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Attorneys for John L. Davidson, Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO
(Boise)**

In re:

LARSON LAND COMPANY, LLC
fka Select Onion Co., LLC,

Debtor.

Case No. 12-00820-TLM

**TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF
POST-PETITION FINANCING AGREEMENT**

Pursuant to 11 U.S.C. § 364(c) and (d), FRBP 4001(c) and Local Bankruptcy Rule 4001.1, John L. Davidson, Chapter 11 Trustee (the "Trustee"), moves for (1) an order approving, on an interim and expedited basis until a final hearing can be held on this motion, an agreement between the Trustee and Ontario Asset Holdings, LLC ("Ontario-ConAgra") whereby

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**TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF
POST-PETITION FINANCING AGREEMENT - 1**

Ontario-ConAgra will provide post-petition financing to the Debtor's estate for those expenses that are immediate and which if not paid will cause irreparable harm to the estate, as more particularly set forth in the Declaration of John L. Davidson filed concurrently herewith (the "Post-Petition Financing Agreement"); and (2) after a final hearing held pursuant to FRBP 4001(c)(2), a final order approving the Post-Petition Financing Agreement (the "Motion").

A budget for the essential expenditures prior to the time of a final hearing on the Motion, which is anticipated to be during the week of June 18, 2012, is attached hereto as Exhibit 1. The projected essential expenditures during that interim period total approximately \$311,000. A proposed order approving the Post-Petition Financing Agreement is attached hereto as Exhibit 2. The Post-Petition Financing Agreement is attached hereto as Exhibit 3. A line-item budget with projected income and expenses during the anticipated duration of this case is attached hereto as Exhibit 4.

The material provisions of the Post-Petition Financing Agreement and the proposed order approving the Post-Petition Financing Agreement are as follows:

- (i) Interest rate: 6.0 % (Agreement, Section 1.1);
- (ii) Maturity: The first to occur of August 13, 2012, the effective date of a plan of reorganization or a plan of liquidation, 30 days after entry of an Interim Financing Order if a Final Financing Order has not been entered by that date, or the sale of a material portion of the Debtor's assets under section 363 of the Bankruptcy Code (Agreement, Section 1.1);
- (iii) Commitment fee: \$50,000 (Agreement, Section 2.2(b));
- (iv) Events of default: Failure to make a payment when due, failure to maintain insurance, failure to provide access to records and the Debtor's places of business, failure to use loan proceeds to fund cash needs in accordance with the budget, any liens created in favor of

Ontario-ConAgra shall fail to constitute valid liens subject to no prior or equal liens except permitted liens as provided in the Financing Order, John L. Davidson ceases to serve as Trustee, the Debtor's case is converted or dismissed, relief from stay is granted to another creditor as to Ontario-ConAgra's collateral, the Trustee supports any other person's opposition to any motion made by Ontario-ConAgra seeking confirmation of the amount of its claim or the validity of its liens, the Trustee supports any other person's challenge to the validity or enforceability of Ontario-ConAgra's liens, a Final Financing Order is not entered within 30 days after entry of the Interim Financing Order, the Trustee fails to comply with the Financing Orders, the Trustee files any motion that would reasonably be expected to result in a material impairment to Ontario-ConAgra's rights under the Post-Petition Financing Agreement, or the Trustee enters into an agreement for a section 363 sale without Ontario-ConAgra's consent (Agreement, Section 8.1);

(v) Liens: First priority liens on (a) all of the Debtor's unencumbered property, other than claims under chapter 5 of the Bankruptcy Code and a carve out for professional fees and costs and fees and costs of the Trustee (collectively, the "Carve Out"), and (b) all of the Debtor's real property and all property that is subject to liens as of the Petition Date for the benefit of one or more of KeyBank National Association, Wells Fargo Bank, National Association and Zions First National Bank (the "Subordinated Creditors") with respect to which the pre-petition lien of Ontario-ConAgra was senior in priority to the liens of the Subordinated Creditors (the "Subordinated Creditors Collateral"). Junior priority liens on all property subject to existing liens (Order, Section 6);

(vi) Borrowing limits: As budgeted, approximately \$1.4 million to be drawn incrementally on a weekly basis during the course of this chapter 11 case (Agreement, Sections 1.1 and 2.1); and

(vii) Borrowing conditions: Delivery of loan documents, budget and evidence of insurance, entry of Interim Financing Order, payment of fees and expenses due under the Post-Petition Financing Agreement (Agreement, Section 5.1).

In addition, the Post-Petition Financing Agreement and the proposed order approving the Post-Petition Financing Agreement contain the following provisions referred to in FRBP 4001(c)(1)(B)(i)-(xi):

(viii) The proposed order approving the Post-Petition Financing Agreement includes a grant of priority over all other administrative expenses, subject to the Carve Out, for amounts owing under the Post-Petition Financing Agreement and a grant of first priority liens on all unencumbered property and all of the Subordinated Creditors Collateral. The proposed order also includes a grant of junior priority liens on all property subject to existing liens (Order, Sections 5 and 6);

(ix) The proposed order approving the Post-Petition Financing Agreement provides adequate protection liens and adequate protection superpriority administrative expense claims to Ontario-ConAgra for any diminution in value of Ontario-ConAgra's interests arising from the Trustee's use of Ontario-ConAgra's pre-petition collateral, the granting of liens pursuant to the Post-Petition Financing Agreement, or the imposition of the automatic stay (Order, Section 8);

(x) The proposed order includes stipulations by the Trustee as to the amount of Ontario-ConAgra's claims as of the Petition Date, that Ontario-ConAgra holds first priority pre-petition liens in substantially all of the Debtor's assets, subject only to certain liens with priority over the Ontario-ConAgra liens and that the Debtor's obligations to Ontario-ConAgra and Ontario-ConAgra's liens are legal, valid, binding and enforceable, and not subject to avoidance or subordination. (Order, Section E) The proposed order further provides that any committee

appointed in the case shall have 30 days from its formation (or if no committee is appointed, any party-in-interest shall have 30 days from the entry of the Interim Financing Order) to challenge Ontario-ConAgra's claims or liens and otherwise the Trustee's stipulations shall be binding on the Debtor, the estate, and all parties in interest (Order, Section 11);

(xi) The Post-Petition Financing Agreement and the order modify the automatic stay in the event of a default to permit Ontario-ConAgra to declare a default and declare all amounts outstanding under the Post-Petition Financing Agreement to be all due and payable, and to permit Ontario-ConAgra to enforce any remedies for the default on three business days' notice (Agreement, Section 8.2(a), Order, Section 16);

(xii) It is an event of default under the Post-Petition Financing Agreement if an order is entered granting any other claim superpriority status or a lien equal or superior to the liens granted to Ontario-ConAgra (Agreement, Section 8.1(q)), and the proposed order provides that no such claims or liens may be granted without Ontario-ConAgra's consent (Order, Section 13);

(xiii) The Trustee waives all claims against Ontario-ConAgra and its agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, directly related to the obligations under the Post-Petition Financing Agreement, any financing orders, or the negotiation of the Post-Petition Financing Agreement or any financing orders (Agreement, Section 9.3(a));

(xiv) The Debtor's estate indemnifies Ontario-ConAgra and its directors, officers, employees, agents, advisors, controlling persons, and affiliates, from and against all expenses, losses, claims, damages and liabilities arising out of claims by any person in any way relating to the transactions contemplated by the Post-Petition Financing Agreement or the use of the

proceeds of extensions of credit thereunder, except to the extent that the same results from the gross negligence or willful misconduct of any indemnified party (Agreement, Section 9.3(b));

(xv) The Post-Petition Financing Agreement provides that no party indemnified under Section 9.3(b) shall be liable for any special, indirect, consequential or punitive damages in connection with the Post-Petition Financing Agreement, or the agreements or transactions contemplated by the Post-Petition Financing Agreement (Agreement, Section 9.3(b));

(xvi) The Post-Petition Financing Agreement provides that it is an event of default under the Post-Petition Financing Agreement if the Trustee supports any other person's opposition to any motion made by Ontario-ConAgra seeking confirmation of Ontario-ConAgra's claim or the validity or enforceability of Ontario-ConAgra's liens, or if the Trustee seeks to or supports any other person's motion to disallow or challenge in any fashion the validity or enforceability of Ontario-ConAgra's liens (Agreement, Sections 8.1(k) and (l));

(xvii) The proposed order states that the Trustee has agreed to seek a provision in a final order waiving the Trustee's rights under section 506(c) of the Bankruptcy Code (Order, Section 17);

(xviii) The proposed order provides that it is sufficient and conclusive evidence of the validity, perfection and priority of the liens granted without the necessity of any filings or recordings (Order, Section 15); and

(xix) The Post-Petition Financing Agreement provides that it is an event of default if the Trustee enters into or purports to enter into any agreement to sell the Debtor's assets without Ontario-ConAgra's consent (Agreement, Section 8.1(s)).

In support of the Motion, the Trustee represents as follows:

1. On April 12, 2012 (the “Petition Date”), Larson Land Company, LLC (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

2. On April 20, 2012, John L. Davidson was appointed as Chapter 11 Trustee.

3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. § 1408. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. As stated above, the Trustee proposes to enter into a Post-Petition Financing Agreement with Ontario-ConAgra. Ontario-ConAgra asserts a pre-petition claim against the Debtor in the amount of \$42,446,050 as of the Petition Date, including any accrued, unpaid interest, costs or fees, for pre-petition loans made to the Debtor. Ontario-ConAgra claims a first priority security interest in the Debtor’s real property, consisting of a farm property with approximately 11,000 acres, and the real property where the Debtor’s processing facility is located. Ontario-ConAgra also claims a security interest in all buildings, structures, fixtures, improvements, goods and appurtenances of every kind situated on the Debtor’s real property, including the Debtor’s river stations and pumps and processing equipment. Ontario-ConAgra also claims a security interest in the Debtor’s water rights, crops, rights under leases, insurance policies, permits and various other miscellaneous rights or assets. The Trustee’s best estimate at this time of the value of the assets which Ontario-ConAgra claims as collateral is in the range of \$40 to \$60 million.

5. The collateral to secure the post-petition financing consists of all assets of the Debtor’s estate, other than the Carve Out.

6. The other entities that have or may claim to have an interest in the collateral proposed to secure the post-petition financing are as follows¹:

<u>Name</u>	<u>Balance Owed</u>	<u>Subordinated to Post-Petition Financing?</u>
ConAgra Foods Lamb Weston, Inc. Attn: George K. Fogg Perkins Coie LLP 1120 NW Couch Street, Tenth Floor Portland, OR 97209	\$5,189,858	No
Zions First National Bank Attn: Jeffrey L. Shields Callister Nebeker & McCullough Zions Bank Building, Suite 900 10 East South Temple Salt Lake City, UT 84133	\$11,086,681	Yes
KeyBank National Association 1020 Caldwell Blvd. Nampa, ID 83652	\$2,633,824	Yes
KeyBank National Association P.O. Box 5278 Boise, ID 83705	[same as above]	
National City Commercial Capital 995 Dalton Ave. Cincinnati, OH 45203	unknown	No
Siemens Financial Services, Inc. 170 Wood Avenue South Iselin, NJ 08830	\$30,678	No
Zions Credit Corporation 310 S. Main, Suite 300 Salt Lake City, UT 84101	unknown	No

¹ Some of these claims may not be secured claims but rather operating leases. The Trustee is not taking any position on such issue by listing these claims here.

<u>Name</u>	<u>Balance Owed</u>	<u>Subordinated to Post-Petition Financing?</u>
Wells Fargo Bank, National Association Attn: Michael W. Fletcher Tonkon Torp LLP 1600 Pioneer Tower 888 SW Fifth Avenue Portland, OR 97204	\$4,750,750	Yes
Wells Fargo Equipment Finance, Inc. 733 Marquette Avenue, Suite 700 Minneapolis, MN 55402	unknown	No
People's Capital and Leasing Corp. Attn: Lloyd Huie 255 Bank Street, 4 th Floor Waterbury, CT 06702	\$292,914	No
United Rentals Northwest, Inc. 1855 South Cole Road Boise, ID 83709	\$0	No
Forum Financial Services, Inc. Attn: John Caulfield, President 275 West Campbell Rd., Ste. 320 Richardson, TX 75080	\$641,717	No
Land View, Inc. Attn: Michael J. Meade P.O. Box 475 Rupert, ID 83350	\$163,464	No

7. To preserve and maintain the assets of this bankruptcy estate, the Trustee requires the proposed post-petition financing. The Trustee proposes post-petition financing on an incremental basis to be made through weekly draws in accordance with the Post-Petition Financing Agreement.

8. The Trustee has prepared a line-item budget with projected income and expenses for the anticipated duration of this case through a sale of the Debtor's assets (the "Budget"). The

**TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF
POST-PETITION FINANCING AGREEMENT - 9**

Budget also includes projected income and expenses until the time of a final hearing on this Motion, which is anticipated to be during the week of June 18, 2012.

9. It is in the best interest of the estate and creditors for the Trustee to obtain post-petition financing because it is necessary for the Trustee to borrow funds to bridge to a sale that will maximize the recovery to all creditors.

10. Except as indicated above, the Post-Petition Financing Agreement and the proposed order approving the Post-Petition Financing Agreement do not include any provisions other than those that are normally approved by this Court as set forth in subsection (a) of the Court's Guidelines Regarding Motions to Use Cash Collateral, or to Obtain Credit, or Stipulations Regarding the Same.

11. Since the Trustee's appointment, the Trustee has been using cash collateral on an interim basis with the lenders' consent pursuant to an approved budget. However, on May 25, 2012, Zions First National Bank ("Zions") advised that it did not believe that it had any equity in the remaining assets being administered by the Trustee, and that accordingly it would no longer consent to the Trustee's use of its cash collateral. Since Zions will no longer consent to use of cash collateral, the Trustee requires expedited approval to approve the Post-Petition Financing Agreement with Ontario-ConAgra.

