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_Intercreditor_Agreement_(Dec__08).DOC

INTER-CREDITOR AGREEMENT

THIS AGREEMENT (this "Agreement") is made as of the 22nd day of December 2008.

BETWEEN:

THE BANK OF NOVA SCOTIA

in its capacity as Administrative Agent under the Senior Credit Agreement
(the "Senior Agent")

- and -

INVESTMENT SASKATCHEWAN INC.,
by its portfolio managers and lawful attorneys,
Victoria Park Capital Inc. and Crown Capital Partners Inc.,
FCC VENTURES, a division of **FARM CREDIT CANADA**,
GOLDEN OPPORTUNITIES FUND INC.,
FLORIAN POSSBERG and
CLIFF WIEGERS

in their capacities as lenders under the Sub Debt Agreements
(collectively, the "Sub Lenders" and any reference to
the "Sub Lenders" herein shall be interpreted as referring to
the "Sub Lenders or any of them")

- and -

BIG SKY FARMS INC.
(the "Borrower")

- and -

DRYCAST SYSTEMS INC. and
BIG SKY MANAGEMENT CONSULTING CORP.
(collectively, the "Guarantors" and any reference to
the "Guarantors" herein shall be interpreted as referring to
the "Guarantors or either of them")

THIS IS EXHIBIT "25" referred to in
the Affidavit of Conute Taggart
SWORN before me at Saskatoon
this 29th day of October, 20 09

A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
Being a Solicitor - OR -
My Commission expires _____

RECITALS:

A. The Borrower and the Guarantors have entered into a third amended and restated credit agreement dated as of 14 July 2006 (as amended by the first amending agreement dated as of 7 March 2007, the second amending agreement dated as of 23 May 2007, the third amending agreement dated as of 14 December 2007 (the **"Third Amending Agreement"**), the fourth amending agreement dated as of 5 May 2008 (the **"Fourth Amending Agreement"**) and the fifth amending agreement dated as of 22 December 2008 (the **"Fifth Amending Agreement"**)) with the Senior Agent and the "Lenders" named in such credit agreement, by which such Lenders have agreed to provide certain senior credit facilities to the Borrower in the maximum aggregate principal amount as of 28 November 2008 of \$66,508,287.66. Such credit agreement, as further amended, supplemented, restated or replaced from time to time is referred to herein as the **"Senior Credit Agreement"**. The Senior Agent has been appointed as agent for the Lenders under the Senior Credit Agreement from time to time (collectively, the **"Senior Lenders"** and any reference to the "Senior Lenders" herein shall be interpreted as referring to the "Senior Lenders or any of them").

B. The Borrower and the Guarantors have also entered into an investment agreement dated 2 October 2006 with FCC Ventures, a division of Farm Credit Canada (**"FCC"**) and Golden Opportunities Fund Inc. (**"Golden"**) and a separate subordinated debenture dated as of 16 October 2006 issued to each of FCC and Golden (collectively, the **"Subordinated Debentures"**) by which each such Sub Lender agreed to provide a \$1,500,000 subordinated credit to the Borrower for an aggregate of subordinated credits of \$3,000,000. Such investment agreement and the Subordinated Debentures, as each may be amended, supplemented, restated or replaced from time to time, are collectively referred to herein as the **"2006 Sub Debt Agreements"** and any reference to the "2006 Sub Debt Agreements" herein shall be interpreted as referring to the "2006 Sub Debt Agreements or any of them".

C. The Borrower has also entered into (i) a credit agreement dated as of 21 December 2007, as amended by an amending agreement dated as of 9 May 2008, with Investment Saskatchewan Inc. (**"ISI"**), acting through its portfolio manager and lawful attorney Victoria Park Capital Inc., by which such Sub Lender has agreed to provide a subordinated credit to the Borrower in the amount of \$1,800,000 and (ii) a credit agreement dated as of 9 May 2008 with ISI, acting through its portfolio manager and lawful attorney Crown Capital Partners Inc., by which such Sub Lender has agreed to provide an additional subordinated credit to the Borrower in the amount of \$700,000. Both such credit agreements, as each may be amended, supplemented, restated or replaced from time to time, are collectively referred to herein as the **"ISI Credit Agreements"** and any reference to the "ISI Credit Agreements" herein shall be interpreted as referring to the "ISI Credit Agreements or either of them".

D. The Borrower has also entered into a separate credit agreement dated as of 9 May 2008 with each of FCC and Golden by which each such Sub Lender has agreed to provide an additional \$250,000 subordinated credit to the Borrower for an aggregate of additional subordinated credits of \$500,000. Both such credit agreements, as each may be amended, supplemented, restated or replaced from time to time, are collectively referred to herein as the **"9 May 2008 Credit Agreements"** and any reference to the "9 May 2008 Credit Agreements" herein shall be interpreted as referring to the "9 May 2008 Credit Agreements or either of them".

E. The Borrower has also entered into a credit agreement dated as of 30 May 2008 with Florian Possberg by which such Sub Lender has agreed to provide a \$402,500 subordinated credit to the Borrower (as amended, supplemented, restated or replaced from time to time, the "**Possberg Agreement**") and a credit agreement dated as of 15 June 2008 with Cliff Wiegers by which such Sub Lender has agreed to provide a \$59,950 subordinated credit to the Borrower (as amended, supplemented, restated or replaced from time to time, the "**Wiegers Agreement**").

