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BIG SKY FARMS INC.

AND

DRYCAST SYSTEMS INC.

AND

BIG SKY MANAGEMENT CONSULTING CORP.

AND

THE LENDERS FROM TIME TO TIME PARTY TO THIS AGREEMENT

AND

THE BANK OF NOVA SCOTIA
as Administrative Agent

THIS IS EXHIBIT " 6 " referred to in the Affidavit of Canute Tagseth 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 ________

CDN. $86,162,047 CREDIT FACILITIES
THIRD AMENDED AND RESTATED CREDIT AGREEMENT
DATED AS OF 14 JULY 2006

BORDEN LADNER GERVAIS LLP

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THIS THIRD AMENDED AND RESTATED CREDIT AGREEMENT is made as of 14 July 2006

B E T W E E N:

BIG SKY FARMS INC.,
DRYCAST SYSTEMS INC.
and BIG SKY MANAGEMENT CONSULTING CORP.

- and -

THE LENDERS FROM TIME TO TIME PARTY
TO THIS AGREEMENT

- and -

THE BANK OF NOVA SCOTIA
in its capacity as Administrative Agent

RECITALS:

A. The parties to this Agreement (other than BSM Consulting) are also parties to a second amended and restated credit agreement dated as of 22 August 2005 which was an amendment and restatement of an amended and restated credit agreement dated as of 26 June 2002 as amended from time to time, including as amended by a first amending agreement and consent made as of 16 September 2002, a memorandum dated 8 November 2002, a second amending agreement made as of 13 December 2002, a third amending agreement and consent made as of 16 May 2003, a fourth amending agreement made as of 30 June 2003, a letter agreement dated 15 September 2003, a letter agreement dated 18 November 2003, a fifth amending agreement and consent made as of 31 January 2004, a letter agreement dated 28 April 2004, a letter agreement dated 25 June 2004, a letter dated 29 October 2004, a sixth amending agreement and consent made as of 31 October 2004 and a letter agreement dated 7 January 2005, which was in turn an amendment and restatement of a credit agreement dated as of 1 September 2000 as amended and, as amended to date, is referred to below as the **"Existing Credit Agreement."**

B. The parties are entering into this Agreement to provide for a new Credit and amended terms on which the existing Credits will be continued.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

ARTICLE I
DEFINED TERMS

1.1 Defined Terms

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

1.1.1 **"Administrative Questionnaire"** is defined in the Provisions.

1.1.2 **"Advance"** means an availment of a Credit by the Borrower by way of Prime Rate Advance, Base Rate Advance, acceptance of Bankers' Acceptances or L/C, including overdrafts under Credit A, deemed Advances and conversions, renewals and rollovers of existing Advances, and any reference relating to the amount of Advances shall mean the sum of all outstanding Prime Rate Advances and Base Rate Advances, plus the face amount of all outstanding Bankers' Acceptances and L/Cs.

1.1.3 **"Affiliate"** is defined in the Provisions.

1.1.4 **"Agent"** or **"Administrative Agent"** means BNS in its role as administrative agent for the Lenders, and any successor administrative agent appointed in accordance with this Agreement.

1.1.5 **"Agreement"** means this Agreement and any Schedules hereto, including the Provisions, as amended, supplemented, restated and replaced from time to time.

1.1.6 **"Applicable Law"** is defined in the Provisions.

1.1.7 **"Applicable Percentage"** is defined in the Provisions. Without limiting the Provisions, depending on the context, Applicable Percentage may refer to a Lender's position either with respect to all Credits or any particular Credit. Each Lender's Applicable Percentage is set out on SCHEDULE E, as amended from time to time as Applicable Percentages change in accordance with this Agreement.

1.1.8 **"Approvals"** means any zoning, development, building or other Permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other similar concession or by-law, rule or regulation of, by or from any Governmental Authority required in connection with the Projects.

1.1.9 **"Approved Fund"** is defined in the Provisions.

1.1.10 **"Article"** means the designated article of this Agreement.

1.1.11 **"Assignment and Assumption"** is defined in the Provisions.

1.1.12 **"BA Discount Proceeds"** means, in respect of any Bankers' Acceptance, an amount calculated on the applicable Drawdown Date which is (rounded to the nearest full cent, with one-half of one cent being rounded up) equal to the face amount of such Bankers' Acceptance multiplied by the price, where the price is calculated by dividing one by the sum of one plus the product of (i) the BA Discount Rate applicable thereto expressed as a decimal fraction multiplied by (ii) a fraction, the numerator of which is the term of such Bankers' Acceptance and the denominator of which is 365, which calculated price will be rounded to the nearest multiple of 0.001%.

1.1.13 **"BA Discount Rate"** means, (a) with respect to any Bankers' Acceptance accepted by a Lender named on Schedule I to the *Bank Act* (Canada), the rate determined by the Agent as being the arithmetic average (rounded upward to the nearest multiple of 0.01%) of the discount rates, calculated on the basis of a year of 365 days and determined in accordance with normal market practice at or about 10:00 a.m. (Toronto time) on the applicable Drawdown Date, for bankers' acceptances of those Lenders having a comparable face amount and identical maturity date to the face amount and maturity date of such Bankers' Acceptance, and (b) with respect to any Bankers' Acceptance accepted by any other Lender, the rate determined by the Agent in accordance with (a) above plus 0.10% per annum.

1.1.14 **"BA Equivalent Loan"** is defined in Section 5.13.5.

1.1.15 **"Bankers' Acceptance"** means a depository bill as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that is in the form of an order signed by the Borrower and accepted by a Lender pursuant to this Agreement or, for Lenders not participating in clearing services contemplated in that Act, a draft or bill of exchange in Canadian Dollars that is drawn by the Borrower and accepted by a Lender pursuant to this Agreement. Orders that become depository bills, drafts and bills of exchange are sometimes collectively referred to in this Agreement as "orders." References in the Provisions to "bankers' acceptances" shall be interpreted as referring to Bankers' Acceptances.

1.1.16 **"Bankers' Acceptance Fee"** means the amount calculated by multiplying the face amount of each Bankers' Acceptance by the rate for the Bankers' Acceptance Fee specified in Section 2.5, and then multiplying the result by a fraction, the numerator of which is the duration of its term on the basis of the actual number of days to elapse from and including the date of acceptance of a Bankers' Acceptance by the Lender up to but excluding the maturity date of the Bankers' Acceptance and the denominator of which is the number of days in the calendar year in question.

1.1.17 **"Base Rate"** means, on any day, the greater of:

(a) the annual rate of interest (expressed as a percentage per annum on the basis of a calendar year) announced by BNS on that day as its reference rate for commercial loans made in Canada in US Dollars; and

(b) the Federal Funds Effective Rate plus 0.5% per annum.

1.1.18 **"Base Rate Advance"** or **"Base Rate Loan"** means an Advance in US Dollars bearing interest based on the Base Rate and includes deemed Base Rate Advances provided for in this Agreement.

1.1.19 **"Big Sky VII Project"** means the Borrower's project to construct and operate a 6,000 sow farrow to nursery hog production facility in Saskatchewan, which Project is expected to cost approximately $20,405,000 to construct and prepare for operation.

1.1.20 **"Big Sky VII Project Lands"** means the land described on Schedule F as "Big Sky #7" (Inv. #s 46 and 47) relating to the Big Sky VII Project.

1.1.21 **"Biosecurity Requirements"** means, at any time, the requirements of the Obligors at that time that are reasonable and designed to reduce the chance of infection of the breeding stock hog herds and market hog herds by pathogenic agents.

1.1.22 **"BNS"** means The Bank of Nova Scotia, a bank to which the *Bank Act* (Canada) applies.

1.1.23 **"Borrower"** means Big Sky Farms Inc., a corporation governed by *The Business Corporations Act* (Saskatchewan).

1.1.24 **"Borrowing Base"** means, at any time, the amount determined by the formula that is set out in the Borrowing Base Certificate, but any error, omission or other discrepancy in the calculations of the Borrowing Base submitted by the Borrower is not binding on the Lenders.

1.1.25 **"Borrowing Base Certificate"** means a certificate in the form of SCHEDULE J.

1.1.26 **"Branch of Account"** means the WBO – Loan Operations department of BNS at 3rd Floor, 720 King Street West, Toronto, Ontario, M5V 2T3.

1.1.27 **"BSM Consulting"** means Big Sky Management Consulting Corp., a corporation governed by *The Business Corporations Act* (Saskatchewan) that is wholly owned by the Borrower.

1.1.28 **"Business Day"** means a day of the year, other than Saturday or Sunday, on which the Agent is open for business at its executive offices in Toronto, Ontario, at its principal offices in New York, New York and at its Westside

Saskatoon, Saskatchewan Branch (or in other locations specified by any successor to BNS as Agent). Notwithstanding the foregoing, if banks will be open in some locations referred to above and closed in others on a particular day, and the Agent determines that the closing of those banks on that day will not adversely affect completion of relevant transactions in accordance with customary banking market and trading practices, the Agent may, on reasonable notice to the Borrower and the Lenders, specify the particular day to be a Business Day.

1.1.29 **"Canadian Dollars", "Cdn. Dollars", "Cdn. $" and "$"** mean lawful money of Canada.

1.1.30 **"Capital Expenditure"** means any expenditure for fixed or capital assets that would be classified as a capital expenditure in accordance with GAAP.

1.1.31 **"Capital Stock"** means, with respect to any person, any and all present and future shares, partnership or other interests, participations, capital contributions, shareholder or partner loans or other similar rights in the person's capital, however designated and whether voting or non-voting.

1.1.32 **"Cash Collateral"** means cash, a bank draft or a letter of credit issued by a Canadian chartered bank, all in a form satisfactory to the Lenders, acting reasonably.

1.1.33 **"Change in Law"** is defined in the Provisions.

1.1.34 **"Commitment"** means in respect of each Lender from time to time, the covenant to make Advances to the Borrower in the Lender's Applicable Percentage of the maximum amount of the Credits and, where the context requires, the maximum amount of Advances which the Lender has covenanted to make.

1.1.35 **"Compliance Certificate"** means a certificate in the form of SCHEDULE B.

1.1.36 **"Constating Documents"** means, with respect to any Obligor or any other person, its articles or certificate of incorporation, amendment, amalgamation or continuance, memorandum of association, by-laws, partnership agreement, limited liability company agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trust agreements and similar arrangements applicable to the Obligor's or the person's Capital Stock, all as amended from time to time.

1.1.37 **"Construction Contracts"** means all Contracts entered into by the Borrower or its agents with persons for the supply by such persons of construction services or materials for the Projects.

1.1.38 **"Construction Lien"** means a lien under *The Builders' Lien Act* (Saskatchewan).

1.1.39 **"Construction Progress Report"** means a report in the form contemplated by Section 7.3.1(h).

1.1.40 **"Contracts"** means agreements, franchises, leases, easements, servitudes, privileges and other rights, other than Permits.

1.1.41 **"Contributing Lender"** shall have the meaning defined in Section 5.25.2.

1.1.42 **"Control"** is defined in the Provisions.

1.1.43 **"Credit A"** means, collectively, Credit A1 and Credit A2 in favour of the Borrower, which are continued by Article II of this Agreement.

1.1.44 **"Credit A1"** means the Credit of Cdn.$4,500,000 in favour of the Borrower which is continued by this Agreement.

1.1.45 **"Credit A2"** means the Credit of up to Cdn.$20,000,000 in favour of the Borrower which is continued by this Agreement.

1.1.46 **"Credit B"** means the Credit of up to Cdn.$41,662,047 in favour of the Borrower which is continued by Article II of this Agreement.

1.1.47 **"Credit C"** means the Credit of up to Cdn.$20,000,000 in favour of the Borrower which is created by Article II of this Agreement.

1.1.48 **"Credit Documents"** has the same meaning as Loan Documents.

1.1.49 **"Credits"** means Credit A, Credit B and Credit C, and **"Credit"** means any of them, including Credit A1 and Credit A2.

1.1.50 **"Current Ratio"** means, at any time, the ratio calculated by dividing (a) the Borrower's current assets at that time on a consolidated basis by (b) the Borrower's current liabilities at that time on a consolidated basis, each calculated in accordance with GAAP, except that current assets shall include the Borrower's breeding stock hogs and current liabilities shall exclude the accrued and unpaid interest and the current portion of principal payable to the Subordinated Creditors under or in connection with the Subordinated Obligations.

1.1.51 **"Debt"** means, with respect to any person, without duplication and, except as provided in item (b) below, without regard to any interest component thereof (whether actual or imputed) that is not due and payable, the aggregate of the following amounts, each calculated in accordance with GAAP unless the context otherwise requires:

(a) all obligations (including by way of overdraft and drafts or orders accepted representing extensions of credit) that would be considered to be indebtedness for borrowed money, and all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments;

(b) the face amount of all Bankers' Acceptances and similar instruments;

(c) all liabilities upon which interest charges are customarily paid by that person;

(d) any Capital Stock of that person (or of any Subsidiary of that person that is not held by that person or by a Subsidiary of that person that is wholly owned, directly or indirectly) which Capital Stock, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or before 26 August 2012, for cash or securities constituting Debt;

(e) all capital lease obligations, synthetic lease obligations, obligations under sale and leaseback transactions and purchase money obligations;

(f) the aggregate Market Value of all Swaps that have a negative Market Value from that person's perspective, i.e. that person is "out of the money," after offsetting for Swaps in which a Lender is the counterparty, the Market Value of Swaps with the same Lender that have a positive Market Value;

(g) the amount of the contingent liability under any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner of any part or all of an obligation of another person of the type included in items (a) through (f) above;

(h) the amount of all contingent liabilities in respect of letters of credit and letters of guarantee;

(i) the amount of all contingent liabilities in respect of performance bonds and surety bonds, and any other guarantee or other contingent liability of any part or all of an obligation of another person, in each case only to the extent that the guarantee or other contingent liability is required by GAAP to be treated as a liability on a balance sheet of the guarantor or person contingently liable;

provided that (i), for greater certainty, obligations owing by the Borrower under any guarantee or funding agreement entered into in connection with the Processing Investment and (ii) trade payables, operating leases and accrued liabilities that are current liabilities incurred in the ordinary course of business do not constitute Debt.

1.1.52 **"Debt Service Ratio"** means, at any time, the ratio determined by dividing EBITDA by the aggregate of Total Interest Expense, the current portion of the Borrower's long term debt and the Borrower's capital lease payments, in each case for the Borrower's four most recently completed fiscal quarters.

1.1.53 **"Default"** is defined in the Provisions. Without limiting the Provisions, Default includes a Pending Event of Default.

1.1.54 **"Defaulting Lender"** is defined in Section 5.25.2.

1.1.55 **"Designated Account"** means, in respect of any Advance, the account or accounts maintained by the Borrower at a branch of the Agent in Saskatoon, Saskatchewan that the Borrower designates in its notice requesting an Advance.

1.1.56 **"Drawdown Date"** means the date, which shall be a Business Day, of any Advance.

1.1.57 **"Drycast"** means Drycast Systems Inc., a corporation governed by *The Business Corporations Act* (Saskatchewan) that is wholly owned by the Borrower.

1.1.58 **"EBITDA"** means, for any relevant period, an amount equal to the Borrower's net income or net loss for the period, calculated on a consolidated basis; plus

(a) amounts deducted in calculating the Borrower's net income or net loss in respect of depreciation and amortization; plus

(b) Total Interest Expense; plus

(c) amounts deducted in calculating the Borrower's net income or net loss in respect of income taxes, whether or not deferred;

and excluding:

(d) any gain or loss attributable to the sale, conversion or other disposition of Property; and

(e) gains resulting from the write-up of Property and losses resulting from the write-down of Property (other than write-downs for accounts receivable, which shall be included); and

(f) any gain or loss on the repurchase or redemption of any securities (including in connection with the early retirement or defeasance of any Debt); and

(g) any foreign exchange gain or loss; and

(h) any other extraordinary, non-recurring or unusual items; and

(i) amounts attributable to persons other than the Obligors or to minority interests in Obligors;

all of which shall be calculated in accordance with GAAP unless otherwise expressly described. If the Borrower has acquired or established a new Obligor, has disposed of an Obligor or has acquired or disposed of material Property out of the ordinary course of business during the relevant period, EBITDA may be adjusted on a basis satisfactory to the Required Lenders as if the new Obligor had been an Obligor during the entire period or the acquisition or disposition had occurred at the beginning of the period.

1.1.59 **"Eligible Assignee"** is defined in the Provisions.

1.1.60 **"Encumbrance"** means any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, capital lease, operating lease, hypothecation, security interest or other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation, and **"Encumbrances"**, **"Encumbrancer"**, **"Encumber"** and **"Encumbered"** shall have corresponding meanings.

1.1.61 **"Event of Default"** is defined in Section 8.1.

1.1.62 **"Excess Cash Flow"** means, for any fiscal year, the aggregate for the Borrower on a consolidated basis of:

(a) EBITDA,

(b) plus net cash proceeds of extraordinary, unusual or non-recurring items, and net cash proceeds of the sale, lease or other disposition of Property,

(c) less Total Interest Expense, and income taxes actually paid,

(d) less the principal amount by which Debt was mandatorily repaid during the fiscal year other than as a result of payments from Excess Cash Flow,

(e) less the amount actually paid for Capital Expenditures during the fiscal year up to the amount permitted in accordance with this

Agreement, to the extent not financed under or in connection with the Credits,

(f) less the amount actually paid for GSF Pledged Shares during the fiscal year up to the amount permitted in accordance with this Agreement, to the extent not financed under or in connection with the Credits.

1.1.63 **"Exchange Rate"** means, on any day, for the purpose of calculations under this Agreement, the amount of Canadian Dollars into which US Dollars may be converted, or *vice versa*, using the Agent's mid rate (i.e. the average of the Agent's spot buying and selling rates) for converting the first currency to the other currency at the relevant time on that day.

1.1.64 **"Excluded Taxes"** is defined in the Provisions.

1.1.65 **"Existing Credit Agreement"** is defined in the first recital of this Agreement.

1.1.66 **"Federal Funds Effective Rate"** means for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York or, for any day on which that rate is not published for that day by the Federal Reserve Bank of New York, the average of the quotations for that day for such transactions received by the Agent from three Federal Funds brokers of recognized standing.

1.1.67 **"Fee Agreement"** means the letter from BNS to the Borrower dated 6 April 2006 and accepted by the Borrower, which provides for fees payable by the Borrower to BNS in connection with the Credits, as the letter is amended, supplemented, restated and replaced from time to time.

1.1.68 **"Finishers"** means Big Sky Finishers (No. 1) Inc.

1.1.69 **"Finishers NDA"** means a non-disturbance and acknowledgement agreement made as of 16 May 2003 between Finishers, the Borrower, National Bank of Canada, Farm Credit Canada, Conexus Credit Union, and the Agent, in connection with loans in the aggregate principle amount of $5,300,000 made by National Bank of Canada, Farm Credit Canada, and Conexus Credit Union to Finishers, secured by the Property purchased by Finishers from the Borrower in connection with the Finishers No. 1 Agreements, and certain other security.

1.1.70 **"Finishers No. 1 Agreements"** means collectively:

(a) an asset purchase agreement dated as of 14 January 2003 pursuant to which the Borrower sold two hog finishing barns and related Property to Finishers for an aggregate price of $7,100,000;

(b) a contract finishing agreement pursuant to which the Borrower retained Finishers to feed and finish hogs of the Borrower in the barns purchased by Finishers for a term ending 30 June 2018 (subject to earlier termination in certain circumstances as provided in the agreement) for an annual fee of $620,000 per barn (subject to adjustments as provided in the agreement);

(c) an indemnity agreement pursuant to which the Borrower indemnified Finishers against certain losses or claims that may be asserted against Finishers in respect of environmental matters pertaining to the Property purchased by Finishers; and

(d) an option agreement pursuant to which Finishers has the right to "put" or require the Borrower to repurchase the Property from Finishers and the Borrower has the right to "call" or require Finishers to sell the Property back to the Borrower.

1.1.71 **"Foreign Lender"** is defined in the Provisions.

1.1.72 **"Fronting Fee"** is defined in Section 2.5.

1.1.73 **"Fund"** is defined in the Provisions.

1.1.74 **"GAAP"** means generally accepted accounting principles which are in effect from time to time in Canada, as established by the Canadian Institute of Chartered Accountants.

1.1.75 **"Governmental Authority"** is defined in the Provisions.

1.1.76 **"GSF Pledged Shares"** means the Capital Stock of GSF Inc. and/or GSF LP that is pledged as part of the Security from time to time.

1.1.77 "**GSF Inc.**" means Golden Sunrise Foods Inc., a corporation governed by the *Canada Business Corporations Act*, the general partner of GSF LP.

1.1.78 "**GSF LP**" means Golden Sunrise Foods Limited Partnership, a limited partnership governed by *The Partnership* Act (Manitoba) and formed by GSF Inc., as general partner, and Hytek Ltd. and the Borrower, as limited partners, to invest in Olywest AB Limited Partnership and OlyWest MB Limited Partnership.

1.1.79 **"Hazardous Materials"** means any hazardous substance or any pollutant or contaminant, toxic or dangerous waste, substance or material, as defined in or regulated by any Applicable Law or Governmental Authority from time to time, including waste, as such term is defined and used in *The Agricultural Operations Act* (Saskatchewan) or *The Environment Act* (Manitoba), friable asbestos and poly-chlorinated biphenyls.

1.1.80 **"Hog Loan Agreement"** means the short-term hog loan program agreement dated 6 December 2002 between the Borrower and the Minister, as amended, restated, supplemented or replaced from time to time.

1.1.81 **"Indemnified Taxes"** is defined in the Provisions.

1.1.82 **"Intellectual Property"** means patents, trademarks, service marks, trade names, copyrights, trade secrets, industrial designs and other similar rights.

1.1.83 **"Interbank Reference Rate"** means, in respect of any currency, the interest rate expressed as a percentage per annum which is customarily used by the Agent when calculating interest due by it or owing to it arising from correction of errors in transactions in that currency between it and other chartered banks.

1.1.84 **"Intercreditor Agreements"** means the intercreditor agreement dated 25 October 2000 between the Agent, for and on behalf of the Lenders, the Borrower and Maple Leaf, providing for the terms of subordination of Maple Leaf's Subordinated Security and postponement of payment of Maple Leaf's Subordinated Obligations in favour of the Security and the Obligations, respectively, and other intercreditor agreements that may be entered into from time to time to provide for the terms of subordination of any other Debt in favour of the Obligations, each as amended, supplemented, restated and replaced from time to time.

1.1.85 **"Interest Payment Date"** means (in connection with Prime Rate Advances and Base Rate Advances) the 22nd day of each calendar month or, if that is not a Business Day, the Business Day next following.

1.1.86 **"ISDA Master Agreement"** means an ISDA Master Agreement as published by the International Swap Dealers Association, Inc., as amended or replaced from time to time.

1.1.87 **"Issuing Bank"** is defined in the Provisions. BNS is the Issuing Bank.

1.1.88 **"L/C"** or **"Letter of Credit"** means a standby letter of credit or letter of guarantee in a form satisfactory to the Issuing Bank issued by the Issuing Bank on behalf of the Lenders at the request of the Borrower in favour of a third party to secure the payment or performance of an obligation of the Borrower to the third party.