12. As set forth in the Declaration of John L. Davidson filed concurrently herewith, the Debtor's estate will suffer immediate and irreparable harm if the Trustee is not permitted to enter into the Post-Petition Financing Agreement. Specifically, the Trustee does not currently have access to any funds to permit him to maintain essential services for the Debtor's facilities, including utilities and security services. Without electricity services in particular, the Debtor's refrigeration systems will have to be shut down immediately. This would cause the acceleration

in the deterioration of remaining spoiled onion product while it is being removed under scheduled disposal arrangements over the course of the next 60 days. It could also result in damage to the Debtor's physical plant, as any remaining raw onions would expand and damage the bins in which they are currently stored if there is no refrigeration to slow this process during the disposal arrangements currently in place. In addition, the rapid temperature changes resulting from an immediate shut down of the Debtor's cold storage facilities would cause those facilities to heave and crack. In addition, the Trustee requires funding to pay for the cost of properly disposing of raw onions that were dumped in various locations on the Debtor's farm property, which are potential an environmental hazard and could generate maggots and flies that would jeopardize other farming operations in the area. The Trustee also requires funding to pay for security services and for services of certain of the Debtor's former employees. Those services are essential for maintaining the Debtor's facilities and preparing them for sale.

WHEREFORE, the Trustee prays for entry of an order (1) approving the Post-Petition Financing Agreement on an interim and expedited basis pending a final hearing on this Motion; and (2) setting a final hearing on this Motion.

DATED this 30th day of May, 2012.

BALL JANIK LLP

/s/ Brad T. Summers
Brad T. Summers, *Pro Hac Vice*
Attorneys for John L. Davidson,
Chapter 11 Trustee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT on the 30th day of May, 2012, the within and foregoing
TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF POST-PETITION
TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF
POST-PETITION FINANCING AGREEMENT - 11

FINANCING AGREEMENT was filed electronically through the Bankruptcy Court's

CM/ECF filing system and upon such filing the CM/ECF registered participants in this case were

served by electronic means as more fully reflected on the Notice of Electronic Filing, to wit:

- Kelly A Anthon kaa@idlawfirm.com, bcl@idlawfirm.com
- Bart M Davis bmdavis@bmdlaw.net, tcarson@bmdlaw.net
- Joshua S. Evett jse@elamburke.com, nlp@elamburke.com
- Ronald William Goss ronald_w_goss@keybank.com, joanne_aponte-morgan@keybank.com, Warren_L_Bean@keybank.com
- Steven M Hedberg shedberg@perkinscoie.com, ltwombly@perkinscoie.com; docketpor@perkinscoie.com; etherrien@perkinscoie.com; sraher@perkinscoie.com; dpahl@perkinscoie.com
- Jed W Manwaring jmanwaring@evanskeane.com, jgeier@evanskeane.com
- David Wayne Newman ustp.region18.bs.ecf@usdoj.gov
- Douglas R Pahl DPahl@perkinscoie.com, etherrien@perkinscoie.com; docketpor@perkinscoie.com; sraher@perkinscoie.com
- Tonn Kimball Petersen TKPetersen@perkinscoie.com, sdeal@perkinscoie.com; docketboi@perkinscoie.com
- Brent T Robinson btr@idlawfirm.com, cb@idlawfirm.com
- Sheila Rae Schwager sschwager@hawleytroxell.com
- Jeffrey Lane Shields jlshields@cnmlaw.com
- Brad T Summers tsummers@balljanik.com
- Brian T Tucker btucker@nhptlaw.net
- US Trustee ustp.region18.bs.ecf@usdoj.gov

I FURTHER CERTIFY THAT on such date I served a true and correct copy of the within and foregoing Motion upon those creditors named on the List of 20 Largest Unsecured Creditors by depositing copies thereof in the United States mail with first-class postage prepaid, enclosed in envelopes addressed to said parties at their respective addresses. Copies were also mailed to the following non-registered CM/ECF participants, to wit:

Larson Skyline Farms
Attn: Farrell V. Larson
4391 Heinz Boulevard
Ontario, OR 97914

Keithly-Williams Seeds, Inc.
Attn: Mary L. Bornt, Registered Agent
2307 E. Highway 98
Holtville, CA 92250

US Trustee
Washington Group Central Plaza
720 Park Blvd Suite 210
Boise, ID 83712

Jason M. Ayres
Farleigh Wada Witt
121 SW Morrison St, Ste 600
Portland, OR 97204-3136

**TRUSTEE'S MOTION FOR INTERIM AND FINAL APPROVAL OF
POST-PETITION FINANCING AGREEMENT - 12**

John L Davidson
Inverness Group LLC
1300 SW Park Ave
Suite 504
Portland, OR 97201

John L. Davidson
c/o Sheila R. Schwager
P.O. Box 1617
Boise, ID 83701-1617

KeyBank N.A.
501 Broadway
Idaho Falls, ID 83402

Douglas R. Pahl
1120 N.W. Couch St, 10th Floor
Portland, OR 97209-4128

Jeffrey L. Shields
Callister Nebeker & McCullough
Zions Bank Building, Suite 900
10 East South Temple
Salt Lake City, UT 84133

Jed W. Manwaring
Evans Keane LLP
1405 W. Main Street
P.O. Box 959
Boise, ID 83701

Brent T. Robinson
POB 396
Rupert, ID 83350

Kelly A. Anthon
POB 396
Rupert, ID 83350

Larson Land Company, LLC
P.O. Box 1010
Ontario, OR 97914

Zions First National Bank
Attn: Jeffrey L. Shields
Zions Bank Building, Suite 900
10 East South Temple
Salt Lake City, UT 84133

KeyBank National Association
1020 Caldwell Blvd.
Nampa, ID 83652

KeyBank National Association
P.O. Box 5278
Boise, ID 83705

National City Commercial Capital
995 Dalton Ave.
Cincinnati, OH 45203

Siemens Financial Services, Inc.
170 Wood Avenue South
Iselin, NJ 08830

Zions Credit Corporation
310 S. Main, Suite 300
Salt Lake City, UT 84101

Wells Fargo Bank, National Association
Attn: Michael W. Fletcher
Tonkon Torp LLP
1600 Pioneer Tower
888 SW Fifth Avenue
Portland, OR 97204

Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, Suite 700
Minneapolis, MN 55402

People's Capital and Leasing Corp.
Attn: Lloyd Huie
255 Bank Street, 4th Floor
Waterbury, CT 06702

United Rentals Northwest, Inc.
1855 South Cole Road
Boise, ID 83709

Forum Financial Services, Inc.
Attn: John Caulfield, President
275 West Campbell Rd., Ste. 320
Richardson, TX 75080

Land View, Inc.
Attn: Michael J. Meade
P.O. Box 475
Rupert, ID 83350

/s/ Brad T. Summers
Brad T. Summers

	Adjusted - to Essential Cash Disb Only						
	Week 5	Week 6	Week 7	Week 8	Week 9	Total	Per Budget
	5/25	6/1	6/8	6/15	6/22	5/18 - 6/22	5/18 - 6/22
Var							
Cash Disbursements							
Costs - 421 Forward (Trustee) - Actuals to 5/18							
Contract Staffing - Express Employ Pro (per Schedule)							
Facility / Cooling Maintenance and Electrical	10,002	12,602	12,602	10,002	11,545	56,754	56,754
Sales / Shipping	-	-	-	-	-	-	-
Admin and Actg	1,108	1,108	1,108	1,108	1,108	5,538	5,538
Contract Staff Burden (P/R Tax, W/C, etc. through ASI)	4,244	5,232	5,232	4,244	4,830	23,782	23,782
Sub Total - Contract Staff	15,354	18,942	18,942	15,354	17,482	86,074	86,074
Retention Incentive							
Contract Security - A&A	5,292	5,292	5,292	5,292	5,292	26,460	26,460
Contract Staffing - ASI - Deposit	-	-	-	-	-	-	-
Utilities		24,000	5,000		150	29,150	107,814
							(78,664)
Other Operating and Admin Costs							
Shipping and Freight Cost	2,250	2,250	-	-	-	4,500	4,500
Raw Product Disposal Costs (Net)	18,000	43,000	38,000	-	-	99,000	99,000
Facilities Cost	7,500	7,500	7,000			22,000	35,000
Repair & Maintenance	2,500	6,000	3,500	7,500		19,500	22,500
Administrative Costs	2,000	1,000	3,000			6,000	9,250
Insurance - G/L, Vehicle, Umbrella	-	6,500	-	-	-	6,500	6,500
Insurance - Property Damage	-	11,000	-	-	-	11,000	11,000
Sub Total - Operating and Admin Costs	32,250	77,250	51,500	7,500	-	168,500	187,750
							(19,250)
Ch 11 Administrative Costs							
Ch 11 Trustee Fees - Subject to Guideline							-
Ch 11 Trustee Expenses							-
Ch 11 Trustee Counsel							-
Ch 11 Trustee Counsel - Local							-
Knudsen Order - Retention							-
Committee Counsel							-
Ch 11 Trustee - Bond Fee per Order							-
Ch 11 USI Fees							-
Other Professionals (Appraisals, etc.) per Sch							-
Tax / Accountant							-
Sub Total - Ch 11 Admin Costs (Carve Out)	-	-	-	-	-	-	132,370
							(132,370)
Total Cash Disbursements - Interim Operations & Admin	52,896	125,484	80,734	28,146	22,924	310,184	540,468
							(230,284)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In re:

LARSON LAND COMPANY,

DEBTOR

Case No. 12-00820

Chapter 11

**INTERIM ORDER (1) AUTHORIZING POST-PETITION
FINANCING; (2) AUTHORIZING USE OF CASH COLLATERAL; (3) GRANTING ADEQUATE
PROTECTION; (4) MODIFYING AUTOMATIC STAY; AND (5) GRANTING RELATED RELIEF**

John L. Davidson, Chapter 11 Trustee (the "Trustee") for Larson Land Company, LLC, the debtor herein (the "Debtor" or the "Company"), submitted his Motion For Interim and Final Approval of Post-Petition Financing Agreement (the "Motion") which came on for an interim hearing on June __, 2012. The Motion requests the entry of an interim order (the "Interim Order"):

(a) authorizing and approving, pursuant to sections 105, 361, 362, 363, and 364 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the "Bankruptcy Code") and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"),

postpetition financing (the "Post-Petition Facility"), from Ontario Asset Holdings LLC, a Delaware limited liability company (together with its successors, assigns and transferees, the "Post-Petition Lender"), to (i) fund, among other things, ongoing working capital needs of Debtor pursuant to the Budget (as defined below), and (ii) pay fees and expenses (including, without limitation, reasonable attorneys' fees and expenses) owed to the Post-Petition Lender under the Post-Petition Facility and the other Post-Petition Facility Documents (as defined below);

(b) authorizing Debtor to enter into and comply in all respects with the Post-Petition Facility and the other Post-Petition Facility Documents, and approval of all of the terms and conditions of the Post-Petition Facility and the other Post-Petition Facility Documents;

(c) requesting that the financing under the Post-Petition Facility, including, without limitation, as to all principal, accrued interest, unpaid fees and expenses, indemnification, and all other amounts due from time to time under the documents referred to below, including the Obligations¹ (collectively, the "Post-Petition Facility Obligations");

(i) have priority, pursuant to section 364(c)(1) of the Bankruptcy Code, over any and all administrative expenses, subject only to the Carve-Out (as defined below), which allowed superpriority claims of the Post-Petition Lender shall be payable from and have recourse to all prepetition and postpetition property of Debtor, as provided for herein; and

(ii) pursuant to section 364(c)(2) of the Bankruptcy Code, be and be deemed to be secured by valid, binding, continuing, enforceable, fully perfected and unavoidable first priority senior security interests in, and liens upon (all such liens and security interests granted to the Post-Petition Lender, pursuant to this Interim Order and the

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Post-Petition Facility Documents.

Post-Petition Facility Documents, the "Post-Petition Facility Liens"), all prepetition and postpetition assets of Debtor that are not subject to valid, perfected, enforceable and non-avoidable liens as of the Petition Date, whether now existing or hereafter acquired, including all of the real, personal and mixed property (including equity interests) and all monies and other property of any kind received on account thereof, and all proceeds thereof, in which Post-Petition Facility Liens are granted whether pursuant to the Interim Order and Final Order, as applicable, the Post-Petition Facility Documents, or otherwise, in each case as security for the Post-Petition Facility Obligations (each of the foregoing, the "Post-Petition Collateral"), but specifically being subject solely to the Carve-Out to the extent provided for below;

(iii) pursuant to section 364(d) of the Bankruptcy Code, be and be deemed to be secured by valid, binding, continuing, enforceable, fully perfected and unavoidable first priority Post-Petition Facility Liens upon all Post-Petition Collateral that is subject to liens in existence on the Petition Date for the benefit of any one or more of KeyBank, National Association, Wells Fargo Bank, National Association and Zions First National Bank (collectively, the "Subordinated Creditors") with respect to the Real Property and all other prepetition and postpetition property of the Debtor in which the prepetition Lien of Post-Petition Lender was senior in priority (whether by agreement or otherwise) to the lien of the Subordinated Creditors on such property; and

(iv) except as otherwise provided above, pursuant to section 364(c)(3) of the Bankruptcy Code, be and be deemed to be secured by valid, binding, continuing, enforceable, fully perfected and unavoidable second priority or other junior Post-Petition Facility Liens upon all Post-Petition Collateral that is subject to valid, perfected, enforceable and non-avoidable liens in existence on the Petition Date or valid liens in existence on the Petition Date that are perfected subsequent to such commencement as

permitted by section 546(b) of the Bankruptcy Code, but specifically being subject to the Carve-Out to the extent provided for below;

(d) the Bankruptcy Court's authorization to grant, as of the Petition Date (defined below), the Adequate Protection Superpriority Claim (defined below) and Replacement Liens (defined below), to the extent of and as compensation for any Diminution in Value (defined below), as set forth more fully below and subject to the Carve-Out;

(e) modification by the Bankruptcy Court of the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the Post-Petition Facility, this Interim Order and the other Post-Petition Facility Documents;

(f) requesting, pursuant to Bankruptcy Rule 4001, that a final hearing (the "Final Hearing") be held before this Court to consider entry of order authorizing and granting the relief requested in the Motion on a final basis (the "Final Order"); and

(g) The Bankruptcy Court's waiving of any applicable stay (including under Bankruptcy Rule 6004) and providing for the immediate effectiveness of this Interim Order.