F. The Borrower has also entered into a separate credit agreement dated as of 15 December 2008 with each of ISI, acting through its portfolio manager and lawful attorney Victoria Park Capital Inc., FCC and Golden by which ISI has agreed to provide an additional \$1,000,000 subordinated credit to the Borrower and by which each of FCC and Golden has agreed to provide an additional \$250,000 subordinated credit to the Borrower for an aggregate of additional subordinated credits of \$1,500,000 (such credit agreements are sometimes collectively referred to as the "**15 December 2008 Sub Debt Agreements**" and, with the Possberg Agreement, the Wiegers Agreement, the 9 May 2008 Credit Agreements, the ISI Credit Agreements and each of the Other Agreements (as defined in each of the 15 December 2008 Sub Debt Agreements, the Possberg Agreement, the Wiegers Agreement, the 9 May 2008 Credit Agreements and the ISI Credit Agreements), as each may be amended, supplemented, restated or replaced from time to time, are collectively referred to herein as the "**2008 Sub Debt Agreements**" and any reference to the "2008 Sub Debt Agreements" herein shall be interpreted as referring to the "2008 Sub Debt Agreements or any of them"). The 2006 Sub Debt Agreements and the 2008 Sub Debt Agreements shall be collectively referred to herein as the "**Sub Debt Agreements**" and any reference to the "Sub Debt Agreements" herein shall be interpreted as referring to the "Sub Debt Agreements or any of them."

G. The Borrower and each Guarantor has delivered (i) a demand debenture and other Security (as defined in the Senior Credit Agreement) (collectively, the "**Senior Security**"), all as amended and supplemented from time to time, containing, among other things, fixed and floating charges over its present and future undertaking, property and assets to the Senior Agent for the benefit of the Senior Lenders and (ii) the Security (as defined in each of the Subordinated Debentures), the Security Agreements (as defined in each of the 2008 Sub Debt Agreements) and the liens, charges, encumbrances, security interests or other similar rights created by the 2008 Sub Debt Agreements (collectively the "**Subordinated Security**" and any reference to the "**Subordinated Security**" herein shall be interpreted as referring to the "Subordinated Security or any of it") to which it is named as a party containing fixed and floating charges over its present and future undertaking, property and assets to the Sub Lenders.

H. The parties have agreed that all present and future debts, liabilities and obligations of the Borrower and the Guarantors to the Sub Lenders and all security now or hereafter held by or for the benefit of the Sub Lenders, including, without limitation, the Subordinated Security, shall, subject to the terms hereof, be subordinated and postponed to the present and future debts, liabilities and obligations of the Borrower and the Guarantors to the Senior Lenders and all security now or hereafter held by or for the benefit of the Senior Lenders, including without limitation the Senior Security, to the extent of the Senior Obligations and on the terms and conditions set forth in this Agreement.

I. The Senior Agent is entering into this Agreement on behalf of the Senior Lenders and this Agreement shall be binding on and enure to the benefit of each of the Senior Lenders and the Sub Lenders.

NOW THEREFORE in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and intending to be legally bound by this Agreement, the parties agree as follows:

1. **Defined Terms.** In this Agreement, in addition to the terms defined in other sections and in the recitals:

- (a) **"Pari Passu Agreement"** means, collectively, the pari passu agreement dated as of 16 October 2006 between FCC, Golden and the Borrower, the inter-lender priority and pari passu agreement dated as of 9 May 2008 between the Sub Lenders (other than Florian Possberg and Cliff Wiegers) and the Borrower (as amended by an amended and restated inter-lender priority and pari passu agreement dated as of 30 May 2008 between the Sub Lenders (other than Cliff Wiegers) and the Borrower and to which Cliff Wiegers became a party pursuant to an additional acknowledgement dated 15 June 2008) and the second inter lender priority and pari passu agreement dated as of the 15 December 2008 between the Sub Lenders and the Borrower and forming part of the Subordinated Security, as the same may be amended, supplemented, restated or replaced from time to time and/or any other agreement made between the Sub Lenders dealing with the ranking and priorities of the Subordinated Security as between such Sub Lenders, it being acknowledged that the Senior Agent and Senior Lenders are not parties to, and have no obligation to inquire into any of the terms or conditions of or the performance by the Borrower and the Sub Lenders of any of their obligations under, such Pari Passu Agreement.
- (b) **"Security"** means any guarantees, indemnities and any liens, charges, encumbrances, security interests or other similar rights, including, without limitation, the Senior Security and the Subordinated Security.
- (c) **"Senior Obligations"** means all obligations of the Borrower and/or the Guarantors to the Senior Lenders, including but not limited to the Obligations and the Other Secured Obligations (each term as defined in the Senior Credit Agreement), and all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower and/or the Guarantors to the Senior Lenders in any currency or remaining unpaid by the Borrower and/or the Guarantors to the Senior Lenders in any currency, whether arising from dealings between the Senior Lenders and the Borrower and/or the Guarantors or from any other dealings or proceedings by which the Senior Lenders may be or become in any manner whatever a creditor of the Borrower and/or the Guarantors, including, without limitation, under or in connection with the Senior Credit Agreement, and wherever incurred, and whether incurred by the Borrower and/or the Guarantors alone or with another or others and whether as principal or surety, and includes all interest, fees, legal and other costs, charges

and expenses of the Senior Agent or the Senior Lenders, provided, for greater certainty, that the Sub Obligations to FCC under the Sub Debt Agreements and/or Subordinated Security shall not form part of the Senior Obligations.

- (d) **"Sub Obligations"** means all obligations of the Borrower and/or the Guarantors to the Sub Lenders, including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower and/or the Guarantors to the Sub Lenders in any currency or remaining unpaid by the Borrower and/or the Guarantors to the Sub Lenders in any currency, whether arising from dealings between the Sub Lenders, the Borrower and/or the Guarantors or from any other dealings or proceedings by which the Sub Lenders may be or become in any manner whatever a creditor of the Borrower and/or the Guarantors, including, without limitation, under or in connection with any of the Sub Debt Agreements, and wherever incurred, and whether incurred by the Borrower and/or the Guarantors alone or with another or others and whether as principal or surety, and includes all interest, fees, legal and other costs, charges and expenses of the Sub Lenders, provided that:
- (i) the right of the Sub Lenders to receive warrants to purchase common shares in the capital stock of the Borrower as described in the Sub Debt Agreements and/or to be issued such common shares upon the exercise of such warrants; and
 - (ii) any indebtedness now or hereafter due or accruing due from the or any of the Obligors to Florian Possberg in his capacity as an officer and/or employee of an Obligor, or Cliff Wiegers in his capacity as a director of the Borrower, but only to the extent that such indebtedness is due or accruing due, as applicable:
 - (a) on account of wages, salary, benefits or other compensation payable to Florian Possberg for and in respect of services provided by him to an Obligor in such capacity and/or under benefit plans of general application to substantially all employees of the Obligors and/or substantially all senior officers of the Borrower, it being understood that Florian Possberg is not being granted any greater right to such compensation or plans than that of any other employee or senior office; or
 - (b) on account of directors fees or expenses payable to Cliff Wiegers in his capacity as a director of the Borrower and in accordance with the directors compensation policy of the Borrower in effect as of the date of this Agreement, it being understood that Cliff Wiegers is not being granted any greater right to such fees and expenses than that of any other director,