1.1.89 **"Lenders"** means each of the persons listed on SCHEDULE E and other lenders that agree from time to time to become Lenders in accordance with section 10 of the Provisions, and **"Lender"** means any one of the Lenders.

1.1.90 **"Lending Office"** means, as to any Lender, the office or offices from which it makes Advances and receives payments pursuant to this Agreement from time to time.

1.1.91 **"Loan"** is defined in the Provisions.

1.1.92 **"Loan Documents"** means this Agreement, the Security and all other documents relating to the Credits, or any of them.

1.1.93 **"Maple Leaf"** means Maple Leaf Foods Inc., a secured creditor of the Borrower.

1.1.94 **"Market Value"** means:

(a) for any Swap governed by an ISDA Master Agreement, on any day, the amount (whether positive or negative) expressed in Canadian Dollars that is determined by a Lender in good faith in accordance with its customary practices as of the close of business on that day as though that day was an "Early Termination Date" and the "Transaction" was a "Terminated Transaction" in accordance with the payment measure provided for in section 6(e)(i)(3) of the 1992 ISDA Master Agreement (Multicurrency - Cross Border). "Early Termination Date," "Transaction" and "Terminated Transaction" have the meanings defined in that ISDA Master Agreement.

(b) for any Swap not governed by an ISDA Master Agreement, on any day, the amount expressed in Canadian Dollars that is determined by a Lender in good faith in accordance with its customary practices (using the average of the buy and sell prices) as of the close of business on that day that one counterparty to a Swap would have to pay the other in order to terminate the Swap on that day.

1.1.95 **"Material Contract"** means any Contract:

(a) to which is attached obligations on the part of the Obligors or which has an economic value to the Obligors in excess of $500,000 per annum; or

(b) to which an Obligor is a party that, if terminated, would materially impair the ability of any Obligor to carry on business in the ordinary course or would have a material adverse effect on the financial condition or business prospects of the Obligors as a whole and includes the Hog Loan Agreement, any Contract relating to the Subordinated Obligations and any Processing Investment Contract, individually or in the aggregate, but only after such Processing Investment Contract has been delivered as contemplated by Section 4.3.1(b).

1.1.96 **"Material Permit"** means any Permit:

(a) to which is attached obligations on the part of the Obligors or which has an economic value to the Obligors in excess of $500,000 per annum; or

(b) issued to an Obligor that, if terminated, would materially impair the ability of any Obligor to carry on business in the ordinary course or would have a material adverse effect on the financial condition or business prospects of the Obligors as a whole.

1.1.97 **"Matsalla NDA"** means a non-disturbance and attornment agreement dated as of 31 January 2004 between the Borrower, PHPLP and Canadian Imperial Bank of Commerce in connection with a $2,700,000 loan made by Canadian Imperial Bank of Commerce to PHPLP, secured by the Property purchased by PHPLP from the Borrower in connection with the Matsalla Transaction Agreements, and certain other security.

1.1.98 **"Matsalla Transaction Agreements"** means, collectively:

(a) the asset purchase agreement dated for reference 31 January 2004 pursuant to which the Borrower sold certain Property to PHPLP for a purchase price of $3,700,000;

(b) a lease dated as of 31 January 2004 pursuant to which PHPLP leased the Property it purchased back to the Borrower for a term of approximately 10 years at a net annual rental of $497,196;

(c) an indemnity agreement dated as of 31 January 2004 pursuant to which the Borrower indemnified PHPLP against certain losses or claims that may be asserted against PHPLP in respect of environmental matters pertaining to the Property purchased by PHPLP; and

(d) a put/option agreement pursuant to which PHPLP has the right to "put" or require the Borrower to repurchase the Property purchased from the Borrower and the Borrower has the right to "call" or require the Partnership to sell the Property back to the Borrower.

1.1.99 **"Minister"** means Her Majesty the Queen in Right of Saskatchewan, as represented by the Minister of Agriculture, Food and Rural Revitalization, a secured creditor of the Borrower.

1.1.100 **"Non-BA Lender"** is defined in Section 5.13.5.

1.1.101 **"Nursery NDA"** means a non-disturbance and attornment agreement dated as of 30 August 2002 between the Borrower, PHPLP and Canadian Imperial Bank of Commerce in connection with a $6,000,000 loan made by Canadian

Imperial Bank of Commerce to PHPLP, secured by the Property purchased by PHPLP from the Borrower and PHPLP's interest in the lease back by the Borrower that is one of the Nursery Transaction Agreements.

1.1.102 **"Nursery Transaction Agreements"** means, collectively:

(a) the asset purchase agreement dated for reference 8 August 2002 pursuant to which the Borrower sold certain Property to PHPLP for a purchase price of $8,000,000;

(b) a lease dated as of 30 August 2002 pursuant to which PHPLP leased the Property it purchased back to the Borrower for a term of approximately 10 years at a net annual rental of $1,075,000;

(c) an indemnity agreement dated as of 30 August 2002 pursuant to which the Borrower indemnified PHPLP against certain losses or claims that may be asserted against PHPLP in respect of environmental matters pertaining to the Property purchased by PHPLP; and

(d) a put/option agreement pursuant to which PHPLP has the right to "put" or require the Borrower to repurchase the Property purchased from the Borrower and the Borrower has the right to "call" or require the Partnership to sell the Property back to the Borrower.

1.1.103 **"Obligations"** means all obligations of the Borrower to the Lenders under or in connection with this Agreement, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lenders in any currency or remaining unpaid by the Borrower to the Lenders in any currency under or in connection with this Agreement, whether arising from dealings between the Lenders and the Borrower or from any other dealings or proceedings by which the Lenders may be or become in any manner whatever creditors of the Borrower under or in connection with this Agreement, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses. In this definition, "the Lenders" shall be interpreted as "the Lenders, or any of them."

1.1.104 **"Obligors"** is defined in the Provisions. Without limiting the Provisions, Obligors means the Borrower, Drycast, BSM Consulting and other Subsidiaries of the Borrower that may become Obligors in accordance with this Agreement, and **"Obligor"** means any of them.

1.1.105 **"Office Project"** means the Borrower's project to construct a 17,000 square foot office complex in Humboldt, Saskatchewan for its own use, which Project is expected to cost approximately $3,500,000 to construct and prepare for occupation.

1.1.106 **"Office Project Lands"** means the land described on Schedule F as the "New Head Office Project Property" (Inv. #50) relating to the Office Project.

1.1.107 **"Other Secured Obligations"** is defined in Section 3.2(b).

1.1.108 **"Other Taxes"** is defined in the Provisions.

1.1.109 **"Participant"** is defined in the Provisions.

1.1.110 **"Pending Event of Default"** means an event which would constitute an Event of Default hereunder, except for satisfaction of any requirement for giving of notice, lapse of time, or both, or any other condition subsequent to such event and, without limiting the foregoing, it shall be a Pending Event of Default hereunder if there is a reason to believe that the Borrower will not be in compliance with all covenants contained in Section 7.1 at the end of the Borrower's current fiscal quarter, or was not in compliance with those covenants at the end of its immediately preceding fiscal quarter if it has not yet delivered its Compliance Certificate for that quarter.

1.1.111 **"Pension Plan"** means (a) a "pension plan" or "plan" which is subject to the funding requirements of applicable pension benefits legislation in any jurisdiction of Canada and is applicable to employees resident in Canada of any Obligor, or (b) any pension benefit plan or similar arrangement applicable to employees of any Obligor.

1.1.112 **"Permits"** means governmental licenses, authorizations, consents, registrations, exemptions, permits and other approvals required by Applicable Law.

1.1.113 **"Permitted Encumbrances"** or **"Permitted Liens"** means, with respect to any person, the following:

(a) Encumbrances for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that person;

(b) undetermined or inchoate Encumbrances, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which none of the Lenders has been given notice, or which relate to obligations not due or payable or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that person;

(c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used by that person;

(d) licenses, easements, rights-of-way and rights in the nature of easements (including licenses, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of Governmental Authorities, which will not materially impair the use of the affected land for the purpose for which it is used by that person;

(e) title defects, encroachments or irregularities which are of a minor nature and which in the aggregate will not materially impair the use of the affected property for the purpose for which it is used by that person;

(f) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit acquired by that person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(g) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;

(h) security given to a public utility or any Governmental Authority when required by the Governmental Authority in connection with the operations of that person in the ordinary course of its business;

(i) the Security;

(j) the Encumbrance created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings or is being satisfied by that person and has not caused an Event of Default;

(k) Encumbrances on equipment and the proceeds thereof created or assumed to finance the acquisition or improvement or secure the unpaid purchase price thereof (including the principal amount of any capital lease) that are:

(i) described on SCHEDULE K; or

(ii) incurred after the date of this Agreement, provided that the aggregate principal amount (or fair market value of the Property Encumbered if no principal amount is designated) in respect of all such Encumbrances entered into by all Obligors in any fiscal year of the Borrower does not exceed $500,000;

(l) operating leases that are:

(i) in existence as of 30 June 2000; or

(ii) entered into after 30 June 2000, provided that the aggregate of the annual payment obligations in respect of all operating leases entered into by all Obligors in any fiscal year of the Borrower does not exceed $500,000;

(iii) entered into from time to time in respect of Property to replace Property leased under operating leases contemplated in items (i) and (ii) above, as long as the annual payment obligations are not greater than under the operating lease that is replaced;

(m) Encumbrances that exist as of the date of this Agreement under or in connection with the Subordinated Security or the Hog Loan Agreement, provided that the Encumbrances have been subordinated in favour of the Security for the Obligations and the Other Secured Obligations;

(n) without limiting the generality of the foregoing, other Encumbrances described on SCHEDULE K; and

(o) other Encumbrances expressly agreed to in writing by the Required Lenders.

1.1.114 **"Permitted Obligations"** means the following:

(a) the Obligations;

(b) the Other Secured Obligations;

(c) Subordinated Obligations;

(d) obligations under or in connection with the Hog Loan Agreement;

(e) obligations under or in connection with the Processing Investment in the maximum aggregate amount of $15,200,000;

(f) other debts, liabilities and obligations secured by Permitted Encumbrances, other than the Security;

(g) current accounts payable, accrued expenses and other similar debts, liabilities and obligations incurred in the ordinary course of business which are not for borrowed money;

(h) (i) deferred taxes and (ii) the amount of all contingent liabilities in respect of anti-dumping duties or similar charges levied by Governmental Authorities in the United States of America in the maximum aggregate amount of $2,500,000;

(i) obligations and liabilities incurred in the ordinary course of business which do not constitute Debt;

(j) obligations described on SCHEDULE K;

(k) other debts, liabilities and obligations expressly permitted under this Agreement or expressly consented to by the Required Lenders in writing.

1.1.115 **"Person"** is defined in the Provisions and **"person"** has the same meaning.

1.1.116 **"PHPLP"** means Prairie Hog Production Limited Partnership, a limited partnership pursuant to the laws of Saskatchewan of which SaskWorks Ventures Fund Inc. (formerly known as Crown Ventures Fund Inc.), as to a 55% interest, and Prairie Ventures Limited Partnership, as to a 45% interest, are the only limited partners and are the sole shareholders of the general partner, Prairie Hog Production Inc.

1.1.117 **"Plans and Specifications"** means all plans and specifications for each of the Projects necessary to achieve Project Completion as approved by the Lenders and amended in accordance with the terms of this Agreement.

1.1.118 **"Pledged Shares"** means the Capital Stock that is pledged as part of the Security from time to time.

1.1.119 **"Pre-Commissioning Costs"** means costs for pre-commissioning production and operation of the Big Sky VII Project prior to Project Completion, acceptable to the Agent, including without limitation breeding stock hogs, market hogs, feed and other inventory, heating and labour costs, as the case may be.

1.1.120 **"Prime Rate"** means, on any day, the greater of:

(a) the annual rate of interest expressed as a percentage per annum announced by BNS on that day as its reference rate for commercial loans made by it in Canada in Canadian Dollars; and

(b) the average rate for 30 day Canadian Dollar bankers' acceptances that appears on the Reuters Screen CDOR Page at 10:00 a.m. Toronto time on that day, plus 0.75% per annum.

1.1.121 **"Prime Rate Advance"** means an Advance in Canadian Dollars bearing interest based on the Prime Rate and includes deemed Prime Rate Advances provided for in this Agreement.

1.1.122 **"Processing Investment"** means the investment by the Borrower in the Capital Stock of GSF Inc. and/or GSF LP, the making of shareholder or partner loans by the Borrower to GSF Inc. and/or GSF LP and/or the guarantee by the Borrower of certain obligations of GSF Inc. and/or GSF LP pursuant to the Processing Investment Contracts for the purpose of (a) directly or indirectly, together with Hytek Ltd. and Olymel L.P./Olymel S.E.C., (i) investing in a processing facility currently owned and operated by Olymel L.P./Olymel S.E.C. in Red Deer, Alberta, which will be transferred to OlyWest AB Limited Partnership prior to or at the time of such investment (ii) investing in a new processing facility to be constructed, started up, owned and operated by OlyWest MB Limited Partnership in Winnipeg, Manitoba and (b) the entering into by the Borrower of long term hog supply agreements with Olywest AB Limited Partnership and Olywest MB limited Partnership to supply hogs to such processing facilities.

1.1.123 **"Processing Investment Contracts"** means the agreements to which the Borrower is now or hereafter becomes a party under or in connection with the Processing Investment, including without limitation limited partnership agreements, shareholders agreements, funding agreements, guarantees and hog supply agreements, as such agreements may amended, restated, supplemented or replaced from time to time.

1.1.124 **"Property"** means, with respect to any person, any or all of its undertaking, property and assets.

1.1.125 **"Proportionate Share"** has the same meaning as Applicable Percentage.

1.1.126 **"Project Budget"** means the budget prepared by the Borrower for each of the Projects and approved by the Lenders, which shall include, without limitation, all Project Costs and cash flow projections and a preliminary draw schedule.

1.1.127 **"Project Completion"** means, with respect to each of the Projects, the date upon which each of the following conditions have been met to the satisfaction of the Lenders:

(a) the Borrower certifies in writing to the Lenders that construction of the applicable Project has been completed substantially in accordance with the Plans and Specifications, with such amendments to the Plans and Specifications as may be acceptable to the Lenders;

(b) the Borrower (and the general contractor for the applicable Project, if other than the Borrower) has issued a certificate of substantial completion to the Lenders confirming the substantial completion of the applicable Project, in form and substance satisfactory to the Lenders;

(c) the Borrower has certified in writing to the Lenders that all construction costs, including the accounts of all contractors, sub-contractors and suppliers, and Pre-Commissioning Costs have been paid; and

(d) the applicable Project is free of all Encumbrances, other than Permitted Encumbrances.

1.1.128 **"Project Costs"** means all costs and expenses properly paid or due with respect to the Projects, which, in aggregate, shall not exceed $23,905,000 and means, more particularly with respect to each of the Projects, all costs and expenses properly paid or due for the acquisition of the Project Lands, for the development, design and construction of the Projects or any part thereof and for Pre-Commissioning Costs, including without limiting the generality of the foregoing:

(a) payments made to general contractors, project managers, construction managers, trade contractors, subcontractors and material suppliers pursuant to Construction Contracts;

(b) on-site costs incurred by or on behalf of the Borrower including the cost of full time or part-time on-site employees;

(c) reasonable professional and consulting fees such as architectural, engineering, surveying, design, legal and accounting as well as fees for the preparation of master concept plans;

(d) costs of demolition, building permits, sewage impost, municipal levies, hydro fees and other similar expenses and temporary utilities;

(e) real property taxes, land transfer taxes, expenses relating to insurance and other operating costs, and necessary surety and other performance bonds; and

(f) financial advisory fees, financing fees, commitment fees and other finance placement costs.

1.1.129 **"Project Lands"** means, collectively, the Big Sky VII Project Lands and the Office Project Lands, or any of them as the context requires or permits.

1.1.130 **"Projects"** means, collectively, the Big Sky VII Project and the Office Project and **"Project"** means any of the foregoing.

1.1.131 **"Provisions"** means the model credit agreement provisions attached as SCHEDULE D.

1.1.132 **"Register"** is defined in section 10(c) of the Provisions.

1.1.133 **"Related Parties"** is defined in the Provisions.

1.1.134 **"Required Lenders"** means Lenders holding, in the aggregate, a minimum of 66 2/3% of the overall Commitments at the relevant time.

1.1.135 **"Restricted Parties"** has the same meaning as Obligors.

1.1.136 **"Schedule"** means the designated schedule of this Agreement.

1.1.137 **"Section"** means the designated section of this Agreement.

1.1.138 **"Security"** means the security held from time to time by or on behalf of the Lenders securing or intended to secure repayment of the Obligations, including the security described in Section 3.1.

1.1.139 **"Senior Debt"** means all Debt of the Borrower less any Debt that is expressly subordinated to payment of the Credits on terms satisfactory to the Lenders.

1.1.140 **"Senior Debt Ratio"** means, at any time, the ratio calculated by dividing (a) Senior Debt at that time by (b) EBITDA for the Borrower's four most recently completed fiscal quarters.

1.1.141 **"Subsidiary"** means, with respect to an Obligor, a subsidiary as defined in *The Business Corporations Act* (Saskatchewan) as of the date of this Agreement, and any partnership or other organization in which the Obligor or any Subsidiary of the Obligor has the right to make or control management decisions.

1.1.142 **"Subordinated Creditors"** means Maple Leaf and any other Person that becomes a subordinated creditor of an Obligor in accordance with this Agreement and otherwise on terms satisfactory to the Required Lenders.

1.1.143 **"Subordinated Obligations"** means all debts, liabilities and obligations (i) of the Borrower to the Subordinated Creditors or (ii) under or in connection with the Subordinated Security.

1.1.144 **"Subordinated Security"** means all security documents and agreements made by the Borrower or any predecessor of the Borrower in favour of the Subordinated Creditors and includes the documents and agreements described on SCHEDULE K.

1.1.145 **"Swap"** means (a) any cap, collar, floor or other option, (b) any forward contract, (c) any swap or contract for differences, (d) any other agreement of a type commonly considered to be a derivative, or (e) any combination of any of those agreements, in each case whether relating to interest, currencies, commodities, securities or otherwise.

1.1.146 **"Taxes"** is defined in the Provisions.

1.1.147 **"Total Interest Expense"** means, for any particular period, without duplication, the aggregate expense incurred by the Borrower on a consolidated basis for interest and equivalent costs of borrowing, including (i) Bankers' Acceptance Fees, (ii) discounts on Bankers' Acceptances, (iii) the interest portion of any capital lease, and (iv) all fees and other compensation paid to any person that has extended Credit to the Obligors other than upfront fees paid to the Agent or Lenders, in each case whether or not actually paid (unless paid by the issuance of securities constituting Debt of the Borrower), and calculated in accordance with GAAP.

1.1.148 **"Tranche 1"** means the part of Credit C that is described as such in Section 2.1.5.

1.1.149 **"Tranche 2"** means the part of Credit C that is described as such in Section 2.1.5.

1.1.150 **"US Dollars"** and **"US $"** mean lawful money of the United States of America.

1.1.151 **"Welfare Plan"** means any medical, health, hospitalization, insurance or other employee benefit or welfare plan, agreement or arrangement applicable to employees of any Obligor.

1.2 Amendment and Restatement

This Agreement is and shall for all purposes be deemed to be an amendment and restatement of the provisions of the Existing Credit Agreement. While this Agreement shall supersede the Existing Credit Agreement insofar as it constitutes the entire agreement between the parties concerning the subject matter of this Agreement, this Agreement merely amends and restates the Existing Credit Agreement and does not constitute or result in a novation or rescission of the Existing Credit Agreement, the existing Security or any other Loan Document.

The parties confirm that none of the Advances pursuant to the Existing Credit Agreement has been repaid or replaced by new obligations as a result of this Agreement. All such Advances shall be deemed to be Advances under this Agreement as more specifically provided in Section 2.3 and all of the Obligations (as defined in the Existing Credit Agreement) shall be deemed to be Obligations under this Agreement.

Without in any way limiting the terms of the Existing Credit Agreement or the other Loan Documents, the Obligors confirm that the existing Security shall continue to secure all of the Obligations and Other Secured Obligations (or such part of them as is described in any particular document forming part of the Security), including those arising as a result of this Agreement. Any references in the Security or other Loan Documents to the Existing Credit Agreement or section numbers in the Existing Credit Agreement shall be interpreted as referring to this Agreement and the corresponding Sections of it.

Certain defined terms used in the Existing Credit Agreement, including "Credit Documents," "Proportionate Share" and "Restricted Parties," have generally been replaced in this Agreement by equivalent terms used in the Provisions, but the terms used in the Existing Credit Agreement may continue to be used in the Security and other Loan Documents. It is intended that the equivalent terms are interchangeable and, without limiting that statement, that the debts, liabilities and obligations of the Restricted Parties that may be described in the Security are the same as those of the Obligors described in this Agreement.

1.3 Confirmation of Security

1.3.1 Each Obligor hereby (i) acknowledges that it has received a copy of this Agreement; and (ii) consents to the amendments to the Existing Credit Agreement and the restatement of the Existing Credit Agreement as so amended as set forth in this Agreement.

1.3.2 Each Obligor hereby confirms and agrees that the Security executed by it (or any of its predecessor entities, if applicable) continues to secure all of the debts, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, at any time due or accruing due of each such Obligor under or in connection with the Loan Documents to which it is a party.

1.3.3 Each Obligor hereby confirms and agrees that the Security and the other Loan Documents executed by it (or any of its predecessor entities, if applicable) in connection with the Existing Credit Agreement continue to be valid and enforceable against it in accordance with their respective terms as of the date hereof.

1.3.4 The Agent and each Obligor acknowledge, confirm and agree, with respect to the Security to which the Agent and such Obligor (including as a consequence of being a successor entity to a predecessor party thereto) is a party, as follows:

(a) such Security accurately describes and contains the mutual understandings of the parties thereto with respect to the matters provided for therein; and

(b) other than this Agreement, there are no oral or written statements or agreements or courses of prior dealings among the parties to such Security, or any predecessor parties thereto, that would modify, amend, vary or override any of the covenants, agreements, terms or conditions of such Security.

1.3.5 Notwithstanding the amendment and restatement of the Existing Credit Agreement by way of the execution and delivery of this Agreement or the execution and delivery of any additional Loan Documents in connection with this Agreement, each Obligor hereby irrevocably and unconditionally (i) acknowledges, confirms and agrees that the Security executed and delivered by it (or any of its predecessor entities, if applicable), and all of the covenants, agreements, obligations and liabilities of such Obligor under such Security are hereby ratified and confirmed, remain in full force and effect, and continue to constitute valid, binding and enforceable covenants, agreements, obligations and liabilities of such Obligor, and (ii) ratifies, confirms and agrees to perform, observe, comply with and be bound by each and every covenant, agreement, term, condition, undertaking, appointment, duty, guarantee, indemnity, debt, liability, obligation and security interest contained in, existing under or created by the Security executed and delivered by it (or any of its predecessor entities, if applicable).