This Court having found that due and appropriate notice, under the circumstances, of the Motion, the relief requested therein, the material terms of this Interim Order and the Interim Hearing was provided by Debtor pursuant to Bankruptcy Rules 4001(b) and 4001(c)(1), on the following parties: (a) the Office of the United States Trustee (the "U.S. Trustee"); (b) counsel to the Post-Petition Lender; (c) Debtor's twenty (20) largest unsecured creditors; and (d) all parties known by Debtor to claim any lien on or security interest in any of Debtor's assets (collectively, the "Interim Notice Parties"). This Court having held the Interim Hearing on June ___, 2012; having considered all the pleadings filed with this Court; and having overruled all unresolved objections to the relief requested in the Motion; and upon the record made by Debtor at the Interim Hearing, including the Motion and other filings and pleadings in the Bankruptcy Case, and after due deliberation and consideration and good and sufficient cause appearing therefore;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. Petition Date. On April 12, 2012 (the "Petition Date"), the Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Idaho (the "Bankruptcy Court"). On April 20, 2012, John L. Davidson was appointed as Chapter 11 Trustee (the "Trustee") and Debtor's affairs have proceeded under the control and at the direction of the Trustee.

B. Jurisdiction and Venue. This Court has core jurisdiction over Debtor's Chapter 11 case (the "Bankruptcy Case"), this Motion and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Notice. Notice of the Interim Hearing, the Motion and proposed entry of this Interim Order has been provided to the Interim Notice Parties. Under the urgent circumstances, requisite notice of the Motion and the relief requested thereby and this Interim Order has been provided in accordance with Bankruptcy Rules 4001(b) and (c) and 9014, which notice is sufficient for all purposes under the Bankruptcy Code and no further notice of, or hearing on, the Motion or this Interim Order is necessary or required.

D. Creditors' Committee. As of the date hereof, the U.S. Trustee has not appointed an official committee of unsecured creditors' ("Committee").

E. Trustee's Stipulation as to Existing Secured Debt. Subject to the limitations contained in paragraph 11 of this interim Order, the Trustee, for himself, the estate and all representatives of the estate, admits, stipulates, acknowledges and agrees that:

(a) As of the Petition Date, Debtor owed Post-Petition Lender approximately \$_____, consisting of principal of \$_____, accrued interest of \$_____, and fees, attorney fees and expense reimbursement of \$_____ (the "Prepetition Obligations"), pursuant to the Second Amended and Restated Loan Agreement dated as of

June 27, 2011 among Debtor, Select Onion, LLC (a limited liability company subsequently merged into Debtor) and Larson Skyline Farms, an Oregon general partnership, as Borrowers, and Metropolitan Life Insurance Company, the predecessor to Post-Petition Lender (the "Prepetition Loan Agreement").

(b) As collateral for the Prepetition Obligations, the Post-Petition Lender has a first priority security interest in and lien upon (the "Prepetition Liens") all of the assets of the Debtor (the "Prepetition Collateral"), subject only to certain liens with priority over the Prepetition Liens.

(c) The Prepetition Obligations constitute the legal, valid and binding obligations of Debtor, enforceable in accordance with its terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code).

(d) No portion of the Prepetition Obligations is subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law.

(e) The Prepetition Liens in and to the Prepetition Collateral constitute valid, binding, enforceable, and perfected first-priority (subject only to certain liens with priority over the Prepetition Liens) liens in and to the Prepetition Collateral and are not subject to avoidance, reduction, recharacterization, disallowance, disgorgement, counterclaim, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

(f) The foregoing acknowledgments, stipulations and agreements are subject only to the rights of any official committee appointed by the United States Trustee pursuant to sections 327, 328 and 1103 of The Bankruptcy Code (the "Committee") and parties in interest pursuant to paragraph 11 below.

F. Findings Regarding Postpetition Financing.

(a) Trustee's Request. Trustee has requested from the Post-Petition Lender, and the Post-Petition Lender is willing to extend, certain loans, advances and other financial accommodations, as more particularly described and on the terms and conditions set forth in this Interim Order and the Post-Petition Facility Documents.

(b) Need for Postpetition Financing. Good cause has been shown for entry of this Interim Order. Trustee has an immediate need to obtain the Post-Petition Facility in order to permit, among other things, the orderly management and preservation of Debtor's assets and properties. Without such cash and credit, Debtor's estate would be irreparably harmed.

(c) No Credit Available on More Favorable Terms. Trustee represents that he is unable to obtain sufficient financing from sources other than the Post-Petition Lender on terms more favorable than under the Post-Petition Credit Agreement (as defined below and in substantially the form attached as Exhibit A, subject only to non-material modifications as may be agreed to by the parties thereto) and any and all documents and instruments delivered pursuant thereto or in connection therewith (inclusive of the Post-Petition Credit Agreement, the "Post-Petition Facility Documents") and is not able to obtain sufficient unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. Trustee is also unable to obtain unsecured credit with the enhanced priority afforded by section 364(c)(1) of the Bankruptcy Code. New credit is unavailable to Trustee without providing the Post-Petition Lender with (a) the Post-Petition Facility Superpriority Claims, (b) the Post-Petition Facility Liens as provided herein and in the Post-Petition Facility Documents, and (c) the postpetition rights and remedies provided herein and in the Post-Petition Facility Documents.

(d) Budget. Trustee has prepared and delivered the budget (the "Budget") to the Post-Petition Lender, a copy of which Budget is attached hereto as Exhibit B. The

Budget has been thoroughly reviewed by the Trustee. The Trustee represents that the Budget is achievable and will allow Trustee to maintain and preserve the Debtor's assets and otherwise conduct its Bankruptcy Case. The Post-Petition Lender is relying upon compliance with the Budget in accordance with the Interim Order in determining to enter into the postpetition financing arrangements provided for herein and in the Post-Petition Facility Documents.

(e) Business Judgment and Good Faith Pursuant to Section 364(e). Based on the record of the Interim Hearing, the terms of the Post-Petition Facility Documents and this Interim Order are fair, just and reasonable under the circumstances, ordinary and appropriate for secured financing to Debtor, reflect Trustee's exercise of prudent business judgment consistent with his fiduciary duties and constitute reasonably equivalent value and fair consideration. The terms of the Post-Petition Credit Agreement and the other Post-Petition Facility Documents have been negotiated in good faith and at arm's length between the Trustee, on behalf of Debtor, and the Post-Petition Lender, with both parties represented by counsel, and any credit extended and loans made to Debtor by the Post-Petition Lender shall be deemed to have been extended, issued, or made, as the case may be, in good faith as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections afforded by section 364(e) of the Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(f) Good Cause, Immediate Entry. Trustee represents that the relief requested by the Motion is necessary, essential and appropriate and is in the best interests of and will benefit Debtor, its estate and its creditors as its implementation will, among other things, provide Trustee with the necessary liquidity to preserve and maximize the value of Debtor's estate for the benefit of all of Debtor's creditors. Thus, good cause has been

shown for the immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2).

G. Replacement Lien for Prepetition Lender. The Post-Petition Lender has negotiated in good faith regarding the Trustee's use of the Prepetition Collateral to fund the administration of the Debtor's estate and preservation and maintenance of Debtor's assets, in accordance with the terms hereof. The Post-Petition Lender has agreed to permit the Trustee to use the Prepetition Collateral in accordance with the terms hereof subject to the terms and conditions set forth herein, including the protections afforded parties acting in good faith under section 363(m) of the Bankruptcy Code. The Post-Petition Lender is entitled to adequate protection as and to the extent set forth herein pursuant to sections 361, 362 and 364 of the Bankruptcy Code. Based on the Motion and on the record presented to the Bankruptcy Court at the Interim Hearing, the terms of the proposed adequate protection arrangements are fair and reasonable, reflect the Trustee's prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the Post-Petition Lender's consent thereto.

Based upon the foregoing, and after due consideration and good cause appearing therefore; IT IS ORDERED, ADJUDGED AND DECREED, that:

1. Motion Granted. The Motion is granted in accordance with Bankruptcy Rule 4001(c)(2) to the extent provided in this Interim Order. This Interim Order shall immediately become effective upon its entry.
2. Objections Overruled. All objections to the entry of this Interim Order are withdrawn or resolved by the terms hereof or, to the extent not resolved, are overruled.
3. Authorization of the Post-Petition Facility Documents. Upon execution of that certain Post-Petition Credit Agreement dated June __, 2012 (the "Post-Petition Credit Agreement") by and between Trustee and the Post-Petition Lender, and provided that Trustee is not in default under the terms of this Interim Order, Trustee is immediately authorized to borrow under the Post-Petition Facility from the Post-Petition Lender in an interim amount not to exceed

\$311,000, in accordance with the terms of this Interim Order, the Post-Petition Credit Agreement and the other Post-Petition Facility Documents. Upon execution and delivery of the Post-Petition Facility Documents, the Post-Petition Facility Documents shall constitute and are hereby deemed to be legal, valid, and binding obligations of Trustee and Debtor's estate, enforceable against Trustee and Debtor's estate in accordance with the terms of the Post-Petition Facility Documents.

4. Execution and Compliance with Post-Petition Facility Documents; Conflicts. The Trustee is authorized and directed to do and perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the Post-Petition Credit Agreement and additional security agreements, deeds of trust, mortgages and financing statements) and to pay, as such become due, fees and expenses that may be required or necessary for the Trustee's performance hereunder, and under the Post-Petition Credit Agreement including, without limitation fees and other expenses described in this Interim Order, in the Post-Petition Credit Agreement (other than fees and expenses of the Trustee's professionals, which fees and expenses may only be paid upon entry of an order of this Court). Except as modified by this Interim Order, the Prepetition Loan Agreement shall remain in full force and effect with respect to the Prepetition Obligations. To the extent there exists any conflict between the Motion, this Interim Order, and the terms of the Prepetition Credit Agreements or the Post-Petition Credit Agreement, this Interim Order shall govern and control.

5. Post-Petition Facility Superpriority Claims. As security for the Post-Petition Facility Obligations now existing or hereafter arising pursuant to the Post-Petition Facility, the Post-Petition Facility Documents and this Interim Order, to the extent the Post-Petition Facility Liens do not satisfy the Post-Petition Facility Obligations, the Post-Petition Lender is granted an allowed super-priority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code, which claim shall have priority in right of payment over any and all other obligations, liabilities and indebtedness of Debtor, now in existence or hereafter incurred, and over any and

all administrative expenses or priority claims of the kind specified in, or ordered pursuant to, inter alia, sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), and/or 364(c)(1) of the Bankruptcy Code (the "Post-Petition Facility Superpriority Claim"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claim shall be payable from and have recourse to all prepetition and postpetition property of Debtor and all proceeds thereof, provided, however, that the Post-Petition Facility Superpriority Claim shall be subordinate to the Carve-Out to the extent specifically provided for in paragraph 9 of this Interim Order.

6. Post-Petition Facility Liens. As security for the Post-Petition Facility Obligations, pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, the Post-Petition Lender shall have, and is hereby granted (effective and perfected upon the date of this Interim Order and without the necessity of the execution by Debtor or the filing or recordation of deeds of trust, mortgages, security agreements, control agreements, pledge agreements, lock box agreements financing statements, or otherwise) the following Post-Petition Facility Liens; provided, however that such liens and security interests shall not include Avoidance Actions or the proceeds thereof:

(a) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, perfected, enforceable and non-avoidable first priority liens on and security interests in all now owned or hereafter acquired assets and property of Debtor, that are not subject to valid, perfected, enforceable and non-avoidable liens as of the Petition Date;

(b) pursuant to section 364(d) of the Bankruptcy Code, valid, perfected, enforceable and non-avoidable first priority liens upon all Post-Petition Collateral that is subject to liens in existence on the Petition Date for the benefit of any one or more of the Subordinated Creditors with respect to the Real Property and all other prepetition and postpetition property of the Debtor in which the prepetition Lien of Post-Petition Lender was senior in priority (whether by agreement or otherwise) to the lien of the Subordinated Creditors on such property;

(c) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, perfected, enforceable and non-avoidable second priority or other junior liens on and security interests in all now owned or hereafter acquired assets and property of Debtor that are subject to valid, perfected, enforceable and non-avoidable liens in existence on the Petition Date or to valid liens in existence on the Petition Date that are perfected subsequent to such commencement as permitted by section 546(b) of the Bankruptcy Code; and

(d) In the event of the occurrence of an Event of Default (as defined below), or an event that would constitute an Event of Default with the giving of notice or lapse of time, the Post-Petition Facility Liens shall be subject only to the payment of the Carve-Out (as defined below).

7. Authorization and Approval to Use Proceeds of Post-Petition Facility. Subject to the terms and conditions of this Interim Order and the other Post-Petition Facility Documents, and to the adequate protection granted to or for the benefit of the Post-Petition Lender as hereinafter set forth, the Trustee is authorized to request and use proceeds of the Post-Petition Facility Loan, in each case for the types of expenditures set forth in the Budget. The Budget may only be amended, supplemented, modified, restated, replaced, or extended in accordance with the Post-Petition Facility Documents and the prior written consent of the Post-Petition Lender.