shall not be considered Sub Obligations for the purposes of this Agreement.

(e) **"Subsisting Lender"** means each of:

- (i) the Senior Agent and the Senior Lenders, collectively, until the indefeasible repayment in full in cash and performance of all Senior Obligations and the termination of all obligations of the Senior Agent and the Senior Lenders to extend credit under or in connection with the Senior Credit Agreement; and
- (ii) the Sub Lenders, individually, until the indefeasible repayment in full in cash and performance of all Sub Obligations owing to a particular Sub Lender and the termination of all obligations of such Sub Lender to extend credit under or in connection with the Sub Debt Agreements to which such Sub Lender is a party.

2. **Consents.** The Senior Agent hereby confirms that the Senior Lenders have consented to the creation by the Borrower of the Sub Obligations under or in connection with the Sub Debt Agreements and the Security granted therefor. The Sub Lenders hereby consent to the creation by the Borrower of the Senior Obligations and the Security granted therefor and each of the Sub Lenders hereby consents to the creation by the Borrower of the Sub Obligations under or in connection with each other Sub Debt Agreement and the Security granted therefor.

3. **Additional Security.** Except for the Subordinated Security, there shall be no Security held by or for the benefit of the Sub Lenders, provided that, for greater certainty, nothing herein shall restrict or limit the right or ability of the Sub Lenders, if permitted by the Sub Debt Agreements, to register their respective Security as it exists at the date of this Agreement in any real or personal property of the Borrower, including after-acquired property, in any land titles office, personal property registry, or other public office for the registration of security or to take from the Borrower any supplemental mortgage or like instrument as may reasonably be required so as to permit the Sub Lender to effect such registrations.

4. **Subordination of Security.** Subject to Sections 10 and 11:

- (a) all Security now or hereafter held by or for the benefit of the Sub Lenders in connection with the Sub Obligations is hereby subordinated in all respects to all Security now or hereafter held by or for the benefit of the Senior Agent or the Senior Lenders in connection with the Senior Obligations;
- (b) the subordinations contained herein shall apply in all events and circumstances regardless of:
 - (i) the date of execution, delivery, attachment, registration, filing, perfection, crystallization or enforcement of any Security;
 - (ii) the date that any loan, advance, or other accommodation is made to the Borrower or any debt, liability or obligation is incurred by the Borrower;
 - (iii) the date of any default by the Borrower;

- (iv) any priority granted by any principle of law, equity or any statute; or
 - (v) any other factor of legal relevance, other than this Agreement, establishing the priority or relative rights of enforcement of the Security relating to the Senior Obligations or the Security relating to the Sub Obligations; and
- (c) neither any party to this Agreement nor any Senior Lender shall directly or indirectly take any action, consent to the taking of any action, or cause or assist any person to take any action, to challenge the validity, legality, perfection, priority or enforceability of any Security for the Senior Obligations or the Sub Obligations. None of the Sub Lenders shall directly or indirectly take any action, consent to the taking of any action, or cause or assist any person to take any action, to challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by or on behalf of the Senior Agent or the Senior Lenders in connection with the enforcement of the Senior Obligations and the Security.

5. **Postponement of Payment.** Payment and performance of all Sub Obligations is hereby postponed to the indefeasible payment in full in cash and performance in full of all Senior Obligations and the full and final termination of all obligations of the Senior Agent and the Senior Lenders under or in connection with the Senior Credit Agreement, provided, however, that so long as:

- (a) the Borrower is in compliance with all payment obligations and financial covenants under the Senior Credit Agreement as it existed prior to the Third Amending Agreement;
- (b) the Borrower has made and brought up-to-date all payments of principal required to be made under the Senior Credit Agreement but that were not made as a result of the suspensions of such payments permitted under the Third Amending Agreement, Fourth Amending Agreement and Fifth Amending Agreement; and
- (c) no "Default" (as defined in the Senior Credit Agreement) has occurred and is continuing, or would result from the payment described below,

the Borrower shall be permitted to pay to a Sub Lender and the respective Sub Lender shall be entitled to receive scheduled principal and interest payments payable to such Sub Lender under the applicable Sub Debt Agreement.

6. **Prohibited Payments.** Except as otherwise expressly provided in this Agreement, the Borrower and the Guarantors shall neither make nor be entitled to make and no Sub Lender shall receive or be entitled to receive any payment, prepayment or other compensation in respect of the Sub Obligations, other than through the capitalization into principal of accrued and unpaid interest forming additional Sub Obligations. If any Sub Lender receives any payment, prepayment or other compensation in respect of the Sub Obligations contrary to this Agreement, or if any Sub Lender in its capacity as a direct or indirect shareholder or warrant holder of the Borrower receives from the Borrower any dividend, proceeds of redemption or purchase of its shares or warrants, or other payment in respect of its interest as a direct or indirect shareholder or

warrant holder of the Borrower contrary to the terms of the Senior Credit Agreement, the payment, prepayment, compensation or proceeds shall be held by the recipient in trust for the Senior Lenders, separate and apart from its own property, and shall be forthwith paid over to the Senior Agent on account of the Senior Obligations. In the event that the Borrower makes or proposes to make to any Sub Lender any payment, prepayment or other compensation that, pursuant to the aforesaid provisions of this Section 6 would or might be subject to the aforesaid trust provisions, the Borrower shall provide to the Sub Lenders such confirmations and assurances as may reasonably be requested by any Sub Lender to confirm that such payment, prepayment or other compensation is not being paid contrary to the terms of the Senior Credit Agreement.