1.3.6 Without limiting Section 1.3.5, notwithstanding this amendment and restatement of the Existing Credit Agreement, and notwithstanding any future amendment, supplement, restatement or replacement of this Agreement, any clause in the Security or any other Loan Document providing that if default is made in the payment of money due thereunder or in the observance of a covenant contained therein, the payment of other portions of the principal money may be accelerated shall remain in full force and effect, unamended, except as expressly provided in this Agreement or any such future document.

1.3.7 Sections 1.3.2 to 1.3.6 inclusive do not apply to the Security to the extent any part of it has been expressly released in writing by the Agent on behalf of the Lenders before the date of this Agreement.

ARTICLE II
THE CREDITS

2.1 Amounts and Availment Options

2.1.1 Upon and subject to the terms and conditions of this Agreement, the Lenders agree to continue to provide a Credit for the use of the Borrower in the amount of up to $4,500,000, designated as Credit A1. Subject to Sections 5.1 and 5.2, Advances under Credit A1 will be made solely by BNS. At the option of the Borrower, Credit A1 may be used by incurring overdrafts in its

Canadian Dollar and US Dollar accounts with BNS, which shall be deemed to be Prime Rate Advances and Base Rate Advances by BNS, respectively.

2.1.2 Upon and subject to the terms of this Agreement, the Lenders agree to provide a Credit for the use of the Borrower in the amount of up to $20,000,000, designated as Credit A2. At the option of the Borrower, Credit A2 may be used by requesting that Prime Rate Advances or Base Rate Advances be made by the Lenders, by presenting orders to the Lenders for acceptance as Bankers' Acceptances or by requesting that the Issuing Bank issue L/Cs on behalf of all Lenders, provided however, that the aggregate face amount of L/Cs outstanding under Credit A at any time shall at no time exceed $2,500,000 or the US Dollar equivalent thereof.

2.1.3 The aggregate amount of Base Rate Advances outstanding under Credit A1 and Credit A2 at any time shall not exceed US$5,000,000 and the aggregate amount of all outstanding Advances under Credit A1 and Credit A2 shall not at any time exceed the amount of the Borrowing Base at that time.

2.1.4 Upon and subject to the terms and conditions of this Agreement, the Lenders agree to continue to provide a Credit for the use of the Borrower in the amount of up to $41,662,047 referred to as Credit B. At the option of the Borrower, Credit B may be used by requesting that Prime Rate Advances be made by the Lenders or by presenting orders to the Lenders for acceptance as Bankers' Acceptances.

2.1.5 Upon and subject to the terms and conditions of this Agreement, the Lenders agree to provide a Credit for the use of the Borrower in the amount of up to $20,000,000, which will be available in a tranche of $12,000,000 designated as "Tranche 1" and a tranche of $8,000,000 designated as "Tranche 2" and is collectively referred to as Credit C. At the option of the Borrower, Credit C may be used by requesting that Prime Rate Advances be made by the Lenders or by presenting orders to the Lenders for acceptance as Bankers' Acceptances. Advances under Tranche 1 shall, in any event, not exceed 60% of the Project Costs incurred for the Projects, taken as a whole. Advances under Tranche 2 shall, in any event, not exceed 54% of the total cost of the Processing Investment.

2.2 Reborrowing

Credit A is a revolving Credit and the principal amount of any Advance under Credit A that is repaid may be reborrowed, if the Borrower is otherwise entitled to an Advance under Credit A. Credit B is a non-revolving Credit and the principal amount of any Advance under Credit B that is repaid may be not reborrowed. Credit C is a non-revolving Credit and the principal amount of any Advance under Credit C that is repaid may be not reborrowed.

2.3 Use of Credits

Credit A shall be used to finance the general corporate requirements of the Borrower, including the continuation of Advances under Credit A of the Existing Credit Agreement. Credit B has been fully advanced as Credit B under the Existing Credit Agreement. Tranche 1 of Credit C will be available in accordance with Sections 2.1.5 and 4.2 for the purpose of financing the Projects. Tranche 2 of Credit C will be available in accordance with Sections 2.1.5 and 4.3 for the purpose of financing the Processing Investment and any other use of Credit C shall be subject to the unanimous consent of the Lenders.

2.4 Term and Repayment

2.4.1 Credit A shall be repaid in full and cancelled on 30 October 2006, unless it is extended on or before that date at the discretion of the Lenders. The Borrower may request extensions annually. Extensions will be granted at the discretion of the Lenders and at no time shall the unexpired term of Credit A be more than 364 days. Credit A shall be repaid in full and cancelled at the end of the term of the extension, unless a further extension is granted.

2.4.2 Credit B shall be repaid and permanently reduced by monthly principal instalments of $460,000 each on the last Business Day of each month. Credit B shall, in any event, be repaid in full and cancelled on or before the date that is 5 years from the date of this Agreement.

2.4.3 If Tranche 1 of Credit C is advanced, Credit C shall be repaid and permanently reduced by monthly principal instalments of $100,000 each on the last Business Day of each month beginning in the month after the month in which the initial Advance under Tranche 1 is made. If Tranche 2 of Credit C is advanced, the monthly principal instalments shall be increased to $170,000 each on the last Business Day of each month, beginning in the month after the month in which the final Advance under Tranche 2 is made or unadvanced portions under Tranche 2 are cancelled in accordance with Section 4.3.2. Credit C shall, in any event, be repaid in full and cancelled on or before the date that is 5 years from the date of this Agreement.

2.4.4 In addition to the scheduled repayments and reductions, the aggregate amounts outstanding under Credit B and, once fully advanced, Credit C shall be repaid and permanently reduced by 25% of Excess Cash Flow at the end of each fiscal year of the Borrower. Such payments shall be applied to Credit B and Credit C pro rata. Payments from Excess Cash Flow shall be made annually not later than 120 days after the end of the Borrower's fiscal year and shall be applied against scheduled repayments and reductions in inverse order of due date.

2.4.5 Prepayment of Credit B or Credit C other than as required above is permitted at any time subject to a premium of six months' interest on the amount prepaid if the prepayment is funded with advances obtained from one or more banks or other institutional lenders, or if the Borrower establishes credit facilities for itself or an Affiliate with one or more banks or other institutional lenders at or about the time of the prepayment. The premium shall be calculated based on the rate applicable to Prime Rate Advances at the time of prepayment.

2.5 Interest Rates and Fees

Interest rates, Bankers' Acceptance Fees and fees for issued and outstanding L/Cs will be adjusted based on the Senior Debt Ratio and will be as follows:

Senior Debt Ratio	Prime Rate + Base Rate + (per annum)	Bankers' Acceptance Fee and fee for L/Cs (per annum)
≤ 4.00:1	1.50%	2.50%
≤ 3.50:1	1.25%	2.25%
≤ 3.00:1	1.00%	2.00%
≤ 2.50:1	0.75%	1.75%
≤ 2.00:1	0.50%	1.50%
≤ 1.50:1	0.25%	1.25%

The rates above will be effective on the date hereof, before which the rates specified in the Existing Credit Agreement will apply. Any increase or decrease in the interest rates, fees and commissions resulting from a change in the Senior Debt Ratio shall be effective as of the last day on which a Compliance Certificate could be delivered on time, except that if a Compliance Certificate is late, any resulting decrease shall be effective only as of the date that a satisfactory Compliance Certificate is actually received by the Agent. Bankers' Acceptance Fees paid before the effective date of an increase or decrease will not be adjusted. Subject to Sections 5.1 and 5.2, all interest and fees in respect of Advances under Credit A1 are payable solely to BNS for its own account. All interest and fees in respect of Advances under Credit A2, (other than the Fronting Fee and the other customary fees described below which shall be retained by the Issuing Bank for its own account), shall be distributed promptly by the Agent to the Lenders in accordance with their respective Applicable Percentages of Credit A2, as adjusted pursuant to Section 5.2. Interest rates, fees and commissions payable by the Borrower after an Event of Default occurs and while it is continuing shall be the highest rate specified above, plus 2.00% per annum. In addition to the foregoing L/C fees, the Borrower shall pay a fronting fee ("**Fronting Fee**") to the Issuing Bank in an amount equal to 0.125% per annum on the face amount of each L/C, payable quarterly in arrears, as well as customary administrative, issuance, amendment, payment and negotiation fees.

2.6 Standby Fees

The Borrower shall pay standby fees on the daily unadvanced portions of Credit A and Tranche 1 and Tranche 2 of Credit C at a rate per annum that will be adjusted based on the Senior Debt Ratio and will be as follows:

Senior Debt Ratio	Rate
≤ 4.00:1	0.500%
≤ 3.50:1	0.375%
≤ 3.00:1	0.375%
≤ 2.50:1	0.25%
≤ 2.00:1	0.25%
≤ 1.50:1	0.125%

The rates above will be effective on the date hereof, before which the rates specified in the Existing Credit Agreement will apply and the standby fees shall be calculated on unadvanced amounts under the Existing Credit Agreement. Any increase or decrease in the standby fees resulting from a change in the Senior Debt Ratio shall be effective as of the last day on which a Compliance Certificate could be delivered on time, except that if a Compliance Certificate is late, any resulting decrease shall be effective only as of the date that a satisfactory Compliance Certificate is actually received by the Agent. The standby fees shall be calculated daily and shall be payable on the first Business Day of each month in respect of the preceding calendar month. Upon any voluntary prepayment and upon final payment of the Obligations under Credit A and/or cancellation of all or a portion of Tranche 1 or Tranche 2 without it being advanced, the Borrower shall also pay the accrued standby fees for the elapsed portion of the month in which the payment and/or cancellation is made. Subject to Sections 5.1 and 5.2, standby fees in respect of Credit A1 shall be payable solely to BNS for its own account. Standby fees in respect of Credit A2 shall be distributed promptly by the Agent to the Lenders in accordance with their respective Applicable Percentages of Credit A2, as adjusted pursuant to Section 5.2.

2.7 Other Fees

The Borrower shall, concurrently with the execution of this Agreement, pay a non-refundable upfront fee to each Lender in the amount of 0.25% of its Commitment relating to Credit C and pay a non-refundable amendment fee to each Lender in the amount of 0.10% of its Commitments relating to Credit A and Credit B.

The Borrower shall also pay annual agency and other fees to the Agent in accordance with the Fee Agreement.

2.8 Exchange Rate and Borrowing Base Fluctuations

If fluctuations in rates of exchange in effect between Canadian Dollars and US Dollars cause the amount of Advances (expressed in Canadian Dollars based on the Exchange Rate in effect from time to time) to the Borrower under Credit A to exceed the maximum amount of that Credit permitted herein by one percent or more at any time, the Borrower shall pay the Lenders immediately on demand such amount as is necessary to repay the excess. If the amount of Advances outstanding to the Borrower under Credit A exceeds the amount of the Borrowing Base at that time, the Borrower shall immediately pay the Lenders the excess. If the Borrower is unable to immediately pay that amount because Bankers' Acceptances have not matured or L/Cs are outstanding, the Borrower shall, immediately on demand, post Cash Collateral in the amount of the excess, which shall form part of the Security and be held until the amount of the excess is paid in full or, in the case of a fluctuation in rates of exchange, is less than one percent.

ARTICLE III
SECURITY

3.1 Security

3.1.1 The Security includes the following, all in form and substance satisfactory to the Lenders and subject only to Permitted Encumbrances:

(a) security over all present and future Property of each Obligor in the form of a $100,000,000 demand debenture in favour of the Agent for the benefit of the Lenders secured by a security interest and a fixed charge over all freehold and leasehold real property and a security interest over all equipment, inventory and other Property, together with other security documents that may be appropriate for other jurisdictions in which the Obligor has Property from time to time, including a general security agreement for use in the United States;

(b) pledges in favour of the Agent for the benefit of the Lenders of all Capital Stock of the Obligors other than the Borrower that are owned by the Obligors (including the Borrower) from time to time;

(c) pledges in favour of the Agent for the benefit of the Lenders of all Capital Stock of persons other than Obligors that are owned by the Obligors from time to time;

(d) unconditional guarantees of the Obligations by each of the Obligors (other than the Borrower) which shall be unlimited except for limits imposed by Applicable Law;

(e) first-ranking assignments of life insurance having a face value of $1,000,000 in respect of each of Florian Possberg and Michael Deutscher; and

(f) specific assignments of the Borrower's interests under:

(i) the lease back and the put/option agreement forming part of the Nursery Transaction Agreements;

(ii) the Finishers (No. 1) Agreements;

(iii) the lease back and the put/option agreement agreement forming part of the Matsalla Transaction Agreements;

(iv) such present or future material contract finishing arrangements as the Agent may reasonably request from time to time; and

(v) such present or future Processing Investment Contracts as the Agent may reasonably request from time to time.

3.1.2 If at any time the Borrower owns, establishes or acquires a Subsidiary that is wholly owned by the Borrower, directly or indirectly, the Borrower shall immediately cause that Subsidiary to become an Obligor, adopt this Agreement by delivering an agreement in the form of SCHEDULE C so as to be bound by all of the terms applicable to Obligors as if it had executed this Agreement as an Obligor, and deliver a guarantee and other security documents similar to those delivered by the other Obligors, which shall become part of the Security. The Borrower shall also deliver or cause the delivery of a pledge of all of the Capital Stock of the new Subsidiary as part of the Security and cause the delivery of such legal opinions and other supporting documents as the Agent may reasonably require.

3.1.3 If at any time an Obligor owns or obtains an interest in a person that is not a wholly owned Subsidiary, the Borrower shall cause that interest to immediately be pledged as part of the Security and cause the delivery of such legal opinions and other supporting documents as the Agent may reasonably require.

3.1.4 Notwithstanding the foregoing:

(a) as set forth in Section 7.5.3(d), no Subsidiary may be established or acquired by any Obligor without the prior written consent of the Lenders except as permitted in Sections 3.1.4(b), 3.1.4(c) or 3.1.4(d);

(b) the Borrower need not comply with Section 3.1 with respect to its investments in:

(i) SPI Marketing Group Inc. as long as the nature of SPI Marketing Group Inc.'s business (being a co-operative marketing agency for Saskatchewan hog producers) and the basis of the Borrower's investment (by which shares are issued to it annually based on the number of hogs it markets through SPI Marketing Group Inc.) remain substantially unchanged; or

(ii) 101015902 Saskatchewan Ltd., as long as the nature of 101015902 Saskatchewan Ltd.'s business is to hold stock options and related rights as trustee for directors, officers, employees and/or consultants of the Obligors and it does not otherwise beneficially own any material Property;

(c) an Obligor need not comply with Section 3.1 with respect to any wholly-owned Subsidiary that does not, and is not intended to, carry on any business or beneficially own any Property (such as a Subsidiary established to bid on a new Contract), but such Obligor shall promptly notify the Agent of any such Subsidiary and shall comply with Section 3.1 if the Required Lenders require it to do so; and

(d) an Obligor need not comply with Section 3.1 with respect to any Capital Stock of a Person that is not directly or indirectly wholly-owned by such Obligor if the value of such Capital Stock is less than $500,000.

3.1.5 In order to perfect the Security, the Borrower shall, in consultation with the Agent, and as directed by the Agent in the case of any uncertainty:

(a) concurrently with the execution of any document forming part of the Security, arrange to register, file or record the document and/or, if applicable, financing statements or other prescribed statements in respect thereof, and take other actions, as may from time to time be necessary or desirable in perfecting, preserving or protecting the Security, wherever such registration, filing, recording or other action may be necessary or desirable;

(b) whenever necessary or desirable, including in the circumstances contemplated in Section 7.5.4, arrange to renew or amend such registrations, filings and recordings and make additional registrations, filings and recordings and take other actions as are necessary or desirable to maintain the Security as valid and effective security with the priority required by this Agreement;

(c) promptly after taking any action contemplated in this Section 3.1.5, cause documents, including opinions of counsel satisfactory to the Agent, to be delivered to the Agent evidencing such action and confirming that the provisions of this Section have been complied with.

3.2 Obligations Secured by the Security

Unless otherwise agreed by the Lenders among themselves, the documents constituting the Security shall secure the following obligations:

(a) the Obligations; and

(b) the present and future debts, liabilities and obligations to any Lender (collectively, the "Other Secured Obligations") under or in connection with (i) cash consolidation arrangements and credit cards, (ii) other transactions not made under this Agreement if it is agreed by the Borrower and the Agent acting on the instructions of the Required Lenders that such debts, liabilities and obligations shall be secured, (iii) Swaps to provide for the exchange of floating interest rate obligations by the Borrower for fixed interest rate obligations and (iv) Swaps to exchange Canadian Dollars to US Dollars, or vice versa, or to exchange Canadian Dollars or US Dollars to the lawful currency of another country, or vice versa.

As between the Lenders, the Security shall secure the Obligations in priority to the Other Secured Obligations, but the Security for both shall rank in priority to the Subordinated Security.

As of the date of this Agreement, the Other Secured Obligations are those listed in SCHEDULE G. The Lenders and the Borrower shall promptly notify the Agent of the incurrence or termination of Other Secured Obligations from time to time if SCHEDULE G would be affected as a result. The Agent may from time to time prepare and provide the Lenders and the Borrower with a revision of SCHEDULE G to reflect changes in the Other Secured Obligations, but the Agent's failure to do so shall not affect the security for the Other Secured Obligations if it has been agreed in accordance with this Section that they shall be secured by the Security. Other Secured Obligations listed on SCHEDULE G from time to time shall be conclusively deemed to be secured by the Security (in the absence of manifest error) and shall not cease to be secured without the prior written consent of the respective Lenders to whom the Other Secured Obligations are owed. If the Obligations have been indefeasibly paid in full, the Lenders will release their interest in the Security upon receiving Cash Collateral to secure the Other Secured Obligations, in an amount satisfactory to the Lenders to whom Other Secured Obligations are owed, acting reasonably.

Notwithstanding the rights of Lenders to benefit from the Security in respect of the Other Secured Obligations, all decisions concerning the Security and the enforcement thereof shall be made by the Lenders or the Required Lenders in accordance with this Agreement. No Lender holding Other Secured Obligations from time to time shall have any additional right to influence the Security or the enforcement thereof as a result of holding Other Secured Obligations as long as this Agreement remains in force. However, the Other Secured Obligations shall continue to be secured by the Security notwithstanding the termination of this Agreement by reason of payment of the Credits, or for any other reason. After the termination of this Agreement, decisions concerning the Security shall be made by the holders of Other Secured Obligations as they may determine among themselves.

ARTICLE IV
DISBURSEMENT CONDITIONS

4.1 Conditions Precedent to Obligations of Lenders

The obligations of the Lenders under this Agreement shall not be effective until the Agent, for and on behalf of the Lenders, has received the following, each in full force and effect and in form and substance satisfactory to the Lenders (unless delivery has been waived in accordance with Section 9.3.2):

4.1.1 Other Debt and Encumbrances - **The Agent shall have received:**

(a) certified copies of all documents necessary to fully and fairly disclose all material terms of the Subordinated Security and the Subordinated Obligations (the terms of which must be satisfactory to the Lenders);

(b) certified copies of all documents necessary to fully and fairly disclose all material terms of the Hog Loan Agreement (the terms of which must be satisfactory to the Lenders);

(c) evidence that all Debt of the Obligors not forming part of Permitted Obligations have been or will be paid and performed in full concurrently with the first Advance and that all security held in connection therewith has been or will be promptly released; and

(d) releases, discharges and postponements (in registrable form where appropriate) covering all Encumbrances affecting the collateral Encumbered by the Security which are not Permitted Encumbrances, and all statements and acknowledgments that are reasonably required in respect of other security interests affecting the Property of the Obligors or other parties delivering Security to confirm that the collateral Encumbered by those Encumbrances does not include the collateral Encumbered by the Security or is a Permitted Encumbrance.

4.1.2 **Financial Information** - The Agent shall have received:

(a) a Compliance Certificate for the fiscal period ended 30 June 2006; and

(b) a current Borrowing Base Certificate.

4.1.3 Security and Other Documents - **The Agent shall have received:**

(a) duly executed copies of this Agreement and the Security, duly registered as required;

(b) certificates representing the Pledged Shares, and executed stock powers of attorney relating to those certificates;

(c) certificates of insurance or other evidence that the covenants and conditions of the Loan Documents concerning insurance coverage are being complied with;

(d) the Fee Agreement;

(e) consents in respect of the Security from landlords of leasehold real property designated by the Lenders in which any Obligor carries on business;

(f) certified copies of all Contracts relating to the Subordinated Obligations required to fully and fairly disclose all material terms of the Subordinated Obligations;

(g) the Intercreditor Agreements or other arrangements providing for subordination of the rights of the Subordinated Creditors;

(h) certified copies of all documents necessary to fully and fairly disclose all material terms of all contract finishing arrangements specifically assigned pursuant to Section 3.1.1(f)(iv), the Nursery Transaction Agreements, the Nursery NDA, the Finishers No. 1 Agreements, the offering of securities by Finishers and the loans obtained by Finishers in connection with the transactions described in the Finishers No. 1 Agreements, the Finishers NDA, the Matsalla Transaction Agreements, the Matsalla NDA and the loan obtained by PHPLP in connection with the transactions described in the Matsalla Transaction Agreements; and

(i) consents from PHPLP, Canadian Imperial Bank of Commerce and other Persons relating to the Security.

4.1.4 Corporate and Other Information - **The Agent shall have received:**

(a) a certificate of each Obligor with copies of its Constating Documents, a list of its officers and directors with specimens of the signatures of those who are executing Loan Documents on its behalf, and copies of the corporate proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents;

(b) evidence that the delivery of Loan Documents will not contravene Applicable Law governing financial assistance or other similar laws which affect the Loan Documents; and

(c) consents that are required from the directors, shareholders or partners of the Obligors or other persons, either in connection with the pledges of Pledged Shares or in connection with any disposition of the Pledged Shares pursuant to the Security.

4.1.5 Opinions - **The Agent shall have received:**

(a) the opinion of Robertson Stromberg, counsel to the Lenders, addressed to the Agent and the Lenders; and

(b) the opinion of McKercher McKercher & Whitmore, counsel to the Borrower, addressed to Robertson Stromberg, the Agent and the Lenders.

4.1.6 Other Matters - **The following conditions must also be satisfied:**

(a) the Borrower must have paid the upfront fee relating to Credit C to the Lenders in accordance with Section 2.7;

(b) the Borrower must have paid the amendment fee relating to Credit A and Credit B to the Lenders in accordance with Section 2.7;

(c) the Lenders must be satisfied with the corporate structure for the Obligors;

(d) the Lenders must be satisfied with their due diligence with respect to the Obligors and their Property, including without limitation due diligence with respect to industry, environmental, financial, tax, legal, benefits and insurance matters;

(e) the Lenders shall have received satisfactory evidence that all required approvals, certificates and Permits are in place in connection with the environmental requirements for the location and operation of the Borrower's existing hog production units; and

(f) the Agent shall have received such other documents as the Lenders may reasonably require.

4.1.7 **Additional Conditions Precedent** - Documents delivered in connection with the Existing Credit Agreement need not be delivered again in connection with this Agreement if they have not been amended since then and do not require confirmation.