8. Adequate Protection for Post-Petition Lender. As adequate protection for the interests of the Post-Petition Lender in the Prepetition Collateral (including any use of cash collateral as such term is defined in section 363 of the Bankruptcy Code "Cash Collateral"), the Post-Petition Lender shall receive adequate protection as follows:

(a) Replacement Liens. To the extent of, and in an aggregate amount equal to, the diminution in value of such interests, from and after the Petition Date, calculated in accordance with section 506(a) of the Bankruptcy Code, resulting from, among other things, the use, sale or lease by the Debtor of the Prepetition Collateral (including the use of Cash Collateral), the granting of the Post-Petition Facility Liens, the subordination of the Prepetition

Liens thereto and the Carve-Out, or the imposition or enforcement of the automatic stay of section 362(a) of the Bankruptcy Code (collectively, "Diminution in Value"), the Post-Petition Lender shall have pursuant to sections 361(2) and 364(c) and of the Bankruptcy Code, replacement security interests in and liens upon all of the Post-Petition Collateral (the "Replacement Liens"), which shall be (i) junior and subject to the Post-Petition Facility Liens and (ii) junior and subject to all other liens thereon. The Replacement Liens shall in all cases be subject to the Carve-Out.

(b) Adequate Protection Superpriority Claims. To the extent of the aggregate Diminution in Value, the Post-Petition Lender shall have, subject to the payment of the Carve-Out, an allowed superpriority administrative expense claim (the "Adequate Protection Superpriority Claim") as provided for in section 507(b) of the Bankruptcy Code, immediately junior and subject to the Post-Petition Facility Superpriority Claim, and payable from and having recourse to all Post-Petition Collateral; provided, that the Post-Petition Lender shall not receive or retain any payments, property, distribution or other amounts in respect of the Adequate Protection Superpriority Claim unless and until the Post-Petition Facility Obligations and (without duplication) the Post-Petition Facility Superpriority Claim have indefeasibly been paid in full in cash.

(c) Adequate Protection Payments, etc. The Trustee shall accrue when due, on a monthly basis, adequate protection payments in an amount equal to interest on the Prepetition Obligations, at the non-default rate provided for in the Prepetition Loan Documents. Such amounts shall be immediately due and payable in the event of a default under the Post-Petition Credit Agreement.

9. Carve-Out. The liens, security interests and super-priority administrative expense claims of the Post-Petition Lender shall be subject to and subordinate only to (a) amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the clerk of the Bankruptcy Court (collectively, the "UST/Clerk Fees"); and (b) allowed, unpaid postpetition fees and

expenses of attorneys, accountants, and other professionals retained in the Bankruptcy Case by Trustee or the Committee (collectively, the "Professionals") pursuant to sections 327, 328 and 1103 of the Bankruptcy Code (the "Priority Professional Expenses") and of the Trustee, but the amount entitled to priority under this sub-clause (b) shall not exceed \$275,000.00 for Priority Professional Expenses and \$325,000.00 for the Trustee without the prior written consent of the Post-Petition Lender (the "Professional Expense Cap," and together with the UST/Clerk Fees, the "Carve-Out"); provided, however, that any payments actually made to the Professionals after the date hereof from application of retainers or otherwise, whether under sections 330 and 331 of the Bankruptcy Code or otherwise, shall reduce the Professional Expense Cap on a dollar-for-dollar basis, irrespective of whether such payment was made pre-Event of Default or post-Event of Default. The Carve-Out shall be free and clear of all liens, claims and encumbrances granted hereunder and shall be subject only to the allowed claims of the Professionals and the Trustee for such fees and expenses as may be awarded by the Bankruptcy Court under sections 327 or 328 of the Bankruptcy Code; provided, however, the Carve-Out cannot be used for the payment or reimbursement of any fees or disbursements of Trustee incurred in connection with the assertion or joinder in any claim, counter-claim, action, proceeding, application, motion, objection, defense or other contested matter, the purpose of which is to seek any order, judgment, determination or similar relief invalidating, setting aside, avoiding, subordinating, in whole or in part, the Post-Petition Facility Obligations or the Prepetition Obligations or lien and security interest securing the Post-Petition Facility Obligations or the Prepetition Obligations.

10. Fees and Expenses of Professionals. So long as no Event of Default shall have occurred and be continuing or have occurred and be waived, Trustee shall be permitted to pay the compensation and reimbursement of fees and expenses allowed and payable under sections 328, 330 and 331 of the Bankruptcy Code (but excluding fees and expenses of third party professionals employed by Committee members), as the same may be due and payable and as are otherwise permitted under this Interim Order and the Post-Petition Credit Agreement;

including without limitation any payments reserved or made pursuant to the terms of the Post-Petition Credit Agreement or any order authorizing the reservation or payment of professional fees and expenses. Nothing contained herein is intended to constitute, nor should be construed as consent to the allowance of any fees, disbursements or expenses by any party and nothing herein shall affect the ability or right of Debtor, the Post-Petition Lender, the Committee, the U.S. Trustee or any other party in interest to object to the allowance and payment of any amounts incurred or requested.

11. Prepetition Lien/Claim Challenge. The stipulations and admissions contained in the Interim Order shall be binding upon the Trustee, Debtor and its estate in all circumstances. Subject to the terms of this paragraph, the Committee shall have thirty (30) days from the formation of the Committee (and if no Committee is formed, any party-in-interest shall have thirty (30) days from entry of this Interim Order) within which to commence an adversary proceeding (collectively, a "Prepetition Lien/Claim Challenge") with respect to the validity, priority, extent, perfection, and enforceability of the Prepetition Liens or the Prepetition Obligations, or any other claims or causes of action against the Post-Petition Lender relating to the Prepetition Loan. If such a Prepetition Lien/Claim Challenge is not timely commenced within such applicable period set forth above, (a) the stipulations contained in paragraph E of this Interim Order shall be irrevocably binding on the estate, the Committee and all parties in interest, (b) the Prepetition Liens or the Prepetition Obligations and the Post-Petition Facility Liens upon and security interests in the Post-Petition Collateral shall be recognized and allowed as valid, binding, in full force and effect, not subject to any claims, counterclaims, setoff or defenses and perfected, (c) the Committee and any other party in interest shall thereafter be forever barred from bringing any Prepetition Lien/Claim Challenge, and (d) the Post-Petition Lender and its respective agents, officers, directors and employees shall be deemed released and discharged from all claims and causes of action of any kind, nature or description arising at any time immediately prior to the Petition Date, and all of Trustee's acknowledgements, releases and

waivers of claims granted to or in favor of the Post-Petition Lender relating to the Prepetition Loan in accordance with this Interim Order shall be binding upon all parties-in-interest in the Bankruptcy Case and/or in any subsequently converted case under Chapter 7 of the Bankruptcy Code. Nothing in this Interim Order shall be deemed to confer or deny standing to the Committee to commence an action.

12. Restrictions on Use of Proceeds. Until entry of the Final Order, Trustee shall use the proceeds of the Post-Petition Facility in accordance with the Post-Petition Facility Documents, this Interim Order and the Budget: (a) to support the working capital needs of the Debtor's estate, (b) to make any other payments permitted to be made by the Bankruptcy Code, in this Interim Order or in any other order of this Court to the extent provided for under the Post-Petition Facility Documents or consented to by the Post-Petition Lender as provided in the Post-Petition Facility Documents, and (c) to pay certain fees and expenses relating to the credit facilities established under the Post-Petition Facility Documents.

13. Restrictions on Trustee. Other than the Carve-Out, no claim having a priority superior or pari passu with those granted by this Interim Order to the Post-Petition Lender shall be granted or permitted by any order of the Bankruptcy Court heretofore or hereafter entered in the Bankruptcy Case while any portion of the Post-Petition Facility (or refinancing thereof) or the commitment thereunder remains outstanding without the express written consent of the Post-Petition Lender. Except as may be expressly permitted by the Post-Petition Credit Agreement, Trustee will not, at any time during the Bankruptcy Case, grant deeds of trust, mortgages, security interests, or liens in the Post-Petition Collateral or any portion thereof to any other parties pursuant to section 364(d) of the Bankruptcy Code or otherwise without the express written consent of the Post-Petition Lender.

14. Events of Default. It shall be an Event of Default by Debtor under the Post-Petition Facility if, among other things: (i) Trustee attempts to prime the Post-Petition Lender; (ii) a trustee other than the Trustee is appointed; (iii) the Bankruptcy Case is converted

to a case under Chapter 7 of the Bankruptcy Code; (iv) the Bankruptcy Case is dismissed by the Bankruptcy Court; or (v) there is an Event of Default under the Post-Petition Credit Agreement.

15. Lien Perfection. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection and priority of the Post-Petition Facility Liens and the Replacement Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document that may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the Post-Petition Facility Liens and the Replacement Liens or to entitle the Post-Petition Facility Liens and the Replacement Liens to the priorities granted herein. Notwithstanding the foregoing, the Post-Petition Lender may, in its sole discretion, file such financing statements, deeds of trust, mortgages, security agreements, notices of liens and other similar documents, and is hereby granted relief from the automatic stay of section 362 of the Bankruptcy Code in order to do so, and all such financing statements, deeds of trust, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded as of the Petition Date. The Trustee shall execute and deliver to the Post-Petition Lender all such financing statements, deeds of trust, mortgages, security agreements, notices and other documents as the Post-Petition Lender may reasonably request to evidence, confirm, validate or perfect, or to insure the contemplated priority of, the Post-Petition Facility Liens and the Replacement Liens.

16. Modification of Automatic Stay. Subject only to the provisions of the Post-Petition Credit Agreement and without further order from this Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the Post-Petition Lender to implement the provisions of the Post-Petition Facility Documents and this Interim Order.

17. Waiver of Claims under Section 506(c). The Trustee's rights under section 506(c) of the Bankruptcy Code are preserved until entry of a Final Order. The Trustee has agreed to seek a provision in the Final Order, in a form acceptable to the Post-Petition Lender, that would

waive the Trustee's rights under section 506(c) of the Bankruptcy Code with respect to Post-Petition Lender. Nothing contained in this Interim Order, in the Final Order or in the other Post-Petition Facility Documents shall be deemed a consent by the Post-Petition Lender to any charge, lien, assessment or claim against, or in respect of, the Post-Petition Collateral or the Prepetition Collateral under section 506(c) of the Bankruptcy Code or otherwise.

18. Binding Effect of Interim Order and Post-Petition Facility Documents. The provisions of this Interim Order and the Post-Petition Facility Documents shall be binding upon and inure to the benefit of all parties-in-interest in the Bankruptcy Case, including, without limitation, Debtor, Trustee, the Post-Petition Lender, and the Committee, and their respective successors and assigns, including, to the fullest extent permitted by applicable law, any Chapter 7 or Chapter 11 trustee hereinafter appointed or elected for the Debtor's estate, or an examiner appointed pursuant to section 1104 of the Bankruptcy Code; provided, however, that Post-Petition Lender shall have no obligation to extend any financing to any Chapter 7 trustee or similar responsible person appointed for Debtor's estate if such appointment constitutes an Event of Default.

19. Survival. The rights of the Post-Petition Lender under the Post-Petition Facility Documents or this Interim Order, the provisions of this Interim Order and any actions taken pursuant hereto shall survive the entry of any order (i) confirming a plan in the Bankruptcy Case (and, to the extent not satisfied in full in cash, the Post-Petition Facility Obligations shall not be discharged by the entry of any such order, or pursuant to section 1141(d)(4) of the Bankruptcy Code), (ii) converting the Bankruptcy Case to a Chapter 7 case or (iii) dismissing the Bankruptcy Case, and the terms and provisions of this Interim Order as well as the Post-Petition Facility Superpriority Claims and the Post-Petition Facility Liens granted to and conferred upon the Post-Petition Lender and the protection afforded to the Post-Petition Lender pursuant to this Interim Order and the Post-Petition Facility Documents shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their

priority as provided by this Interim Order and the Post-Petition Facility Documents and to the maximum extent permitted by law until all of the Post-Petition Facility Obligations shall have been paid and satisfied in full in accordance with the provisions of the Post-Petition Credit Agreement (and that such Post-Petition Facility Liens, Post-Petition Facility Superpriority Claims and other protections shall remain binding on all interested parties).

20. Access to Debtor. Without limiting the rights of access and information afforded the Post-Petition Lender under the Post-Petition Facility Documents, Debtor and Trustee shall permit representatives, agents and/or employees of the Post-Petition Lender to have reasonable access to its premises and records during normal business hours (without unreasonable interference with the Trustee) and shall cooperate, consult with, and provide to such representatives, agents and/or employees all such non-privileged information as they may reasonably request.

21. Amendment to Post-Petition Facility Documents. The Post-Petition Lender, with the consent of Trustee, is authorized to amend and/or modify the Post-Petition Credit Agreement or any other Post-Petition Facility Document without the necessity of a hearing; provided that any such amendments or modifications must be in writing and served upon counsel for the Committee (if appointed at such time), the U.S. Trustee and all parties who filed requests for notices under Bankruptcy Rule 9010(b) or were entitled to notice under Bankruptcy Rule 2002; provided, further that if Trustee has not received any written objections to such amendments or modifications within five (5) Business Days after such service, Trustee shall be entitled to submit an order to the Bankruptcy Court, together with a copy of the proposed amendments or modifications and a certification that no objections have been received with the appropriate notice period. If the Bankruptcy Court is satisfied that no objections have been received it may enter the order as proposed.