7. **Standstill Requirements.** None of the Sub Lenders shall be entitled to accelerate the time for payment of any Sub Obligations, petition the Borrower or the Guarantors into bankruptcy, initiate or participate in the initiation of any similar proceeding (including but not limited to a proceeding in respect of the Borrower or the Guarantors under the Companies' Creditors Arrangement Act), send a notice (including but not limited to a notice or proceeding in respect of the Borrower under the Farm Debt Mediation Act or The Saskatchewan Farm Security Act (each, a "**Farm Security Act**")), initiate or participate in the initiation of any proceeding claiming judgment for payment or performance of any of the Sub Obligations or initiate or participate in the initiation of any enforcement of any Security for any Sub Obligations except that:

- (a) if permitted by the Sub Debt Agreements, the Sub Lenders shall be entitled to accelerate the time for payment of the Sub Obligations, but the Sub Lenders shall not be entitled to take any other action following upon such acceleration unless such action is expressly authorized herein;
- (b) if permitted by the Sub Debt Agreements, the Sub Lenders shall be entitled to file a notice under a Farm Security Act, a copy of which shall also be delivered to the Senior Agent, but the Sub Lenders shall not be entitled to take any other action following upon filing such notice unless such action is expressly authorized herein;
- (c) the Sub Lenders may require or have the benefit of enforcement of their Security if and only if:
 - (i) the Senior Obligations have been accelerated and the Senior Lenders have commenced, or caused to be commenced, enforcement of their Security over substantially all of the assets of the Borrower by taking or causing possession or control to be taken of the assets; or
 - (ii) (A) a receiver or trustee in bankruptcy has been appointed in respect of the Borrower within the meaning of the Bankruptcy and Insolvency Act (Canada); or (B) any person takes control or possession of substantially all of the assets of the Borrower for the purpose of, and (in each of the aforementioned instances) unless such appointment or action has occurred

at the instance of the Senior Lenders, such appointment or action has not been terminated or stayed within 30 days; or

- (iii) an order has been made in respect of the Borrower under the Companies' Creditors Arrangement Act (Canada), a filing has been made by the Borrower under the proposal provisions of the Bankruptcy and Insolvency Act (Canada) or an application for reorganization, arrangement or compromise of the Sub Obligations has been made in respect of the Borrower under the laws of the Borrower's jurisdiction of incorporation and, in any such case, the resulting proceedings have not been concluded with the consent of each of the Sub Lenders within 180 days from their commencement; or
- (iv) 180 days have elapsed following the occurrence of (1) an "Event of Default" as defined in any of the Sub Debt Agreements and following the giving of written notice thereof to the Senior Agent or (2) any demand for payment validly made by any Sub Lender under or in connection with any of the Sub Debt Agreements and following the giving of written notice thereof to the Senior Agent; for greater certainty, the Sub Lenders acknowledge that, as of the date of this Agreement, neither of such events has occurred; and
- (d) if proceedings contemplated in Section 7(c)(iii) above are instituted, each Sub Lender shall be entitled to take any steps reasonably required to preserve its rights in respect of the Sub Obligations and the Subordinated Security, but shall not take any steps to terminate the proceedings or have them not apply to such Sub Lender, for a period of 180 days from their commencement (which 180 day period may include and is not in addition to the 180 day period, or any part thereof, referred to in Section 7(c)(iii)) following which period such Sub Lender shall be entitled to take such action with respect to such proceedings as it may see fit.

8. **Amendments to Sub Obligations.** The Borrower, the Guarantors and the Sub Lenders shall have the right, without the consent of the Senior Agent or the Senior Lenders, to amend, supplement, restate, replace or waive the terms of the Sub Debt Agreements and the Sub Obligations, and the Subordinated Security and other documents relating to the Sub Obligations, without in any way affecting the rights of the Sub Lenders under this Agreement or creating on the part of the Senior Agent or any Senior Lender any right of action against any Sub Lender for taking such action, provided:

- (a) the Borrower shall promptly notify the Senior Agent of any such amendments, supplements, restatements or replacements; and
- (b) the Borrower, the Guarantors and the Sub Lenders shall not amend, supplement, restate or replace the Sub Debt Agreements or any Subordinated Security or other document relating to the Sub Obligations to increase the principal amount of or interest rates applicable to such Sub Obligations, or to change the repayment

provisions of the Sub Debt Agreements or to add any covenants or obligations on the part of the Borrower or the Guarantors that are more onerous than the covenants and obligations set forth in the Sub Debt Agreements as at the date hereof, without the prior written consent of the Senior Agent (on the appropriate authorization of the Senior Lenders).

9. **Amendments to Senior Obligations.** The Borrower, the Senior Agent and the Senior Lenders shall have the right, without the consent of the Sub Lenders, to amend, supplement, restate, replace or waive the terms of the Senior Credit Agreement and the Senior Obligations, and the Security and other documents relating to the Senior Obligations, without in any way affecting the rights of the Senior Agent and the Senior Lenders under this Agreement or creating on the part of any Sub Lender any right of action against the Senior Agent or any Senior Lender for taking any such action. The Borrower shall promptly notify each of the Sub Lenders of any such amendments, supplements, restatements or replacements.

