrees as follows:

(a) Bonavia shall observe, perform, and discharge, duly and punctually, all of the obligations under the Leases on the part of Bonavia to be kept, observed, and performed, in each case to the extent the failure to do so could be reasonably expected to result in a material adverse effect on the Real Property or a material diminution in the value of the Trust Estate; and shall give prompt notice to Lender of any failure on the part of Bonavia to observe, perform, and discharge Bonavia's obligations under the Leases.

(b) Bonavia shall notify Lender of the occurrence of any material default under the Leases.

(c) Bonavia shall appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties, or liabilities of Bonavia or any tenant thereunder at the expense of Bonavia, in each case to the extent the failure to do so could

reasonably be expected to result in a material adverse effect on the real property or a material diminution in the value of the Trust Estate.

3.4 Prior Approval for Actions Affecting Leases. Bonavia further covenants and agrees that, without the prior written consent of Lender (which consent shall not be withheld without reasonable cause):

(a) Bonavia shall not receive or collect any Cash Collateral from any present or future tenant of the Real Property or any part thereof for a period of more than one year in advance (whether in cash or by promissory note).

(b) Bonavia shall not pledge, transfer, mortgage, grant a security interest in, or otherwise encumber or assign future payments of Cash Collateral.

3.5 License to Collect Cash Collateral. As long as no Event of Default exists under this Trust Deed, Bonavia shall have the right under a license granted hereby (but limited as provided herein) to collect, but not prior to accrual, all of the Cash Collateral arising from or out of said Leases or any renewals, extensions, and replacements thereof, or from or out of the Real Property, or any part thereof. Bonavia shall receive such Cash Collateral and hold the Cash Collateral, together with the right and license herein granted as a trust fund to be applied, and Bonavia hereby covenants to so apply them, as required by Lender, first to the payment of taxes and assessments upon the Real Property before penalty or interest is due thereon; second to the costs of maintenance and repairs required by the terms of this Trust Deed; third to satisfaction of all obligations under the Leases; and fourth to the payment of interest, principal, and any other sums becoming due under the First Obligation Note and this Trust Deed, before using any part of the same for any other purposes. Upon the conveyance by Bonavia and its successors and assigns of Bonavia's interest in the Real Property, all right, title, interest, and powers granted under the license aforesaid automatically shall pass to and may be exercised by each subsequent owner.

3.6 Limitation of Lender's Obligations. Notwithstanding the assignment provided for in this Section 3.6 of this Trust Deed, Lender shall not be obligated to perform or discharge, and Lender does not undertake to perform or discharge, any obligation or liability with respect to the Leases or the Rents. This assignment shall not operate to place responsibility for the control, care, maintenance, or repair of the Trust Estate upon Lender, or to make Lender responsible for any conditions of the Real Property. Lender shall be accountable to Bonavia only for the sums actually collected and received by Lender pursuant to this assignment. Bonavia shall hold Lender fully harmless from, indemnify Lender for, and defend Lender against any and all claims, demands, liabilities, losses, damages, and expenses, including attorney fees, arising out of any of the Leases, with respect to any of the Rents, or in connection with any claim that may be asserted against Lender on account of this assignment, or any obligation or undertaking alleged to arise therefrom.

ARTICLE IV

DEFAULT; REMEDIES UPON DEFAULT

4.1 Events of Default. Time is of the essence with respect to performance of the obligations under the First Obligation Note and this Trust Deed. Occurrence of one or more of the following events (an "Event of Default") shall constitute a default by Bonavia under this Trust Deed:

- (a) Any of the payments provided for in the First Obligation Note is not made when due;
- (b) Any Event of Default occurs under the First Obligation Note;
- (c) There is a default under any other provision of this Trust Deed that is not cured within thirty days after notice by Beneficiary, provided, however, that if such default is of a nature that it cannot be cured within thirty days then Bonavia shall have thirty days to commence all steps reasonably necessary to promptly cure such default and must continue with such reasonable effort to have such default promptly cured;
- (d) There is a default under any other obligation secured by this Trust Deed that is not remedied or cured within the period set forth in the applicable instrument, document, or agreement; and
- (e) Bonavia files bankruptcy, commences a receivership proceeding, or makes a general assignment for the benefit of creditors, or any such proceeding shall be instituted against Bonavia that is not dismissed within 90 days after the institution thereof.

4.2 Rights and Remedies on Default. Upon the occurrence of any Event of Default, and at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

- (a) the right at Lender's option by notice to Bonavia to declare the Obligations secured by this Trust Deed immediately due and payable;
- (b) with respect to all or any part of the Trust Estate, the right to foreclose this Trust Deed by judicial foreclosure in accordance with applicable law;
- (c) the right to have Trustee sell the Trust Estate in accordance with Chapter 86 of the Oregon Revised Statutes (or any successor statute) and the Oregon Uniform Commercial Code where applicable, at public auction to the highest bidder. Any person or entity except Trustee may bid at the foreclosure sale conducted by Trustee. The power of sale conferred by this Trust Deed and the law is not an exclusive remedy, and, when not exercised, Lender may foreclose this Trust Deed as a mortgage. Trustee is not obligated to notify any

party to this Trust Deed of a pending sale under any other trust deed or of any action or proceeding in which Bonavia, Trustee, or Lender shall be a party, unless such action or proceeding is brought by Trustee;

(d) with respect to all or any part of the Trust Estate that constitutes personal property, the rights and remedies of a secured party under the Uniform Commercial Code of Oregon;

(e) the right, without notice to Bonavia, to collect the Cash Collateral without taking possession of the Real Property, and to demand, collect, receive, sue for, attach, and levy against the Cash Collateral in Lender's name; to give proper receipts, releases, and acquittances therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by Lender, including reasonable attorney fees, to apply the net proceeds thereof, together with any funds of Bonavia deposited with Lender, upon any indebtedness secured by this Trust Deed and in such order as Lender may determine. In furtherance of this right, Lender may require any tenant or other user of the Real Property to make payments of rent or use fees directly to Lender, and payments by such tenant or user to Lender in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed;

(f) the right to have a receiver appointed to take possession of any or all of the Trust Estate, with the power to protect and preserve the Trust Estate and to operate the Trust Estate preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the indebtedness secured by this Trust Deed. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the value or apparent value of the Trust Estate exceeds the Obligations. Bonavia hereby irrevocably consents to the appointment of a receiver on the terms set forth in this Trust Deed. Employment by Lender shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the Trust Estate, the receiver, among other things, may:

(i) use, operate, manage, control, and conduct business on the Trust Estate in accordance with sound forestry management practices;

(ii) make expenditure for all maintenance, renewals, replacements, alterations, additions, and improvements to the Trust Estate as in the receiver's reasonable judgment are proper;

(iii) insure and reinsure the Trust Estate and all risks incidental to the possession, operation, and management of the Trust Estate;

(iv) collect the Cash Collateral and any other revenues and income from the Trust Estate and apply such sums to the expenses of use, operation, and management in such priority as the receiver deems appropriate. Bonavia

promptly shall turn over to the receiver all documents, books, records, papers, and accounts, together with the amount of any deposits, rentals, and use fees from any tenant or other user. The receiver may appear in any proceeding or bring suit on Bonavia's behalf, as necessary to enforce obligations of any tenant or other user, including actions for the recovery of rent and actions in forcible detainer;

(v) cancel or terminate any Lease or agreement for any cause for which Bonavia would be entitled to cancel the same;

(vi) extend or modify any Lease and make any new Lease on any portion of the Trust Estate. Any such instruments shall be binding upon Bonavia and all persons whose interests in the Trust Estate are subordinate to this Trust Deed, and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of the foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(vii) complete any construction in progress on the Real Property, and in that connection, pay bills, borrow funds, employ contractors, and make any changes in plans or specifications as the receiver deems appropriate;

(viii) if the revenues and income are insufficient to pay expenses, the receiver may (but shall not be entitled to) borrow from Lender such sums as the receiver deems necessary for the purposes stated in this paragraph. The amounts borrowed shall bear interest from the date of expenditure until repaid at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question. Such sums shall become a part of the Obligations secured by this Trust Deed and shall be payable by Bonavia on demand; or

(ix) take any other action permitted by applicable law;

(g) subject to any limitations imposed by law, the right to obtain a deficiency judgment in the event the net sale proceeds of any foreclosure sale are insufficient to pay the entire unpaid indebtedness secured by this Trust Deed;

(h) the right to maintain an action against Bonavia or any other person liable on the Obligations prior to a notice of trustee's sale having been given or after the discontinuance of a trustee's sale; and

(i) any other right or remedy provided in this Trust Deed, the First Obligation Note, or under applicable law.

4.3 Foreclosure by Power of Sale. If Lender elects to foreclose this Trust Deed by exercise of the power of sale herein contained, Lender shall notify Trustee and shall deposit with Trustee this Trust Deed and the First Obligation Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Lender, Trustee shall cause to be given such notice of default as then required by law, including such notices (if any) required to preserve Lender's right to seek a

deficiency judgment against Bonavia or Nevada First Corporation. Trustee shall, without demand on Bonavia, after lapse of such time as then may be required by law and after notice of sale and notice of foreclosure having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such notice of sale and notice of foreclosure, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. The proceeds resulting from the sale of the Trust Estate shall be applied to the Obligations in such order as is selected by Lender, and the remainder, if any, shall be distributed and applied in accordance with applicable law.