22. Remedies upon Occurrence of Event of Default.

(a) The Trustee's authority to borrow pursuant to the terms of the Interim Order shall terminate, without notice to the Trustee or further leave of Bankruptcy Court (i) automatically on July ___, 2012, unless a Final Order acceptable to the Post-Petition Lender in its reasonable discretion is entered on or prior to such date, or (ii) after an Event of Default (in either case, the "Termination Date"), unless, following the occurrence of an Event of Default, such authority is extended by the written agreement of Trustee and the Post-Petition Lender, provided, however, nothing herein shall obligate the Post-Petition Lender to make any advances after the Termination Date. All outstanding amounts of the Post-Petition Facility shall be due and payable on the Termination Date.

(b) Upon the occurrence of an Event of Default and at any time thereafter, the automatic stay imposed by section 362(a) of the Bankruptcy Code shall be lifted with respect to the Post-Petition Lender at 5:00 p.m. (Mountain time) on the third business day after written notice by the Post-Petition Lender to Trustee, the United States Trustee and any committee, so that the Post-Petition Lender may exercise any or all of the following rights and remedies:

(A) all the rights and remedies of a secured party under the UCC and all other applicable law, all of which rights and remedies shall be cumulative and nonexclusive to the extent permitted by law; (B) all of the rights and remedies provided for in the Post-Petition Facility Documents; and (C) without notice, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Post-Petition Collateral and Prepetition Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as Post-Petition Lender deems commercially reasonable. Post-Petition Lender shall be entitled to apply the proceeds of the Prepetition Collateral and the Post-Petition Collateral in accordance with the provisions of the Post-Petition Credit Agreement.

(c) Notwithstanding the occurrence of the Termination Date or anything herein to the contrary, all of the liens, rights, remedies, benefits and protections provided to the

Post-Petition Lender under this Interim Order and under the Post-Petition Credit Agreement, including, without limitation, the Post-Petition Facility Liens, Replacement Liens, Post-Petition Facility Superpriority Claim and Adequate Protection Superpriority Claim granted herein, shall survive the Termination Date.

23. Reservation of Rights. Entry of this Interim Order shall not be deemed to prejudice any and all rights, remedies, claims and causes of action the Post-Petition Lender may have against third parties, and shall not prejudice the rights of the Post-Petition Lender from and after the entry of this Interim Order to seek any other relief in the Bankruptcy Case. Entry of this Interim Order shall not in any way constitute: (a) a preclusion or a waiver of any right of the Post-Petition Lender to file or to prosecute a motion for relief from stay or a motion or request for other relief, including but not limited to any adversary proceeding; (b) agreement, consent, or acquiescence to the terms of any plan by virtue of any term or provision of this Interim Order; (c) a preclusion or waiver to assert any other rights, remedies or defenses available to the Post-Petition Lender, or to respond to any motion, application, proposal, or other action, all such rights, remedies, defenses and opportunities to respond being specifically reserved by the Post-Petition Lender; or (d) a preclusion, waiver or modification of any rights or remedies that the Post-Petition Lender has against any other person or entity.

24. Restrictions on Additional Financing. Until entry of the Final Order, all postpetition advances and other financial accommodations under the Post-Petition Credit Agreement and the other Post-Petition Facility Documents are made in reliance on this Interim Order. If an order is entered at any time in the Bankruptcy Case or in any subsequently converted case under Chapter 7 of the Bankruptcy Code (other than the Final Order) which (a) authorizes the use of Cash Collateral or the sale, lease, or other disposition of property of Debtor's estate in which the Post-Petition Lender has a lien or security interest, except as expressly permitted hereunder or in the Post-Petition Facility Documents, or (b) authorizes under section 364 of the Bankruptcy Code the obtaining of credit or the incurring of indebtedness

secured by a lien or security interest which is equal or senior to a lien or security interest in property in which the Post-Petition Lender holds a lien or security interest, or which is entitled to priority administrative claim status which is equal or superior to that granted to the Post-Petition Lender herein, then, in each instance described in clauses (a) and (b) above, unless the Post-Petition Lender (as is required by the Post-Petition Credit Agreement) shall first have given its express prior written consent thereto, no such consent being implied from any other action, inaction or acquiescence by the Post-Petition Lender, such order shall require that all Post-Petition Facility Obligations first shall be indefeasibly paid in full in immediately available funds. The liens and security interests granted to or for the benefit of the Post-Petition Lender hereunder and the rights of the Post-Petition Lender pursuant to this Interim Order and the Post-Petition Facility Documents with respect to the Post-Petition Facility Obligations and the Post-Petition Collateral are cumulative and shall not be altered, modified, extended, impaired, or affected by any plan of reorganization of Debtor and, if the Post-Petition Lender shall expressly consent in writing that the Post-Petition Facility Obligations shall not be repaid in full upon confirmation and effectiveness thereof, shall continue after confirmation and effectiveness of any such plan.

25. No Modification or Stay of Interim Order. If any or all of the provisions of this Interim Order or the Post-Petition Facility Agreement are hereafter modified, vacated or stayed, such modification, vacation or stay shall not affect (a) the validity of any obligation, indebtedness or liability incurred by Trustee on behalf of the estate to the Post-Petition Lender prior to the effective date of such modification, vacation or stay, or (b) the validity or enforceability of any security interest, lien, or priority authorized or created hereunder or pursuant to the Post-Petition Facility Documents, as applicable. Notwithstanding any such modification, vacation or stay, any indebtedness, obligations or liabilities incurred by Trustee on behalf of the estate to the Post-Petition Lender prior to the effective date of such modification, vacation or stay shall be governed in all respects by the original provisions of this Interim Order;

and the Post-Petition Lender shall be entitled to all the rights, remedies, privileges and benefits granted herein with respect to all such indebtedness, obligations and/or liabilities.

26. Final Hearing and Objection Date. This matter is set for a Final Hearing at _____ .m. on July ___, 2012, in the United States Bankruptcy Court for the District of Idaho. Trustee shall promptly mail copies of this Interim Order to (a) the Interim Notice Parties, (ii) all parties who filed requests for notices under Bankruptcy Rule 9010(b) or were entitled to notice under Bankruptcy Rule 2002, (iii) counsel to be selected by the Committee upon its formation if selected by such date, (iv) the taxing authorities to which Debtor pay taxes; and (v) those other creditors known to Debtor who may have liens upon or perfected security interests in any of Debtor's assets and properties. Objections to the entry of the Final Order shall be in writing and shall be filed with the Clerk of this Court, on or before _____, 2012, at 4:30 p.m., with a copy served upon: (i) counsel for Trustee, Ball Janik LLP, One Main Place, 101 SW Main Street, Suite 1100, Portland, Oregon 97204, Attn: Brad T. Summers; (ii) counsel for Post-Petition Lender, Perkins Coie LLP, 1120 NW Couch Street, 10th Floor, Portland, Oregon 97209, Attn: George K. Fogg; (iii) counsel to be selected by the Committee upon its formation if selected by such date; and (iv) the U.S. Trustee.

27. Conflicting Provisions. Unless otherwise provided in this Interim Order, to the extent the terms and conditions of the Post-Petition Facility Documents are in conflict with the terms and conditions of this Interim Order, the terms and conditions of this Interim Order shall control.

28. Effectiveness. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Interim Order shall (a) be immediately enforceable, and (b) not be stayed absent the grant of such stay under Bankruptcy Rule 8005 after a hearing upon notice to Trustee and the Post-Petition Lender.

###

Presented by:

BALL JANI LLP

By:

Brad T. Summers
Attorneys for Trustee

EXHIBIT A
POST-PETITION CREDIT AGREEMENT

EXHIBIT B

BUDGET

POST-PETITION CREDIT AGREEMENT

between

**LARSON LAND COMPANY, LLC.,
as debtor by and through John L. Davidson, Chapter 11 Trustee,
Borrower**

and

**ONTARIO ASSET HOLDINGS LLC,
Lender**

JUNE __, 2012

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EXHIBITS

- A Promissory Note Form
- B Notice of Borrowing
- C Form of Interim Financing Order

POST-PETITION CREDIT AGREEMENT

THIS POST-PETITION CREDIT AGREEMENT is entered into as of June __, 2012 by and between LARSON LAND COMPANY, LLC, debtor ("**Borrower**"), and ONTARIO ASSET HOLDINGS LLC., a Delaware limited liability company ("**Lender**").

RECITALS

WHEREAS on April 12, 2012 (the "**Petition Date**") Borrower filed a voluntary petition for relief (the "**Bankruptcy Case**") under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Idaho (the "**Bankruptcy Court**");

WHEREAS subsequent to the Petition Date, John L. Davidson was appointed as Chapter 11 Trustee (the "**Trustee**") and Borrower's affairs have proceeded under the control and at the direction of the Trustee;

WHEREAS Borrower is currently indebted to Lender pursuant to the terms of the Prepetition Loan Agreement (defined below);

WHEREAS the Trustee has requested that Lender provide Borrower a secured super-priority credit facility of up to \$1,400,000 in order to, among other purposes, fund the continued operation of its business; and

WHEREAS Lender is willing to make credit available to Borrower upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties contained herein, Borrower and Lender hereby agree as follows:

ARTICLE I. DEFINITIONS

1.1 DEFINED TERMS

All terms defined above shall have the meanings set forth above. The following terms shall have the meanings set forth below:

"**Advance**" has the meaning set forth in Section 2.1(a).

"**Agreement**" means this Post-Petition Credit Agreement as amended, modified or supplemented from time to time.

"**Applicable Rate**" means 6% per annum, provided that at all times during the continuation of an Event of Default, the Applicable Rate shall be 9% per annum.

"**Available Cash**" means, at any time, (a) Borrower's cash and cash equivalents that are free of Liens of any party plus (b) cash collateral that Borrower is authorized by order of

the Bankruptcy Court to use, but (c) excluding cash being held for the purpose of providing for payment of taxes, government charges and employee-related taxes and charges.

"Available Credit" means, with respect to any week, the lesser of (a) the amount by which the Commitment exceeds the then outstanding Loan balance, or (b) an amount equal to the Cash Needs for such week, less the Available Cash as of the close of business of the immediately preceding week.

"Bankruptcy Code" means the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to be closed in Omaha, NE or New York, NY.

"Carve-Out" means an amount equal to all amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the clerk of the Bankruptcy Court and (b) the Professional Fee Cap.

"Cash Budget" means a rolling 10-week detailed cash forecast for Borrower acceptable to Lender that is updated weekly and that includes reports that show the Borrower's sources and uses of cash from the prior week, and material variances associated therewith.

"Cash Needs" means, for any period, 110% of Borrower's projected cash needs set forth in the Cash Budget for such period.

"Collateral" means (a) all of Borrower's property and rights in and to property, including the Real Property and all Prepetition Collateral, accounts, instruments, chattel paper, deposit accounts, documents, general intangibles, goods (including inventory, equipment and fixtures), money, letter of credit rights, supporting obligations, investment property, commercial tort claims and records; (b) all products, proceeds, rents and profits of the foregoing; and (c) all of the foregoing, whether now owned or existing or hereafter acquired or arising or in which Borrower now has or hereafter acquires any rights; provided, however, "Collateral" shall not include the Excluded Assets.

"Commitment" means Lender's obligation to advance credit hereunder in an amount up to a total of \$1,400,000.

"Default" means (i) an Event of Default, or (ii) an event or condition that with the giving of notice or the passage of time, or both, would constitute an Event of Default.

"Disclosure Schedule" means Schedule I attached hereto.

"Effective Date" means the date on which the conditions specified in Section 5.1 are satisfied.

"Event of Default" has the meaning set forth in Section 8.1 hereof.

"Excluded Assets" means (i) any retainers paid or deposited before the Effective Date by Borrower to or with the Trustee or the Trustee's professionals for professional services and expense reimbursement in connection with the Bankruptcy Case; provided, however, that if such retainers are not fully consumed and are returned to Borrower for any reason, they shall be included in the definition of Collateral, and (ii) "Avoidance Actions" (as defined in the Interim Financing Order) to the extent the Interim Financing Order does not provide a Lien therein for the benefit of Lender to secure the Obligations.

"Final Financing Order" means an order of the Bankruptcy Court, in form and substance acceptable to Lender, which (a) contains substantially the same provisions as the Interim Financing Order (including reaffirming (x) that the Lender is extending credit to the Borrower in good faith (within the meaning of Section 364(e) of the Bankruptcy Code) under this Agreement and (y) the granting of Liens and priority position provided in connection with the Interim Financing Order), (b) contains such additional provisions as required by the Lender, (c) is not subject to vacatur, amendment, modification, reversal or stay without the prior written consent of the Lender, and (d) reaffirms the grant of protections to be accorded to the Lender described herein.

"Financing Order" means the Interim Financing Order or the Final Financing Order.

"GAAP" means generally accepted accounting principles as in effect in the United States from time to time, consistently applied.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Governmental Rule" means any applicable law, rule, regulation, treaty ordinance, order, code interpretation, judgment, decree, directive, guideline, policy or similar form of decision of any Governmental Authority.

"Indemnified Party" has the meaning set forth in Section 9.3 hereof.

"Interim Financing Order" means an order of the Bankruptcy Court in the form attached hereto as Exhibit C or otherwise acceptable to Lender.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), security interest, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement and the interest of a lessor under a capital lease.

"Loan" means the aggregate outstanding principal balance of all Advances and all amounts added to such principal balance in accordance with the provisions of this Agreement.

"Loan Documents" means this Agreement, the Note and each other agreement, note, notice, document, contract or instrument to which Borrower now or hereafter is a party and that is required by Lender in connection with this Agreement or the credit extended hereunder, including without limitation the Interim Financing Order and the Final Financing Order.

"Material Adverse Effect" means a material adverse effect on (a) the prospects for consummation of a sale of all or substantially all of Borrower's assets under Section 363 of the Bankruptcy Code, (b) the legality, validity, binding effect or enforceability against Borrower of any Loan Document to which it is a party or of the Financing Order, or (c) Lender's rights and remedies under any of the Loan Documents and the Financing Order.