10. **Proceeds of Realization.**

- (a) The parties hereto agree that any monies received pursuant to any full or partial realization on or enforcement of any Security (which for greater certainty shall include any payment or distribution of assets upon or under any dissolution, winding-up, liquidation, arrangement, insolvency, receivership or bankruptcy proceedings) shall, subject to Section 11, as between the parties, be applied as follows:
 - (i) firstly, to the indefeasible payment and performance in full in cash of all of the Senior Obligations;
 - (ii) secondly, an amount up to the aggregate amount of Sub Obligations then outstanding under or in connection with each of the Sub Debt Agreements shall be paid jointly to the Sub Lenders and shared between the Sub Lenders in accordance with the provisions of the Pari Passu Agreement; and
 - (iii) lastly, all remaining proceeds, if any, shall be delivered to the Borrower or otherwise as required by applicable law.
- (b) Notwithstanding Section 10(a) hereof, the parties agree that the proceeds, if any, of any life insurance policies maintained by the Borrower with respect to Florian Possberg (and any replacements thereof) shall be distributed as follows:
 - (i) the first \$1,000,000 under the policies shall be distributed to the Senior Agent;
 - (ii) the next \$2,000,000 under such policies shall be distributed in equal shares to FCC and Golden (but only to the extent necessary to pay out and discharge the applicable Sub Obligations that remain outstanding as at the date of such payment);

- (iii) the next \$1,000,000 may be paid by the Corporation to the estate of Florian Possberg; and
- (iv) the remainder, if any, shall be distributed to the Borrower with such remainder to be subject to the respective Security of the Senior Lenders and the Sub Lenders, whose priority of Security shall rank therein in the same manner as such Security ranks against other property and undertaking of the Borrower as contemplated by Section 4 hereof.
- (c) If any third party shall have a valid claim to any such proceeds of realization in priority to the Senior Agent (or the Senior Lenders), such third party claim will be satisfied in priority to all parties to this Agreement, even if not made against all.
- (d) Any "**proceeds**" (as defined in the *The Personal Property Security Act*, 1993) received by any of the parties hereto in respect of assets of the Borrower charged by the Subordinated Security or any Security granted under or in connection with the Senior Obligations shall be dealt with according to the preceding provisions hereof as through such proceeds were paid or payable as proceeds of realization of the assets for which they compensate and all proceeds received by the Borrower shall be held in trust by it for the benefit of the Senior Agent and the Sub Lenders in accordance with the provisions hereof.

11. **Priority and Pari Passu Rankings.** The priority of all Security now or hereafter held by or for the benefit of the Senior Agent or the Senior Lenders in connection with the Senior Obligations shall apply only to the extent of the principal amount of all "**Obligations**" (as defined in the Senior Credit Agreement) to a maximum of \$100,000,000 (or such greater amount as the Sub Lenders may from time to time consent to in writing) plus (i) the aggregate "**Market Value**" (as defined in the Senior Credit Agreement) of all "**Other Secured Obligations**" (as defined in the Senior Credit Agreement) that are "**Swaps**" (as defined in the Senior Credit Agreement) and that have a negative Market Value from the Borrower's perspective, i.e. the Borrower is "out of the money", (ii) the principal amount owing under Other Secured Obligations in respect of cash consolidation arrangements and credit cards, and (iii) any interest, fees, commissions, costs, expenses and other like amounts owing under or in connection with the Senior Credit Agreement or the Other Secured Obligations. The respective pari passu ranking as between the Sub Lenders set forth herein shall apply only to the extent that the respective Sub Debt Agreements and Subordinated Security secure, respectively, outstanding principal to a maximum of:

- (a) \$1,500,000 under the Subordinated Debenture issued to FCC;
- (b) \$1,500,000 under the Subordinated Debenture issued Golden;
- (c) \$2,500,000 under the ISI Credit Agreements;
- (d) \$250,000 under the 9 May 2008 Credit Agreement between the Borrower and FCC;

- (e) \$250,000 under the 9 May 2008 Credit Agreement between the Borrower and Golden;
- (f) \$402,500 under the Possberg Agreement;
- (g) \$59,950 under the Wiegers Agreement;
- (h) \$1,000,000 under the 15 December 2008 Sub Debt Agreement between the Borrower and ISI;
- (i) \$250,000 under the 15 December 2008 Sub Debt Agreement between the Borrower and FCC; and
- (j) \$250,000 under the 15 December 2008 Sub Debt Agreement between the Borrower and Golden;

plus, in each case, accrued but unpaid interest thereon at the rates specified in the respective Sub Debt Agreements and reasonable costs of enforcing the Subordinated Security relative to such Sub Debt Agreements. For greater certainty, the priority of any advances or re-advances made by any of the Sub Lenders in excess of the respective principal amounts set forth above shall be determined with reference to the priority principles applicable at common law, under *The Personal Property Security Act* (Saskatchewan) or the *The Land Titles Act* (Saskatchewan), as applicable, or by other agreement between the Sub Lenders.

12. **Consultation.** Neither the Senior Agent nor any of the Senior Lenders shall have any duty or obligation to consult with any Sub Lender with respect to breaches by the Borrower of the provisions of any of the Senior Credit Agreement, the "Credit Documents" (as defined in the Senior Credit Agreement), the Sub Debt Agreements, the Subordinated Security or any other documents delivered under or in connection with the Sub Debt Agreements and neither the Senior Agent nor any of the Senior Lenders shall have any duty or obligation of any nature or kind to have regard to the views of the Sub Lenders in determining its course of action with respect to any such matter.