4.4 Due on Sale or Increase in Interest Rate on Sale. Bonavia agrees and acknowledges that the indebtedness evidenced by the First Obligation Note is personal to Bonavia, and that Bonavia's personal responsibility and/or control of the Real Property is a material inducement to Lender to agree to enter into the transaction. Any (a) conveyance of the whole or any part of the Real Property, whether by deed, contract, further encumbrance, or otherwise, (b) lease of the same (other than a lease of any portion of the space in the improvements on the Real Property in the ordinary course of business without an option to purchase) without Lender's prior, written consent, or (c) transfer of membership or ownership interests in Bonavia without Lender's prior, written consent, in each case to the extent not permitted under this Trust Deed or any other agreement between Lender and Bonavia, shall be deemed to increase the risk of Lender, and Lender may declare the entire unpaid balance of the Obligations immediately due and payable, or, in its reasonable discretion, Lender may consent to such conveyance, or transfer of membership or ownership interests in writing. In the event Bonavia shall request the consent of Lender in accordance with the provisions of this Section 4.4 of this Trust Deed, Bonavia shall deliver a written request to Lender, together with such information as Lender reasonably may request regarding such conveyance, further encumbrance, lease, or transfer of membership or ownership interests and shall allow Lender 30 days to evaluate such request. If Lender approves such conveyance, encumbrance, lease, or transfer of capital stock or partnership interest, Bonavia shall pay Lender a reasonable processing fee in an amount to be determined by Lender but in no event less than \$1,000 to compensate Lender for its costs in processing such request. Consent as to any one transaction shall not be deemed to be a waiver of the right to require consent to any further or successive transaction. The execution and delivery by Bonavia of any joint venture agreement, partnership agreement, declaration of trust, option agreement, or other instrument whereunder any person, corporation, or other entity may become entitled, directly or indirectly, to the possession or enjoyment of the Real Property, or the income or other benefits derived or to be derived from the Real Property, shall in each case be deemed to be a conveyance or assignment of Bonavia interest in the Real Property for the purposes of this section, and shall require the prior written consent of Lender. In the event ownership of the Real Property or any portion thereof becomes vested in a person other than Bonavia, Lender may, without notice to Bonavia, whether or not Lender has given written consent to such change in ownership, deal with such successor or successors in interest with reference to this Trust Deed and the obligations secured by this Trust Deed, in the same manner as with Bonavia herein

named, without in any way vitiating or discharging Bonavia's liability under this Trust Deed or the obligations secured by this Trust Deed. Notwithstanding the foregoing, none of the provisions of this Section 4.4 of this Trust Deed shall apply in the event of a release of collateral in accordance with paragraph 5.1.1 of the Order.

4.5 Attorney Fees. In the event suit, action, or arbitration proceeding is instituted to enforce any of the terms of this Trust Deed, Lender shall be entitled to recover from Bonavia such sum as the court or arbitrator may adjudge reasonable as attorney fees at trial, on any appeal, and in any bankruptcy proceeding. All reasonable expenses incurred by Bank that are necessary at any time in Lender's opinion for the protection of its interest or the enforcement of its rights, including, without limitation, the cost of any appraisal of the Trust Estate, searching records, obtaining title reports, demanding payment, attorney opinions, or title insurance, whether or not any court action is involved, shall become a part of the indebtedness secured hereby, payable on demand, and shall bear interest at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question from the date of expenditure until paid.

4.6 Surviving Obligations. The obligations and liabilities of Bonavia for waste on the Real Property or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards shall survive any termination, satisfaction, assignment, entry of judgment of foreclosure, delivery of trustee's deed in a nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

ARTICLE V

MISCELLANEOUS

5.1 Governing Law. This Trust Deed shall be governed by the laws of the state of Oregon, without regard to its principles of conflicts of law.

5.2 Invalidity of Certain Provisions. Every provision of this Trust Deed is intended to be severable. In the event any term or provision of this Trust Deed, or any application of any provision of this Trust Deed, is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions of this Trust Deed, or any other application of such provision, which terms and provisions shall remain binding and enforceable. If the lien or charge of this Trust Deed is invalid or unenforceable as to any part of the Obligations secured by this Trust Deed, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made in respect of the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or fully secured by the lien of this Trust Deed.

5.3 Modification. The terms and provisions of this Trust Deed cannot be waived, changed, discharged, or terminated orally, but only by an instrument in writing signed

by the party against whom enforcement of any waiver, change, discharge, or termination is sought.

5.4 Inspections and Appraisals. Lender or its agents may enter upon the Real Property with reasonable prior notice and at any reasonable times to inspect the Real Property, or to perform any of the acts Lender is authorized to perform under any agreement between Bonavia and Lender, whether or not an Event of Default exists. If Bonavia refuses to permit such inspection, Lender may specifically enforce performance of this provision. Lender may cause the Real Property to be appraised by an appraiser reasonably acceptable to Bonavia, and Bonavia agrees to pay the cost of all appraisals required by Lender (a) to comply with (i) any applicable statute or regulation, or (ii) the request or directive (whether or not having the force of law) of any regulatory authority with jurisdiction over Lender, or (b) at any time after the occurrence of an Event of Default. All such appraisal costs shall become a part of the Obligations secured by this Trust Deed and shall be payable on demand, together with interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

5.5 Reconveyance by Trustee. Upon written request of Lender stating that all Obligations secured by this Trust Deed have been paid, and upon surrender of the First Obligation Note to Trustee for cancellation and retention and upon payment by Bonavia of Trustee's reasonable fees, Trustee shall reconvey to Bonavia, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held under this Trust Deed. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

5.6 Notices. Any notice required, permitted, or contemplated under this Trust Deed shall be in writing (except as expressly provided in this Trust Deed or any other agreement between Bonavia and Lender) and addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice under this Trust Deed, and shall be deemed validly given (a) three days following deposit in the U.S. certified mails (return receipt requested), with proper postage prepaid, or (b) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement satisfactory with such carrier, made for the payment thereof, or (c) upon receipt of notice given by personal delivery:

To Lender:

Third Eye Capital Corporation
Brookfield Place, TD Canada Trust Tower
161 Bay Street, Suite 3930
Toronto, Ontario M5J 2S1 Canada
Attention: Arif N. Bhalwani
Managing Director

To Bonavia:

 Attention: Mr. Gary L. Bengochea

To Trustee:

5.7 Acceptance by Trustee. Trustee accepts this trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law.

5.8 Captions. The captions or headings at the beginning of each section of this Trust Deed are for the convenience of the parties and are not a part of this Trust Deed.

5.9 No Merger. If both the lessor's and lessee's estates under any lease or portion thereof that constitutes a part of the Trust Estate shall at any time become vested in one owner, this Trust Deed and the lien created by this Trust Deed shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Lender shall continue to have and enjoy all of the rights and privileges of a beneficiary of a trust deed as to the separate estates. In addition, upon the foreclosure of the lien created by this Trust Deed on the Trust Estate pursuant to the provisions of this Trust Deed, any leases or subleases then existing and created by Bonavia shall not be destroyed or terminated by application of the law of merger, as a matter of law, or as a result of such foreclosure unless Lender or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Lender or any such purchaser shall constitute a termination of any lease or sublease unless Lender or such purchaser shall give written notice thereof to such tenant or subtenant.

5.10 Successors. This Trust Deed shall be binding on Bonavia and its successors and permitted assigns (if any) and shall benefit Lender and its successors and assigns.

IN WITNESS WHEREOF, Bonavia has executed this Trust Deed as of the day and year first above written.

BONAVIA TIMBER COMPANY, LLC

By _____
 Name _____
 Title _____

STATE OF _____)
) SS
 COUNTY OF _____)

The foregoing Trust Deed was acknowledged before me on this ____ day of July, 2012, by _____, as _____ of Bonavia Timber Company, LLC.

Notary Public for _____
My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION

036040/00001/3719177v1

EXHIBIT "A"

A parcel of land located in Township 2 South, Range 27, East of the Willamette Meridian, in the County of Morrow and State of Oregon, described as follows:

Section 28: The South Half.

Section 29: The Southeast Quarter. **EXCEPTING THEREFROM** beginning at the center of said Section 29, said point being the True Point of Beginning of this description; thence East a distance of 660.00 feet, more or less, to a point on the East-West Centerline of said Section 29; thence Southwesterly to the Southeast Corner of the Southwest Quarter of said Section 29; thence North to the True Point of Beginning.

Section 33: All.

Section 34: All.

Section 35: The West Half of the Southwest Quarter; The Northwest Quarter.

EXCEPTING THEREFROM all roads and road rights of way.