"Maturity Date" means the first to occur of (a) August 13, 2012, (b) the effective date of a plan of reorganization or liquidation for Borrower, (c) the date that is 30 days after entry of the Interim Financing Order if the Final Financing Order has not been entered by that date, (d) the sale of a material portion of the Borrower's assets in one or more transactions under Section 363 of the Bankruptcy Code, or (e) the due date determined pursuant to Section 8.2.

"Note" means the promissory note executed by Borrower in favor of Lender evidencing the Loan, in the form attached as Exhibit A hereto.

"Notice of Borrowing" has the meaning set forth in Section 2.1(c) hereof.

"Obligations" means all of Borrower's obligations under the Loan Documents, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"Permit" means any permit, approval, authorization, license, variance or permission required from a Governmental Authority under a Governmental Rule.

"Permitted Liens" means (a) Liens arising by operation of law (other than Liens imposed under ERISA or any Lien securing liability under any environmental Governmental Rule) for taxes, assessments or governmental charges not yet due; (b) statutory Liens of mechanics, materialmen, shippers, warehousemen, carriers, and other similar persons for services or materials arising in the ordinary course of business for which payment is not past due; (c) nonconsensual Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security; (d) Liens granted in the Loan Documents; (e) zoning restrictions, easements, rights of way, survey exceptions, encroachments, covenants, licenses, reservations, leasehold interests, restrictions on the use of real property or minor irregularities incident thereto which

do not in the aggregate materially detract from the value or use of the property or assets of Borrower or impair, in any material manner, the use of such property for the purposes for which such property is held by Borrower; (f) valid and perfected prepetition Liens of creditors; and (g) Liens granted in the Financing Order.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Prepetition Collateral" means, collectively, all assets and property of Borrower securing the Prepetition Obligations as provided in the Prepetition Loan Documents immediately prior to the Petition Date.

"Prepetition Loan Agreement" means the Second Amended and Restated Loan Agreement dated as of June 27, 2011, among Larson Land Company, LLC, Select Onion, LLC, Larsen Skyline Farms and Metropolitan Life Insurance Company, the predecessor to Lender.

"Prepetition Loan Documents" means the Prepetition Loan Agreement, the Notes (as defined in the Prepetition Loan Agreement), the Collateral Documents (as defined in the Prepetition Loan Agreement) and all other agreements executed by Borrower or any affiliate of Borrower in connection with or relating to the Prepetition Loan Agreement.

"Prepetition Obligations" means all loans, advances and extensions of credit to Borrower under the Prepetition Loan Documents and all obligations, liabilities, indebtedness, covenants and duties of Borrower arising under the Prepetition Loan Documents of every kind and description, however evidenced, whether direct or indirect, absolute or contingent, joint or several, secured or unsecured, due or not due, primary or secondary, liquidated or unliquidated, arising before the Petition Date and whether arising under or related to the Prepetition Loan Documents, by operation of law or otherwise and whether incurred by Borrower as principal, surety, endorser, guarantor or otherwise and including, without limitation, all principal, interest, financing charges, fees, commissions, costs, expenses and attorneys', accountants' and consultants' fees and expenses incurred in connection with any of the foregoing.

"Professionals" means any attorneys, accountants, and other professionals retained in the Bankruptcy Case by the Trustee or any official committee appointed by the United States Trustee pursuant to sections 327, 328 and 1103 of the Bankruptcy Code.

"Professional Fee Cap" means all allowed, unpaid post-petition fees and expenses of the Professionals not to exceed \$275,000.00 without the prior written consent of the Lender and all allowed, unpaid post-petition fees and expenses of the Trustee not to exceed \$325,000.00 without the prior written consent of the Lender.

"Real Property" means all real property owned or leased by Borrower, including, without limitation, that certain real property subject to the Second Amended and Restated Mortgage, Security Agreement and Fixture Filing dated as of June 27, 2011 executed by

Borrower (among others) and recorded in the records of Malheur County, Oregon on June 30, 2011 as document number 2011-2106.

"UCC" means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

1.2 HEADINGS

Headings in this Agreement and each of the other Loan Documents are for convenience of reference only and are not part of the substance hereof or thereof.

1.3 GENERAL DEFINITIONAL PROVISIONS

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) unless otherwise specified, all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II. THE CREDITS

2.1 THE LOAN

(a) On the terms and subject to the conditions contained in this Agreement, Lender agrees to make loans (each an "Advance") to Borrower from time to time until the Maturity Date in an aggregate amount outstanding at any time not to exceed the Commitment. No Advance shall exceed the Available Credit for the week in which the Advance is made.

(b) Each Advance shall be made only on the first Business Day of a week. Borrower may request only one Advance in any week, and shall make a request only by

giving Lender irrevocable written notice signed by the Trustee, in the form of Exhibit B attached hereto (each, a "Notice of Borrowing"), which specifies, among other things:

- (i) the aggregate principal amount of the requested Advance;
- (ii) the calculation of Available Credit for the week in which the Advance is to be made; and
- (iii) by reference to the current Cash Budget, the Cash Needs to be met with such Advance.

Each such Notice of Borrowing must be received by Lender not later than 4:00 p.m. (Central time) on the last Business Day prior to the week in which the Advance is to be made.

(c) From time to time on any Business Day, Borrower may make a voluntary prepayment, in whole or in part, of the outstanding principal amount of the Loan without penalty or premium. Any amount prepaid may be reborrowed in accordance with the provisions of this Section 2.1.

2.2 INTEREST; FEES; PAYMENTS

(a) **Interest.** The outstanding principal balance of the Loan shall bear interest at the Applicable Rate. All fees, expenses and other amounts not paid when due shall bear interest (from the date due until paid) at the Applicable rate.

(b) **Commitment Fee.** On the Effective Date, Borrower shall pay Lender a commitment fee of \$50,000.00.

(c) **Computation and Payment.** Interest and per annum fees shall be computed on the basis of a 360-day year, actual days elapsed and shall be payable monthly, in arrears, on the first Business Day of each month and on the Maturity Date.

(d) **Place and Manner.** All amounts due under the Loan Documents shall be payable to such account as Lender may designate from time to time. Borrower shall make all payments in same day or immediately available funds not later than 11:00 a.m. (Central time) on the date due. All payments received on a Business Day shall be applied on such Business Day if received on or before 11:00 a.m. (Central time) or on the next Business Day if received after 11:00 a.m. (Central time), in either event subject to collection thereof in good funds. Borrower shall make all payments due hereunder free and clear of, and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. If after receipt of any payment of, or proceeds of Collateral applied to the payment of, any of the Obligations Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Borrower hereby

indemnifies and holds Lender harmless for the amount of any payments or proceeds surrendered or returned. This Section 2.2(d) shall remain effective notwithstanding any contrary action that may be taken by Lender in reliance upon such payment or proceeds, and shall survive the payment in full and performance of all of Borrower's other Obligations.

(e) **Application of Payments.** All payments under the Loan Documents (including prepayments and proceeds of Collateral) shall be applied first to unpaid fees, costs and expenses, second to accrued interest then due and payable under the Loan Documents and finally to reduce the principal amount of the Loan, provided, however, during the continuation of an Event of Default, payments shall be applied in such order as Lender shall determine.

ARTICLE III. SECURITY

3.1 GRANT OF SECURITY INTEREST

Borrower hereby grants to Lender a security interest in all of the Collateral as security for the full and prompt payment in cash and performance of the Obligations.

3.2 PERFECTION; DUTY OF CARE

(a) Until all the Obligations have been paid in full and Lender's obligation to advance credit to Borrower terminated, Borrower shall perform all steps requested by Lender to perfect, maintain and protect Lender's security interest in the Collateral, including delivering to Lender all Collateral in which Lender's security interest may be perfected by possession together with such endorsements as Lender may request.

(b) Borrower shall pay or cause to be paid all taxes, assessments and governmental charges levied or assessed or imposed upon or with respect to the Collateral or any part thereof; provided, however, Borrower shall not be required to pay any tax if the validity and/or amount thereof is being contested in good faith and by appropriate and lawful proceedings promptly initiated and diligently conducted of which Borrower have given prior notice to Lender and for which appropriate reserves have been established and so long as levy and execution have been and continue to be stayed. If Borrower fails to pay or so contest and reserve for such taxes, assessments and governmental charges, Lender may (but shall not be required to) pay the same and add the amount of such payment to the principal of the Loan.

(c) In order to protect or perfect the security interest granted under the Loan Documents, Lender may discharge any Lien that is not a Permitted Lien that under the Financing Order does not have a status superior to or *pari passu* with Lender's Lien in the Collateral or bond the same, pay for any insurance that Borrower fails to maintain as required by this Agreement, maintain guards, pay any service bureau, or obtain any record and add the same to the principal of the Loan.

(d) Lender shall have no duty of care with respect to the Collateral, except to exercise reasonable care with respect to the Collateral in its custody, but shall be deemed to

have exercised reasonable care if such property is accorded treatment substantially equal to that which it accords its own property. Lender's failure to take steps to preserve rights against any parties or property shall not be deemed to be a failure to exercise reasonable care with respect to the Collateral in its custody.

3.3 REAL PROPERTY COLLATERAL

Borrower hereby grants to Lender a mortgage lien in the Real Property as security for the full and prompt payment in cash and performance of the Obligations.

3.4 CARVE-OUT

Notwithstanding anything in this Agreement or the Financing Orders to the contrary, any Lien or security interest granted to Lender and any administrative expense claims (superpriority or otherwise) granted or created pursuant to the operation of this Agreement or the Financing Orders shall be subordinate and subject only to the Carve-Out. The Cash Budget includes budgeted amounts for payment of fees and expenses of Professionals and the Trustee. Each week, Borrower shall deposit the budgeted amount of such payments into a separate bank account (the "Carve-Out Account"). The Carve-Out Account shall not be subject the Lender's claims, including any security interests or administrative expense claims granted to Lender, except to the extent there are funds left in the Carve-Out Account after payment of the Carve-Out; provided, however, that any payments actually made to the Professionals or the Trustee, whether under sections 330 and 331 of the Bankruptcy Code or otherwise, shall reduce the Professional Fee Cap on a dollar-for-dollar basis, irrespective of whether such payment was made pre-Event of Default or post-Event of Default.

Notwithstanding anything to the contrary, the Carve-Out cannot be used for the payment or reimbursement of any fees or disbursements of Borrower or Trustee incurred in connection with the assertion or joinder in any claim, counter-claim, action, proceeding, application, motion, objection, defense or other contested matter, the purpose of which is to seek any order, judgment, determination or similar relief invalidating, setting aside, avoiding, subordinating, in whole or in part, the Obligations or the Prepetition Obligations or lien and security interest securing the Obligations or the Prepetition Obligations; provided that the Carve-Out may be used by the official committee appointed by the United States Trustee pursuant to sections 327, 328 and 1103 of the Bankruptcy Code to investigate, but only to investigate, the Prepetition Obligations and the validity and perfection of Liens securing the Prepetition Obligations.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

Borrower makes the following representations and warranties to Lender as of the Effective Date and as of the date of each extension of credit hereunder:

4.1 DUE AUTHORIZATION; NO VIOLATION

Subject to the entry by the Bankruptcy Court of the Interim Financing Order (or the Final Financing Order, when applicable), Borrower's execution, delivery and performance of the Loan Documents are within its powers, have been duly authorized by all necessary action.

4.2 COMPLIANCE WITH LAW

Borrower is in compliance with all Governmental Rules, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.3 VALIDITY; ENFORCEABILITY

Upon entry by the Bankruptcy Court of the Interim Financing Order (or the Final Financing Order, when applicable), the Loan Documents constitute, the legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms.

4.4 INSURANCE

All current policies of insurance of any kind or nature owned by or issued to Borrower, including policies of fire, theft, product liability, public liability, property damage, other casualty, employee fidelity, directors' and officers' liability, workers' compensation and employee health and welfare insurance, are in full force and effect and are of a nature and provide such coverage as is sufficient and as is customarily carried by businesses owning or operating properties similar to Borrower's properties.

4.5 ABSENCE OF LABOR DISPUTES

No strikes, boycotts, work stoppages or labor disputes with Borrower's employees exist or, to Borrower's knowledge, are imminent or would reasonably be expected to occur that would reasonably be expected to have a Material Adverse Effect.

4.6 FORCE MAJEURE

None of Borrower's business or properties is suffering from the effects of any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), other than those the consequences of which in the aggregate would not reasonably be expected to have a Material Adverse Effect.

4.7 INTELLECTUAL PROPERTY

Borrower owns or licenses or otherwise has the right to use all material licenses, Permits, patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, copyright applications, franchises, authorizations and other intellectual

property rights and general intangibles that are necessary for the operation of its businesses, without infringement upon or conflict with the rights of any other Person with respect thereto, including all trade names, which infringement or conflict would reasonably be expected to have a Material Adverse Effect. No slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by Borrower infringes upon or conflicts with any rights owned by any other Person, which infringement or conflict would reasonably be expected to have a Material Adverse Effect, and no claim or litigation regarding any of the foregoing is pending or, to its knowledge, threatened, the existence of which would reasonably be expected to have a Material Adverse Effect.

ARTICLE V. CONDITIONS

5.1 CONDITIONS OF INITIAL EXTENSION OF CREDIT

Lender's obligation to make the initial extension of credit contemplated by this Agreement is subject to the fulfillment to Lender's satisfaction of all of the following conditions:

- (a) **Documentation.** Lender shall have received each of the following duly executed: (i) this Agreement, the Note, a Notice of Borrowing, and a Cash Budget, the first week of which includes the Effective Date; and (ii) evidence of insurance coverage, including loss payable endorsements, acceptable to Lender.
- (b) **Interim Financing Order.** The Interim Financing Order shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect that Lender deems to be materially adverse to its interest; and, if the Interim Financing Order is the subject of a pending appeal in any respect, neither the making of the Loan, the granting of the security interest in the Collateral, nor the performance of Borrower under the Loan Documents shall be subject to a presently effective stay pending appeal.
- (c) **Fees and Expenses.** Borrower shall have paid all fees and invoiced costs and expenses then due pursuant to the terms of this Agreement, which fees, costs and expenses shall be paid out of the proceeds of the initial Advance.