13. **Senior Agent in Possession.** Without in any way limiting of the rights of the Senior Agent or the Senior Lenders hereunder or otherwise, the parties hereby acknowledge and agree that, to the extent that any property of the Borrower subject to any Security is, or is required to be, possessed by the Senior Agent for and on behalf of the Senior Lenders in order to perfect a security interest in such property, the Senior Agent shall, at the Sub Lenders' request, also stand possessed of such property for and on behalf of the Sub Lenders for the purposes only of effecting such perfection and the Senior Lender is hereby so appointed. For greater certainty, the Senior Agent shall not possess any such property for such purpose for or on behalf of the Borrower. The Sub Lenders understand and agree that until the Senior Obligations have been indefeasibly repaid in full in cash and the termination of all obligations of the Senior Agent and the Senior Lenders to extend credit under or in connection with the Senior Credit Agreement, the Senior Agent shall accept direction only from the Senior Lenders with respect to any such property and the Senior Agent shall be under no obligation to take or be required to take any direction with respect thereto from the Sub Lenders. Each of the Sub Lenders that has requested the Senior Agent to stand possessed of such property on its behalf hereby severally agrees

(which agreement shall survive until termination of this Agreement) to indemnify and hold harmless the Senior Agent from and against any liabilities, obligations, losses, damages, actions or expenses of any kind which may be imposed upon or incurred by the Senior Agent relating to or arising out of such property and the Senior Agent's possession thereof on behalf of such Sub Lender(s).

14. **Remedies.** The parties acknowledge that all covenants, provisions and restrictions in this Agreement are necessary and fundamental in order to establish the respective priorities of the Senior Lenders and the Sub Lenders, and that a breach by the Borrower, any Sub Lender, the Senior Agent or any Senior Lender of any covenant, provision or restriction would result in damages to the Senior Agent and the Senior Lenders or, as applicable, a Sub Lender, that could not adequately be compensated by monetary award. Accordingly, it is expressly agreed that, in addition to and without limiting other remedies available to them, the Senior Agent and the Senior Lenders or, as applicable, a Sub Lender shall be entitled to the immediate remedy of restraining orders, interim injunctions, injunctions and other forms of injunctive and other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin any other party hereto or the persons whom any such party hereto represents hereunder from breaching the covenants, provisions and restrictions of this Agreement.

15. **Binding on Sub Lenders.** Each of the Sub Lenders other than Investment Saskatchewan Inc. severally represents and warrants that it is authorized to execute and deliver this Agreement and perform its obligations hereunder and that this Agreement is binding on such Sub Lender. Each of Victoria Park Capital Inc. and Crown Capital Partners Inc. represents and warrants that it is the duly authorized agent and attorney for Investment Saskatchewan Inc. for the purpose of entering into this Agreement and that this Agreement is binding on such Sub Lender without further act or formality.

16. **Binding on Senior Lenders.** The Senior Agent represents and warrants that it is the duly authorized agent for and on behalf of the Senior Lenders for the purpose of entering into this Agreement and that the execution, and delivery of this Agreement by the Senior Agent and the performance of this Agreement by the Senior Agent and the Senior Lenders is authorized by the Senior Credit Agreement and that this Agreement is binding on all present and future Senior Lenders without further act or formality.

17. **Acknowledgement of Borrower and Guarantors.** The Borrower and each of the Guarantors acknowledges that it has actual notice of the terms of this Agreement, consents hereto, agrees to be bound by the terms hereof, and covenants with each of the parties that it will at all times during the continuance hereof comply and act in accordance with the terms, provisions and intent of this Agreement. The Borrower and each of the Guarantors also acknowledges that the terms and conditions of this Agreement are for the sole benefit of the Senior Agent, the Senior Lenders and the Sub Lenders, and that nothing in this Agreement shall be construed as conferring any rights upon the Borrower, the Guarantors or any third party.

18. **Acknowledgements of Sub Lenders.** Each of the Sub Lenders severally acknowledges and represents and warrants to the Senior Agent that (i) to the best of its knowledge there exists no "event of default" (however defined in any of the Sub Debt Agreements to which it is a party), (ii) it has not made and no proceedings are pending or contemplated to make any demand for

payment under or in connection with any of the Sub Debt Agreements to which it is a party and (iii) to the best of its knowledge there exists no event which would constitute an "event of default" (however defined in any of the Sub Debt Agreements to which it is a party) but for the satisfaction of any requirement for giving of notice, lapse of time, or both, or any other condition subsequent to such event. In addition, each of the Sub Lenders acknowledges and agrees that non-compliance by the Borrower with any covenant or condition of any of the Sub Debt Agreements that is determined in whole or in part based on the Borrower's financial statements or financial condition and that is more restrictive to the Borrower than, or not comparable to, the covenants and conditions in the Senior Credit Agreement shall not constitute an "event of default" (however defined in any of the Sub Debt Agreements) or give rise to the ability of any Sub Lender to make any demand for payment under or in connection with any of the Sub Debt Agreements.

19. **No Discharge.** To the extent that the Senior Agent or any Sub Lender (a "Payor") receives any monies, by realization on Security or otherwise, which it is required to pay over in whole or in part to the Senior Agent, the Senior Lenders or another Sub Lender pursuant to the terms of this Agreement, the indebtedness of the Borrower to the Payor shall not be reduced and discharged by the receipt of such monies.

20. **Exchange of Information.** The Borrower and each of the Guarantors irrevocably consents to the Senior Agent, the Senior Lenders and the Sub Lenders exchanging any information they have from time to time concerning it or its undertaking, property and assets.

21. **Agreement to Govern.** This Agreement contains the entire understanding of the parties concerning the priority of the Senior Obligations, the Sub Obligations and the Security for each, and supersedes any prior agreements, undertakings, representations and understandings, both written and oral, including without limitation the inter-creditor agreement dated as of 12 May 2008 to which each of the parties to this Agreement (other than Florian Possberg and Cliff Wiegers) are also a party and to which each of Florian Possberg and Cliff Wiegers agreed to be bound pursuant to inter-creditor assumption agreements dated 30 May 2008 and 15 June 2008, respectively, other than the agreements and understandings between the respective Sub Lenders as to the ranking as between one another of their respective Subordinated Security which shall be governed by the provisions of the Pari Passu Agreement provided, for greater certainty, that neither the Senior Agent nor any Senior Lender shall have any obligation to inquire into the Pari Passu Agreement or the performance of the obligations of any of the Sub Lenders or of the Borrower or any Guarantor thereunder. This Agreement may only be amended by written agreement of the Senior Agent and the Sub Lenders hereunder (to the extent that each is a Subsisting Lender) and compliance with the obligations of the Borrower and the Sub Lenders hereunder may only be waived by the Senior Agent in writing. In the event of any conflict between the provisions of this Agreement and the Senior Credit Agreement, the Sub Debt Agreements or any Security, the provisions of this Agreement shall in all events prevail and be paramount.