A parcel of land located in Township 3 South, Range 27, East of the Willamette Meridian, in the County of Morrow and State of Oregon, described as follows:

Section 2: Government Lot 4, also known as the Northwest Quarter of the Northwest Quarter; The Southwest Quarter of the Northwest Quarter; The West Half of the Southwest Quarter.

Section 3: Government Lots 1, 2, 3, and 4, also known as the North Half of the North Half; The South Half of the North Half; The South Half.

Section 4: Government Lots 1, 2, 3 and 4, also known as the North Half of the North Half; the South Half of the North Half; the South Half; **EXCEPTING THEREFROM** beginning at the Northwest Corner of said Section 4, said point being the True Point of Beginning of this description; thence South to the Southwest Corner of said Section 4; thence East to the Southeast Corner of the Southwest Quarter of the Southwest Quarter; thence Northwesterly to the True Point of Beginning.

Section 10: All.

Section 11: The West Half; **EXCEPTING THEREFROM** beginning at a point on the South line of said Section 11 which lies East a distance of 340.00 feet, more or less, from the Southwest Corner of said Section 11, said point being the True point of beginning of this description; thence East a distance of 2,300.00 feet, more or less, to the Southeast Corner of the Southwest Quarter of said Section 11; thence North along the North-South Centerline of said Section 11 a distance of 3,000.00 feet; thence in a Southwesterly direction to the True Point of Beginning.

EXCEPTING THEREFROM all roads and road rights of way.

**EXHIBIT 5 TO
ORDER CONFIRMING DEBTORS'
FIRST AMENDED JOINT PLAN OF
REORGANIZATION (MAY 30, 2012)**

**Trust Deed, Assignment of Leases and Rents,
Security Agreement, and Fixture Filing
(Umatilla County Property)**

After Recording, Mail To:

Third Eye Capital Corporation
c/o Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204
Attention: Teresa H. Pearson

**TRUST DEED, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING**
(Umatilla County Property)

This Trust Deed, Assignment of Leases and Rents, and Fixture Filing (this "Trust Deed") is entered into as of July __, 2012, among BONAVIA TIMBER COMPANY, LLC ("Bonavia"), whose address is 620 Melarky Way, Winnemucca, Nevada, 89445; _____ ("Trustee"), whose address is _____; and THIRD EYE CAPITAL CORPORATION, AS AGENT FOR STRATIVE CAPITAL, LTD. ("Lender"), whose address is Brookfield Place, TD Canada Trust Tower, 161 Bay Street, Suite 3930, Toronto, Ontario M5J 2S1 Canada, Attention Arif N. Bhalwani.

RECITALS

Bonavia, Nevada First Corporation, and Lender have entered into a settlement of obligations owed from Bonavia and Nevada First Corporation to Lender, which settlement is memorialized in the Order Confirming Debtors' First Amended Joint Plan of Reorganization (May 30, 2012), entered by the United States Bankruptcy Court for the District of Oregon in In re Bonavia Timber Company, LLC, U.S. Bankruptcy Court for the District of Oregon case no. 11-39459-rld11, on July __, 2012, as docket number ____ (the "Order"). Pursuant to the Order, Bonavia is obligated to deliver this Trust Deed to Lender.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Bonavia and Lender agree as follows:

GRANT OF LIEN/SECURITY INTEREST

As security for the Obligations (as that term is defined below), Bonavia hereby irrevocably grants, pledges, sets over, confirms, transfers, conveys, and assigns to Trustee in trust, with the power of sale upon default, for the benefit and security of Lender under and subject to the terms and conditions set forth in this Trust Deed, all of the right, title, interest, estate, power, and privilege of Bonavia, whether now existing or hereafter acquired, in and to the following assets:

1. The real property (the "Real Property") located in Umatilla County, Oregon, that is more particularly described in Exhibit A to this Trust Deed (which shall include, unless the context otherwise requires, the Timber, the

Mineral Rights, the Appurtenant Rights, and the Development Rights (as such terms are defined below));

2. Any and all buildings, structures, fixtures, and improvements now or hereafter erected on or appurtenant to the Real Property, including all machinery, attachments, appliances, and other equipment now or hereafter incorporated into or attached to the Real Property (including, but not limited to, equipment that provides or generates electricity, water lines, fire sprinklers, alarm systems, heating systems, air conditioning systems, refrigeration systems, ducts and ductwork, ventilation systems, and all support and ancillary facilities, all roads, storage areas and facilities, and parking areas and facilities, together with all replacements and substitutions of and additions and accessions to all of the foregoing (collectively the “Improvements”), all of which shall be deemed and construed for purposes of this Trust Deed to be a part of the Real Property;

3. All trees, timber (whether severed or unsevered and including standing and downed timber), perpetual timber rights, stumps, cut timber, logs, and other forest products, whether now located on or hereafter planted, growing, or located in or on the Real Property (the “Timber”);

4. Any and all logs, timber, lumber, finished or milled lumber, bark, sawdust, logging and milling waste, hog fuel, wood chips (including any of the foregoing subject to any manufacturing process or that constitutes work in progress), and all goods, inventory, and other timber products now or hereafter owned or acquired by Bonavia, or in which Bonavia has an interest, in each case as derived from the Real Property, or any Timber thereon;

5. All water, steam, thermal energy, and other geothermal resources and all oil, gas, hydrocarbons, gravel, phosphate, limerock, coal, and other mineral resources and subterranean substances, and all existing and after-acquired surface and subsurface water and water rights and shares of stock evidencing the same, and all products thereof in, on, under, or pertaining to the Real Property (the “Minerals”) and all surface access and mining rights in, on, under, or pertaining to the Real Property (collectively the “Mineral Rights”);

6. All accounts, revenues, rents, issues, profits, royalties, proceeds, income, and other benefits (collectively the “Rents”) derived from the Real Property, the Improvements, the Timber, or the Mineral Rights, including, without limitation, all Rents under all agreements providing for the payment of royalties (including overriding royalties) derived from any part of the Trust Estate (as defined below), and all issues and profits from the sale or other disposition of Timber, Minerals, or Mineral Rights;

7. All existing and future leases, whether written or oral (including subleases thereof), rental agreements, and all future agreements for use and occupancy, and any and all extensions, renewals, and replacements thereof, upon

all or relating to any part of the Real Property (hereinafter collectively referred to as the "Leases");

8. All guaranties of any tenant's performance under any and all of the Leases;

9. The immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits, and other income of any nature (including any income of any nature coming due during any redemption period) now due, or that may become due, or to which Bonavia may now or shall hereafter become entitled to or may make demand or claim for, arising or issuing from or out of the Leases, or from or out of the Real Property, or any part thereof, including, but not limited to, minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents, and liquidated damages following default in any Lease, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Real Property, together with any and all rights and claims of any kind that Bonavia has or may have against any tenant under the Leases or any subtenants or occupants of the Real Property (all such monies, rights, and claims described in this paragraph being hereinafter called "Cash Collateral"), excepting therefrom any sums that by the express provisions of any of the Leases are payable directly to any governmental authority, or to any other person, firm, or corporation other than the landlord under the Leases;

10. All additions, accessions, replacements, substitutions, proceeds, and products of the property described in this Trust Deed;

11. All permits, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, building permits, subdivision approvals, site plan reviews, environmental approvals (including an environmental impact statement or report if required under applicable law for Bonavia's acquisition, use, or disposition of the Real Property, or otherwise), sewer and waste discharge permits, appropriative water rights and permits, zoning and land use entitlements, and other authorizations, whether now existing or hereafter issued to or obtained by or on behalf of Bonavia, that relate to or concern in any way the Real Property, the Improvements, the Timber, or the Mineral Rights, and are given or issued by any governmental or quasi-governmental authority (collectively the "Authorizations");

12. All easements, rights-of-way, and rights now owned or hereafter acquired by Bonavia and used or usable in connection with or appurtenant to the Real Property or the Improvements, including, without limiting the generality of the foregoing, all easements, reciprocal easement agreements, rights and rights-of-way to enter, use, occupy, and have access to all portions of the Improvements that may be located off the Real Property, if any, and all rights to the use of roads and common drive entries, and all tenements, hereditaments, easements, and

appurtenances of and to the Real Property (collectively the “Appurtenant Rights”);

13. All air rights, development rights, zoning rights, or other similar rights or interests that benefit or are appurtenant to the Real Property or the Improvements, or any or all thereof, and any proceeds arising therefrom (collectively the “Development Rights”);

14. All interests, estates, or other claims, both in law and in equity, that Bonavia now has or hereafter may acquire in the Real Property, the Improvements, the Timber, the Minerals and Mineral Rights, the Appurtenant Rights, and the Development Rights (collectively the “Property”) and all right, title, and interest now owned or hereafter acquired by Bonavia in and to any greater estate in the Property;

15. All other claims or demands, both in law and in equity, including claims or demands with respect to the proceeds of insurance, that Bonavia now has or hereafter may acquire in or with respect to the Trust Estate (as hereinafter defined) or any part thereof, and any and all awards previously or subsequently made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Trust Estate, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages, or any other damage to any part of the Trust Estate for which compensation shall be given by any governmental or quasi-governmental authority; and

16. All right, title, and interest of Bonavia in the funds (if any) deposited pursuant to Section 1.4 of this Trust Deed.