4.2 Conditions Precedent to Advances under Tranche 1 of Credit C

4.2.1 **Funding of the Projects** In addition to the other conditions precedent specified in this Agreement, the Lenders' obligation to make any Advance under Tranche 1 for the purpose of funding either of the Projects, respectively, is subject to the Agent, for and on behalf of the Lenders, having received the following with respect to each such Project, each in full force and effect and in form and substance satisfactory to the Lenders, unless delivery has been waived in accordance with Section 9.3.2:

(a) true copies of firm written Construction Contracts covering at least 75% of the cost of the Project;

(b) true copies of all Approvals necessary for the construction and operation of the Project;

(c) evidence that the size, location and use of the Project when constructed on the Project Lands will comply with the Plans and Specifications and that the Plans and Specifications comply with all Approvals and Applicable Laws applicable to the Project Lands and the Project;

(d) evidence that all levies, impost fees, local improvement and development charges and all other similar charges in respect of or affecting the Project have been paid in full, or that provision has been made for the full payment of all such levies, fees and charges in the Project Budget for the Project;

(e) true copies of (i) the Project Budget for the Project and (ii) the Plans and Specifications for the Project in final form and, once 80% of the amount of Tranche 1 available for use in connection with the Project has been advanced, prior to any further Advances being available under Tranche 1 in connection with the Project, an up-to-date as-built survey of the Project Lands relating to such Project which shall, at a minimum, identify the location of all structures and erections under construction on the Project Lands for the Project;

(f) evidence that the unadvanced portion of Tranche 1 is equal to or greater than the sum of (i) the estimated Project Costs required to complete the Projects, (ii) all trade payables in connection with the Projects and (iii) all unfunded Construction Liens or other statutory holdbacks in connection with the Projects;

(g) evidence that the Borrower has, or will have generated from cash flow from operations, all funds necessary to complete the Project as and when required to the extent not otherwise to be funded by Tranche 1;

(h) evidence that there are no Construction Liens registered against the Project Lands;

(i) evidence that the Borrower has complied with all requirements of *The Builders' Lien Act* (Saskatchewan) and that it is maintaining all necessary holdbacks to satisfy Construction Liens;

(j) evidence that all required approvals, certificates and Permits are in place in connection with the environmental requirements for the location and operation of the Project; and

(k) a certificate of the Borrower in the form attached as Schedule L at least five Business Days before the Drawdown Date.

4.2.2 **Additional Obligations Regarding Funding of the Projects.** The Lenders' obligation to make any Advances under Tranche 1 in connection with each of the Projects is also subject to the Agent or its construction consultant, if any is appointed pursuant to Section 7.2.5(h), being satisfied with the following:

(a) that it has not received written notice of any Construction Lien in connection with the Project;

(b) the Plans and Specifications for the Project;

(c) the Project Budget for the Project, including, without limitation, the accounting for contingencies, including interest costs, the construction timetable and the draw schedules set forth therein;

(d) that Project Completion of the Project can be achieved within the budgeted costs as set out in the applicable Project Budget;

(e) all Construction Contracts and bonds for the Project; and

(f) unless otherwise funded by Advances under Tranche 1, that the Borrower shall have provided all funds necessary to complete the Project from its own resources as and when required for the timely, due and proper completion of the Project and as and when demanded by the Agent, including, without limitation, the funding of any cost overruns in the Project Budget, the funding of any shortfall for the financing of the Project and the funding of any Construction Contract change orders or additions in connection with the Project.

4.2.3 **Deadline for Advance.** The initial Advance under Tranche 1 must be made on or before 31 December 2006, failing which Tranche 1 may be terminated at the option of any of the Lenders unless, before that date, other persons identified by the Borrower and satisfactory to the remaining Lenders have agreed to become Lenders in place of those Lenders who are unwilling to continue beyond that date.

4.3 Conditions Precedent to Advances under Tranche 2 of Credit C

4.3.1 **Funding of the Processing Investment.** In addition to the other conditions precedent specified in this Agreement, the Lenders' obligation to make any Advance under Tranche 2 for the purpose of funding the Processing Investment is subject to the Agent and the Lenders having completed or received the following with respect to any stage of the Processing Investment, each in full force and effect and in form and substance satisfactory to the Lenders, unless delivery has been waived in accordance with Section 9.3.2:

(a) due diligence in respect of the Processing Investment, including without limitation due diligence with respect to industry, environmental, financial, tax, legal, benefits and insurance matters, and the results are satisfactory to the Agent and the Lenders in their sole and absolute discretion;

(b) certified copies of all Processing Investment Contracts and all documents reasonably requested by the Agent disclosing all material terms of other arrangements entered into by Persons other than the Borrower under or in connection with the Processing Investment, the terms of which must be satisfactory to the Lenders;

(c) evidence that each stage of the Processing Investment is completed concurrently with the requested Advance under Tranche 2;

(d) evidence that no Default has occurred and is continuing, or would result from the Processing Investment;

(e) compliance by the Borrower with Sections 3.1.1(c) and 3.1.1(f)(v) concurrently with each stage of the Processing Investment, and delivery of certificates representing the additional GSF Pledged Shares, and executed stock powers of attorney relating to such GSF Pledged Shares;

(f) consents and agreements relating to the Security, including without limitation that described in Sections 3.1.1(c) and 3.1.1(f)(v);

(g) a certificate of the Borrower demonstrating *pro forma* compliance with the financial covenants contained in this Agreement following completion of the Processing Investment;

(h) a schedule setting forth the estimated timing of the requested and proposed future Advances under Tranche 2;

(i) unless otherwise funded by Advances under Tranche 2, satisfaction that the Borrower shall have provided all funds necessary to complete the Processing Investment from its own resources as and when required for the timely, due and proper completion of the Processing Investment and as and when demanded by the Agent;

(j) a certificate of the Borrower in the form attached as Schedule M, or such other form as may be approved or required by the Agent, at least five Business Days before the Drawdown Date; and

(k) such further and other documents and opinions as the Lenders may reasonably require.

4.3.2 **Deadline for Advance and Termination of Advances.** The initial Advance under Tranche 2 must be made on or before 31 December 2007, failing which Tranche 2 may be terminated at the option of any of the Lenders unless, before that date, other persons identified by the Borrower and satisfactory to the remaining Lenders have agreed to become Lenders in place of those Lenders who are unwilling to continue beyond that date. Advances under Tranche 2 will not be available after 31 December 2008 and any unadvanced portion of Tranche 2 not advanced by such date will be cancelled.

4.4 Conditions Precedent to all Advances

The obligation of the Lenders to make any Advance is subject to the conditions precedent that:

(a) no Default has occurred and is continuing on the Drawdown Date, or would result from making the Advance;

(b) the Agent has received timely notice as required under Section 5.6; and

(c) all other terms and conditions of this Agreement upon which an Advance may be obtained are fulfilled.

ARTICLE V
ADVANCES

5.1 Lenders' Obligations Relating to L/Cs and Credit A

Notwithstanding that L/Cs under Credit A2 are issued by the Issuing Bank on behalf of the other Lenders, subject to the following paragraph, it is the intention of the parties that the credit risk and exposure of any Lender be in accordance with its

Applicable Percentage of Credit A2. Each Lender shall (and hereby absolutely, unconditionally and irrevocably agrees to) indemnify the Issuing Bank for that Lender's Applicable Percentage under Credit A2 of any payment made by the Issuing Bank in respect of an L/C for which the Issuing Bank is not immediately reimbursed by the Borrower, and shall do all such things, including assignments to other Lenders of Advances made by the Issuing Bank, as shall be required to ensure that result. Any such action on the part of the Lenders shall be binding on that Borrower. If the rating of the non-credit-enhanced senior debt of any Lender by Standard & Poor's Corporation or Moody's Investors Services Inc. is at any time less than "A" or "A2" respectively, that Lender shall, if requested by the Issuing Bank, provide Cash Collateral (in a form satisfactory to the Issuing Bank acting reasonably) to secure that Lender's obligations under this clause.

Notwithstanding that Advances under Credit A1 are for the time being made by BNS and its participation in Advances under Credit A2 is reduced in accordance with Section 5.2, it is the intention of the parties that the ultimate credit risk and exposure of any Lender in respect of all Credits be in accordance with its Applicable Percentage of the entire amount of all Credits. Accordingly, upon the Obligations becoming due and payable under Section 8.2, each Lender shall (and hereby absolutely, unconditionally and irrevocably agrees to) do all such things, including assignments to other Lenders of Advances made by BNS under Credit A1 or assignments to BNS of Advances made by other Lenders under Credits A2, as shall be required to ensure that result. Any such action on the part of the Lenders shall be binding on the Borrower.

If any Lender fails to take the actions required under this Section, the Agent may, without prejudice to the other rights of the Lenders, make such adjustments to the payments to the defaulting Lender under this Agreement as are necessary to compensate the other Lenders for the defaulting Lender's failure.

5.2 Adjustment of Applicable Percentages for Specific Credits

While BNS is the sole Lender making Advances under Credit A1, its participation in Advances and payments (including standby fees) under Credit A2 shall be reduced and shall be adjusted by the Agent from time to time, having regard to the amounts outstanding or committed under Credits A1 and A2 so that the aggregate of the Advances it has made or committed to make under those Credits reflects as closely as reasonably possible its overall Applicable Percentage of those Credits. The Agent shall amend SCHEDULE E to this Agreement and distribute it to all parties from time to time to reflect such adjustments.

5.3 Exceptions Regarding Credit A

Subject to the provisions of Section 5.1 regarding the assignment of interests under Credit A1 in the event of acceleration of payment of the Obligations, the provisions of this Agreement do not apply to Credit A1 to the extent that the provisions contemplate the participation in advances and payments under Credit A1 by any Lender other than BNS. All Advances under Credit A1 shall be made solely by BNS and records concerning Advances under Credit A1 shall be maintained solely by BNS. All payments of principal, interest, fees and other amounts relating to Advances under Credit A1 shall be made solely to BNS in Saskatoon or at such other place as BNS may designate from time to time. Notice and minimum amount requirements for Advances shall not apply to Advances by way of overdraft under Credit A1. In connection with Advances by way of overdraft under Credit A1, BNS shall ascertain the position or net position of the Borrower's Canadian and US dollar accounts at the close of business daily. If the Canadian dollar position or net position is a debit in favour of BNS, the debit will (if the Borrower is entitled to an Advance) be deemed to be a Prime Rate Advance under Credit A1 in the amount of the debit. If the US dollar position or net position is a debit in favour of BNS, tne debit will (if the Borrower is entitled to an Advance) be deemed to be a Base Rate Advance under Credit A1 in the amount of the debit. If a position or net position is a Credit in favour of the Borrower, the Credit will be deemed to be a repayment of Prime Rate Advances or Base Rate Advances, as the case may be, under Credit A1 in the amount of the credit.

5.4 Evidence of Indebtedness

The Obligations resulting from Prime Rate Advances and Base Rate Advances made by the Lenders shall be evidenced by records maintained by the Agent, and by each Lender concerning those Advances it has made. The Agent shall also maintain records of the Obligations resulting from Advances by way of Bankers' Acceptances and L/Cs, and each Lender shall also maintain records relating to Bankers' Acceptances that it has accepted. The Issuing Bank shall also maintain records relating to L/Cs that it has issued. The records maintained by the Agent, and by the Issuing Bank relating to L/Cs, shall constitute, in the absence of manifest error, prima facie evidence of the Obligations and all details relating thereto. The failure of the Agent or any Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of the Borrower to pay the Obligations in accordance with this Agreement.

5.5 Conversions

Subject to the other terms of this Agreement, the Borrower may from time to time convert all or any part of the outstanding amount of any Advance into another form of Advance permitted by this Agreement.

5.6 Notice of Advances and Payments

The Borrower shall give the Agent irrevocable written notice, in the form attached as SCHEDULE A to this Agreement, of any request for any Advance to it under the Credits. The Borrower shall also give the Agent irrevocable written notice in the same form of any payment by it (whether resulting from repayment, prepayment, rollover or conversion) of any Advance under the Credits.

Notice shall be given on the third Business Day prior to the date of any Advance or payment, except that notice shall be given in respect of an Advance by way of L/C at such earlier time as the Issuing Bank may reasonably require so that it has sufficient time to review the proposed form of L/C, and except that notice in respect of a Prime Rate Advance, Base Rate Advance or payment thereof may be given on the Business Day preceding the day of any such Advance or payment. Any permanent reduction of any Credit shall only be effective on three Business Days' notice as required by Section 5.7.

Notices shall be given not later than 1:00 p.m. (Toronto time) on the date for notice. Payments (other than those being made solely from the proceeds of rollovers and conversions) must be made prior to 1:00 p.m. (Toronto time) on the date for payment. If a notice or payment is not given or made by those times, it shall be deemed to have been given or made on the next Business Day, unless all Lenders affected by the late notice or payment agree, in their sole discretion, to accept a notice or payment at a later time as being effective on the date it is given or made.

5.7 Prepayments and Reductions

Subject to giving notice required by Section 5.6 and paying the premium described in Section 2.4.5, the Borrower may from time to time repay Advances outstanding under any Credit without penalty, except that Bankers' Acceptances may not be paid prior to their respective maturity dates.

The Borrower may from time to time, by giving not less than three Business Days' express written notice to the Agent and paying all accrued and unpaid standby fees to the effective date of cancellation or reduction, irrevocably notify the Agent of the cancellation of any Credit or of the permanent reduction of the committed amount of any Credit by an amount which shall be a minimum of $1,000,000 and a whole multiple of $100,000. The Borrower shall have no right to any increase in the committed amount of that Credit thereafter.

5.8 Prime Rate and Base Rate Advances

Upon timely fulfilment of all applicable conditions as set forth in this Agreement, the Agent, in accordance with the procedures set forth in Section 5.9, will make the requested amount of a Prime Rate Advance or Base Rate Advance available to the Borrower on the Drawdown Date requested by the Borrower by crediting the Designated Account with such amount. Each Prime Rate Advance or Base Rate Advance under Credit A shall be in an aggregate minimum amount of $500,000 or US $500,000, respectively and in a whole multiple of $100,000 or US $100,000, respectively. Each Prime Rate Advance under Credit B or Credit C shall be in an aggregate minimum amount of $1,000,000 and in a whole multiple of $100,000. The Borrower shall pay interest to the Agent for the account of the Lenders at the Branch of Account on any such Advances outstanding to it from time to time hereunder at the applicable rate of interest specified in Section 2.5.

Interest on Prime Rate Advances and Base Rate Advances shall be payable monthly on each Interest Payment Date. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, as the case may be, to but excluding the date on which interest is payable, both before and after maturity, default and judgment, with interest on overdue interest at the same rate payable on demand.

Interest calculated with reference to the Prime Rate and the Base Rate shall be calculated monthly on the basis of a calendar year. Any rate of interest which is calculated with reference to a period (the "deemed interest period") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

5.9 Co-ordination of Prime Rate and Base Rate Advances

Each Lender shall advance its Applicable Percentage of each Prime Rate and Base Rate Advance in accordance with the following provisions:

(a) the Agent shall advise each Lender of its receipt of a notice from the Borrower pursuant to Section 5.6 on the day such notice is received and shall, as soon as possible, advise each Lender of such Lender's Applicable Percentage of any Advance requested by the notice;

(b) each Lender shall deliver its Applicable Percentage of the Advance to the Agent not later than 11:00 a.m. (Toronto time) on the Drawdown Date;

(c) if the Agent determines that all the conditions precedent to an Advance specified in this Agreement have been met, it shall advance to the Borrower the amount delivered by each Lender by crediting the Designated Account prior to 2:00 p.m. (Toronto time) on the Drawdown Date, but if the conditions precedent to the Advance are not met by 2:00 p.m. (Toronto time) on the Drawdown Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment as orally instructed by each Lender until such time as the Advance is made; and

(d) if the Agent determines that a Lender's Applicable Percentage of an Advance would not be a whole multiple of \$100,000 or US \$100,000, as the case may be, the amount to be advanced by that Lender may be increased or reduced by the Agent in its sole discretion to the extent necessary to reflect the requirements of this sub-paragraph.

5.10 Execution of Bankers' Acceptances

To facilitate the acceptance of Bankers' Acceptances hereunder, the Borrower hereby appoints each Lender as its attorney to sign and endorse on its behalf, as and when considered necessary by the Lender, an appropriate number of orders in the form prescribed by that Lender.

Each Lender may, at its option, execute any order in handwriting or by the facsimile or mechanical signature of any of its authorized officers, and the Lenders are hereby authorized to accept or pay, as the case may be, any order of the Borrower which purports to bear such a signature notwithstanding that any such individual has ceased to be an authorized officer of the Lender. Any such order or Bankers' Acceptance shall be as valid as if he or she were an authorized officer at the date of issue of the order or Bankers' Acceptance.

Any order or Bankers' Acceptance signed by a Lender as attorney for the Borrower, whether signed in handwriting or by the facsimile or mechanical signature of an authorized officer of a Lender may be dealt with by the Agent or any Lender to all intents and purposes and shall bind the Borrower as if duly signed and issued by the Borrower.

The receipt by the Agent of a request for an Advance by way of Bankers' Acceptances shall be each Lender's sufficient authority to execute, and each Lender shall, subject to the terms and conditions of this Agreement, execute orders in accordance with such request and the advice of the Agent given pursuant to Section 5.13 and the orders so executed shall thereupon be deemed to have been presented for acceptance.

5.11 Sale of Bankers' Acceptances

It shall be the responsibility of each Lender to arrange, in accordance with normal market practice, for the sale on each Drawdown Date of the Bankers' Acceptances issued by the Borrower and to be accepted by that Lender, failing which the Lender shall purchase its Bankers' Acceptances.

In accordance with the procedures set forth in Section 5.13, the Agent will make the net proceeds of the requested Advance by way of Bankers' Acceptances received by it from the Lenders available to the Borrower on the Drawdown Date by crediting the Designated Account with such amount.

Notwithstanding the foregoing, if in the determination of the Required Lenders acting reasonably a market for Bankers' Acceptances does not exist at any time, or the Lenders cannot for other reasons, after reasonable efforts, readily sell Bankers' Acceptances or perform their other obligations under this Agreement with respect to Bankers' Acceptances, then upon at least four days' written notice by the Agent to the Borrower, the Borrower's right to request Advances by way of Bankers' Acceptances shall be and remain suspended until the Agent notifies the Borrower that any condition causing such determination no longer exists.

5.12 Size and Maturity of Bankers' Acceptances and Rollovers

Each Advance of Bankers' Acceptances shall be in a minimum amount of $500,000 and each Bankers' Acceptance shall be in the amount of $1,000 or whole multiples of $1,000. Each Bankers' Acceptance shall have a term of 30 to 180 days after the date of acceptance of the order by a Lender, but no Bankers' Acceptance may mature on a date which is not a Business Day or on a date which is later than the date on which the principal amount of Credit B or Credit C is required to be reduced (in whole or in part) if that would adversely affect the Borrower's ability to cause the reduction of Credit B or Credit C. The face amount at maturity of a Bankers' Acceptance may be renewed as a Bankers' Acceptance or converted into another form of Advance permitted by this Agreement.

5.13 Co-ordination of BA Advances

Each Lender shall advance its Applicable Percentage of each Advance by way of Bankers' Acceptances in accordance with the provisions set forth below.

5.13.1 The Agent, promptly following receipt of a notice from the Borrower pursuant to Section 5.6 requesting an Advance by way of Bankers' Acceptances, shall advise each Lender of the aggregate face amount and term(s) of the Bankers' Acceptances to be accepted by it, which term(s) shall be identical for all Lenders. The aggregate face amount of Bankers' Acceptances to be accepted by a Lender shall be determined by the Agent by reference to the respective Commitments of the Lenders, except that, if the face amount of a Bankers' Acceptance would not be a whole multiple of Cdn. $1,000, the face amount shall be increased or reduced by the Agent in its sole discretion to the nearest whole multiple of Cdn. $1,000.

5.13.2 Each Lender shall transfer to the Agent at the Branch of Account for value on each Drawdown Date immediately available Cdn. Dollars in an aggregate amount equal to the BA Discount Proceeds of all Bankers' Acceptances accepted and sold or purchased by the Lender on such Drawdown Date net of the applicable Bankers' Acceptance Fee and net of the amount required to pay any of its previously accepted Bankers' Acceptances that are maturing on the Drawdown Date or any of its other Advances that are being converted to Bankers' Acceptances on the Drawdown Date.

5.13.3 If the Agent determines that all the conditions precedent to an Advance specified in this Agreement have been met, it shall advance to the Borrower the amount delivered by each Lender by crediting the Designated Account prior to 2:00 p.m. (Toronto time) on the Drawdown Date, but if the conditions precedent to the Advance are not met by 2:00 p.m. (Toronto time) on the Drawdown Date, the Agent shall return the funds to the Lenders or invest them in an overnight investment as orally instructed by each Lender until such time as the Advance is made.

5.13.4 Notwithstanding any other provision hereof, for the purpose of determining the amount to be transferred by a Lender to the Agent for the account of the Borrower in respect of the sale of any Bankers' Acceptance issued by the Borrower and accepted by such Lender, the proceeds of sale thereof shall be deemed to be an amount equal to the BA Discount Proceeds calculated with respect thereto. Accordingly, in respect of any particular Bankers' Acceptance accepted by it, a Lender in addition to its entitlement to retain the applicable Bankers' Acceptance Fee for its own account (i) shall be entitled to retain for its own account the amount, if any, by which the actual proceeds of sale thereof exceed the BA Discount Proceeds calculated with respect thereto, and (ii) shall be required to pay out of its own funds the amount, if any, by which the actual proceeds of sale thereof are less than the BA Discount Proceeds calculated with respect thereto.

5.13.5 Whenever the Borrower requests an Advance that includes Bankers' Acceptances, each Lender that is not permitted by Applicable Law or by customary market practice to accept a Bankers' Acceptance (a "**Non BA Lender**") shall, in lieu of accepting its pro rata amount of such Bankers' Acceptances, make available to the Borrower on the Drawdown Date a loan (a "**BA Equivalent Loan**") in Canadian Dollars and in an amount equal to the BA Discount Proceeds of the Bankers' Acceptances that the Non BA Lender would have been required to accept on the Drawdown Date if it were able to accept Bankers' Acceptances. Each Non BA Lender shall also be entitled to deduct from the BA Equivalent Loan an amount equal to the Bankers Acceptance Fee that would have been applicable had it been able to accept Bankers' Acceptances. The BA Equivalent Loan shall have a term equal to the term of the Bankers' Acceptances that the Non BA Lender would otherwise have accepted and the Borrower shall, at the end of that term, be obligated to pay the Non BA Lender an amount equal to the aggregate face amount of the Bankers' Acceptances that it would otherwise have accepted. All provisions of this Agreement applicable to Bankers' Acceptances and Lenders that accept Bankers' Acceptances shall apply *mutatis mutandis* to BA Equivalent Loans and Non BA Lenders and, without limiting the foregoing, Advances shall include BA Equivalent Loans.

5.14 Payment of Bankers' Acceptances

The Borrower shall provide for the payment to the Agent at the Branch of Account for the account of the applicable Lenders of the full face amount of each Bankers' Acceptance accepted for its account on the earlier of (i) the date of maturity of a Bankers' Acceptance and (ii) the date on which any Obligations become due and payable pursuant to Section 8.2. The Lenders shall be entitled to recover interest from the Borrower at a rate of interest per annum equal to the rate applicable to Prime Rate Advances under the Credit under which the Bankers' Acceptance was issued, compounded monthly, upon any amount payment of which has not been provided for by the Borrower in accordance with this Section. Interest shall be calculated from and including the date of maturity of each Bankers' Acceptance up to but excluding the date such payment, and all interest thereon, both before and after demand, default and judgment, is provided for by the Borrower.