22. **Further Assurances.** The parties shall execute and deliver such further deeds and assurances and do or cause to be done all such acts, matters and things as may from time to time be necessary or conducive to the carrying out of the terms and intent of this Agreement. No

party shall take any action by which the terms or intent of this Agreement might be impaired or defeated. Without limiting the generality of the foregoing:

- (a) each Sub Lender shall, at the expense of the Borrower, execute and deliver such postponements, financing change statements and other instruments as may reasonably be requested by the Senior Agent or by another Sub Lender for the purposes of subordinating or postponing the filings or registrations of or with respect to Security made by or on behalf of such Sub Lender in any Land Titles Office, Personal Property Registry or other public office for the registration of security, to the registrations and filings of or with respect to Security by or on behalf of the Senior Agent or another Sub Lender in a manner consistent with this Agreement; and
- (b) each of the parties shall, at the expense of the Borrower, execute and deliver such authorizations, directions and other instruments or assurances as any other party may reasonably request for the purpose of assigning or endorsing, or otherwise better ensuring that the proceeds of, the insurance policies referred to in Section 10(b) hereof are made payable to the respective parties in accordance with the provisions of that Section.

23. **Waivers etc.** No right of the Senior Agent or the Senior Lenders to enforce their respective rights under this Agreement shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Borrower or the Guarantors, by any act or failure to act on the part of the Senior Agent or the Senior Lenders, or by any non-compliance by the Borrower, the Guarantors or the Sub Lenders with the terms of this Agreement, regardless of any knowledge thereof which the Senior Agent or the Senior Lenders may have or be deemed to have. This Agreement shall not suspend or otherwise affect the present or future rights and remedies of the Senior Agent or the Senior Lenders with respect to the Senior Obligations or the Security therefor. No right of the Sub Lenders to enforce their respective rights under this Agreement shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Borrower or the Guarantors, by any act or failure to act on the part of the Sub Lenders, or by any non-compliance by the Borrower or the Guarantors, the Senior Agent or the Senior Lenders with the terms of this Agreement, regardless of any knowledge thereof which the Sub Lenders may have or be deemed to have. The present and future rights and remedies of the Sub Lenders with respect to the Sub Obligations or the Security therefor shall be affected only to the extent expressly provided for in this Agreement.

24. **Severability.** Each provision of this Agreement is intended to be severable, and if any provision is illegal, invalid or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be adversely affected.

25. **Address for Notice.** Any notice required to be given and any payments required to be made hereunder shall be deemed to have been properly given or paid, if delivered personally or sent by registered mail, postage prepaid, or by telecopier (in the case of notices only) or e-mail (in the case of notices only) to the addresses set forth below:

- (a) to Investment Saskatchewan Inc.:

c/o Victoria Park Capital Inc
1850 – 1874 Scarth Street
Regina, SK S4P 4B3

Attention: Laurie Powers
Fax: (306) 566-4618

and to :

c/o Crown Capital Partners Inc.
1900 – 1874 Scarth Street
Regina, SK S4P 4B3

Attention: Managing Partner
Fax: (306) 546-8009

- (b) to FCC Ventures, a division of Farm Credit Canada:

FCC Ventures, a division of Farm Credit Canada
c/o Avrio Investments Inc.
340 – 2618 Hopewell Place N.E.
Calgary, Alberta, T1Y 7J7

Attention: John Kennedy
Fax: (905) 465-4331

- (c) to Golden Opportunities Fund Inc.:

Golden Opportunities Fund Inc.
1300-410 22nd Street East
Saskatoon, SK S7K 5T6

Attention: Ulrich Felbermayr, Senior Investment Manager
Fax: (306) 652-8186

- (d) to Florian Possberg:

Florian Possberg
PO Box No. 278
Humboldt, SK S0K 2A0

Attention: Florian Possberg
E-mail: fpossberg@bigsky.sk.ca

- (e) to Cliff Wiegers:

Cliff Wiegers
c/o Wiegers Financial
901 3rd Avenue
North Saskatoon, SK S7K 2K4

Attention: Cliff Wiegers
Fax: (306) 244-0949

- (f) to the Borrower or the Guarantors:

Big Sky Farms Inc.
P.O. Box 610
Humboldt, SK S0K 2A0

Attention: Chief Financial Officer
Fax: (306) 682-2750

- (g) to the Senior Agent:

The Bank of Nova Scotia
44 King Street West
16th Floor
Toronto, Ontario M5H 1H1

Attention: Assistant General Manager
Fax: (416) 933-1357

with a copy to:

The Bank of Nova Scotia
Corporate Banking, Loan Syndications
Scotia Plaza, 62nd Floor
40 King Street West
Toronto, Ontario M5W 2X6

Attention: Managing Director
Fax: (416) 866-3329

and if sent by telecopier, shall be deemed to be received by the party to whom it is addressed on the date of transmission if the date is a business day and if the date is not a business day then it will be deemed to be received on the next business day and if sent by e-mail, shall be deemed to be received by the party to whom it is addressed upon receiving a reply e-mail indicating receipt and, if delivered or mailed, shall be deemed to have been received by the party to whom it is addressed at the time of actual receipt. Any party may change its address for notice or payment at any time by notice given to the other parties hereto pursuant to the provisions of this

Agreement. For the purposes hereof, a business day is a day upon which the Senior Agent, at its branch in Saskatoon referred to above, is open for business.

26. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective administrators, legal representatives, successors and permitted assigns, including, in the case of the Senior Agent, any successors in that capacity, and each party hereto covenants and agrees that it will not assign the benefit of this Agreement to any person without first obtaining the agreement of such person to be bound by this Agreement.

27. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which counterparts when executed shall constitute an original and all of which counterparts when so executed shall constitute one and the same agreement.

28. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable in the Province of Saskatchewan and each of the parties hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Saskatchewan.

29. **Headings, Interpretation, etc.** The division of this Agreement into articles, sections and subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. The recitals to this Agreement shall form an integral part of this Agreement and shall be read and construed as part of this Agreement.

30. **Number and Gender.** In this Agreement where the context so requires words importing number shall include the singular and plural, words importing gender shall include the masculine, feminine and neuter genders and words importing persons shall include firms and corporations and vice versa.

31. **Term of Agreement.** Unless terminated by written agreement of each of the Senior Agent and the Sub Lenders who at the time of such agreement are Subsisting Lenders, this Agreement shall continue to bind and enure to the benefit of the Borrower, the Guarantors and each other party hereto so long as each such other party remains a Subsisting Lender, but such party shall be released from all obligations under this Agreement and cease to be entitled to any benefits under this Agreement upon such party ceasing to be a Subsisting Lender. For greater certainty, the termination of this Agreement with respect to any party that ceases to be Subsisting Lender shall not terminate or otherwise affect the agreement as between the Borrower, the Guarantors and the remaining Subsisting Lenders provided that if and when the Senior Agent and Senior Lenders cease to be Subsisting Lenders the provisions of Sections 4(a), 5, 6 and 7 hereof shall terminate and be of no further force or effect.

32. **Date of Agreement.** This Agreement may be referred to as being dated 22 December 2008 or as of 22 December 2008, notwithstanding the actual date of execution.

[signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

THE BANK OF NOVA SCOTIA, as Senior Agent

By: _____
Name: _____
Title: _____

And: _____
Name: _____
Title: _____

FCC VENTURES, a division of **FARM CREDIT CANADA**

By its portfolio manager and lawful attorney,
Avrio Investments Inc.

By:  _____
Name: John D. Kennedy
Title: V.P.

GOLDEN OPPORTUNITIES FUND INC.

By: _____
Name: _____
Title: _____

INVESTMENT SASKATCHEWAN INC.

By its portfolio manager and lawful attorney,
Victoria Park Capital Inc

By: _____
Name: _____
Title: _____

And: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

THE BANK OF NOVA SCOTIA, as Senior Agent

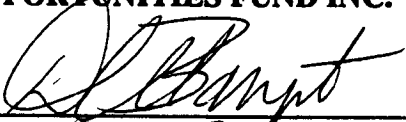
By: _____
Name:
Title:

And: _____
Name:
Title:

FCC VENTURES, a division of FARM CREDIT CANADA
By its portfolio manager and lawful attorney,
Avrio Investments Inc.

By: _____
Name:
Title:

GOLDEN OPPORTUNITIES FUND INC.

By:  _____
Name: DOUG BANER
Title: CFO & DIRECTOR

INVESTMENT SASKATCHEWAN INC.
By its portfolio manager and lawful attorney,
Victoria Park Capital Inc

By: _____
Name:
Title:

And: _____
Name:
Title:

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

THE BANK OF NOVA SCOTIA, as Senior Agent

By: _____
Name: _____
Title: _____

And: _____
Name: _____
Title: _____

FCC VENTURES, a division of FARM CREDIT CANADA
By its portfolio manager and lawful attorney,
Avrio Investments Inc.

By: _____
Name: _____
Title: _____

GOLDEN OPPORTUNITIES FUND INC.

By: _____
Name: _____
Title: _____

INVESTMENT SASKATCHEWAN INC.
By its portfolio manager and lawful attorney,
Victoria Park Capital Inc

By: _____
Name: _____
Title: _____

And: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

THE BANK OF NOVA SCOTIA. as Senior Agent

By:

Name: [Signature]
Title: Director

And:

Name: [Signature]
Title: [Signature]

FCC VENTURES, a division of **FARM CREDIT CANADA**

By its portfolio manager and lawful attorney,
Avrio Investments Inc.

By:

Name: _____
Title: _____

GOLDEN OPPORTUNITIES FUND INC.

By:

Name: _____
Title: _____

INVESTMENT SASKATCHEWAN INC.

By its portfolio manager and lawful attorney,
Victoria Park Capital Inc

By:

Name: _____
Title: _____

And:

Name: _____
Title: _____

INVESTMENT SASKATCHEWAN INC.
By its portfolio manager and lawful attorney,
Crown Capital Partners Inc

By: _____
Name: _____
Title: _____

And: _____
Name: _____
Title: _____

DRYCAST SYSTEMS INC.

By: _____
Name: John LaClare
Title: President

And: _____
Name: Canute Tagseth
Title: Treasurer

**BIG SKY MANAGEMENT CONSULTING
CORP.**

By: _____
Name: John LaClare
Title: President

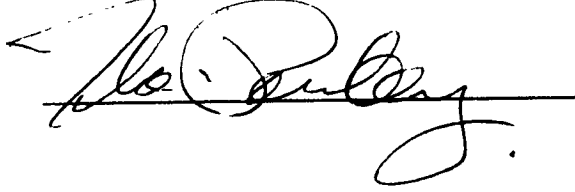
And: _____
Name: Canute Tagseth
Title: Treasurer

BIG SKY FARMS INC.

By: _____
Name: John LaClare
Title: President and CEO

And: _____
Name: Canute Tagseth
Title: CFO

FLORIAN POSSBERG

A handwritten signature in black ink, appearing to read 'Florian Possberg', written over a horizontal line.A handwritten signature in black ink, written over a horizontal line.

Witness

CLIFF WIEGERS

A solid horizontal line intended for a signature.A solid horizontal line intended for a signature.

Witness

FLORIAN POSSBERG

Witness

CLIFF WIEGERS

Witness