The entire estate, property, and interest conveyed by Bonavia to Trustee under this Trust Deed and described above, and any and all proceeds thereof, may be referred to in this Trust Deed collectively as the “Trust Estate.”

OBLIGATIONS SECURED

The foregoing conveyance by Bonavia to Trustee of the Trust Estate secures the following obligations of Bonavia and Nevada First Corporation (collectively, the “Obligations”) to Lender:

1. Payment of indebtedness in the aggregate principal amount of \$6,100,000 (or such lesser amount that may be owed at the time in question) pursuant to that certain promissory note in the original principal amount of \$6,100,000 from Bonavia and Nevada First Corporation (the “First Obligation Note”) to Lender, with interest thereon as specified in the First Obligation Note, and any and all amendments, extensions, modifications, renewals, replacements, and restatements of the First Obligation Note. The interest rate, payment terms, or the balance due on the First Obligation Note and the indebtedness evidenced

thereby may be indexed, adjusted, renewed, or renegotiated without affecting the priority of this Trust Deed.

2. ^{\$ 6,600,000} Payment of indebtedness in the aggregate principal amount of up to ~~\$3,000,000~~ ^{\$ 6,600,000} (or such lesser amount that may be owed at the time in question) pursuant to that certain promissory note in the original principal amount of \$1,000,000, which increases over time to ~~\$3,000,000~~ from Bonavia and Nevada First Corporation (the "Second Obligation Note"), with interest thereon, and any and all amendments, extensions, modifications, renewals, replacements, and restatements of the Second Obligation Note. The interest rate, payment terms, or the balance due on the Second Obligation Note and the indebtedness evidenced thereby may be indexed, adjusted, renewed, or renegotiated without affecting the priority of this Trust Deed.

3. Payment of (a) all sums that may become due from Bonavia to Lender, including, without limitation, Bonavia's liability for waste on the Real Property, or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards, (b) advances by Lender with interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, which advances include, but are not limited to, taxes upon the Real Property, according to the terms of this Trust Deed; (c) all attorney fees and costs, including, without limitation, the cost of any appraisal of the Real Property, incurred by Trustee or Lender in foreclosing this Trust Deed, or realizing upon any of the collateral for the Obligations; (d) all attorney fees and costs incurred by Trustee or Lender in defending the priority or validity of this Trust Deed, or Bonavia's interest in and title to the Real Property; (e) all sums advanced by Lender to or on behalf of Bonavia for the purpose of clearing encumbrances or defects from the title to the Real Property where Lender in good faith believes such encumbrances to be superior to the lien of the Trust Deed, including, without limitation, payment of ad valorem taxes and mechanics' or materialmen's liens that may have gained priority over the lien of this Trust Deed; (f) all attorney fees and costs incurred by Trustee or Lender in any case or proceedings under the United States Bankruptcy Code affecting Bonavia or this Trust Deed arising after entry into this Trust Deed; and (g) all other sums advanced by Lender to protect the Trust Estate, with interest on such sums at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

4. Payment of all other sums, with interest thereon in accordance with the terms thereof, that may be loaned to (a) Bonavia, (b) Nevada Timber Corporation, (c) NFC Land & Cattle, LLC, or (d) any of their successors or assigns by Lender after the date of this Trust Deed, when evidenced by a promissory note (or notes) reciting that such amounts are secured by this Trust Deed.

5. Notwithstanding anything to the contrary in this Trust Deed, the First Obligation Note, the Second Obligation Note, or any other agreement between Lender and Bonavia, Bonavia's obligation to indemnify and hold Lender

harmless with respect to various matters, including any violation of any environmental law, shall not be secured by the Trust Estate.

ARTICLE I

COVENANTS AND AGREEMENTS OF BONAVIA

1.1 Maintenance of the Trust Estate. Bonavia shall (a) manage and operate the Trust Estate in a manner consistent, in Bonavia's commercially reasonable judgment, with sound forestry management practices and shall keep the Improvements in good condition and repair, ordinary wear and tear excepted; (b) complete and maintain promptly and in a good and workmanlike manner any Improvement (including roads and erosion control devices or systems) now or hereafter constructed; (c) comply with all applicable laws, ordinances, rules, regulations, covenants, conditions, and restrictions (including those relating to silviculture, land use and development, water rights and use, noise and pollution, harvesting and transportation of Timber, reforestation, road construction and maintenance, disposal of slash, maintenance of water quality standards, wetlands, fire protection, insect and disease control, forest practices, and threatened or endangered species) now or hereafter affecting the Trust Estate; (d) not commit or permit any waste or deterioration of the Trust Estate; (e) comply with the provisions of every material Authorization; (f) not commit any act to be done in or upon the Trust Estate in violation of any applicable law, ordinance, rule, or regulation, or of any Authorization, (g) conduct, and cause persons other than Bonavia with rights in the Timber to conduct, all harvesting operations on the Real Property in a manner consistent, in Bonavia's commercially reasonable judgment, with sound forestry practices and procedures, and use reasonable care to avoid unnecessary damage to the remaining Timber on the Real Property; (h) maintain memberships in forest protective associations where any of the Trust Estate falls within a forest protective district under the jurisdiction of any such associations; (i) pay as due any forest patrol assessments of the state forester, or a forest protective association described in the clause above; and (j) within 30 days from any determination that an operation on the Trust Estate has resulted in an additional fire hazard (or other hazard), obtain a release of such additional hazard from the state forester by performing all necessary burning or other work to reduce the hazard, or by paying a fee designated by the state forester for such release.

1.2 Indemnification; Subrogation; Waiver of Offset.

(a) If Lender is made a party defendant to any litigation concerning this Trust Deed or the Trust Estate, or any part thereof or interest therein, or the occupancy thereof by Bonavia, then Bonavia shall indemnify, defend, and hold Lender harmless for, from, and against all liability, loss, cost, or damage by reason of said litigation (except to the extent such litigation is caused by the gross negligence or willful misconduct of Lender), including reasonable attorney fees and expenses incurred by Lender in any such litigation, whether or not any such litigation is prosecuted to judgment.

(b) All sums payable by Bonavia hereunder shall be paid without notice, demand, counterclaim, setoff, deduction, or defense and without abatement, suspension, deferment, diminution, or reduction; and the obligations

and liabilities of Bonavia hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Real Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, dissolution, liquidation, or other like proceeding relating to Bonavia, or any action taken with respect to this Trust Deed by any trustee or receiver of Bonavia, or by any court, in any such proceeding; (v) any claim that Bonavia has or might have against Lender; (vi) any default or failure on the part of Lender to perform or comply with any of the terms hereof or of any other agreement with Bonavia; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing and whether or not Bonavia shall have notice or knowledge of any of the foregoing. Nothing herein shall constitute a waiver by Bonavia of any claim or cause of action Bonavia now or hereafter may have against Lender, or operate as a bar to asserting such claim or cause of action in a separate action unless the same is a mandatory counterclaim in any action or proceeding on the debt secured by this Trust Deed.

1.3 Taxes and Liens. Bonavia shall pay before they become delinquent all taxes and assessments levied against or on account of the Trust Estate (each of which taxes and assessments is referred to in this Trust Deed as an “Imposition”) and shall pay as due all claims for work done on or for services rendered or material furnished to the Real Property or the Improvements. Special assessments shall be paid currently, without deferral, unless the lien for deferred assessments is subordinate to the interest of Lender under this Trust Deed, or Lender gives its prior, written consent to the deferral. Bonavia shall maintain the Trust Estate free of any liens having priority over or equal to the interest of Lender under this Trust Deed, except for the lien of taxes and assessments that are not delinquent. Bonavia may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender’s interest in the Trust Estate is not jeopardized or likely to be jeopardized (as determined by Lender in its reasonable discretion). If a lien arises or is filed as a result of nonpayment, Bonavia shall within 15 days after the lien arises or, if a lien is filed, within 15 days after Bonavia has notice of the filing, secure the discharge of the lien or deposit with cash or a sufficient corporate surety bond or other security satisfactory to Lender an amount sufficient to discharge the lien plus any costs, attorney fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. The assessor or tax collector of the county in which the Real Property is located is authorized to deliver to Lender a written statement of the property taxes assessed or owing at any time. Bonavia shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate proceedings, but this shall not be construed in any way as relieving, modifying, or extending Bonavia’s covenant to pay any such Imposition at the time and in the manner provided in this Section 1.3 of this Trust Deed, unless Bonavia has given prior written notice to Lender of Bonavia’s intent to contest or object to an Imposition, and unless: (a) Bonavia shall demonstrate to Lender’s reasonable satisfaction that the proceedings to be initiated by Bonavia shall operate conclusively to prevent the suspension, termination, nonrenewal, or revocation of any Authorization and to prevent the sale of the Trust Estate to satisfy such Imposition prior to final determination of such

proceedings; or (b) Bonavia shall furnish a good and sufficient bond or surety as requested by and in form, substance, and amount and issued by a person satisfactory to Lender in its reasonable discretion; or (c) Bonavia shall demonstrate to Lender's reasonable satisfaction that Bonavia has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such suspension, termination, nonrenewal, revocation, or sale. If Bonavia pays the Imposition, it shall have the right to contest or object to the amount or validity of such Imposition without Lender's consent.