If the Borrower provides cash in response to any Obligations becoming due and payable under Section 8.2, it shall be entitled to receive interest on the cash provided in accordance with Section 10.12 as long as the cash is held as Cash Collateral.

5.15 Deemed Advance - Bankers' Acceptances

Except for amounts which are paid from the proceeds of a rollover of a Bankers' Acceptance or for which payment has otherwise been funded by the Borrower, any amount which a Lender pays to any third party on or after the date of maturity of a Bankers' Acceptance in satisfaction thereof or which is owing to the Lender in respect of such a Bankers' Acceptance on or after the date of maturity of such a Bankers' Acceptance, shall be deemed to be a Prime Rate Advance to the Borrower under this Agreement. Each Lender shall forthwith give notice of the making of such a Prime Rate Advance to the Borrower and the Agent (which shall promptly give similar notice to the other Lenders). Interest shall be payable on such Prime Rate Advances in accordance with the terms applicable to Prime Rate Advances.

5.16 Waiver

The Borrower shall not claim from a Lender any days of grace for the payment at maturity of any Bankers' Acceptances presented and accepted by the Lender pursuant to this Agreement. The Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance shall be held by a Lender in its own right at the maturity thereof, and the doctrine of merger shall not apply to any Bankers' Acceptance that is at any time held by a Lender in its own right.

5.17 Degree of Care

Any executed orders to be used as Bankers' Acceptances shall be held in safekeeping with the same degree of care as if they were the Lender's own property, and shall be kept at the place at which such orders are ordinarily held by such Lender.

5.18 Obligations Absolute

The obligations of the Borrower with respect to Bankers' Acceptances under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

(a) any lack of validity or enforceability of any order accepted by a Lender as a Bankers' Acceptance; or

(b) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Bankers' Acceptance, a Lender or any other person or entity, whether in connection with this Agreement or otherwise.

5.19 Shortfall on Drawdowns, Rollovers and Conversions

The Borrower agrees that:

(a) the difference between the amount of an Advance requested by the Borrower by way of Bankers' Acceptances and the actual proceeds of the Bankers' Acceptances;

(b) the difference between the actual proceeds of a Bankers' Acceptance and the amount required to pay a maturing Bankers' Acceptance, if a Bankers' Acceptance is being rolled over; and

(c) the difference between the actual proceeds of a Bankers' Acceptance and the amount required to repay any Advance which is being converted to a Bankers' Acceptance;

shall be funded and paid by the Borrower from its own resources, by 11:00 a.m. on the day of the Advance or may be advanced as a Prime Rate Advance under a Credit if the Borrower is otherwise entitled to an Advance under the Credit.

5.20 Prohibited Use of L/Cs and Bankers Acceptances

The Borrower shall not enter into any agreement or arrangement of any kind with any person to whom Bankers' Acceptances have been delivered whereby the Borrower undertakes to replace such Bankers' Acceptances on a continuing basis with other Bankers' Acceptances, nor shall the Borrower directly or indirectly take, use or provide Bankers' Acceptances or L/Cs as security for loans or advances from any other person. For greater certainty, L/Cs may be used as security for obligations owed to Governmental Authorities of the United States of America that are permitted by this Agreement

5.21 Payment of L/C Fees

Payment of L/C fees (other than the Fronting Fee and other customary fees described in Section 2.5) shall be made to the Agent quarterly in arrears and distributed promptly by the Agent to the Lenders in accordance with their respective Applicable Percentages of Credit A2, as adjusted pursuant to Section 5.2. L/C fees shall be calculated at the rates specified in Section 2.5 on the face amount of each L/C for the duration of its term on the basis of the actual number of days to elapse from and including the date of issuance or renewal by the Issuing Bank to but not including the expiry date of the L/C. L/C fees shall be calculated on the basis of a 365 day year.

5.22 Issuance and Maturity of L/Cs

The Borrower shall make a request for an Advance by way of an L/C in accordance with Section 5.6. A request shall include the details of the L/C to be issued. The Issuing Bank shall promptly notify the Borrower of any comment concerning the form of the L/C requested by the Borrower and shall, if the Borrower is otherwise entitled to an Advance, issue the L/C to the Borrower on the Drawdown Date or as soon thereafter as the Issuing Bank is satisfied with the form of L/C to be issued.

Each L/C issued under this Agreement shall have a term which is not more than one year after its issuance date or renewal date, except that, if the maturity date of an L/C is later than the maturity date of Credit A, the Borrower shall post Cash Collateral equal to the face amount of the L/C with the Issuing Bank on or before the maturity date of Credit A. An L/C may be renewed by the Borrower subject to complying with the terms of this Agreement applicable to an Advance by way of an L/C.

5.23 Payment of L/Cs

The Borrower shall provide for the payment to the Issuing Bank at the Branch of Account of the full face amount of each L/C (or the amount actually paid in the case of a partial payment) on the earlier of (i) the date on which the Issuing Bank makes a payment to the beneficiary of an L/C, and (ii) the date on which any Obligations become due and payable pursuant to Section 8.2. The Lenders shall be entitled to recover interest from the Borrower at a rate of interest per annum equal to the rate applicable to Prime Rate Advances (in the case of Canadian Dollar L/Cs) or Base Rate Advances (in the case of US Dollar L/Cs), compounded monthly, upon any amount payment of which has not been provided for by the Borrower in accordance with this Section. Interest shall be calculated from and including the date on which the Issuing Bank makes a payment to the beneficiary of an L/C, up to but excluding the date such payment, and all interest thereon, both before and after demand, default and judgment, is provided for by the Borrower.

The obligation of the Borrower to reimburse the Lenders for a payment to a beneficiary of an L/C shall be absolute and unconditional, except for matters arising from a Lender's wilful misconduct or gross negligence, and shall not be reduced by any demand or other request for payment of an L/C (a **"Demand"**) paid or acted upon in good faith and in conformity with Applicable Law or customs applicable thereto being invalid, insufficient, fraudulent or forged, nor shall the Borrower's obligation be subject to any defence or be affected by any right of set-off, counter-claim or recoupment which the Borrower may now or hereafter have against the beneficiary, the Lender or any other person for any reason whatsoever, including the fact that the Issuing Bank paid a Demand or Demands (if applicable) aggregating up to the amount of the L/C notwithstanding any contrary instructions from the Borrower to the Issuing Bank or the occurrence of any event, including the commencement of legal proceedings to prohibit payment by the Issuing Bank of a Demand. Any action, inaction or omission taken or suffered by the Issuing Bank under or in connection with an L/C or any Demand, if in good faith and in conformity with Applicable Law or customs applicable thereto shall be binding on the Borrower and shall not place any Lender under any resulting liability to the Borrower. Without limiting the generality of the foregoing, the Issuing Bank may receive, accept, or pay as complying with the terms of the L/C, any Demand otherwise in order which may be signed by, or issued to, any administrator, executor, trustee in bankruptcy, receiver or other person or entity acting as the representative or in place of, the beneficiary.

If the Borrower provides cash in response to any Obligations becoming due and payable under Section 8.2, it shall be entitled to receive interest on the cash provided in accordance with Section 10.12 as long as the cash is held as Cash Collateral.

5.24 Deemed Advance – L/Cs

Except for amounts which have been funded by the Borrower, any amount which the Issuing Bank pays to any third party in respect of an L/C in satisfaction or partial satisfaction hereof shall also be deemed to be a Prime Rate Advance in the case of Canadian Dollar L/Cs or a Base Rate Advance in the case of US Dollar L/Cs, in each case under Credit A2. The Issuing Bank shall forthwith give notice of the making of such an Advance to the Borrower and the Agent (which shall promptly give similar notice to the other Lenders). Interest shall be payable on such Advances in accordance with the terms applicable to Prime Rate Advances and Base Rate Advances, as applicable.

5.25 Failure of Lender to Fund

5.25.1 Unless the Agent has actual knowledge that a Lender has not made or will not make available to the Agent for value on a Drawdown Date the applicable amount required from such Lender pursuant to Sections 5.9 or 5.13, the Agent shall be entitled to assume that such amount has been or will be received from such Lender when so due and the Agent may (but shall not be obliged to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not in fact received by the Agent from such Lender on such Drawdown Date and the Agent has made available a corresponding amount to the Borrower on such Drawdown Date as aforesaid, such Lender shall pay to the Agent on demand an amount equal to the product of (i) the Interbank Reference Rate per annum multiplied by (ii) the amount that should have been paid to the Agent by such Lender on such Drawdown Date and was not, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including such Drawdown Date to but excluding the date on which the amount is received by the Agent from such Lender and the denominator of which is 365. A certificate of the Agent containing details of the amount owing by a Lender under this Section shall be binding and conclusive in the absence of manifest error. If any such amount is not in fact received by the Agent from such Lender on such Drawdown Date, the Agent shall be entitled to recover from the Borrower, on demand, the related amount made available by the Agent to the Borrower as aforesaid together with interest thereon at the applicable rate per annum payable by the Borrower hereunder.

5.25.2 Notwithstanding the provisions of section 6(a) of the Provisions, if any Lender fails to make available to the Agent its Applicable Percentage of any Advance (such Lender being herein called the **"Defaulting Lender"**), the Agent shall forthwith give notice of such failure by the Defaulting Lender to the Borrower and the other Lenders. The Agent shall then forthwith give notice to the other Lenders that any Lender may make available to the Agent all or any portion of the Defaulting Lender's Applicable Percentage of such Advance (but in no way shall any other Lender or the Agent be obliged to do so) in the place of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the **"Contributing Lenders"** and individually called the **"Contributing Lender"**) are prepared to make available exceeds the amount of the Advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its Applicable Percentage of such Advance based on the Contributing Lenders' relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place, forthwith on demand, any amount advanced on its behalf together with interest thereon at the rate applicable to such Advance from the date of advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of the Advance from the relevant Borrower. The failure of any Lender to make available to the Agent its Applicable Percentage of any Advance as required herein shall not relieve any other Lender of its obligations to make available to the Agent its Applicable Percentage of any Advance as required herein.

5.26 Payments by the Borrower

All payments made by or on behalf of the Borrower pursuant to this Agreement shall be made to and received by the Agent and shall be distributed by the Agent to the Lenders as soon as possible upon receipt by the Agent. Except as required to make payments in respect of the Other Secured Obligations or as otherwise provided in this Agreement (including Section 5.27), the Agent shall distribute:

(a) payments of interest in accordance with each Lender's Applicable Percentage of the relevant Credit;

(b) repayments of principal in accordance with each Lender's Applicable Percentage of the relevant Credit; or

(c) all other payments received by the Agent including amounts received upon the realization of Security, in accordance with each Lender's Applicable Percentage of the relevant Credit provided, however, that with respect to proceeds of realization, no Lender shall receive an amount in excess of the amounts owing to it in respect of the Obligations.

For greater certainty, and notwithstanding anything else contained in this Agreement, amounts received upon the realization of Security shall, unless the Lenders otherwise agree among themselves, be paid first to the Lenders on account of the Obligations and shall be paid on account of the Other Secured Obligations only after the Obligations have been paid in full. Payments shall be made to Lenders on account of the Other Secured Obligations *pro rata* based on their respective shares of the aggregate outstanding amount of the Other Secured Obligations.

If the Agent does not distribute a Lender's share of a payment made by the Borrower to that Lender for value on the day that payment is made or deemed to have been made to the Agent, the Agent shall pay to the Lender on demand an amount equal to the product of (i) the Interbank Reference Rate per annum multiplied by (ii) the Lender's share of the amount received by the Agent from the Borrower and not so distributed, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Agent to but excluding the date on which the payment is made by the Agent to such Lender and the denominator of which is 365.

5.27 Payments by Agent

5.27.1 For greater certainty, the following provisions shall apply to any and all payments made by the Agent to the Lenders hereunder:

(a) the Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in respect of such payment has been received by the Agent from the Borrower;

(b) if the Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower under this Agreement, the Agent shall have no obligation to remit to each Lender any amount other than such Lender's Applicable Percentage of that amount which is the amount actually received by the Agent;

(c) if any Lender advances more or less than its Applicable Percentage of a Credit, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;

(d) if a Lender's Applicable Percentage of an Advance has been advanced, or a Lender's Commitment has been outstanding, for less than the full period to which any payment (other than a payment of principal) by the Borrower relates, such Lender's entitlement to such payment shall be reduced in proportion to the length of time such Lender's Applicable Percentage of the relevant Credit or such Lender's Commitment, as the case may be, has actually been outstanding;

(e) the Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive; and

(f) upon request, the Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein.

5.27.2 Unless the Agent has actual knowledge that the Borrower has not made or will not make a payment to the Agent for value on the date in respect of which the Borrower has notified the Agent that the payment will be made, the Agent shall be entitled to assume that such payment has been or will be received from the Borrower when due and the Agent may (but shall not be obliged to), in reliance upon such assumption, pay the Lenders corresponding amounts. If the payment by the Borrower is in fact not received by the Agent on the required date and the Agent has made available corresponding amounts to the Lenders, the Borrower shall, without limiting its other obligations under this Agreement, indemnify the Agent against any and all liabilities, obligations, losses, damages, penalties, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on or incurred by the Agent as a result, except for those arising from the Agent's gross negligence or wilful misconduct. A certificate of the Agent with respect to any amount owing by the Borrower under this Section shall be *prima facie* evidence of the amount owing in the absence of manifest error. If the payment is not received by the Agent from the Borrower within a reasonable time following the disbursement to the Lenders by the Agent, the Lenders shall return the amounts received by them to the Agent with interest at the Interbank Reference Rate.

5.28 Prohibited Rates of Interest

It is the intention of the parties to comply with Applicable Laws regarding usury now or hereafter enacted. Accordingly, notwithstanding any other provisions of this Agreement or any other Loan Document, in no event shall any Loan Document require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by Applicable Law or in an amount or at a rate that would result in the receipt by the Lenders or the Agent of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). Where more than one such law is applicable to any Obligor, that Obligor shall not be obliged to make payment in an amount or at a rate higher than the lowest amount or rate permitted by such laws. If from any circumstances whatever, fulfilment of any provision of any Loan Document shall involve transcending the limit of validity prescribed by Applicable Law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances the Agent or the Lenders shall ever receive anything of value as interest or deemed interest under any Loan Document in an amount that would exceed the highest lawful rate of interest permitted by Applicable Law, such amount that would be excessive interest shall be applied to the reduction of the principal amount of the relevant Credit, and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the relevant Credit, the amount exceeding the unpaid balance shall be refunded to the Borrower. In determining whether or not the interest paid or payable under any specified contingency exceeds the highest lawful rate, the Obligors, the Agent and the Lenders shall, to the maximum extent permitted by Applicable Law, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate and spread the total amount of interest throughout the term of such indebtedness so that interest thereon does not exceed the maximum amount permitted by Applicable Law, and/or (d) allocate interest between portions of such indebtedness to the end that no such portion shall bear interest at a rate greater than that permitted by Applicable Law. For the purposes of the application of the *Criminal Code* (Canada), the effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles and in the event of any dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Agent shall be conclusive for the purpose of such determination.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

Each Obligor represents and warrants to the Lenders as specified below.

6.1.1 Corporate Matters

(a) It is a duly incorporated or amalgamated and validly existing corporation and has the power and authority to enter into and perform its obligations under any Loan Documents to which it is or will be a party, to own its Property and to carry on the business in which it is engaged.

(b) It is in compliance with the requirements for carrying on business in all jurisdictions in which it carries on business, and has all Permits required as of the date hereof, to enter into and perform its obligations under any Loan Documents to which it is or will be a party, to own its Property and to carry on the business in which it is engaged, except to the extent that the non-compliance or absence of Permits would not have a material adverse effect on its ability to do so.

(c) The entering into and the performance by it of the Loan Documents to which it is or will be a party (i) have been duly authorized by all necessary corporate action on its part, (ii) do not and will not violate its Constating Documents, any Applicable Law, any Permit or any Contract to which it is a party, and (iii) will not result in the creation of any Encumbrance on any of its Property, other than pursuant to the Security, will not require it to create any Encumbrance on any of its Property other than the Security and will not result in the forfeiture of any of its Property.

(d) Its Constating Documents do not restrict the power of its directors to borrow money, to give financial assistance by way of loan, guarantee or otherwise, or to encumber any or all of its present and future Property to secure the Obligations, except for restrictions under any Constating Document which have been complied with in connection with the Loan Documents and the Permitted Obligations.

(e) It is not in violation of any term of its Constating Documents and is not in violation of any Applicable Law, Permit or Contract, the violation of which would materially and adversely affect its ability to own its Property and conduct its business, nor will its execution, delivery and performance of any Loan Documents to which it is a party result in any such violation.

(f) The Credits are for the use of the Borrower and will be used by the Borrower for its business purposes only.

6.1.2 Loan Documents

(a) The Loan Documents to which it is or will be a party have been or will be duly executed and delivered by it and, when executed and delivered, will constitute legal, valid and binding obligations enforceable against it in accordance with their respective terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally.

(b) No Default has occurred and is continuing.

(c) From and after the date on which the relevant Security is delivered, the Lenders will have legal, valid and enforceable security upon all of its present and future Property (as to which it has a good and marketable title as owner or lessee) subject only to Permitted Encumbrances, the availability of equitable remedies, and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally.

6.1.3 Litigation, Financial Statements Etc.

(a) As of the date of execution of this Agreement, there are no litigation, arbitration or administrative proceedings or industrial or labour disputes outstanding and, to its knowledge after having made reasonable inquiry, there are no proceedings or disputes pending or threatened, against it which, in either case, could materially and adversely affect its ability to perform its obligations under the Loan Documents, except as disclosed on SCHEDULE H.

(b) All of the historical financial statements which have been furnished to the Lenders, or any of them, in connection with this Agreement are complete and, to its knowledge after reasonable inquiry, fairly present the financial position of the Borrower on a consolidated basis as of the dates referred to therein and have been prepared in accordance with GAAP except, in the case of quarterly financial statements, notes to the statements and normal year-end audit adjustments required by GAAP are not included.

(c) As of the date of this Agreement, all projections, including forecasts, budgets, *pro formas* and business plans provided to the Lenders, or any of them, were prepared in good faith based on assumptions which were believed to be reasonable and are believed to be reasonable estimates of the prospects of the businesses referred to therein.

(d) As of the date of execution of this Agreement, it has no liabilities (contingent or other) or other obligations of the type required to be included in the consolidated financial statements of the Obligors in accordance with GAAP which are not fully included on the Borrower's unaudited financial statements provided to the Lenders for its fiscal year ended 30 June 2005, other than liabilities and obligations incurred thereafter in the ordinary course of its business, none of which materially and adversely affects the financial position of the Borrower on a consolidated basis.

(e) It does not have any Debt other than Permitted Obligations. Approximately $3,246,834 of Debt in connection with the Hog Loan Agreement remains outstanding as of 18 June 2006.

(f) The maximum liability of the Borrower under or in connection with the Processing Investment, including without limitation all investments, loans, guarantees and other financial obligations under or in connection therewith, will not exceed $15,200,000 in the aggregate.

(g) It has not granted any Encumbrances other than Permitted Encumbrances. It is not in default under any of the Permitted Encumbrances to an extent that would materially and adversely affect the financial position of the Borrower on a consolidated basis, or the Obligor's ability to carry on its business or perform its obligations under the Loan Documents to which it is or will be a party.

(h) There is no fact that it has not disclosed to the Agent and the Lenders in writing that materially adversely affects its ability to perform its obligations under the Loan Documents to which it is or will be a party.

6.1.4 Property and Capital Stock

(a) SCHEDULE F fully and fairly describes as of the date of this Agreement, the ownership of all of its issued and outstanding Capital Stock, the Capital Stock in Obligors, Subsidiaries and other persons that it owns (other than Capital Stock described under Section 3.1.4(d)), the nature of the business that it carries on, the locations of its head office (and chief executive office, if different) and its freehold (or fee as the case may be) and leasehold real property, and the jurisdictions in which its other Property (other than accounts receivable) are located.

(b) The Pledged Shares are validly issued as fully paid and non-assessable Capital Stock.

(c) The consents of the shareholders or directors of the respective Obligors or another person whose Capital Stock is subject to the Security that have been delivered or will be delivered at or prior to the time that the Pledged Shares become part of the Security are the only consents that are necessary or desirable in connection with the pledges of the Pledged Shares as part of the Security (including the enforcement of the pledges), and will be kept in full force and effect as long as they remain necessary or desirable.

(d) It owns or is licensed or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, to its knowledge without conflict with the rights of any other person. All Intellectual Property that it owns is listed on SCHEDULE I.

6.1.5 Environmental Matters

(a) To its knowledge having made all due inquiry, (i) there are no active or abandoned underground storage tanks located on any land which it occupies or controls, except those that comply with Applicable Law, (ii) there are no Hazardous Materials located on, above or below the surface of any land which it occupies or controls or contained in the soil or water constituting such land (except those that are in compliance with Applicable Law), (iii) no release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials has occurred on or from such land (except those minor items that do not violate Applicable Law) and (iv) no land that it occupies or controls has been used as a landfill or waste disposal site, except in each case as disclosed on SCHEDULE H.

(b) Its business and Property have been and are being owned, occupied and operated in substantial compliance with Applicable Law intended to protect the environment (including laws respecting the disposal or emission of Hazardous Materials), to the best of its knowledge after reasonable inquiry there are no breaches thereof and no enforcement actions in respect thereof are threatened or pending which, in any such case, could materially and adversely affect its ability to perform its obligations under the Loan Documents to which it is or will be a party.

(c) All required Permits relating to environmental matters affecting the business and Property of each of the Obligors have been obtained and are in good standing.

6.1.6 Taxes and Withholdings

(a) It has (i) duly filed on a timely basis all material tax returns, elections and reports required to be filed by it and has paid, collected and remitted all material Taxes due and payable, collectible or remittable by it, and (ii) made adequate provision for material Taxes payable by it for the current period and any previous period for which tax returns are not yet required to be filed and, except as disclosed in writing to the Agent from time to time, there are no actions, proceedings or claims pending or, to its knowledge, threatened, against it in respect of material Taxes (it being agreed that, for purposes of this paragraph, the amount of a Tax is material if it equals or exceeds Cdn. $250,000 or the equivalent thereof in another currency).

(b) It has (i) withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of the country in which it is resident, the amount of all material Taxes and other deductions required to be withheld therefrom and has paid the same to the proper tax or other receiving officers within the time required under any applicable legislation, and (ii) collected and remitted to the appropriate tax authority when required by Applicable Law to do so all material amounts collectible and remittable in respect of goods and services tax and similar provincial or state Taxes, and has paid all such material amounts payable by it on account of sales Taxes including goods and services and value-added taxes (it being agreed that, for purposes of this paragraph, the amount of a Tax is material if it equals or exceeds Cdn. $250,000 or the equivalent thereof in another currency).