5.2 CONDITIONS OF EACH EXTENSION OF CREDIT

Lender's obligation to make any credit available under the Loan Documents (including any Advance to be made on the Effective Date) shall be subject to the further conditions precedent that:

- (a) the following statements shall be true on the date such credit is advanced, both before and after giving effect thereto and to the application of the proceeds therefrom, and the acceptance by Borrower of the proceeds of such credit shall constitute a representation and warranty by Borrower that on the date such credit is advanced such statements are true:

(i) Borrower's representations and warranties contained in the Loan Documents are correct in all material respects on and as of such date as though made on and as of such date or, as to those representations and warranties limited by their terms to a specified date, were correct in all material respects on and as of such date; and

(ii) no Default is continuing or would result from the credit being advanced;

(b) advancing the requested credit on such date does not violate any Governmental Rule and is not enjoined, temporarily, preliminarily or permanently;

(c) Lender shall have received a Notice of Borrowing with respect to the requested Advance; and

(d) no event or circumstance exists that can reasonably be expected to have a Material Adverse Effect.

ARTICLE VI. AFFIRMATIVE COVENANTS

Borrower covenants that until performance and payment in full of all Obligations and termination of Lender's obligation to advance credit to Borrower, Borrower shall:

6.1 PAYMENTS

Pay all principal, interest, fees and other liabilities due under any of the Loan Documents at the times and place and in the manner specified therein.

6.2 ACCOUNTING RECORDS

Keep accurate books and records of its financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with GAAP.

6.3 INFORMATION AND REPORTS

Deliver to Lender on the Friday of each week, a revised Cash Budget for the period beginning on the first day of the following week and from time to time such other reports, analysis, documents and information as Lender may reasonably request.

6.4 COMPLIANCE

Except as otherwise permitted by Lender, preserve and maintain all licenses, Permits, governmental approvals, rights, privileges, franchises and general intangibles necessary for the conduct of its business and preservation and maintenance of its assets and comply in all material respects with all Governmental Rules, other than such failure to do so the consequences of which in the aggregate would not reasonably be expected to have a Material Adverse Effect.

6.5 MAINTENANCE OF PROPERTIES

Maintain all properties used or useful in the conduct of its business in good condition, repair and working order and supply such properties with all necessary equipment and make all necessary repairs, renewals, replacements, betterments and improvements thereto, all as in the judgment of the Trustee may be necessary. Except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect, maintain all properties in such a manner as to make it reasonably likely to have an orderly liquidation of Borrower's assets.

6.6 INSURANCE

Insure and keep insured, with reputable, financially sound insurance companies, its properties, business and operations in such amounts, with such deductibles and covering such risks as are insured against and carried in accordance with applicable law and prudent industry practice by businesses owning or operating similar properties, and providing for not less than thirty days' prior notice to Lender of termination, lapse or cancellation of such insurance.

6.7 ACCESS

Permit Lender and any of its agents, advisors, auditors and employees (i) full and reasonable access to Borrower's books, records and places of business to verify the existence, condition and location of property in which Lender has a Lien, and (ii) with reasonable access during normal business hours to all places of business, officers, consultants and employees of Borrower.

6.8 NOTICE TO LENDER

Promptly (but in no event more than one Business Day after Borrower has knowledge of the occurrence of each such event or matter) give notice to Lender in reasonable detail of: (i) the occurrence of any Default; (ii) any termination or cancellation of any insurance policy which Borrower are required to maintain, unless such policy is replaced without any break in coverage with an equivalent or better policy; or (iii) the occurrence of any event that would reasonably be expected to have a Material Adverse Effect.

6.9 USE OF PROCEEDS

Use the proceeds of the Advances solely to fund Cash Needs in accordance with the Financing Order.

6.10 FURTHER ASSURANCES

At Lender's request at any time and from time to time, duly execute and deliver such further agreements, documents and instruments, and do or cause to be done such further acts as may reasonably be necessary or proper to evidence, perfect, maintain and enforce the

security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of the Loan Documents, at Borrower's expense.

ARTICLE VII. NEGATIVE COVENANTS

Borrower covenants that until performance and payment in full of all Obligations and termination of Lender's obligations to advance credit to Borrower, Borrower shall not, without Lender's consent:

7.1 CASH EXPENDITURES

Make any expenditure (including any capital expenditure) other than those set forth in the Cash Budget, subject only (with respect to non-capital expenditures) to variances therefrom not exceeding 10% in the aggregate since the Effective Date;

7.2 CONSOLIDATIONS, MERGERS AND SALES OF ASSETS

Except with Lender's prior written consent, consolidate or merge with or into any Person, or sell, lease or otherwise transfer, directly or indirectly, any of its property and assets, except (i) sales of inventory, (ii) the sale, lease or other disposition of worn out, obsolete and surplus assets, and (iii) the use of cash and cash equivalents to make expenditures contemplated by the Cash Budget.

7.3 EMPLOYMENT AGREEMENTS

Enter into an employment agreement with any member of Borrower's management.

7.4 CHANGE IN NATURE OF BUSINESS

Directly or indirectly engage in any business activity other than its current business activity.

ARTICLE VIII. EVENTS OF DEFAULT

8.1 EVENTS OF DEFAULT

The occurrence of any of the following shall constitute an "Event of Default":

(a) Payment. Borrower fails to pay any payment Obligation when due;

(b) Certain Covenants. Borrower fails to observe or perform any covenant contained in Sections 6.6, 6.7, 6.8 (provided that if the event that was required to be the subject of any such notice is waived or cured to the satisfaction of Lender, the failure to have given the required notice shall thereafter not be a continuing Event of Default), 6.9, and Article VII;

(c) Other Covenants. Borrower fails to observe or perform any covenant or agreement contained in the Loan Documents (other than those covered by Sections 8.1(a) and (b)) for three days after notice thereof has been given to Borrower by the Lender;

(d) Representations. Any representation, warranty, certification or statement made by Borrower in any Loan Document or in any certificate, financial statement or other document delivered pursuant to the Loan Documents is false or misleading in any respect (or in any material respect if such representation, warranty, certification or statement is not by its terms already qualified as to materiality) when made (or deemed made);

(e) Liens. Any of the Liens created by the Loan Documents and Financing Orders ("Post-Petition Liens") shall at any time fail to constitute a valid and perfected Lien on all of the Collateral purported to be secured thereby, subject to no prior or equal Lien except those Permitted Liens as provided in the Financing Order, or Borrower or Trustee shall so assert in writing;

(f) Loan Documents. Any of the Loan Documents shall for any reason fail to constitute the valid and binding agreement of Borrower, or Borrower shall so assert in any pleading filed in any court;

(g) Davidson as Trustee. John L. Davidson shall cease to serve as Chapter 11 Trustee or his powers as Chapter 11 Trustee in effect on the Effective Date shall be limited in any respect;

(h) Dismissal or Conversion of Bankruptcy Case. The Bankruptcy Court shall enter an order dismissing the Bankruptcy Case or converting it to a case under Chapter 7 of the Bankruptcy Code;

(i) Relief From Stay. Entry of an order granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder of any claim against Borrower, which order enables the holder of such claim to exercise any right or remedy against any of Borrower's assets constituting Prepetition Collateral;

(j) Modification of Financing Orders. Without Lender's consent, entry of an order in the Bankruptcy Case amending, supplementing, staying for a period in excess of three days, vacating or otherwise modifying any Financing Order;

(k) Contest of Claims. Borrower or Trustee shall support (in any such case by way of any motion or other pleading filed with the court or any other writing to another party-in-interest executed by or on behalf of Borrower) any other Person's opposition to, any motion made by Lender seeking confirmation of the amount of Lender's claim or the validity and enforceability of the Liens in favor of Lender;

(l) Disallowance of Claims. Borrower or Trustee shall seek to, or shall support (in any such case by way of motion or other pleading filed with the court or any other writing to another party-in-interest executed by or on behalf of Borrower) any other Person's motion to, disallow, or challenge in any fashion the validity and enforceability of the Liens in favor of Lender;

(m) Interim Financing Order. From and after the date of entry thereof, the Interim Financing Order shall cease to be in full force and effect (or shall have been vacated, stayed for a period in excess of three days, reversed, modified or amended), in each case without Lender's consent, and the Final Financing Order shall not have been entered prior to such cessation (or vacatur, stay, reversal, modification or amendment);

(n) Final Financing Order. The Final Financing Order shall not have been entered by the Bankruptcy Court on or before the date that is 30 days after entry of the Interim Financing Order, or from and after the date of entry thereof, the Final Financing Order shall cease to be in full force and effect (or shall have been vacated, stayed for a period in excess of three days, reversed, modified or amended), in each case without the consent of Lender;

(o) Failure to Comply with Financing Orders. Borrower or Trustee fails to comply with the terms of any Financing Order;

(p) Material Adverse Effect. The occurrence of event(s) or circumstances having a Material Adverse Effect;

(q) Superpriority. The entry of an order granting any other claim superpriority status or a Lien equal or superior to that granted to Lender, other than as provided in the Financing Order or consented to by Lender;

(r) Impairment. Borrower or Trustee files any motion or proceeding that would reasonably be expected to result in material impairment of the Lender's rights under this Agreement, or a final determination by any other court of competent jurisdiction with respect to any motion or proceeding brought by any other party that results in any material impairment of the Lender's rights under any Loan Document; or

(s) Unacceptable Section 363 Sale. Without Lender's consent, Borrower or Trustee enters into or purports to enter into an agreement pursuant to which Borrower would sell any of its assets constituting Prepetition Collateral.

8.2 REMEDIES

(a) During the continuance of an Event of Default, Lender may, notwithstanding the provisions of Section 362 of the Bankruptcy Code, but subject to the provisions of the

Financing Orders, without any application, motion or notice to, or order from, the Bankruptcy Court:

(i) terminate or suspend its obligation to advance credit hereunder, and/or declare the Obligations to be due and payable, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which Borrower expressly waives; and/or

(ii) the automatic stay imposed by Section 362(a) of the Bankruptcy Code shall be lifted with respect to the Lender at 5:00 p.m. (Central time) on the third business day after written notice by the Lender to the Borrower, the United States Trustee and any committee, so that the Lender may exercise any or all of the following rights and remedies: (A) all the rights and remedies of a secured party under the UCC and all other applicable law, all of which rights and remedies shall be cumulative and nonexclusive to the extent permitted by law; (B) all of the rights and remedies provided for in the Loan Documents; and (C) without notice, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as Lender deems commercially reasonable. Lender shall be entitled to apply the proceeds of the Prepetition Collateral and the Collateral in accordance with the provisions of this Agreement.

(b) Upon Lender's request during the continuance of an Event of Default, and notwithstanding the provisions of Section 362 of the Bankruptcy Code, but subject to the provisions of the Financing Orders, without any application, motion or notice to, or order from, the Bankruptcy Court, the Borrower shall:

(i) assemble and make available to Lender the Collateral and all records relating thereto at any place or places specified by Lender; and

(ii) permit Lender and Lender's representatives to enter any premises where any of the Collateral, or books and records relating thereto, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

(c) Lender may comply with any Governmental Rule in connection with the disposition of the Collateral and such compliance shall not be considered to adversely affect the commercial reasonableness of any sale or other disposition of the Collateral.

(d) Borrower hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to Borrower in accordance with Section 9.1, at least ten days prior to (i) the date of any such public sale, or (ii) the time after which any such

private sale or other disposition may be made. Lender shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

(e) During the continuance of an Event of Default, Lender shall be entitled to occupy and use any premises owned or leased by Borrower where any of the Collateral or any records relating to the Collateral are located until the Obligations are paid in full or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay Borrower for such use and occupancy.

(f) Lender is hereby granted a license and right to use, without charge upon the occurrence and during the continuance of an Event of Default and until the Obligations are fully paid and Lender's obligation to advance credit hereunder terminated, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, advertising material, general intangibles or any property of a similar nature in completing the production, advertising for sale and sale or other disposition of any Collateral.

(f) Lender shall have no obligation (i) to preserve any rights to the Collateral against any Person, (ii) to make any demand upon or pursue or exhaust any rights or remedies against Borrower or others with respect to payment of the Obligations, (iii) to pursue or exhaust any rights or remedies with respect to any of the Collateral or any other security for the Obligations, or (iv) to marshal any assets in favor of Borrower or any other Person against or in payment of any or all of the Obligations.

ARTICLE IX. MISCELLANEOUS

9.1 NOTICES

Any notice required or permitted to be given hereunder will be in writing, will be 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 hereunder, and will be deemed to have been validly given (i) five days following deposit in the United States mail, with proper first-class postage prepaid, (ii) the next Business Day after notice was delivered to a regularly scheduled overnight delivery carrier, or (iii) upon receipt of notice given by fax or personal delivery:

To Borrower: Larson Land Company, LLC
c/o John L. Davidson, Trustee
P.O. Box 861
Lake Oswego, Oregon 97304
Fax No.: (541) 689-7490
Email: jdavidson.states@invernessgroupllc.com

With a copy to: Brad T. Summers
Ball Janik LLP
One Main Place
101 SW Main St, Suite 1100
Portland, OR 97204
Fax No: (503) 295-1058
Email: tsummers@balljanik.com

To Lender: Ontario Asset Holdings LLC
c/o ConAgra Foods Inc.
One ConAgra Drive, I-220
Omaha, NE 68102-5001
Attn: Scott Schneider
Fax No.: (402) 240-4438
Email: mark.barbeau@renovocap.com

With a copy to: George K. Fogg
Perkins Coie LLP
1120 NW Couch Street, 10th Floor
Portland, OR 97209
Fax No: (503) 346-2022
Email: gfogg@perkinscoie.com

9.2 COSTS, EXPENSES, ATTORNEYS' FEES

Borrower shall pay immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees, incurred by Lender in connection with (a) the negotiation and preparation of the Loan Documents, (b) the enforcement, preservation or protection (or attempted enforcement, preservation or protection) of Lender's rights, including periodic collateral examinations, and/or the collection of any amounts which become due under any of the Loan Documents, and (c) the prosecution or defense of any action in any way related to any of the Loan Documents, including any action for declaratory relief.