1.4 Reserves. If Bonavia and Lender do not otherwise expressly agree in writing, after an Event of Default has occurred, Lender may require Bonavia to maintain reserves for payment of taxes (including special assessments and other charges against the Trust Estate by governmental or quasi-governmental bodies). The reserves shall be created by payment each month to Lender of an amount determined by Lender in its reasonable discretion to be sufficient to produce by the date they are due amounts equal to the estimated taxes to be paid. If at the time that payments are to be made the reserve for either taxes is insufficient, Bonavia shall upon demand pay such additional sum as Lender reasonably shall determine to be necessary to cover the required payment. Lender shall not charge a service charge for collecting reserves and paying taxes. The reserves shall not constitute a trust. Bonavia agrees that Lender may commingle reserve funds with other funds of Lender and need not invest them for the benefit of Bonavia. Bonavia agrees that Lender need not pay Bonavia interest on reserves, unless applicable statutes require payment of interest notwithstanding any contrary agreement.

1.5 Expenditures by Lender. If Bonavia shall fail to comply with any provision of this Trust Deed beyond any applicable cure period, Lender may, at its option, on Bonavia's behalf take the required action and any amount that Lender expends in so doing shall be added to the indebtedness secured hereby and become part of the Obligations. Amounts so added shall be payable on demand with interest at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question from the date of expenditure, until the amount of such expenditure, plus interest thereon, is repaid by Bonavia. The rights provided for in this section shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default, and Lender shall not by taking the required action cure the default so as to bar Lender from any remedy that it otherwise has under this Trust Deed, the First Obligation Note, the Second Obligation Note, any other agreements between Bonavia and Lender, or applicable law.

1.6 Utilities.

(a) Bonavia shall pay or cause to be paid when due all utility charges that are incurred by Bonavia for the benefit of the Trust Estate, or that may become a charge or lien against the Trust Estate for gas, electricity, water, or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such assessments or charges are liens thereon.

(b) Bonavia shall have the right before any delinquency occurs to contest or object to the amount or validity of any such utility charge by appropriate proceedings, but this shall not be deemed or construed in any way as

relieving, modifying, or extending Bonavia's covenant to pay any such utility charge at the time and in the manner provided in this Section 1.6 of this Trust Deed, unless Bonavia has given prior written notice to Lender of Bonavia's intent to contest or object to a utility charge, and unless: (i) Bonavia shall demonstrate to Lender's reasonable satisfaction that the proceedings to be initiated by Bonavia shall operate conclusively to prevent the suspension, termination, nonrenewal, or revocation of any material utility service and to prevent the sale of the Trust Estate to satisfy such utility charge prior to final determination of such proceedings; or (ii) Bonavia shall furnish a good and sufficient bond or surety as requested by and in form, substance, and amount and issued by a person satisfactory to Lender in its reasonable discretion; or (iii) Bonavia shall demonstrate to Lender's reasonable satisfaction that Bonavia has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such suspension, termination, nonrenewal, revocation, or sale. If Bonavia pays the utility charge, Bonavia shall have the right to contest or object to the amount or validity of such utility charge without Lender's consent.

1.7 Warranty; Defense of Title. Bonavia warrants that Bonavia holds merchantable title to the Real Property in fee simple, free of all encumbrances, except liens for current taxes and assessments. Bonavia warrants and forever will defend the title to the Real Property against the claims of all persons. If any action or proceeding is commenced that questions Bonavia's title or interest in the Real Property, or the interest of Lender under this Trust Deed, Bonavia shall defend the action at Bonavia's expense.

1.8 Actions Affecting Trust Estate. With respect to the Trust Estate, Bonavia shall appear in and defend any action or proceeding purporting to affect the security hereof, any additional or other security for the obligations secured by this Trust Deed, or the interests of Lender, or the rights, powers, or duties of Trustee under this Trust Deed. Bonavia shall pay all costs, fees, and expenses, including costs of evidence of title, trustee's fees, court costs, and reasonable attorney and consultant fees paid or incurred by Lender in any action or proceeding in which Lender or Trustee may appear or be made a party, whether or not pursued to final judgment, and in any exercise of the power of sale contained in this Trust Deed, whether or not such sale actually is consummated.

1.9 Actions by Trustee or Lender to Preserve Trust Estate. If Bonavia fails to make any payment or to perform any obligation as and in the manner provided in this Trust Deed, Lender and/or Trustee, each in its own discretion, without obligation to do so, without releasing Bonavia from any Obligation and without notice to or demand upon Bonavia, may make or do the same in such manner and to such extent as either reasonably may deem necessary to protect the security hereof. Upon the occurrence and during the continuation of an Event of Default (without limiting their general powers, whether conferred herein, in another written agreement between Bonavia and Lender, or by law), Lender and Trustee shall have and are hereby given the right, but without the obligation, and without releasing Bonavia from any Obligation, without notice to or demand upon Bonavia: (a) to enter upon and take possession of the Trust Estate; (b) to make additions, alterations, repairs, and improvements to the Trust Estate that they (or either of them) reasonably consider necessary or proper to keep the Trust Estate in good condition and repair, in which event prior notice shall be given to Bonavia; (c) to appear

and participate in any action or proceeding affecting or that may affect the security hereof or the rights or powers of Lender or Trustee; (d) to pay, purchase, contest, or compromise any encumbrance, claim, charge, lien, or debt that in the reasonable judgment of Lender or Trustee may affect the security of this Trust Deed or be prior or superior hereto; (e) in exercising such powers, to pay necessary expenses, including employment of an independent consulting engineer and counsel or other necessary or desirable consultants; and (f) to take any and all reasonable actions to protect the rights of Lender or Trustee set forth herein, or to sustain the lien or priority of this Trust Deed. Immediately upon demand therefor by Lender and Trustee (or either of them), Bonavia shall pay to Lender and Trustee an amount equal to all costs and expenses incurred by them in connection with the exercise by Lender or Trustee of any of the foregoing rights in respect of the Trust Estate, including costs of evidence of title, court costs, appraisals, and receiver's, trustee's and reasonable attorney fees, together with interest thereon from the date of such expenditures until fully reimbursed by Bonavia at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, and such costs and expenses shall be added to the Obligations secured by this Trust Deed and be a lien or charge on the Trust Estate.

1.10 Full Performance Required; Survival of Warranties. All representations, warranties, and covenants of Bonavia made to Lender in connection with the Obligations secured by this Trust Deed or contained in the First Obligation Note, the Second Obligation Note, or any other agreement between Bonavia and Lender, or incorporated by reference therein shall survive the execution and delivery of this Trust Deed and shall remain continuing covenants, warranties, and representations of the person making such covenants, warranties, or representations so long as any portion of the Obligations secured by this Trust Deed remains outstanding.

1.11 Eminent Domain.

(a) If any proceeding or action be commenced for the taking of all or any portion of the Trust Estate for public or quasi-public use under the power of eminent domain, or if the Trust Estate be damaged or its value diminished by reason of any taking or any public improvement or any inverse condemnation, or should Bonavia receive any notice or other information regarding such proceeding, action, taking, or damage, Bonavia shall give prompt written notice thereof to Lender. Bonavia shall have the right to commence, appear in, and prosecute in its own name any such action or proceeding and to negotiate any settlement or sale in lieu of condemnation. All compensation, awards, damages, rights of action, and proceeds awarded with respect to the Trust Estate by reason of any such taking or damage (including any sale in lieu of condemnation) (the "Condemnation Proceeds") hereby are assigned to Lender as security for the Obligations, and Bonavia agrees to execute such further assignments of the Condemnation Proceeds as Lender reasonably may require.

(b) The Condemnation Proceeds shall be applied to the repayment of the outstanding balance of the First Obligation Note, the Second Obligation Note, together with accrued interest thereon, notwithstanding that said outstanding balances may not be due and payable, in such order as is selected by Lender in its reasonable discretion. If there are Condemnation Proceeds remaining after

repayment of the First Obligation Note, the Second Obligation Note, and the satisfaction of all other Obligations in full, such remaining proceeds shall be paid to Bonavia as Bonavia may direct.

(c) Any reasonable expense incurred by Lender in connection with the foregoing, and interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question accruing from the date paid by Lender until reimbursed by Bonavia, shall be added to the Obligations secured by this Trust Deed and shall be a lien or charge on the Trust Estate.

1.12 Imposition of Tax. The following shall constitute taxes to which this paragraph applies:

(a) A specific tax upon trust deeds, or upon all or any part of the indebtedness secured by a trust deed;

(b) A specific tax on the owner of property covered by a trust deed that the taxpayer is authorized or required to deduct from payments on the trust deed;

(c) A tax on premises covered by a trust deed chargeable against Lender under the trust deed or any holder of the First Obligation Note or the Second Obligation Note; and

(d) A specific tax on all or any portion of the indebtedness secured hereby or on payments of principal and interest made by a grantor under a trust deed.