6.1.7 Pension Plans

(a) During the twelve-consecutive-month period before the date of the execution and delivery of this Agreement and before the date of any Advance hereunder, (i) no steps have been taken to terminate any Pension Plan (wholly or in part), which could result in an Obligor being required to make an additional contribution to the Pension Plan in excess of $250,000, (ii) no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a lien or charge under any Applicable Law regarding pension benefits of any other jurisdiction that, individually or in the aggregate could reasonably be expected to have a material adverse effect on any Obligor or the Obligors taken as a whole, (iii) no condition exists and no event or transaction has occurred with respect to any Pension Plan which might result in the incurrence by any Obligor of any liability, fine or penalty in excess of $250,000, and (iv) except as disclosed in the financial statements required to be provided pursuant to this Agreement or as otherwise disclosed in writing from time to time to the Agent, no Obligor has any contingent liability with respect to any post-retirement benefit under a Welfare Plan that, individually or in the aggregate could reasonably be expected to have a material adverse effect on any Obligor or the Obligors taken as a whole.

(b) Each Pension Plan is in compliance in all material respects with all Applicable Law regarding pension benefits and Taxes, (i) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of each Pension Plan have been made in accordance with all Applicable Laws and the terms of each Pension Plan, (ii) all liabilities under each Pension Plan are fully funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of Applicable Laws regarding pension benefits and of applicable Governmental Authorities and the most recent actuarial report filed with respect to the Pension Plan, and (iii) no event has occurred and no conditions exist with respect to any Pension Plan that has resulted or could reasonably be expected to result in any Pension Plan having its registration revoked or refused for the purposes of any Applicable Laws regarding pension benefits or Taxes or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any taxes or penalties under any Applicable Laws regarding pension benefits or Taxes, except for any exceptions to clauses (i) through (iii) above that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on any Obligor or the Obligors taken as a whole.

6.2 Survival of Representations and Warranties

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Loan Documents, and shall be deemed to be repeated as of the date of each Advance (including any deemed Advance) and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Lenders in writing and accepted by the Required Lenders, acting reasonably. The Lenders shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credits hereunder.

ARTICLE VII
COVENANTS AND CONDITIONS

7.1 Financial Covenants

7.1.1 During the term of this Agreement, the Borrower on a consolidated basis shall at all times maintain a Senior Debt Ratio of not greater than the following:

Period	Ratio
up to and on 31 December 2006	3.00 to 1
1 January 2007 up to and on 31 March 2007	3.50 to 1
1 April 2007 up to and on 30 June 2007	4.00 to 1
1 July 2007 up to and on 31 December 2007	3.50 to 1
on and after 1 January 2008	3.00 to 1

7.1.2 During the term of this Agreement, the Borrower on a consolidated basis shall at all times maintain a Debt Service Ratio of not less than 1.50 to 1.

7.1.3 During the term of this Agreement, the Borrower on a consolidated basis shall at all times maintain a Current Ratio of not less than 1.50 to 1.

7.2 Positive Covenants

During the term of this Agreement, each Obligor shall perform the covenants specified below.

7.2.1 Payment; Operation of Business

(a) It shall duly and punctually pay the Obligations, either as Borrower or in accordance with its guarantee, at the times and places and in the manner required by the terms thereof.

(b) It shall operate its business in accordance with sound business practice and in compliance in all material respects with all Applicable Law (including those regarding ownership of persons carrying on the type of business that it carries on) and Material Contracts and Material Permits.

(c) It shall maintain in good standing and shall obtain, as and when required, all Permits and Contracts which may be material to permit it to acquire, own, operate and maintain its business and Property and perform its obligations under the Loan Documents to which it is or will be a party.

7.2.2 Inspection

It shall at all reasonable times and from time to time upon reasonable notice, (i) permit representatives of the Lenders to inspect any of its Property and to examine and take extracts from its financial books, accounts and records, including accounts and records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its representatives as it may designate) its auditors, and (ii) use commercially reasonable efforts to obtain permission for representatives of the Lenders to inspect any of the Property relating to the Processing Investment, the reasonable expense of all of which shall be paid by the Borrower, provided that:

(a) the Lenders' exercise of their rights under this paragraph does not unreasonably interfere with, and the Lenders will respect the Biosecurity Requirements of, the operations of the Obligors;

(b) the Lenders maintain the confidentiality of all information they receive in accordance with usual requirements of banker / customer confidentiality, and do not disclose or use it except for the purposes of this Agreement;

(c) any representative of a Lender who is not an employee of that Lender, other than a construction consultant, if engaged by the Agent, has executed and delivered an agreement in favour of the Obligors and the Lenders to use any information obtained as a result of any inspection or examination on behalf of a Lender only for the purposes of this Agreement, and has established to the reasonable satisfaction of the Borrower and the Lenders that there is no inherent conflict of interest between the business and clientele of the Obligors and the business and clientele (other than the Lenders) of that representative.

7.2.3 Insurance

(a) It shall maintain insurance on all its Property with financially sound and reputable insurance companies or associations including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are reasonably required by the Lenders, and shall furnish to the Agent, on written request, satisfactory evidence of the insurance carried.

(b) It shall maintain life insurance having a face value of at least $1,000,000 in respect of each of Florian Possberg and Michael Deutscher, and shall furnish to the Agent, on written request, satisfactory evidence of the insurance carried.

(c) It shall cause policies of insurance referred to above to contain a standard mortgage clause and other customary endorsements for the benefit of lenders, all in a form acceptable to the Lenders acting reasonably, and a provision that such policies will not be amended in any manner which is prejudicial to the Lenders or be cancelled without 30 days' prior written notice being given to the Agent by the issuers thereof. It shall also cause the Agent to be named as an additional insured with respect to public liability and, subject to Section 7.7, cause all of the proceeds of insurance under such policies to be made payable and to be paid to the Agent for and on behalf of the Lenders as their interests may appear to the extent of the Obligations.

(d) Whenever reasonably requested in writing by the Agent, it shall cause certified copies of the policies of insurance carried pursuant to this Section to be delivered to the Agent.

(e) It shall provide the Agent promptly with such other evidence of the insurance as the Lenders may from time to time reasonably require.

7.2.4 Taxes and Withholdings

(a) It shall pay all Taxes as they become due and payable unless they are being contested in good faith by appropriate proceedings and it has made adequate provision for payment of the contested amount.

(b) It shall withhold from each payment made to any of its past or present employees, officers or directors, and to any non-resident of the country in which it is resident, the amount of all Taxes and other deductions required to be withheld therefrom and pay the same to the proper tax or other receiving officers within the time required under any Applicable Law.

(c) It shall collect from all Persons the amount of all Taxes required to be collected from them and remit the same to the proper tax or other receiving officers within the time required under any Applicable Law.

7.2.5 Other Matters

(a) Except as permitted in Sections 3.1.4(b), 3.1.4(c) and 3.1.4(d), it shall, immediately upon receipt, deliver to the Agent on behalf of the Lenders, certificates representing all Capital Stock of other Obligors, Subsidiaries or other persons in which it owns Capital Stock that it acquires after the date that Capital Stock of Obligors, Subsidiaries or other persons is first delivered as part of the Security, together with executed stock powers of attorney relating to those certificates (or if certificates in respect of such Capital Stock are not available, take such other steps to perfect the Security relating to such Capital Stock as the Agent requires).

(b) It shall provide such evidence of on-going compliance with Applicable Law relating to Hazardous Materials as the Required Lenders may reasonably require from time to time including if so requested by the Required Lenders, acting reasonably upon reasonable cause, having conducted one or more environmental site assessment and/or compliance audits (each consisting of a non-intrusive phase I audit and recommendations with respect to the findings described therein and such other audits or investigations recommended in each such phase I audit, including an intrusive phase II audit) and reports thereon by an independent consultant engaged by the Obligors and acceptable to the Required Lenders, acting reasonably. It shall also remove, clean up or otherwise remedy the matters referred to in Section 7.3.2(d).

(c) It shall maintain all operating and deposit bank accounts at a branch of the Agent in Saskatoon, Saskatchewan.

(d) Subject to the restrictions and requirements set forth in Section 7.5.2(d), it shall enter into Swaps to fix the interest rate applicable to at least 50% of outstanding Advances under Credit B and Credit C at any one time.

(e) It shall comply with all requirements of *The Builders' Lien Act* (Saskatchewan) and maintain all necessary holdbacks to satisfy Construction Liens in connection with the Projects.

(f) It shall immediately satisfy, discharge or vacate any Construction Lien that is registered against any of the Project Lands or of which it receives writter notice.

(g) It shall provide all funds necessary to complete each of the Projects and the Processing Investment from its own resources as and when required for the timely, due and proper completion of the Projects and the Processing Investment, and as and when demanded by the Agent, including, without limitation, the funding of any cost overruns in the Project Budget, the funding of any shortfall for the financing of the Projects and the funding of any Construction Contract change orders or additions in connection with the Projects.

(h) It shall reimburse the Agent on demand for all costs incurred by the Agent in the event that the Agent engages a construction consultant in connection with the Projects.

7.3 Reporting and Notice Requirements

During the term of this Agreement, the Borrower shall deliver or cause the delivery of the periodic reports specified below and shall give notices in the circumstances specified below, or cause notices to be given. All financial statements and other reports shall be in a form satisfactory to the Lenders and all financial statements shall be prepared in accordance with GAAP.

7.3.1 Periodic Reports

(a) The Borrower shall, as soon as practicable and in any event within 30 days of the end of each month, cause a Borrowing Base Certificate to be delivered to the Lenders. The Borrower may, at its option, submit a Borrowing Base Certificate more frequently.

(b) The Borrower shall, as soon as practicable and in any event within 30 days of the end of each month deliver a monthly production report to the Lenders in a form satisfactory to the Lenders.

(c) The Borrower shall, as soon as practicable and in any event within 30 days of the end of each of its fiscal quarters (including the fourth quarter), cause to be prepared and delivered to the Lenders, its interim unaudited consolidated financial statements as at the end of such quarter, in each case including balance sheet, statement of income and retained earnings and statement of cash flows.

(d) The Borrower shall, as soon as practicable and in any event within 90 days after the end of each of its fiscal years, cause its consolidated annual financial statements to be prepared and delivered to the Lenders including balance sheet, statement of income and retained earnings and statement of cash flows for such fiscal year, which shall be audited by a nationally recognized accounting firm.

(e) The Borrower shall, concurrently with the delivery of its quarterly financial statements and its consolidated annual financial statements, provide the Lenders with a Compliance Certificate.

(f) The Borrower shall, as soon as practicable and in any event not later than the earlier of 30 days after the beginning of each of its fiscal years or 15 days after approval by the board of directors, cause to be prepared and delivered to the Lenders, a budget with projections for the current fiscal year, in a form satisfactory to the Lenders. The budget shall cover the Borrower on a consolidated basis and shall include a projected income statement, a projected statement of cash flows, estimates of capital expenditures and tax losses and deferrals, all broken down quarterly. The Borrower shall expressly request the consent of the Required Lenders to the budget for capital expenditures.

(g) The Borrower shall, at such times as the Agent may require, request from each of PHPLP and Canadian Imperial Bank of Commerce reports concerning the status of the loans referred to in the Matsalla NDA and the Nursery NDA, including confirmations as to the amounts outstanding, interest rates being charged and the scheduled payments for principal, interest and other charges in effect from time to time thereunder, all as permitted under the Matsalla NDA and the Nursery NDA, respectively, and the Borrower shall, immediately after receipt, provide copies to the Agent.

(h) The Borrower shall, with respect to each of the Projects, as soon as practicable and in any event within 30 days of the end of each month prior to Project Completion deliver to the Agent in a form satisfactory to the Agent a report concerning progress of construction of the Project during the month, including an analysis of actual progress compared to the construction timetable and the Project Budget, a description of all change orders and a discussion of any problem areas.

(i) The Borrower shall promptly report to the Agent the particulars of all monies invested by it in, monies loaned by it to or obligations guaranteed by it of GSF Inc. and/or GSF LP, from time to time, promptly after making any such investment, loan or guarantee and shall promptly report to the Agent when it first begins supplying hogs to each of OlyWest MB Limited Partnership and OlyWest AB Limited Partnership, and, thereafter, of any material changes, subject to the rights of the Agent and the Lenders under Sections 3.1.1(f)(v) and 4.3.1(f), in the hog supply agreements or arrangements between the Borrower and each of OlyWest MB Limited Partnership and OlyWest AB Limited Partnership.

(j) The Borrower shall promptly provide the Agent and each of the Lenders with all other information reasonably requested by the Agent or the Lenders from time to time concerning the Processing Investment and the business, financial condition and Property of the Obligors.

If there is any change in a subsequent period from the accounting policies, practices and calculation methods used by the Borrower in preparing its financial statements for its fiscal year ended 30 June 2005, or components thereof, the Borrower shall provide the Lenders with all information that the Lenders require to ensure that reports provided to the Lenders after any change are comparable to previous reports. In addition, all calculations made for the purposes of this Agreement shall continue to be made based on the accounting policies, practices and calculation methods that were used in preparing the Borrower's financial statements for its fiscal year ended 30 June 2005 if the changed policies, practices and methods would materially affect the results of those calculations.

7.3.2 Requirements for Notice

(a) The Borrower shall promptly notify the Lenders of any Default, or of any material default (either by an Obligor or by any other party) under any Material Contract or Material Permit, or of any event which, with or without the giving of notice, lapse of time or any other condition subsequent, would be a material default or would otherwise allow the termination of any Material Contract or Material Permit or the imposition of any material sanction on any party to a Material Contract or Material Permit, and shall from time to time provide the Lenders with all information reasonably requested by any of the Lenders concerning the status thereof.

(b) The Borrower shall promptly notify the Lenders on becoming aware that a Construction Lien has been registered against any of the Project Lands or if it receives written notice of a Construction Lien in connection with the Projects.

(c) The Borrower shall promptly notify the Lenders on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding, labour or industrial dispute or other circumstance affecting it, the result of which if determined adversely would have a material and adverse effect on the ability of any Obligor to perform its obligations under this Agreement, or the Loan Documents to which it is or will be a party, and shall from time to time provide the Lenders with all reasonable information requested by any of the Lenders concerning the status thereof.

(d) The Borrower shall promptly notify the Agent upon (i) learning of the existence of Hazardous Materials located on, above or below the surface of any land which any Obligor occupies or controls (except those being stored, used or otherwise handled or existing in substantial compliance with Applicable Law), or contained in the soil or water constituting such land (in excess of levels prescribed under Applicable Law, guidelines or policies of applicable regulatory authorities or which would constitute an actual or potential breach of or non-compliance with any Applicable Law) and (ii) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials that has occurred on or from such land which, as to either (i) or (ii), would materially and adversely affect the ability of any Obligor to perform its obligations under the Loan Documents to which it is or will be a party, and shall provide the Agent with details, including cost, of the work required to remove, clean up or otherwise remedy the matters referred to in the notice.

(e) The Borrower shall provide notice to the Agent and copies of all relevant documentation promptly upon becoming aware of (i) the institution of any steps by any Obligor or any applicable regulatory authority to terminate any Pension Plan (wholly or in part) which could result in any Obligor being required to make an additional contribution to the Pension Plan in excess of $250,000, (ii) the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to a lien or charge under any Applicable Law regarding pension benefits of any other jurisdiction that, individually or in the aggregate could reasonably be expected to have a material adverse effect on any Obligor or the Obligors taken as a whole, (iii) the taking of any action with respect to a Pension Plan which could reasonably be expected to result in the requirement that any Obligor furnish a bond or other security to such Pension Plan or any applicable regulatory authority that, individually or in the aggregate could reasonably be expected to have a material adverse effect on any Obligor or the Obligors taken as a whole, or (iv) the occurrence of any event with respect to any Pension Plan which could reasonably be expected to result in the incurrence by any Obligor of any material liability, fine or penalty, or any increase in the contingent liability of any Obligor in excess of $250,000 with respect to any post-retirement Welfare Plan benefit.

(f) The Borrower shall immediately notify the Agent if any of the put options forming part of the Nursery Transaction Agreements, the Finishers No. 1 Agreements and Matsalla Transaction Agreements is exercised and shall immediately notify the Agent when any of the call options forming part of those agreements becomes exercisable by the Borrower.

7.4 Ownership of the Borrower

During the term of this Agreement, Mr. Florian Possberg, or his heirs, executors and administrators, B&F Holdings Ltd. and Porcan Developments Inc., or their respective successors, shall not, without the prior written consent of the Required Lenders, cease to beneficially own an aggregate of at least 669,143 common shares in the Capital Stock of the Borrower and Mr. Florian Possberg, or his heirs, executors and administrators, shall not, without the prior written consent of the Required Lenders, cease to beneficially own the shares currently owned by Mr. Florian Possberg in the Capital Stock of B&F Holdings Ltd. and Porcan Developments Inc.

7.5 Negative Covenants

During the term of this Agreement, the Obligors shall not do any of the things specified in this Section without the prior written consent of the Required Lenders, which shall not be unreasonably withheld.

7.5.1 Special Covenants

No Obligor shall:

(a) after delivering any Construction Contract to the Agent pursuant to Section 4.2.1(a), enter into any material amendment to any such Construction Contract or permit any material amendment to any such Construction Contract without the prior written consent of the Agent, a certified copy of which shall then be provided to the Agent within 14 days of being entered into;

(b) surrender or agree to amend or otherwise modify any of the Nursery Transaction Agreements, Nursery NDA, the Finishers No. 1 Agreements, the Finishers NDA, the Matsalla Transaction Agreements or the Matsalla NDA;

(c) exercise the call options forming part of the Nursery Transaction Agreements, the Finishers No. 1 Agreements and Matsalla Transaction Agreements, but the Borrower shall promptly exercise those call options if reasonably directed to by the Required Lenders;

(d) pay or assume the obligation to pay any amount in excess of the price to be paid by the Borrower if any of the put options or call options forming part of the Nursery Transaction Agreements, the Finishers No. 1 Agreements and Matsalla Transaction Agreements is exercised and the amount of any Debt secured by Property that is the subject of the option that is exercised at that time exceeds the price to be paid by the Borrower on such exercise;

(e) enter into or be a party to any amendment to or waiver of any of the Hog Loan Agreement, the Subordinated Security, the Subordinated Obligations or the Contracts relating to the Subordinated Obligations or permit any amendment to any of the Hog Loan Agreement, the Subordinated Security, the Subordinated Obligations or the Contracts relating to the Subordinated Obligations without the prior written consent of the Agent and without providing a certified copy of the amendment or waiver to the Agent promptly upon being entered into;

(f) after delivery of any Processing Investment Contract to the Agent pursuant to Section 4.3.1(b), enter into or be a party to any amendment to or waiver of any such Processing Investment Contract or permit any amendment to any such Processing Investment Contract, in each case if such amendment is not contemplated by the terms of such Processing Investment Contract, without the prior written consent of the Agent and without providing a certified copy of the amendment or waiver to the Agent promptly upon being entered into;

(g) create, incur or assume or suffer to exist or cause or permit any Encumbrance upon or in respect of any of its Property, except for Permitted Encumbrances; or

(h) do or permit anything to adversely affect the ranking or validity of the Security except by incurring a Permitted Encumbrance.

7.5.2 Financial Transactions

No Obligor shall:

(a) create, incur, assume or permit any debts, liabilities or obligations of any kind (including contingent liabilities) to remain outstanding, other than Permitted Obligations;

(b) prepay, redeem, defease, repurchase or make other payments in respect of any of its Debt for borrowed money, other than:

(i) the Obligations;

(ii) scheduled payments of principal and interest to the Subordinated Creditors under the Subordinated Obligations and to the Minister under the Hog Loan Agreement (in each case as long as no Default has occurred and is continuing or would result from payment being made);

(iii) repayment of the principal amount of the Subordinated Obligations owing, and redemption of the Subordinated

Security granted, to Maple Leaf, being a $5,000,000 convertible debenture, provided each of the following conditions precedent have been delivered or fulfilled and is satisfactory to the Lenders in their sole and absolute discretion:

1) the Borrower has delivered to the Agent on behalf of the Lenders a formal request to make such payment;

2) together with such request the Borrower has provided current financial statements and cash flow projections;

3) the Lenders are satisfied that such payment will not impair the Borrower's ability to meet its day to day obligations; and

4) the Lenders are satisfied that no Default has occurred and is continuing or would result from such payment being made;

(iv) the purchase money and other obligations contemplated in Section 1.1.113(k)

(c) make loans to any other person, guarantee, endorse or otherwise become liable for any debts, liabilities or obligations of any other person, or give other financial assistance of any kind to any other person;

(d) enter into any Swap (i) for speculative purposes, (ii) if the notional amount or the term of the proposed Swap would adversely affect the Borrower's ability to make principal payments required under the terms of this Agreement, (iii) in the case of interest rate Swaps, if the aggregate notional amount swapped by all Obligors at any time (net of offsetting transactions) exceeds $50,000,000; or (iv) in the case of currency Swaps, if the aggregate notional amount required to settle all such Swaps by all Obligors on any day exceeds US $500,000.

7.5.3 Business and Property

No Obligor shall:

(a) effect any material change in its business or carry on any business other than raising and selling hogs, except that the Borrower may carry on business reasonably incidental to the Processing Investment, Drycast may carry on the business of manufacturing concrete slats and other materials for use in hog barns and BSM Consulting may carry on the business of providing management and business consulting services to Persons in the hog and/or pork industries;

(b) incur Capital Expenditures during any fiscal year in excess of the budgeted amount consented to by the Required Lenders;

(c) acquire any material Property of any person, except for:

(i) Property acquired through Capital Expenditures that do not contravene any other provision of this Agreement;

(ii) Property acquired through transactions contemplated in the definition of Permitted Encumbrances; and

(iii) acquisitions of inventory in the ordinary course of business for the purpose of carrying on its business;

(d) except as permitted in Sections 3.1.4(b), 3.1.4(c) and 3.1.4(d) or in connection with the Processing Investment, have any Subsidiaries or hold or acquire Capital Stock or other securities of, or make investments in, any other person except securities held for investment purposes under the terms of Pension Plans, provided that the securities are held in strict compliance with all Applicable Law;

(e) permit any sale, lease, sale and lease-back or other disposition of the whole or any material part of its Property or any Property or Capital Stock comprising the Processing Investment except for sales of:

(i) inventory and obsolete or redundant equipment in the ordinary course of business; and

(ii) surplus real Property, comprised of farmland without barns, feedmills or other material structures or erections located thereon, that is not and will not be required for or used in connection with the Obligor's business operations;

(f) enter into any transaction of any kind with any affiliate or associate (as those terms are defined in the *Canada Business Corporations Act*), or person of which it is an associate except on a commercially reasonable basis as if it were dealing with such person on an arm's length basis; or

(g) cause or permit 101015902 Saskatchewan Ltd. to carry on any business or own any Property other than as described in Section 3.1.4(b)(ii).

7.5.4 Corporate Matters

No Obligor shall:

(a) consolidate, amalgamate or merge with any other person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing Constating Documents, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution, except for transactions involving only one or more Obligors if the Borrower gives the Agent reasonable advance notice of the transaction and immediately takes whatever steps and delivers whatever documents (including opinions of counsel satisfactory to the Lenders) are reasonably required to ensure that the Lenders' rights are not adversely affected as a result;

(b) change its name without providing the Lenders with prior written notice thereof and promptly taking other steps, if any, as the Agent reasonably requests to maintain the Security and the other Loan Documents so that the Lenders' position is not adversely affected;

(c) permit its chief executive office or any of its property to be located out of the jurisdictions specified on SCHEDULE F without providing the Agent with prior written notice thereof and promptly taking other steps, if any, as the Agent reasonably requests to maintain the Security and the other Loan Documents so that the Lenders' position is not adversely affected;

(d) change its fiscal year end (being 30 June); or

(e) change its auditors.