9.3 WAIVER; INDEMNIFICATION

(a) Borrower hereby waives any and all claims and causes of action against Lender and its agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, directly related to the Obligations, any Financing Order or the negotiation of the terms hereof or of any Financing Order.

(b) Borrower shall indemnify and hold harmless the Lender and its directors, officers, employees, agents, advisors, controlling persons, and affiliates (each an "Indemnified Party") from and against any and all expenses, losses, claims, damages, and liabilities (including reasonable legal fees and other expenses) incurred by such Indemnified

Party arising out of claims made by any Person in any way relating to the transactions contemplated hereby or the use of the proceeds of extensions of credit hereunder, but excluding therefrom all expenses, losses, claims, damages and liabilities to the extent that they are determined by the final judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Party. No Indemnified Party shall be liable for any special, indirect, consequential or punitive damages in connection with this Agreement, the other Loan Documents, agreements or the transaction contemplated hereby or thereby.

(c) Borrower's obligations under this Section 9.3 shall survive the termination of this Agreement and the satisfaction of the other Obligations.

9.4 SUCCESSORS AND ASSIGNS

(a) The Loan Documents shall be binding upon and inure to the benefit of the successors and assigns of the parties; provided, however, that Borrower may not assign or otherwise transfer its interest or obligations hereunder. Lender reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Lender's rights and benefits under each of the Loan Documents.

(b) Without limitation, Lender may disclose any financial or other information relating to Borrower, to its affiliates, auditors and legal counsel, to any potential participant or assignee and to any Governmental Authority.

9.5 NO WAIVER; CUMULATIVE REMEDIES

No failure on the part of Lender to exercise, and no delay in exercising, any right, power, privilege or remedy under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, privilege or remedy preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. The rights and remedies under the Loan Documents are cumulative and not exclusive of any rights, powers, privileges and remedies that may otherwise be available to Lender.

9.6 AMENDMENT; INTEGRATION; EFFECTIVENESS

No amendment or waiver of any provision of any Loan Document shall be effective unless in writing and signed by the party against whom enforcement is sought. Lender's failure to insist upon the strict performance of any provision of any Loan Document, or to exercise any right or remedy consequent upon a breach thereof, shall not constitute a waiver of any such breach or of any subsequent breach of the same or any other provision. No waiver of any provision of any Loan Document shall be deemed a waiver of any other provision of any Loan Document or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing

9.7 NO THIRD PARTY BENEFICIARIES

This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their respective permitted successors and assigns, and no other person or entity shall be a third party beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any other of the Loan Documents to which it is not a party.

9.8 TIME

Time is of the essence of each and every provision of this Agreement and each other of the Loan Documents.

9.9 SEVERABILITY OF PROVISIONS

If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement.

9.10 COUNTERPARTS

To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of each party appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

9.11 ATTORNEYS' FEES

References in the Loan Documents to fees and expenses of attorneys or counsel shall include all such reasonable fees and expenses, whether incurred at the trial or appellate level, in an arbitration or administrative proceeding, in bankruptcy (including, without limitation, any adversary proceeding, contested matter or motion) or otherwise incurred.

9.12 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to the conflict of laws provisions thereof.

9.13 WAIVER OF JURY TRIAL

BORROWER AND LENDER EACH, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS OR EVENTS REFERENCED HEREIN OR THEREIN OR CONTEMPLATED HEREBY OR THEREBY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND/OR ANY OTHER OF THE LOAN DOCUMENTS. A COPY OF THIS SECTION MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE WAIVER OF THE RIGHT TO TRIAL BY JURY AND THE CONSENT TO TRIAL BY COURT.

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

IN WITNESS WHEREOF, this Post-Petition Credit Agreement has been duly executed as of the date first written above.

ONTARIO ASSET HOLDINGS LLC

LARSON LAND COMPANY, LLC, debtor

By: _____

Title: _____

By: _____

John L. Davidson, Chapter 11 Trustee

**EXHIBIT A
TO
POST-PETITION CREDIT AGREEMENT**

Promissory Note

\$1,400,000

June __, 2012

FOR VALUE RECEIVED, the undersigned, Larson Land Company, LLC, debtor ("Borrower"), hereby promises to pay to the order of Ontario Asset Holdings LLC, a Delaware limited liability company ("Lender"), on the Maturity Date, or at such earlier time as is provided in that certain Post-Petition Credit Agreement between Borrower and Lender of even date herewith, (as amended, modified or supplemented from time to time, the "Credit Agreement"), the principal sum of One Million Four Hundred Dollars (\$1,400,000), or such lesser amount as shall equal the aggregate outstanding principal balance of the Loan made by Lender to Borrower pursuant to the Credit Agreement.

This promissory note is subject to the terms of, the Credit Agreement. Capitalized terms used herein shall have the respective meanings assigned to them in the Credit Agreement.

Borrower further promises to pay interest on the outstanding principal balance hereof at the interest rates, and payable on the dates, set forth in the Credit Agreement. All payments of principal and interest hereunder shall be made to Lender in lawful money of the United States and in same day or immediately available funds.

Lender is authorized but not required to record the date and amount of each Advance, the date and amount of each payment of principal and interest hereunder, and the resulting unpaid principal balance hereof, in Lender's internal records, and any such recordation shall be prima facie evidence of the accuracy of the information so recorded; provided however, that Lender's failure to so record such amounts shall not limit or otherwise affect Borrower's obligations hereunder and under the Credit Agreement to repay the principal hereof and interest hereon.

Borrower shall pay all costs of collection, including reasonable attorneys' fees, whether incurred at the trial or appellate level, in an arbitration or administrative proceeding, in bankruptcy (including, without limitation, any adversary proceeding, contested matter or motion) or otherwise incurred. No delay or failure on the part of Lender to exercise any of its rights hereunder shall be deemed a waiver of such rights or any other right of Lender nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of such rights or any other right on any future occasion. Borrower and every surety, indorser and

guarantor of this Note waive presentment, demand, protest, notice of intention to accelerate, notice of acceleration, notice of nonpayment and all other notices of every kind, and agree that their liability under this Note shall not be affected by any renewal, postponement or extension in the time of payment hereof, by any indulgence granted by any holder hereof with respect hereto, or by any release or change in any security for the payment of this Note, and they hereby consent to any and all renewals, extensions, indulgences, releases or changes, regardless of the number of such renewals, extensions, indulgences, releases or changes.

The Credit Agreement provides, among other things, for acceleration of the maturity hereof upon the occurrence of certain stated events, in each case without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower.

Borrower's obligations evidenced by this promissory note are secured by the collateral described in the Loan Documents. The Loan Documents describe the rights of Lender and any other holder hereof with respect to the collateral.

In the event of any conflict between the terms of this promissory note and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

This promissory note shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to the conflict of laws provisions thereof.

LARSON LAND COMPANY, LLC, debtor

By: _____
John L. Davidson, Chapter 11 Trustee

**EXHIBIT B
TO
POST-PETITION CREDIT AGREEMENT**

Notice of Borrowing

Ontario Asset Holdings LLC
C/o ConAgra Foods, Inc.
One ConAgra Drive, I-220
Omaha, NE 68102-5001
Attn: Scott Schneider

Reference is made to that certain Post-Petition Credit Agreement Larson Land Company, LLC, debtor and Ontario Asset Holdings LLC, a Delaware corporation, dated as of April __, 2012, (as amended, modified or supplemented from time to time, the "Credit Agreement"). Capitalized terms used herein shall have the respective meanings assigned to them in the Credit Agreement.

1. Pursuant to Section 2.1 of the Credit Agreement, Borrower hereby requests an Advance upon the following terms:

- (a) The aggregate principal amount is to be \$_____.
- (b) The date of borrowing is to be _____.
- (c) The Cash Needs to be met by such Advance are listed on the attached Schedule A.

2. Borrower hereby certifies to Lender that, on the date of this Notice of Borrowing and after giving effect to the requested Advance (including the use of the proceeds thereof):

- (a) the representations and warranties of Borrower contained in the Loan Documents are correct in all material respects on and as of such date as though made on and as of such date or, as to those representations and warranties limited by their terms to a specified date, were correct in all material respects on and as of such date; and
- (b) no Default is continuing or would result from the requested Advance being made; and

(c) no event or circumstance exists that can reasonably be expected to have a Material Adverse Effect.

Dated: _____, 2012.

LARSON LAND COMPANY, LLC, debtor

By: _____
John L. Davidson, Chapter 11 Trustee

**EXHIBIT C
TO
POST-PETITION CREDIT AGREEMENT**

Form of Interim Financing Order

Exhibit B
Trustee Cash Budget
to Case Closing

4/21/12 through 8/10/12

	Actuals		Projected				Total - 16 Weeks through Case Closing
	Period 1 4/21 - 5/18	Period 2 5/19 - 6/15	Period 3 6/16 - 7/13	Period 4 7/14 - 8/10	Period 4 Case Closing	Interim CC Budget	
Total Sales	167,798	97,300	-	-	-	167,798	265,098
Total Cash Receipts	309,129	134,238	98,145	22,379	-	309,129	563,891
Cash Disbursements							
Costs - 4/21 Forward (Trustee)							
SubTotal - Contract Staff	Sch 1 42,116	68,592	67,059	64,189	13,894	42,116	255,849
Retention Incentive	-	-	-	-	15,000	-	15,000
Contract Security - A&A	Sch 1 15,740	21,168	21,168	21,168	5,292	15,740	84,536
Contract Staffing - ASI - Deposit	Sch 1 15,160	-	-	-	-	15,160	15,160
Utilities	Sch 2 48,000	107,664	37,450	27,410	(50,000)	48,000	170,524
SubTotal - Operating and Admin Costs	Sch 3 28,554	177,250	58,250	58,250	19,750	28,554	342,054
SubTotal - Ch 11 Admin Costs	Sch 6 2,025	132,370	86,609	101,515	285,570	2,025	608,089
Total Cash Disbursements - Interim Operations	Sch A 151,594	507,044	270,536	272,532	289,506	151,594	1,491,212
5/2 Approved CC Budget	183,950	-	-	-	-	183,950	183,950
Total Cash Disbursements	151,594	507,044	270,536	272,532	289,506	151,594	1,491,212
Carve Outs							
Professional Fees							600,000
Total Carve Outs (included in Cash Disbursements and Secured Borrowings)							600,000

4/21/12 through 8/10/12

Exhibit B

Trustee Cash Budget to Case Closing

Larson Land Company, LLC
Ch. 11 Case No. 12-00820-TLM

Recap - Net Costs / Funding (Use of Cash)

Net Cash Receipts less Cash	157,535	(372,806)	(172,391)	(250,153)	(289,506)
Beginning Cash Balance - Zions Collateral	536,477	131,655	265,893	364,038	-
Gross Cash Receipts to Collateral Account	309,129	134,238	98,145	22,379	-
Application of Cash Collateral through Approved CC Budget	(183,951)	-	-	-	-
Ending Balance - Zions Collateral Account	131,655	265,893	364,038	-	-
Trustee Cash Disbursement Acct and Secured Borrowings - Con/Agra					
Paydown of Secured Debt and Bank Charges	Note 1	-	-	(386,417)	-
Other Cash Application / Transfers	Note 2	(20,000)	-	-	-
Ending Balance - Zions Collateral Account	131,655	265,893	364,038	-	-
Trustee Cash Disbursement Acct and Secured Borrowings - Con/Agra					
Receipt of Cash Collateral above to Trustee's Disbursement Account - Zions Admin	183,951	-	-	-	-
Disbursements - Interim Operations and Admin	(151,594)	(507,044)	(270,536)	(272,532)	(289,506)
Secured Borrowings per Budget - Excl Raw Onion Disposal Costs Above	-	507,044	270,536	272,532	257,150
Cash Change (Shortfall)	32,357	-	-	-	(32,357)
Summary - Cash / Secured Borrowings					
Balance - Zions Collateral Account - 5/18/12	131,655	265,893	364,038	-	-
Balance (per Bgt) - Trustee's Disbursement Acct - Zions - 5/18/12	32,357	32,357	32,357	32,357	-
Balance - Secured Borrowings	-	507,044	777,580	1,050,111	1,307,261

Note 1: Unilaterally applied by Zions against secured loan balance
Note 2: Unauthorized withdrawal from the Malheur FCU accounts
Note 3: Interim use of cash collateral through 5/18

Note 5: Carve Out for Professional Fees / Exp - \$600k

Other Assumptions

Product volumes and condition / sale value estimate only - subject to verification
Subject to review and verification of A/R balance at 4/21 - Deposits / Invoicing prior to 4/21 suggest inconsistencies in accounting for receipts
Shift to CC Use to Secured Borrowings to support post 6/1 Facilities & Admin Costs; Reimbursement of CC - \$61k on 6/8 to support raw onion disposal Weeks 5 & 6
Carve out for Ch 11 Trustee and Professionals employed in case; Payment subject to Knudsen
Cash Balances at Zions / Malheur FCU accts closed. Zions Bank account balances subject to reconciliation

Exhibit B
Trustee Budget