If any federal, state, or local tax to which this paragraph applies is enacted subsequent to the date of this Trust Deed, this shall have the same effect as a default and Lender may exercise any or all of the remedies available to it in the event of a default, unless the following conditions are met:

(y) Bonavia may lawfully pay the tax or charge imposed; and

(z) Bonavia pays the tax or charge within 30 days after notice from Lender that the tax law has been enacted.

1.13 No Waiver. By accepting payment of any obligation mentioned in this Trust Deed after its due date, Lender does not waive Lender's right either to require prompt payment when due of all other obligations mentioned in this Trust Deed, or to declare default for Bonavia's failure to timely pay the obligation in question.

1.14 Repayment of Advances. Upon receipt of notice, Bonavia immediately shall repay all sums expended or advanced under this Trust Deed by or on behalf of Lender or Trustee, with interest from the date of such advance or expenditure at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question, and the repayment thereof shall be secured by this Trust Deed. Failure to repay such expenditure or

advance and interest thereon within 10 days of such notice will, at Lender's option, constitute an Event of Default under this Trust Deed; or Lender may, at its option, commence an action against Bonavia for the recovery of such expenditure or advance and interest thereon, and in such event Bonavia agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with reasonable attorney fees at trial and on appeal.

1.15 Use of Loan Proceeds. The commercial loans evidenced by the First Obligation Note and the Second Obligation Note were not made for, and their proceeds were not used for, personal, family, or household purposes.

1.16 Authorizations. Bonavia hereby agrees not to amend, supplement, cancel, surrender, release, or waive any material Authorization issued to it and required for the operation of its business on the Real Property, or any portion thereof, or permit any of the foregoing to occur without the prior written consent of Lender (which consent shall not be withheld without reasonable cause). Consent to one amendment, supplement, cancellation, surrender, release, or waiver shall not be deemed to be a waiver of the right to require consent to other, further, or successive amendments, supplements, cancellations, surrenders, releases, or waivers. Any such amendment, supplement, cancellation, surrender, release, or waiver, whether oral or in writing, made without the prior written consent of Lender shall, to the extent permitted by law, not be valid or effective against Lender. Bonavia shall perform all of the requirements and covenants under the material Authorizations and shall not take any action or omit to take any action that would adversely affect, or permit the suspension, termination, non-renewal, or revocation of any such Authorizations. Bonavia agrees promptly to notify Lender in writing with respect to any default or alleged default by Bonavia under any such Authorization, or the commencement of any investigations, hearings, or proceedings that specifically involve any such Authorization and could lead to modification, suspension, termination, nonrenewal, or revocation of any such Authorization. Bonavia also promptly shall deliver to Lender copies of all notices, demands, complaints, or other communications received or given by Bonavia with respect to any such default or alleged default or such investigation, hearing, or proceeding. Upon receipt by Lender of any notice of default issued by the issuer of any Authorization, Lender may give notice thereof to Bonavia and if Bonavia shall fail to correct such default within 30 days after the delivery of such notice, Lender may rely thereon and take any action to cure such default even though the existence of such default, or the nature thereof, is questioned or denied by Bonavia; provided, that Lender shall not be required to give Bonavia notice in an emergency or if the security for the First Obligation Note, the Second Obligation Note, and other Obligations of Bonavia would be jeopardized or impaired by the passage of time. Lender shall have the option, but not the obligation, to cure any such default and to perform any or all of Bonavia's obligations thereunder that are in default, and may enter the Trust Estate for such purposes, but no such action by Lender shall relieve Bonavia of its obligations under the Authorizations or this Trust Deed. All sums reasonably expended by Lender in curing any such default shall be added to the Obligations secured by this Trust Deed, be a lien or charge on the Trust Estate, and be immediately due and payable by Bonavia upon notice from Lender and shall bear interest from the date of expenditure until fully reimbursed by Bonavia at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

1.17 Limitations of Use. Bonavia shall not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private

restrictions limiting or defining the uses that may be made of the Real Property to the extent such change would be likely to have a material adverse effect on the Real Property.

1.18 Hazardous Waste. Bonavia agrees that at all times Bonavia and the Real Property shall comply in all material respects with all applicable environmental laws. Bonavia agrees to provide written notice to Lender immediately if Bonavia becomes aware that the Real Property or any adjacent property is being or has been contaminated with hazardous substances. Bonavia shall not cause or permit any activities on the Real Property that directly or indirectly could reasonably be expected to result in the Real Property or any other property becoming contaminated with hazardous substances. Bonavia acknowledges that, as between Lender and Bonavia, Bonavia shall be responsible for all costs and expenses relating to compliance with the environmental laws, including, but not limited to, costs associated with the clean-up of hazardous substances from the Real Property or from any other properties that become contaminated with hazardous substances as a result of the contamination of or activities on the Real Property. Nothing in this Trust Deed constitutes a waiver of any rights or claims Bonavia may have against any third party, and no third party is an intended beneficiary of Bonavia's obligations, duties, and agreements hereunder. Notwithstanding the foregoing, Lender acknowledges and agrees that neither the storage by Bonavia or a lessee on all or any portion of the Real Property of petroleum products, chemicals, cleaning solvents, or other materials reasonably used in connection with Bonavia's (or such lessee's) business, nor the lawful use of such petroleum products, chemicals, solvents, or other materials, shall violate the foregoing provisions of this Section 1.18 of this Trust Deed, provided that such storage or use does not result in contamination of the Real Property (or any material portion thereof), or any adjacent property.

1.19 Access Laws. Bonavia agrees that at all times the Real Property shall comply in all material respects with the applicable requirements of the Americans with Disabilities Act of 1990 (including, without limitation, the Americans with Disabilities Act accessibility guidelines for buildings and facilities); the Fair Housing Amendments Act of 1988; all other federal and state and local laws and ordinances related to disabled access; and all rules, regulations, and orders issued pursuant thereto; all as amended from time to time (collectively the "Access Laws"). Bonavia shall not alter (or permit any tenant or other person to alter) the Real Property or any portion thereof in any manner that would increase Bonavia's responsibilities for compliance with the Access Laws without the prior written approval of Lender, which approval shall not be withheld without reasonable cause. In connection with any such approval, Lender may require a certificate of compliance with the Access Laws from an architect, engineer, or other person acceptable to Lender in its reasonable discretion. Bonavia agrees to give prompt notice to Lender of any claims of violations of any Access Laws and of the commencement of any proceedings or investigations that relate to compliance with any Access Laws.

ARTICLE II

FIXTURE FILING

2.1 Fixture Filing. This Trust Deed constitutes a financing statement filed as a fixture filing in the official records of the county in which the Real Property is located with respect to any and all fixtures included within the term "Trust Estate" as used in this Trust Deed

and with respect to any goods or other personal property that may now or hereafter become such fixtures.

ARTICLE III

ASSIGNMENT OF LEASES AND RENTS

3.1 Assignment. Bonavia hereby assigns to Lender and grants to Lender a security interest in all Leases as security for performance of the Obligations.

3.2 Representations and Warranties. Bonavia represents and warrants as follows:

(a) Bonavia has good right, title, and interest in and to the Leases and Cash Collateral and good right to assign the same.

(b) Bonavia has performed all the terms, covenants, conditions, and warranties of the Leases on Bonavia part to be kept, observed, and performed and is not in material default under any of the terms thereof.

(c) The existing Leases, if any, are valid and unmodified and are in full force and effect.

(d) Bonavia has not previously sold, assigned, transferred, mortgaged, pledged, or granted a security interest in the Cash Collateral, whether now due or hereafter to become due.

(e) Bonavia has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Cash Collateral.

(f) To Bonavia's knowledge, no tenant under any existing Lease is in default of any of the terms of such Lease.

3.3 Covenants of Performance. Bonavia covenants and agrees as follows:

(a) Bonavia shall observe, perform, and discharge, duly and punctually, all of the obligations under the Leases on the part of Bonavia to be kept, observed, and performed, in each case to the extent the failure to do so could be reasonably expected to result in a material adverse effect on the Real Property or a material diminution in the value of the Trust Estate; and shall give prompt notice to Lender of any failure on the part of Bonavia to observe, perform, and discharge Bonavia's obligations under the Leases.

(b) Bonavia shall notify Lender of the occurrence of any material default under the Leases.

(c) Bonavia shall appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the

obligations, duties, or liabilities of Bonavia or any tenant thereunder at the expense of Bonavia, in each case to the extent the failure to do so could reasonably be expected to result in a material adverse effect on the real property or a material diminution in the value of the Trust Estate.

3.4 Prior Approval for Actions Affecting Leases. Bonavia further covenants and agrees that, without the prior written consent of Lender (which consent shall not be withheld without reasonable cause):

(a) Bonavia shall not receive or collect any Cash Collateral from any present or future tenant of the Real Property or any part thereof for a period of more than one year in advance (whether in cash or by promissory note).

(b) Bonavia shall not pledge, transfer, mortgage, grant a security interest in, or otherwise encumber or assign future payments of Cash Collateral.