7.6 Payments by Obligors

The Obligors shall not, without the prior written consent of the Lenders, (i) pay dividends, (ii) issue bonuses on Capital Stock, (iii) redeem or purchase Capital Stock, (iv) except as set forth in Section 7.5.2(b), make principal or cash interest payments on Debt owing to shareholders, affiliated corporations or associates of shareholders or affiliated corporations, (v) pay management fees or bonuses to officers, (vi) make distributions or (vii) engage in any other method of returning capital to its direct or indirect shareholders, except that:

(a) Obligors other than the Borrower may make such payments to their respective shareholders; and

(b) the Borrower may make such payments to its shareholders as long as the aggregate of all such payments in any fiscal year does not exceed Excess Cash Flow for the immediately preceding fiscal year, less the amount required to be paid to the Lenders under Section 2.4.3, the Borrower has made the payment required under Section 2.4.3, no Default has occurred and is continuing or would result from any such payment and the Borrower gives the Agent reasonable advance notice of any such payment.

7.7 **Use of Insurance Proceeds**

7.7.1 Unless otherwise specified in this Section 7.7, all proceeds of insurance required to be maintained by the Obligors under the terms of this Agreement shall be paid to the Agent to be applied by it on account of the Obligations.

7.7.2 Proceeds of liability insurance shall be paid to the person to whom the affected Obligor is liable. Proceeds of insurance covering loss of or damage to property in an amount of less than $1,000,000 per claim may be paid by the insurer directly to the affected Obligor unless, if a Default has occurred and is continuing, the Agent requires that payment be made to the Agent to be applied by it on account of the Obligations. Subject to the rights of any holder of a Permitted Encumbrance that has priority over the Security, proceeds paid to the Obligors shall be used to fully repair or replace the property in respect of which the insurance proceeds are payable or, if that is not prudent, shall be paid by the Obligors to the Agent to reduce the principal amount of the Obligations.

7.7.3 Subject to the rights of any holder of a Permitted Encumbrance that has priority over the Security, proceeds of insurance covering loss of or damage to property in an amount of $1,000,000 per claim or more shall be paid to the Agent and shall be disbursed by the Agent to the affected Obligor on conditions appropriate to a construction credit, to fund the repair or replacement of the property in respect of which the insurance proceeds are payable, provided that:

(a) no Default (including one relating to material adverse change) has occurred and is continuing;

(b) the Required Lenders are satisfied, acting reasonably, that the proceeds of such insurance together with other resources available to the affected Obligor (the use of which would not contravene this Agreement) are sufficient to fully repair or replace the property in respect of which the insurance proceeds are payable within the remaining term of the then-outstanding Credits or within 365 days, whichever is less.

7.7.4 The proceeds of business interruption insurance shall be paid to the Agent to be applied by it on account of the Obligations and any other obligations secured by the Security (payment of which is permitted in accordance with this Agreement) as the same fall due from time to time (including as a result of any demand for payment of the Obligations) and, to the extent of any surplus, shall be used to repay Credit A, without prejudice to the Borrower's rights to further Advances under that Credit. If Credit A is repaid in full at any time, the proceeds may be used to carry on the business of the Obligors as long as the Required Lenders are satisfied, acting reasonably, that adequate provision has been made for payment of the Obligations and any other obligations secured by the Security (payment of which is permitted in accordance with this Agreement).

7.7.5 All insurance proceeds held by the Agent shall, unless and until the same are applied to payment of the Obligations or released to the affected Obligor, be held as part of the Security. The Agent shall place all such funds in an interest-bearing account with the interest thereon to accrue to the benefit of the affected Obligor.

ARTICLE VIII
DEFAULT

8.1 Events of Default

Each of the following events shall constitute an Event of Default under this Agreement:

(a) the Borrower fails to pay any amount of principal or interest (including any amount relating to a Bankers' Acceptance or L/C) when due, or to pay fees or other Obligations (apart from principal and interest) within three Business Days of when due; or

(b) an Obligor makes any representation or warranty under any of the Loan Documents which is incorrect or incomplete in any material respect when made or deemed to be made, it being agreed that an incorrect representation that there is no Pending Event of Default shall not result in the Obligors being disentitled to any cure period otherwise associated with the Pending Event of Default; or

(c) an Obligor ceases or threatens to cease to carry on its business or admits its inability or fails to pay its debts generally; or

(d) an Obligor permits any default under one or more agreements or instruments relating to its Debt other than the Obligations (including the Subordinated Obligations and the Hog Loan Agreement) or permits any other event to occur and to continue without being waived or cured after any applicable grace period specified in such agreements or instruments, if the effect of one or more of such events is to accelerate, or to permit (in accordance with any applicable inter-creditor and subordination arrangements) the acceleration of, the date on which Debt in an aggregate amount of $500,000 or more becomes due (whether or not acceleration actually occurs); or

(e) an Obligor becomes a bankrupt (voluntarily or involuntarily); or becomes subject to any proceeding seeking liquidation, arrangement, relief of creditors or the appointment of a receiver or trustee over, or any judgment or order which has or might have a material and adverse effect on, any material part of its Property, and such proceeding, if instituted against the Obligor, or such judgment or order, is not contested diligently, in good faith and on a timely basis and dismissed or stayed within 45 days of its commencement or issuance; or

(f) an Obligor denies, to any material extent, its obligations under the Loan Documents or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or any of the Loan Documents is invalidated in any material respect by any act, regulation or action of a Governmental Authority or is determined to be invalid in any material respect by a court or other judicial entity and such determination has not been stayed pending appeal; or

(g) one or more final judgments, writs of execution, garnishments or attachments or similar processes representing claims in an aggregate of $500,000 or more for all Obligors at any time are issued or levied against any of their Property and are not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 10 days after their entry, commencement or levy; or

(h) an Encumbrancer takes possession of all or a substantial portion of the Property of an Obligor by appointment of a receiver, receiver and manager, or otherwise; or

(i) a material adverse change occurs in the financial condition or business prospects of an Obligor or the Obligors taken as a whole, as determined by the Required Lenders, acting in their sole and absolute discretion; or

(j) there is a breach of Section 7.1; or

(k) there is a breach of any other provision of any of the Loan Documents and such breach is not corrected or otherwise satisfied within 10 days after the Agent, for and on behalf of the Lenders, gives written notice thereof; or

(l) there is a change in the ownership or control of an Obligor which is not permitted by this Agreement; or

(m) any Material Permit expires or is withdrawn, cancelled, terminated, or modified to the material detriment of an Obligor or its Property or business or the Obligors or their Property or business taken as a whole, and is not reinstated or replaced within 20 days thereafter without material impairment to an Obligor or its Property or business or the Obligors or their Property or business taken as a whole; or

(n) a default by an Obligor or any other party to any Material Contract (excluding the Hog Loan Agreement and Contracts relating to the Subordinated Obligations) occurs, or any other event occurs under any Material Contract (excluding the Hog Loan Agreement and Contracts relating to the Subordinated Obligations), and continues without being waived after any applicable grace period specified in the Material Contract, if the effect of the default or other event (if not waived) is to terminate the Material Contract or if the default or other event results in a declaration of non-performance being issued or similar step being taken with respect to an Obligor and, where the default is not by an Obligor, the termination or similar step would or could reasonably be expected to have a material adverse effect on the financial condition of an Obligor or the Obligors taken as a whole; or

(o) in the judgment of the Lenders acting reasonably, Project Completion for the Projects cannot be achieved by the end of October 2007, or in fact Project Completion is not achieved by that date; or

(p) a Construction Lien is registered against any of the Project Lands or the Agent receives written notice of any Construction Lien in connection with the Projects and such lien is not immediately satisfied, discharged or vacated; or

(q) the Borrower has not complied with all requirements of *The Builders' Lien Act* (Saskatchewan) or is not maintaining all necessary holdbacks to satisfy Construction Liens in connection with the Projects.

8.2 Acceleration and Termination of Rights

If any Event of Default occurs, no Lender shall be under any further obligation to make Advances and the Required Lenders may instruct the Agent to give notice to the Borrower (i) declaring the Lenders' obligations to make Advances to be terminated, whereupon the same shall forthwith terminate, (ii) declaring the Obligations or any of them to be forthwith due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and/or (iii) demanding that the Borrower deposit forthwith with the Agent for the Lenders' benefit Cash Collateral equal to the full principal amount at maturity of all Bankers' Acceptances and L/Cs then outstanding for its account.

Notwithstanding the preceding paragraph, if an Obligor becomes a bankrupt (voluntarily or involuntarily), or institutes any proceeding seeking liquidation, rearrangement, relief of debtors or creditor or the appointment of a receiver or trustee over any material part of its Property, then without prejudice to the other rights of the Lenders as a result of any such event, without any notice or action of any kind by the Agent or the Lenders, and without presentment, demand or protest, the Lenders' obligation to make Advances shall immediately terminate, the Obligations shall immediately become due and payable and the Borrower shall be obligated to deposit forthwith with the Agent for the Lenders' benefit Cash Collateral equal to the full principal amount at maturity of all Bankers' Acceptances and L/Cs then outstanding for its account.

8.3 Payment of Bankers' Acceptances and L/Cs

Immediately upon any Obligations becoming due and payable under Section 8.2, the Borrower shall, without necessity of further act or evidence, be and become thereby unconditionally obligated to deposit forthwith with the Agent for the Lenders' benefit Cash Collateral equal to the full principal amount at maturity of all Bankers' Acceptances and L/Cs then outstanding for its account and the Borrower hereby unconditionally promises and agrees to deposit with the Agent immediately upon such demand Cash Collateral in the amount so demanded. The Borrower authorizes the Lenders, or any of them, to debit its accounts with the amount required to pay such L/Cs and to pay such Bankers' Acceptances, notwithstanding that such Bankers' Acceptances may be held by the Lenders, or any of them, in their own right at maturity. Amounts paid to the Agent pursuant to such a demand in respect of Bankers' Acceptances and L/Cs shall be applied against, and shall reduce, pro rata among the Lenders, to the extent of the amounts paid to the Agent in respect of Bankers' Acceptances and L/Cs, respectively, the obligations of the Borrower to pay amounts then or thereafter payable under Bankers' Acceptances and L/Cs, respectively, at the times amounts become payable thereunder.

The Borrower shall be entitled to receive interest on cash held as Cash Collateral in accordance with Section 10.12.

8.4 Remedies

Upon the occurrence of any event by which any of the Obligations become due and payable under Section 8.2, the Security shall become immediately enforceable and the Required Lenders may instruct the Agent to take such action or proceedings on behalf of the Lenders and in compliance with Applicable Law as the Required Lenders in their sole discretion deem expedient to enforce the same, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Obligors.

8.5 Waiver

The Obligors hereby waive, to the maximum extent permitted by Applicable Law, the application of *The Saskatchewan Farm Security Act*, *The Land Contracts*

(Actions) Act (Saskatchewan) and *The Limitation of Civil Rights Act* (Saskatchewan) to this Agreement and the other Loan Documents or to any agreement or instrument renewing or extending or collateral to this Agreement or the other Loan Documents or to the rights, powers or remedies of the Administrative Agent or the Lenders under this Agreement or the other Loan Documents.

8.6 Saving

The Lenders shall not be under any obligation to the Obligors or any other person to realize any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. The Lenders shall not be responsible or liable to the Obligors or any other person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the collateral or any part thereof or the failure to allow any of the collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that a Lender may be responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of that Lender.

8.7 Perform Obligations

If an Event of Default has occurred and is continuing and if any Obligor has failed to perform any of its covenants or agreements in the Loan Documents, the Required Lenders, may, but shall be under no obligation to, instruct the Agent on behalf of the Lenders to perform any such covenants or agreements in any manner deemed fit by the Required Lenders without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Agent and/or the Lenders in respect of the foregoing shall be secured by the Security.

8.8 Third Parties

No person dealing with the Lenders or any agent of the Lenders shall be concerned to inquire whether the Security has become enforceable, or whether the powers which the Lenders are purporting to exercise have become exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

8.9 Power of Attorney

Effective upon occurrence of an Event of Default, each Obligor hereby irrevocably constitutes and appoints any Vice-President, Managing Director or more senior officer of the Agent its due and lawful attorney with full power of substitution in its name and on its behalf, during the continuance of an Event of Default, to enforce any right, title or interest of the Lenders in, to or under the Security or any part thereof or any obligation to that Obligor or remedy available to that Obligor. This appointment is irrevocable to the maximum extent permitted by Applicable Law.

8.10 Remedies Cumulative

The rights and remedies of the Lenders under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by Applicable Law. Any single or partial exercise by the Lenders of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Lenders may be lawfully entitled for the same default or breach. Any waiver by the Lenders of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lenders shall be deemed not to be a waiver of any subsequent default.

ARTICLE IX
ADDITIONAL AGENCY PROVISIONS

9.1 Cross-Reference to Provisions

As a result of the introduction of the Provisions, parts of Article XII of the Existing Credit Agreement (as it existed before the 22 August 2005 amendment and restatement) have been deleted from this Agreement and replaced by sections 5, 6 and 7 of the Provisions. Sections 12.3, 12.4 and 12.5 of the Existing Credit Agreement (as it existed before the 22 August 2005 amendment and restatement) have been replaced by Sections 5.25, 5.26 and 5.27 of this Agreement.

9.2 Authorization of Agent

Without limiting section 7.1 of the Provisions, each of the Lenders hereby appoints the Agent as security trustee for the purposes of any relevant law, and grants to the Agent a power of attorney, for the purposes of laws applicable to the Security from time to time, to sign documents comprising the Security from time to time (as the party accepting the grant of the security), and also grants to the Agent the right to delegate its authority as attorney to any other person, whether or not an officer or employee of the Agent.

9.3 Administration of the Credits

9.3.1 Unless otherwise specified herein, the Agent shall perform the following duties under this Agreement:

(a) prior to an Advance, ensure that all conditions precedent have been fulfilled in accordance with the terms of this Agreement, subject to section 7.4 of the Provisions and any other applicable terms of this Agreement;

(b) take delivery of each Lender's Applicable Percentage of an Advance and make all Advances hereunder in accordance with the procedures in Sections 5.9 and 5.13;

(c) use reasonable efforts to collect promptly all sums due and payable by the Borrower pursuant to this Agreement;

(d) make all payments to the Lenders in accordance with the provisions hereof;

(e) hold the Security on behalf of the Lenders;

(f) hold all legal documents relating to the Credits, maintain complete and accurate records showing all Advances made by the Lenders, all remittances and payments made by the Borrower to the Agent, all remittances and payments made by the Agent to the Lenders and all fees or any other sums received by the Agent and, except for accounts, records and documents relating to the fees payable under the Fee Agreement, allow each Lender and their respective advisors to examine such accounts, records and documents at their own expense, and provide any Lender, upon reasonable notice, with such copies thereof as such Lender may reasonably require from time to time at the Lender's expense;

(g) except as otherwise specifically provided for in this Agreement, promptly advise each Lender upon receipt of each notice and deliver to each Lender, promptly upon receipt, all other written communications furnished by the Obligors to the Agent on behalf of the Lenders pursuant to this Agreement, including copies of financial reports and certificates which are to be furnished to the Agent;

(h) forward to each of the Lenders, upon request and at the expense of the Lender so requesting (other than customary record books which shall be provided at the expense of the Borrower), copies of this Agreement, the Security and other Loan Documents (other than the Fee Agreement); and

(i) promptly forward to each Lender, upon request, an up-to-date loan status report.

9.3.2 The Agent may take the following actions only with the prior consent of the Required Lenders, unless otherwise specified in this Agreement:

(a) subject to Section 9.3.3, exercise any and all rights of approval conferred upon the Lenders by this Agreement;

(b) give written notice to the Obligors of any matter in respect of which notice may be required, permitted, necessary or desirable in accordance with or pursuant to this Agreement, promptly after receiving the consent of the Required Lenders, except that the Agent shall, without direction from the Lenders, immediately give the Borrower notice of any payment that is due or overdue under the terms of this Agreement unless the Agent considers that it should request the direction of the Required Lenders, in which case the Agent shall promptly request that direction;

(c) amend, modify or waive any of the terms of this Agreement, including waiver of a Default, if such action is not otherwise provided for in Section 9.3.3;

(d) declare an Event of Default or take action to enforce performance of the Obligations and to realize upon the Security including the appointment of a receiver, the exercise of powers of distress, lease or sale given by the Security or by Applicable Law and take foreclosure proceedings and/or pursue any other legal remedy necessary;

(e) decide to accelerate the amounts outstanding under the Credits; and

(f) pay insurance premiums, taxes and any other sums as may be reasonably required to protect the interests of the Lenders.

9.3.3 The Agent may take the following actions only if the prior unanimous consent of the Lenders is obtained, unless otherwise specified herein:

(a) amend, modify, discharge, terminate or waive any of the terms of the Security;

(b) amend, modify, discharge, terminate or waive any of the terms of this Agreement if such amendment, modification, discharge, termination or waiver would increase the amount of any Credit, amend the purpose of any Credit, reduce the interest rates and similar charges applicable to any Credit, reduce the fees payable with respect to any Credit, extend any date fixed for payment of principal, interest or any other amount relating to any Credit or extend the term of any Credit;

(c) amend the definition of "Required Lenders" or this Section 9.3.3;

(d) enter into or amend, modify or waive any term of any Intercreditor Agreement.

For greater certainty, no Lender's Commitment or Applicable Percentage may be amended without the consent of that Lender.

9.3.4 Notwithstanding Sections 9.3.2 and 9.3.3, the Agent may, without the consent of the Lenders, make amendments to the Loan Documents that are for the sole purpose of curing any immaterial or administrative ambiguity, defect or inconsistency, but shall immediately notify the Lenders of any such action. The Agent may also consent to subdivisions of real Property and discharge any Security to the extent necessary to allow any Obligor to complete any sale or other disposition of Property permitted by this Agreement.

9.3.5 As between the Obligors, on the one hand, and the Agent and the Lenders, on the other hand:

(a) all statements, certificates, consents and other documents which the Agent purports to deliver on behalf of the Lenders or the Required Lenders shall be binding on each of the Lenders, and the Obligors shall not be required to ascertain or confirm the authority of the Agent in delivering such documents;

(b) all certificates, statements, notices and other documents which are delivered by the Obligors to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders;

(c) all payments which are delivered by the Borrower to the Agent in accordance with this Agreement shall be deemed to have been duly delivered to each of the Lenders;

(d) unless a Default has occurred and is continuing, the Borrower's consent to the appointment of any Successor Agent must be obtained, but the Borrower's consent shall not be unreasonably withheld.

9.4 Acknowledgements, Representations and Covenants of Lenders

9.4.1 Each Lender represents and warrants that it has the legal capacity to enter into this Agreement pursuant to its charter and any applicable legislation and has not violated its charter, constating documents or any applicable legislation by so doing.

9.4.2 Each of the Lenders acknowledges and confirms that in the event that the Agent does not receive payment in accordance with this Agreement, it shall not be the obligation of the Agent to maintain the Credits in good standing nor shall any Lender have recourse to the Agent in respect of any amounts owing to such Lender under this Agreement.

9.4.3 Each Lender acknowledges and agrees that its obligation to advance its Applicable Percentage of Advances in accordance with the terms of this Agreement is independent and in no way related to the obligation of any other Lender hereunder.

9.4.4 Each Lender hereby acknowledges receipt of a copy of this Agreement and the Security (to the extent that the Security has been delivered) and acknowledges that it is satisfied with the form and content of such documents.

9.5 Provisions Operative Between Lenders and Agent Only

Except for the provisions of Sections 9.3.5, 9.4.1, 9.4.3 and 9.5, the provisions of this Article relating to the rights and obligations of the Lenders and the Agent *inter se* shall be operative as between the Lenders and the Agent only, and the Obligors shall not have any rights or obligations under or be entitled to rely for any purpose upon such provisions.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Cross-Reference to Provisions

As a result of the introduction of the Provisions, Article XIII of the Existing Credit Agreement (as it existed before the 22 August 2005 amendment and restatement) has been deleted from this Agreement and replaced by section 10 of the Provisions. The processing and recordation fee payable to the Agent as contemplated in section 10(b)(vi) of the Provisions is $3,000.

Parts of Article XIV of the Existing Credit Agreement (as it existed before the 22 August 2005 amendment and restatement) have been deleted from this Agreement and replaced by sections 3, 8, 9, 11, 12 and 13 of the Provisions.

10.2 Headings, Table of Contents Etc.

Sections 9.1 and 10.1 (except for the reference to the fee in the latter Section), the headings of the Articles and Sections and the table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

10.3 Accounting Terms

Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under GAAP.

10.4 Capitalized Terms

All capitalized terms used in any of the Loan Documents (other than this Agreement) which are defined in this Agreement shall have the meaning defined herein unless otherwise defined in the other document.

10.5 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not thereby be affected.

10.6 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of the Loan Documents, nor any consent to any departure by an Obligor therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Agent for and on behalf of the Lenders or the Required Lenders, as the case may be, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In addition, any amendment or supplement shall require the written consent of the other parties to the Loan Document in question. No waiver or act or omission of the Agent, the Lenders, or any of them, shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by an Obligor of any provision of the Loan Documents or the rights resulting therefrom.

10.7 Governing Law and Agent for Service

The Province referred to in sections 11(a) and (b) of the Provisions is the Province of Saskatchewan. The law governing this Agreement shall also govern each of the Loan Documents, except for those that expressly provide otherwise.

10.8 This Agreement to Govern

In the event of any conflict between the terms of this Agreement and the terms of any other Loan Document (other than the Fee Agreement and any Intercreditor Agreement, which shall prevail as against this Agreement), the provisions of this Agreement shall govern to the extent necessary to remove the conflict.

10.9 Permitted Encumbrances

The designation of an Encumbrance as a Permitted Encumbrance is not, and shall not be deemed to be, an acknowledgment by the Lenders that the Encumbrance shall have priority over the Security.

10.10 Currency

All payments made hereunder shall be made in the currency in respect of which the obligation requiring such payment arose. Unless the context otherwise requires, all amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars.

Except as otherwise expressly provided in this Agreement, wherever this Agreement contemplates or requires the calculation of the equivalent in one currency of an amount expressed in another currency, the calculation shall be made on the basis of the Exchange Rate at the effective date of the calculation.

10.11 Liability of Lenders

The liability of the Lenders in respect of all matters relating to this Agreement and the other Loan Documents is several and not joint or joint and several. Without limiting that statement, the obligations of the Lenders to make Advances is limited to their respective Applicable Percentages of any Advance that is requested, and, in the aggregate, to their respective Applicable Percentages of the total amounts of the Credits.

10.12 Interest on Miscellaneous Amounts

If an Obligor fails to pay any amount payable hereunder (other than principal, interest thereon or interest upon interest which is payable as otherwise provided in this Agreement) on the due date, that Obligor shall, on demand, pay interest on such overdue amount to the Agent from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate of interest per annum equal to the sum of the interest rate payable at that time for Prime Rate Advances under the Credits plus 2.00% per annum, compounded monthly.