3.5 License to Collect Cash Collateral. As long as no Event of Default exists under this Trust Deed, Bonavia shall have the right under a license granted hereby (but limited as provided herein) to collect, but not prior to accrual, all of the Cash Collateral arising from or out of said Leases or any renewals, extensions, and replacements thereof, or from or out of the Real Property, or any part thereof. Bonavia shall receive such Cash Collateral and hold the Cash Collateral, together with the right and license herein granted as a trust fund to be applied, and Bonavia hereby covenants to so apply them, as required by Lender, first to the payment of taxes and assessments upon the Real Property before penalty or interest is due thereon; second to the costs of maintenance and repairs required by the terms of this Trust Deed; third to satisfaction of all obligations under the Leases; and fourth to the payment of interest, principal, and any other sums becoming due under the First Obligation Note, the Second Obligation Note, and this Trust Deed, before using any part of the same for any other purposes. Upon the conveyance by Bonavia and its successors and assigns of Bonavia's interest in the Real Property, all right, title, interest, and powers granted under the license aforesaid automatically shall pass to and may be exercised by each subsequent owner.

3.6 Limitation of Lender's Obligations. Notwithstanding the assignment provided for in this Section 3.6 of this Trust Deed, Lender shall not be obligated to perform or discharge, and Lender does not undertake to perform or discharge, any obligation or liability with respect to the Leases or the Rents. This assignment shall not operate to place responsibility for the control, care, maintenance, or repair of the Trust Estate upon Lender, or to make Lender responsible for any conditions of the Real Property. Lender shall be accountable to Bonavia only for the sums actually collected and received by Lender pursuant to this assignment. Bonavia shall hold Lender fully harmless from, indemnify Lender for, and defend Lender against any and all claims, demands, liabilities, losses, damages, and expenses, including attorney fees, arising out of any of the Leases, with respect to any of the Rents, or in connection with any claim that may be asserted against Lender on account of this assignment, or any obligation or undertaking alleged to arise therefrom.

ARTICLE IV

DEFAULT; REMEDIES UPON DEFAULT

4.1 Events of Default. Time is of the essence with respect to performance of the obligations under the First Obligation Note, the Second Obligation Note, and this Trust Deed. Occurrence of one or more of the following events (an “Event of Default”) shall constitute a default by Bonavia under this Trust Deed:

- (a) Any of the payments provided for in the First Obligation Note or the Second Obligation Note is not made when due;
- (b) Any Event of Default occurs under the First Obligation Note or the Second Obligation;
- (c) There is a default under any other provision of this Trust Deed that is not cured within thirty days after notice by Beneficiary, provided, however, that if such default is of a nature that it cannot be cured within thirty days then Bonavia shall have thirty days to commence all steps reasonably necessary to promptly cure such default and must continue with such reasonable effort to have such default promptly cured;
- (d) There is a default under any other obligation secured by this Trust Deed that is not remedied or cured within the period set forth in the applicable instrument, document, or agreement; and
- (e) Bonavia files bankruptcy, commences a receivership proceeding, or makes a general assignment for the benefit of creditors, or any such proceeding shall be instituted against Bonavia that is not dismissed within 90 days after the institution thereof.

4.2 Rights and Remedies on Default. Upon the occurrence of any Event of Default, and at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

- (a) the right at Lender’s option by notice to Bonavia to declare the Obligations secured by this Trust Deed immediately due and payable;
- (b) with respect to all or any part of the Trust Estate, the right to foreclose this Trust Deed by judicial foreclosure in accordance with applicable law;
- (c) the right to have Trustee sell the Trust Estate in accordance with Chapter 86 of the Oregon Revised Statutes (or any successor statute) and the Oregon Uniform Commercial Code where applicable, at public auction to the highest bidder. Any person or entity except Trustee may bid at the foreclosure sale conducted by Trustee. The power of sale conferred by this Trust Deed and the law is not an exclusive remedy, and, when not exercised, Lender may

foreclose this Trust Deed as a mortgage. Trustee is not obligated to notify any party to this Trust Deed of a pending sale under any other trust deed or of any action or proceeding in which Bonavia, Trustee, or Lender shall be a party, unless such action or proceeding is brought by Trustee;

(d) with respect to all or any part of the Trust Estate that constitutes personal property, the rights and remedies of a secured party under the Uniform Commercial Code of Oregon;

(e) the right, without notice to Bonavia, to collect the Cash Collateral without taking possession of the Real Property, and to demand, collect, receive, sue for, attach, and levy against the Cash Collateral in Lender's name; to give proper receipts, releases, and acquittances therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by Lender, including reasonable attorney fees, to apply the net proceeds thereof, together with any funds of Bonavia deposited with Lender, upon any indebtedness secured by this Trust Deed and in such order as Lender may determine. In furtherance of this right, Lender may require any tenant or other user of the Real Property to make payments of rent or use fees directly to Lender, and payments by such tenant or user to Lender in response to its demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed;

(f) the right to have a receiver appointed to take possession of any or all of the Trust Estate, with the power to protect and preserve the Trust Estate and to operate the Trust Estate preceding foreclosure or sale and apply the proceeds, over and above cost of the receivership, against the indebtedness secured by this Trust Deed. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the value or apparent value of the Trust Estate exceeds the Obligations. Bonavia hereby irrevocably consents to the appointment of a receiver on the terms set forth in this Trust Deed. Employment by Lender shall not disqualify a person from serving as receiver. Upon taking possession of all or any part of the Trust Estate, the receiver, among other things, may:

(i) use, operate, manage, control, and conduct business on the Trust Estate in accordance with sound forestry management practices;

(ii) make expenditure for all maintenance, renewals, replacements, alterations, additions, and improvements to the Trust Estate as in the receiver's reasonable judgment are proper;

(iii) insure and reinsure the Trust Estate and all risks incidental to the possession, operation, and management of the Trust Estate;

(iv) collect the Cash Collateral and any other revenues and income from the Trust Estate and apply such sums to the expenses of use, operation, and

management in such priority as the receiver deems appropriate. Bonavia promptly shall turn over to the receiver all documents, books, records, papers, and accounts, together with the amount of any deposits, rentals, and use fees from any tenant or other user. The receiver may appear in any proceeding or bring suit on Bonavia's behalf, as necessary to enforce obligations of any tenant or other user, including actions for the recovery of rent and actions in forcible detainer;

(v) cancel or terminate any Lease or agreement for any cause for which Bonavia would be entitled to cancel the same;

(vi) extend or modify any Lease and make any new Lease on any portion of the Trust Estate. Any such instruments shall be binding upon Bonavia and all persons whose interests in the Trust Estate are subordinate to this Trust Deed, and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of the foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(vii) complete any construction in progress on the Real Property, and in that connection, pay bills, borrow funds, employ contractors, and make any changes in plans or specifications as the receiver deems appropriate;

(viii) if the revenues and income are insufficient to pay expenses, the receiver may (but shall not be entitled to) borrow from Lender such sums as the receiver deems necessary for the purposes stated in this paragraph. The amounts borrowed shall bear interest from the date of expenditure until repaid at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question. Such sums shall become a part of the Obligations secured by this Trust Deed and shall be payable by Bonavia on demand; or

(ix) take any other action permitted by applicable law;

(g) subject to any limitations imposed by law, the right to obtain a deficiency judgment in the event the net sale proceeds of any foreclosure sale are insufficient to pay the entire unpaid indebtedness secured by this Trust Deed;

(h) the right to maintain an action against Bonavia or any other person liable on the Obligations prior to a notice of trustee's sale having been given or after the discontinuance of a trustee's sale; and

(i) any other right or remedy provided in this Trust Deed, the First Obligation Note, the Second Obligation Note, or under applicable law.

4.3 Foreclosure by Power of Sale. If Lender elects to foreclose this Trust Deed by exercise of the power of sale herein contained, Lender shall notify Trustee and shall deposit with Trustee this Trust Deed, the First Obligation Note (if unpaid), the Second Obligation Note, and such receipts and evidence of expenditures made and secured hereby as Trustee may require. Upon receipt of such notice from Lender, Trustee shall cause to be given

such notice of default as then required by law, including such notices (if any) required to preserve Lender's right to seek a deficiency judgment against Bonavia or Nevada First Corporation. Trustee shall, without demand on Bonavia, after lapse of such time as then may be required by law and after notice of sale and notice of foreclosure having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such notice of sale and notice of foreclosure, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. The proceeds resulting from the sale of the Trust Estate shall be applied to the Obligations in such order as is selected by Lender, and the remainder, if any, shall be distributed and applied in accordance with applicable law.

4.4 Due on Sale or Increase in Interest Rate on Sale. Bonavia agrees and acknowledges that the indebtedness evidenced by the First Obligation Note and the Second Obligation Note is personal to Bonavia, and that Bonavia's personal responsibility and/or control of the Real Property is a material inducement to Lender to agree to enter into the transaction. Any (a) conveyance of the whole or any part of the Real Property, whether by deed, contract, further encumbrance, or otherwise, (b) lease of the same (other than a lease of any portion of the space in the improvements on the Real Property in the ordinary course of business without an option to purchase) without Lender's prior, written consent, or (c) transfer of membership or ownership interests in Bonavia without Lender's prior, written consent, in each case to the extent not permitted under this Trust Deed or any other agreement between Lender and Bonavia, shall be deemed to increase the risk of Lender, and Lender may declare the entire unpaid balance of the Obligations immediately due and payable, or, in its reasonable discretion, Lender may consent to such conveyance, or transfer of membership or ownership interests in writing. In the event Bonavia shall request the consent of Lender in accordance with the provisions of this Section 4.4 of this Trust Deed, Bonavia shall deliver a written request to Lender, together with such information as Lender reasonably may request regarding such conveyance, further encumbrance, lease, or transfer of membership or ownership interests and shall allow Lender 30 days to evaluate such request. If Lender approves such conveyance, encumbrance, lease, or transfer of capital stock or partnership interest, Bonavia shall pay Lender a reasonable processing fee in an amount to be determined by Lender but in no event less than \$1,000 to compensate Lender for its costs in processing such request. Consent as to any one transaction shall not be deemed to be a waiver of the right to require consent to any further or successive transaction. The execution and delivery by Bonavia of any joint venture agreement, partnership agreement, declaration of trust, option agreement, or other instrument whereunder any person, corporation, or other entity may become entitled, directly or indirectly, to the possession or enjoyment of the Real Property, or the income or other benefits derived or to be derived from the Real Property, shall in each case be deemed to be a conveyance or assignment of Bonavia interest in the Real Property for the purposes of this section, and shall require the prior written consent of Lender. In the event ownership of the Real Property or any portion thereof becomes vested in a person other than Bonavia, Lender may, without notice to Bonavia, whether or not Lender has given written consent to such change in ownership, deal with such successor or successors in interest with reference to this Trust Deed and the obligations secured by this Trust Deed, in the same manner

as with Bonavia herein named, without in any way vitiating or discharging Bonavia's liability under this Trust Deed or the obligations secured by this Trust Deed. Notwithstanding the foregoing, none of the provisions of this Section 4.4 of this Trust Deed shall apply in the event of a release of collateral in accordance with paragraph 5.1.1 of the Order.

4.5 Attorney Fees. In the event suit, action, or arbitration proceeding is instituted to enforce any of the terms of this Trust Deed, Lender shall be entitled to recover from Bonavia such sum as the court or arbitrator may adjudge reasonable as attorney fees at trial, on any appeal, and in any bankruptcy proceeding. All reasonable expenses incurred by Bank that are necessary at any time in Lender's opinion for the protection of its interest or the enforcement of its rights, including, without limitation, the cost of any appraisal of the Trust Estate, searching records, obtaining title reports, demanding payment, attorney opinions, or title insurance, whether or not any court action is involved, shall become a part of the indebtedness secured hereby, payable on demand, and shall bear interest at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question from the date of expenditure until paid.

4.6 Surviving Obligations. The obligations and liabilities of Bonavia for waste on the Real Property or for wrongful retention of any Cash Collateral, insurance proceeds, or condemnation awards shall survive any termination, satisfaction, assignment, entry of judgment of foreclosure, delivery of trustee's deed in a nonjudicial foreclosure proceeding, or delivery of a deed in lieu of foreclosure.

ARTICLE V

MISCELLANEOUS

5.1 Governing Law. This Trust Deed shall be governed by the laws of the state of Oregon, without regard to its principles of conflicts of law.

5.2 Invalidity of Certain Provisions. Every provision of this Trust Deed is intended to be severable. In the event any term or provision of this Trust Deed, or any application of any provision of this Trust Deed, is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions of this Trust Deed, or any other application of such provision, which terms and provisions shall remain binding and enforceable. If the lien or charge of this Trust Deed is invalid or unenforceable as to any part of the Obligations secured by this Trust Deed, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made in respect of the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or fully secured by the lien of this Trust Deed.

5.3 Modification. The terms and provisions of this Trust Deed cannot be waived, changed, discharged, or terminated orally, but only by an instrument in writing signed

by the party against whom enforcement of any waiver, change, discharge, or termination is sought.

5.4 Inspections and Appraisals. Lender or its agents may enter upon the Real Property with reasonable prior notice and at any reasonable times to inspect the Real Property, or to perform any of the acts Lender is authorized to perform under any agreement between Bonavia and Lender, whether or not an Event of Default exists. If Bonavia refuses to permit such inspection, Lender may specifically enforce performance of this provision. Lender may cause the Real Property to be appraised by an appraiser reasonably acceptable to Bonavia, and Bonavia agrees to pay the cost of all appraisals required by Lender (a) to comply with (i) any applicable statute or regulation, or (ii) the request or directive (whether or not having the force of law) of any regulatory authority with jurisdiction over Lender, or (b) at any time after the occurrence of an Event of Default. All such appraisal costs shall become a part of the Obligations secured by this Trust Deed and shall be payable on demand, together with interest thereon at a rate equal to the rate applicable for obligations set forth in the First Obligation Note at the time in question.

5.5 Reconveyance by Trustee. Upon written request of Lender stating that all Obligations secured by this Trust Deed have been paid, and upon surrender of the First Obligation Note (if unpaid) and the Second Obligation Note to Trustee for cancellation and retention and upon payment by Bonavia of Trustee’s reasonable fees, Trustee shall reconvey to Bonavia, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held under this Trust Deed. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as “the person or persons legally entitled thereto.”

5.6 Notices. Any notice required, permitted, or contemplated under this Trust Deed shall be in writing (except as expressly provided in this Trust Deed or any other agreement between Bonavia and Lender) and addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice under this Trust Deed, and shall be deemed validly given (a) three days following deposit in the U.S. certified mails (return receipt requested), with proper postage prepaid, or (b) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement satisfactory with such carrier, made for the payment thereof, or (c) upon receipt of notice given by personal delivery:

To Lender: Third Eye Capital Corporation
Brookfield Place, TD Canada Trust Tower
161 Bay Street, Suite 3930
Toronto, Ontario M5J 2S1 Canada
Attention: Arif N. Bhalwani
Managing Director

To Bonavia: _____

Attention: Mr. Gary L. Bengochea

EXHIBIT A

LEGAL DESCRIPTION

Township 1 South, Range 34, E.W.M.

Section 1: South Half of the Southwest Quarter.

Section 2: Southeast Quarter of the Southeast Quarter.

Section 11: Northwest Quarter of the Northeast Quarter.
Northeast Quarter of the Northwest Quarter.
South Half of the North Half.
South Half.

Excepting therefrom that tract of land conveyed to Robert M. Burns, etal, by Deed recorded in Instrument No. 2004-4710388, Office of Umatilla County Records.

Section 12: West Half.

Section 14: North Half.

Excepting therefrom that tract of land conveyed to Robert M. Burns, etal, by Deed recorded in Instrument No. 2006-50000663 Office of Umatilla County Records.

Excepting therefrom any portion lying within the County Road right-of-way.

All being East of the Willamette Meridian, Umatilla County, Oregon.

CONSOLIDATED LIST OF INTERESTED PARTIES

In re Bonavia Timber Company, LLC (LEAD CASE)

U.S. Bankruptcy Court Case No. 11-39459-tmb11

In re Nevada First Corporation

U.S. Bankruptcy Court Case No. 11-39460-rld11

ECF PARTICIPANTS

- RONALD T ADAMS rta@bhlaw.com, tl@bhlaw.com;docketing@bhlaw.com
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- ALBERT N KENNEDY al.kennedy@tonkon.com, leslie.hurd@tonkon.com;andy.haro@tonkon.com
- TERESA H PEARSON teresa.pearson@millernash.com, lisa.conrad@millernash.com;brenda.hale@millernash.com
- US Trustee, Portland USTPRegion18.PL.ECF@usdoj.gov

NON-ECF PARTICIPANTS

BONAVIA TOP 20 UNSECURED CREDITORS

Bank of Eastern Oregon
250 NW Gale
POB 39
Heppner, OR 97836

City of Heppner
POB 756
Heppner, OR 97836

Country Mutual Insurance Co
POB 14180
Salem, OR 97309

Morrow County Grain Growers Inc
POB 367
Lexington, OR 97839

Pacific Pride
POB 6869
Bend, OR 97708

NEVADA FIRST TOP 20 UNSECURED CREDITORS

AT&T
Payment Center
Sacramento, CA 95887

Bank of America (Business Card)
POB 15796
Wilmington, DE 19886

Black Helterline LLP
805 SW Broadway #1900
Portland, OR 97205

Grant Thornton LLP
33911 Treasury Center
Chicago, IL 60694

Harrington Health
75 Remittance Dr #1854
Chicago, IL 60675

Office Products, Inc
121 Freeport Circle
Fallon, NV 89406

PC Internet
332 S Bridge St
Winnemucca, NV 89445

Quality Tri-Co Janitorial
POB 3084
Winnemucca, NV 89446

Verizon Wireless
POB 96009
Bellevue, WA 98009

Wells Fargo Ins Svcs
3640 Warren Way
Reno, NV 89509