If the Borrower deposits cash as Cash Collateral pursuant to a requirement under this Agreement, the Lender or Lenders holding the cash shall pay the Borrower interest on the cash while it continues to be held as Cash Collateral at the rate offered by the relevant Lenders from time to time for deposits in the relevant currency of comparable size and term.

10.13 Currency Indemnity

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing to the Lenders or any of them under this Agreement or for the payment of damages in respect of any breach of this Agreement or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency ("the Judgment Currency") other than the currency payable hereunder or thereunder ("the Agreed Currency"), the party against whom the judgment or order is made shall indemnify and hold the Lenders harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Lenders arising or resulting from any variation as between (i) the Exchange Rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (ii) the Exchange Rate at which each Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Lender on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the Obligors hereunder, shall apply irrespective of any indulgence granted by the Lenders, and shall be secured by the Security.

10.14 Address for Notice

As of the date of this Agreement, the addresses of Big Sky Farms Inc. and the Lenders contemplated in section 8(a) of the Provisions are as specified beside their respective signatures to this Agreement. Notice to the other Obligors shall be sent in care of Big Sky Farms Inc.

10.15 Time of the Essence

Time shall be of the essence in this Agreement.

10.16 Further Assurances

The Obligors shall, at the request of the Agent acting on the instructions of the Required Lenders, do all such further acts and execute and deliver all such further documents as may, in the reasonable opinion of the Required Lenders, be necessary or desirable in order to fully perform and carry out the purpose and intent of the Loan Documents.

10.17 Term of Agreement; Survival

Except as otherwise provided herein, this Agreement shall remain in full force and effect until the payment and performance in full of all of the Obligations and the termination of the Credits. The obligations of the Obligors in sections 3.1, 3.2 and 9 of the Provisions and of the Lenders in section 7.5 of the Provisions shall continue for the benefit of those to whom the obligations are owed notwithstanding the termination of this Agreement or the termination of any particular person's role as Obligor, Agent or Lender.

10.18 Payments on Business Day

Whenever any payment or performance under the Loan Documents would otherwise be due on a day other than a Business Day, such payment shall be made on the following Business Day, unless the following Business Day is in a different calendar month, in which case the payment shall be made on the preceding Business Day.

10.19 Counterparts and Facsimile

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile copy.

10.20 Entire Agreement

This Agreement, the Fee Agreement and the Intercreditor Agreements constitute the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancel and supersede any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof. Without limiting the foregoing, any commitment letters and term sheets are cancelled and superseded.

10.21 Date of Agreement

This Agreement may be referred to as being dated 14 July 2006 or as of 14 July 2006, notwithstanding the actual date of execution.

[Signature pages follow]

IN WITNESS OF WHICH, the parties have executed this Agreement as of the date first set forth above.

Address For Notice

The Bank of Nova Scotia
Westside Branch
306-20th Street West
Saskatoon, Saskatchewan
S7M 0X2

Attention: Manager
Fax No.: 306-668-1556

THE BANK OF NOVA SCOTIA

By: Don Lysyshyn
Don Lysyshyn
Account Manager

By:
Name: Kelly Brown
Title: Senior Account Manager

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

The Bank of Nova Scotia
WBO – Loan Operations
2nd Floor
720 King Street West
Toronto, Ontario
M5V 2T3

Attention: Director
Fax No.: 416-866-5991

THE BANK OF NOVA SCOTIA
as Agent

By: ______________________
Name: John Hun
Title: Director

By: ______________________
Name: Steve Holyman
Title: Associate

with a copy to:

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

Attention: Managing Director
Fax No.: 416-866-3329

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

National Bank of Canada
116-2nd Avenue South
Saskatoon
Saskatchewan
S7K 1K5

Attention: Account Manager
Fax No.: 306-665-8802

NATIONAL BANK OF CANADA

By: ______________________
Name: DAVID E. GOOD, SENIOR MANAGER
Title: COMMERCIAL BANKING CENTRE

By: ______________________
Name: RAY BRUCE, ACCOUNT MANAGER
Title: COMMERCIAL BANKING CENTRE

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

<u>Address For Notice</u>

Farm Credit Canada
Regina Concurrence Centre
900-1801 Hamilton Street
Regina, Saskatchewan
S4P 4L5

Attention: Risk Management
Fax No.: 306-780-6103

FARM CREDIT CANADA

By: ______________________
Name: Gerald Berscheid, Senior Account Manager
Title: Farm Credit Canada

By: ______________________
Name:
Title:

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

Bank of Montreal
Corporate Finance
9th Floor, First Canadian Centre
350-7th Avenue S.W.
Calagary, Alberta
T2P 3N9

Attention: Senior Manager
Fax No.: 403-234-1688

BANK OF MONTREAL

By: ______________________
Name: Graeme Weaver
Title: Senior Manager

By: ______________________
Name:
Title:

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

Box 610
Humboldt
Saskatchewan
S0K 2A0

Attention: Chief Financial Officer
Fax No.: 306-682-5042

BIG SKY FARMS INC.

By: ______________________
Florian Possberg
President & CEO

By: ______________________
Michael Deutscher
Senior Vice President and Chief Financial Officer

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

Box 610
Humboldt
Saskatchewan
S0K 2A0

Attention: Secretary-Treasurer
Fax No.: 306-682-5042

DRYCAST SYSTEMS INC.

By: ____________________
Florian Possberg
President

By: ____________________
Michael Deutscher
Secretary-Treasurer

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

Address For Notice

Box 610
Humboldt
Saskatchewan
S0K 2A0

Attention: Secretary-Treasurer
Fax No.: 306-682-5042

BIG SKY MANAGEMENT CONSULTING CORP.

By: ______________________
Florian Possberg
President

By: ______________________
Michael Deutscher
Secretary-Treasurer

[signature page for Amended and Restated Credit Agreement dated as of 14 July 2006 relating to Big Sky Farms Inc.]

SCHEDULE A
NOTICE OF ADVANCE OR PAYMENT

[see reference in Section 5.6]

TO: THE BANK OF NOVA SCOTIA
WBO – Loan Operations
2nd Floor
720 King Street West
Toronto, Ontario
M5V 2T3

Attention: Director
Fax No.: 416-866-5991

We refer to the Third Amended and Restated Credit Agreement dated as of 14 July 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

Request for Advance

Notice is hereby given pursuant to Section 5.6 of the Credit Agreement that the undersigned hereby irrevocably requests as follows:

(A) that an Advance be made under the following Credit *[check one]*:

Credit A2	( )
Credit B	( )
Credit C Tranche 1	( )
Credit C Tranche 2	( )

(B) the requested Advance represents the following *[check one or more]*:

initial Advance under the Credit	( )
increase in Advances under the Credit	( )
rollover of existing Advances under the Credit	( )
conversion of existing Advances to another type of Advance	

(C) the Drawdown Date shall be _____________

(D) the Advance shall be in the form of *[check one or more and complete details]*:

Prime Rate Advance		( )
Amount:	$__________	
Bankers' Acceptances		( )
Face Amount:	__________	
Term:	__________	
Base Rate Advance		( )
Amount:	US$________	
L/C		( )
Nominal Amount:	__________	
Expiry Date	__________	
	[Note: attach proposed form or details.]	

(E) the proceeds of the Advance shall be deposited in *[specify Designated Account]*

The undersigned hereby confirms as follows:

(a) the representations and warranties made in Section 6.1 of the Credit Agreement, other than those expressly stated to be made as of a specific date, are true on and as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof, subject to modifications made by the Borrower to the Lenders in writing and accepted by the Required Lenders;

(b) no Default has occurred and is continuing on the date hereof or will result from the Advance(s) requested herein;

(c) after reasonable inquiry, the undersigned has no reason to believe that it will not be in compliance with all covenants contained in Section 7.1 of the Credit Agreement at the end of its current fiscal quarter and was not in compliance with those covenants at the end of its immediately preceding fiscal quarter if it has not yet delivered its Compliance Certificate for that quarter;

(d) the undersigned will immediately notify you if it becomes aware of the occurrence of any event which would mean that the statements in the immediately preceding paragraphs (a), (b) and (c) would not be true if made on the Drawdown Date;

(e) all other conditions precedent set out in Article IV of the Credit Agreement have been fulfilled.

Notice of Payment

Pursuant to Section 5.6 of the Credit Agreement, the undersigned hereby irrevocably notifies you of the following:

(a) that a payment will be made under the following Credit *[check one]*:

Credit A2	( )
Credit B	( )
Credit C	( )

(b) the payment represents the following *[check one or more]*:

reduction in Advances under the Credit	( )
payment of existing Advances which will be rolled over as the same type of Advance under the Credit	( )
payment of existing Advances which will be converted to another type of Advance under the Credit	( )

(c) the payment date shall be ________________

(d) the Advance to be paid shall be in the form of *[check one or more and complete details]*:

Prime Rate Advance		( )
Amount:	$__________	
Bankers' Acceptances		( )
Face Amount:	____________	
Maturity Date:	____________	
Base Rate Advance		( )
Amount:	US$________	

DATED_______________________________

BIG SKY FARMS INC.

By: _______________________________
Name:
Title:

By: _______________________________
Name:
Title:

cc: The Bank of Nova Scotia
Westside Branch
306-20th Street West
Saskatoon, Saskatchewan
S7M 0X2

Attention: Manager
Fax no.: 306-668-1556

The Bank of Nova Scotia
Calgary Business Support Centre
PO Box 63069
Marlborough CRO
Calgary, AB
T1Y 6G2

Attention: Document Services
Fax no.: 1-877-909-7038

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

Attention: Managing Director
Fax No.: 416-866-3329

SCHEDULE B
COMPLIANCE CERTIFICATE

[see reference in Section 1.1.35]

TO: THE BANK OF NOVA SCOTIA, as Agent
Corporate Banking, Loan Syndications
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Managing Director
Fax No.: 416-866-3329

AND TO: THE LENDERS (as defined in the Credit Agreement referred to below)

We refer to Section 7.3.1(e) of the Third Amended and Restated Credit Agreement dated as of 14 July 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

1. The Borrower hereby certifies that:

   (a) the representations and warranties made in Section 6.1 of the Credit Agreement, other than those expressly stated to be made as of a specific date, are true on and as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof, subject to modifications made by the Borrower to the Lenders in writing and accepted by the Required Lenders;

   (b) no Default has occurred and is continuing on the date hereof *[or as the case may be]*.

2. The Borrower hereby certifies that, as of the end of its most-recently completed fiscal quarter, which ended on ___________,

   (a) the Debt Service Ratio is _____: 1;

   (b) the Senior Debt Ratio is ______: 1;

   (c) the Current Ratio is ______: 1.

   (d) *[include for year end only]* its Excess Cash Flow for its most-recently completed fiscal year, was $__________.

3. Appendix A attached sets out the calculations of the Ratios *[and Excess Cash Flow]* referred to above.

4. The Borrower hereby certifies that, as of the end of its most-recently completed fiscal quarter, the aggregate of all Capital Expenditures for the current fiscal year to date total $____________.

5. Appendix B attached contains details of all Other Secured Obligations as of the end of the Borrower's most-recently completed fiscal quarter that have not previously been listed on SCHEDULE G to the Credit Agreement.

6. Appendix C attached is an up to date version of SCHEDULE F to the Credit Agreement. *[or* There has been no change to the information contained in the version of SCHEDULE F to the Credit Agreement.*]*

DATED ____________________

BIG SKY FARMS INC.

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

SCHEDULE C
AGREEMENT OF NEW OBLIGOR

SUPPLEMENT TO CREDIT AGREEMENT

[see reference in Section 3.1]

THIS AGREEMENT supplements the Third Amended and Restated Credit Agreement dated as of 14 July 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement").

RECITALS

A. Capitalized terms used and not defined in this Agreement have the meanings defined in the Credit Agreement.

B. The Credit Agreement contemplates that further Subsidiaries of the Borrower shall become Obligors in certain circumstances.

C. ● (the "New Subsidiary") is required by the Credit Agreement to become an Obligor.

D. The New Subsidiary has delivered the documents listed on Schedule A to this Supplement, which form part of the Security, an opinion of its counsel and other resolutions and ancillary documents required by the Agent, and a pledge of all shares of the New Subsidiary owned by the other Obligors has also been delivered as part of the Security.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

1. The New Subsidiary hereby acknowledges and agrees to the terms of the Credit Agreement and agrees to be bound by all obligations of an Obligor under the Credit Agreement as if it had been an original signatory thereto.

2. The Agent, on behalf of the Lenders, acknowledges that the New Subsidiary shall be an Obligor as of the date of this Agreement.

IN WITNESS OF WHICH, the undersigned have executed this Agreement as of ●.

THE BANK OF NOVA SCOTIA as Agent

By: ____________________________
Name:
Title:

[New Subsidiary]

By: ____________________________
Name:
Title:

[Note: Schedule A to be attached to list Security]

SCHEDULE D
MODEL CREDIT AGREEMENT PROVISIONS

[see reference in Section 1.1.131]

The attached model credit agreement provisions, which have been revised under the direction of the Canadian Bankers' Association Secondary Loan Market Specialist Group from provisions prepared by The Loan Syndications and Trading Association, Inc., form part of this Agreement, except for the footnotes to the model credit agreement provisions and subject to the following variations:

1. References to "Interest Period," "LIBO Rate" and "LIBO Rate Loan" do not apply to this Agreement.

2. The term "Release," which is used in section 9(b) but not defined in the Provisions, shall be interpreted as referring to any release, spill, leakage, emission, deposit, discharge, leaching, migration or disposition. The term "Environmental Liability," which is used in section 9(b) but not defined in the Provisions, shall be interpreted as referring to any remedial action taken by the Agent or any Lender relating to any Hazardous Materials or any breach of any Applicable Law relating to Hazardous Materials.

3. Clause 5(iii)(y) of the Provisions is deleted and replaced with the following:

> "any reduction arising from an amount owing to an Obligor upon the termination of any derivative entered into between the Obligor and such Lender except for a net amount available after the termination of all derivatives entered into between the Obligors and such Lender and the setoff of resulting amounts owing by the Obligors and to the Obligors"

4. References in the Provisions to participations by Lenders in respect of Letters of Credit shall be interpreted as referring to the obligations of Lenders to indemnify the Issuing Bank in accordance with Section 5.1 of this Agreement.

6. Clause 10(b)(iii) of the Provisions is deleted and replaced with the following:

> "any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by the Issuing Bank in its sole discretion"

MODEL CREDIT AGREEMENT PROVISIONS

1. Definitions

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means the credit agreement of which these Provisions form part.

"Applicable Law" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"Applicable Percentage" means with respect to any Lender, the percentage of the total Commitments represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be the percentage of the total outstanding Loans and participations in respect of Letters of Credit represented by such Lender's outstanding Loans and participations in respect of Letters of Credit.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have corresponding meanings.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"Eligible Assignee" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 10(b) has been obtained.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of an

Obligor hereunder, (a) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lender is located and (c) in the case of a Foreign Lender (other than (i) an assignee pursuant to a request by the Borrower under Section 3.3(b), (ii) an assignee pursuant to an Assignment and Assumption made when an Event of Default has occurred and is continuing or (iii) any other assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that (A) is not imposed or assessed in respect of a Loan that was made on the premise that an exemption from such withholding tax would be available where the exemption is subsequently determined, or alleged by a taxing authority, not to be available and (B) is required by Applicable Law to be withheld or paid in respect of any amount payable hereunder or under any Loan Document to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.2(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from an Obligor with respect to such withholding tax pursuant to Section 3.2(a). For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the Income Tax Act (Canada) or any successor provision thereto.[1]

"Foreign Lender" means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Loan Document to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Governmental Authority" means the government of Canada 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 and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Issuing Bank" means the Person named elsewhere in this Agreement[2] as the issuer of Letters of Credit on the basis that it is "fronting" for other Lenders and not on the basis that it is the

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1 Please note that this definition of "Excluded Taxes" will result in Foreign Lenders not being grossed up for withholding taxes that exist at the time of execution and delivery of the Credit Agreement, except in the circumstances specified. If a loan is intended to be exempt from withholding tax as a "5/25" structure or otherwise, this premise should be specified in the Credit Agreement.

2 Ensure that the Credit Agreement identifies the Issuing Bank or indicates that there is none.

attorney of other Lenders to sign Letters of Credit on their behalf, or any successor issuer of Letters of Credit. For greater certainty, where the context requires, references to "Lenders" in these Provisions include the Issuing Bank.

"Loan" means any extension of credit by a Lender under this Agreement, including by way of bankers' acceptance or LIBO Rate Loan, except for any Letter of Credit or participation in a Letter of Credit.

"Obligors" means, collectively, the Borrower and each of the guarantors of the Borrower's obligations that are identified elsewhere in this Agreement.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" has the meaning assigned to such term in Section 10(d).

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

"Provisions" means these model credit agreement provisions.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

2. Terms Generally

(1) 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 (including this Agreement) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and permitted 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 expressly stated, all references in these Provisions to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, these Provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these Provisions, (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.

(2) If there is any conflict or inconsistency between these Provisions and the other terms of this Agreement, the other terms of this Agreement shall govern to the extent necessary to resolve the conflict or inconsistency.

3. Yield Protection

3.1 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 3.2 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(iii) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or the Letters of Credit issued or participated in by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefore, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the nine-month period referred to above shall be extended to include the period of retroactive effect thereof.

3.2 Taxes.

(a) Payments Subject to Taxes. If any Obligor, the Administrative Agent, or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall within five days thereof notify the Borrower and the Administrative Agent in writing.

(f) Treatment of Certain Refunds and Tax Reductions. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower or Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender if the Administrative Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

3.3 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.1, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2 , then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.2 , as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders.[3] If any Lender requests compensation under Section 3.1, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.2, if any Lender's obligations are suspended pursuant to Section 3.4 or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrower pays the Administrative Agent the assignment fee specified in Section 10(b)(vi);

(ii) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loans and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to

3 Please note that the Breakfunding section in the Credit Agreement should expressly include any amounts payable as a result of an assignment required by this Section.

the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.1 or payments required to be made pursuant to Section 3.2, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

3.4 Illegality.

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Loan (or to maintain its obligation to make any Loan), or to participate in, issue or maintain any Letter of Credit (or to maintain its obligation to participate in or to issue any Letter of Credit), or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if conversion would avoid the activity that is unlawful, convert any Loans, or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

3.5 Inability to Determine Rates Etc.

If the Required Lenders determine that for any reason a market for bankers' acceptances does not exist at any time or the Lenders cannot for other reasons, after reasonable efforts, readily sell bankers' acceptances or perform their other obligations under this Agreement with respect to bankers' acceptances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the Borrower's right to request the acceptance of bankers' acceptances shall be and remain suspended until the Required Lenders determine and the Agent notifies the Borrower and each Lender that the condition causing such determination no longer exists. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or that the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a borrowing, conversion or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein.

4. Right of Setoff.

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such obligations of the Obligor may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 4, it shall share the benefit received in accordance with Section 5 as if the benefit had been received by the Lender of which it is an Affiliate.

5. Sharing of Payments by Lenders.

If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and accrued interest thereon or other obligations hereunder greater than its pro rata share thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest,

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in disbursements under Letters of Credit to any assignee or participant, other than to any Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply); and

(iii) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, (x) any payment made in respect of an obligation that is secured by a Permitted Lien or that is otherwise entitled to priority over the Borrower's obligations under or in connection with the Loan Documents, (y) any reduction arising from an amount owing to an Obligor upon the termination of derivatives entered into between the

Obligor and such Lender[4], or (z) any payment to which such Lender is entitled as a result of any form of credit protection obtained by such Lender.

The Obligors consent to the foregoing and agree, to the extent they may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Obligor rights of setoff and counterclaim and similar rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of each Obligor in the amount of such participation.

6. Administrative Agent's Clawback

(a) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any advance of funds that such Lender will not make available to the Administrative Agent such Lender's share of such advance, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with the provisions of this Agreement concerning funding by Lenders and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable advance available to the Administrative Agent, then the applicable Lender shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such advance. If the Lender does not do so forthwith, the Borrower shall pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon at the interest rate applicable to the advance in question. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that has failed to make such payment to the Administrative Agent.

(b) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute the amount due to the Lenders. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with prevailing banking industry practice on interbank compensation.

7. Agency.

7.1 Appointment and Authority. Each of the Lenders and the Issuing Bank hereby irrevocably appoints the Person identified elsewhere in this Agreement as the Administrative Agent[5] to act on its

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[4] Those preparing Credit Agreements should consider whether this exclusion of proceeds of derivatives is appropriate in the particular circumstances of the Credit Agreement. It may be appropriate to provide for sharing of, for example, any net amount available after the termination of all derivatives entered into between the Obligors and a Lender and the setoff of resulting amounts owing by the Obligors and to the Obligors if there is more than one such derivative.

[5] Ensure that the Credit Agreement identifies the Administrative Agent for the purpose of this reference

behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

7.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders.

7.3 Exculpatory Provisions.

(1) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents.[6] Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the person serving as the Administrative Agent or any of its Affiliates in any capacity.

(2) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of the Loan Documents) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing the Default is given to the Administrative Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or

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6 It is anticipated that the Credit Agreement will require the Borrower to be responsible for compliance with all requirements to maintain perfection of security.

conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

7.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

7.5 Indemnification of Administrative Agent. Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), rateably according to its Applicable Percentage (and not jointly or jointly and severally) from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

7.6 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

7.7 Replacement of Administrative Agent.

(1) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Bank and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto, Ontario or Montréal, Québec, or an Affiliate of any such Lender with an office in Toronto or Montréal. The Administrative Agent may also be removed at any time by the Required Lenders upon 30 days' notice to the Administrative Agent and the Borrower as long as the Required Lenders, in consultation with the Borrower, appoint and obtain the acceptance of a successor within such 30 days, which shall be a Lender having a Commitment to a revolving credit if one or more is established in this Agreement and having an office in Toronto or Montréal, or an Affiliate of any such Lender with an office in Toronto or Montréal.

(2) If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 7.7(1), provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Section 7 and of Section 9 shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

7.8 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

7.9 Collective Action of the Lenders. Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Administrative Agent upon the decision of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including, without limitation, any declaration of default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

7.10 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

8. Notices; Effectiveness; Electronic Communication

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as-provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement[7] or, if to a Lender, to it at its address or telecopier number specified in the Register or, if to an Obligor other than the Borrower, in care of the Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a business day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent,[8] provided that the foregoing shall not apply to notices to any Lender of Loans to be made or Letters of Credit to be issued if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address. Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

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7 Ensure that the Credit Agreement contains the contact information referred to.

8 Administrative Agents may wish to prescribe procedures for electronic communications and to disseminate those procedures to Lenders.

9. Expenses; Indemnity; Damage Waiver [9]

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Bank, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Obligor, or any Environmental Liability related in any way to any Obligor, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Obligor has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor shall it be available in respect of matters specifically addressed in Sections 3.1, 3.2 and 9(a).

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Bank or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Bank or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability

9 A reference to this Section should be included in the Survival Section, if any, of the Credit Agreement.

or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing Bank in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or Issuing Bank in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Obligors shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Administrative Agent or a Lender setting forth the amount or amounts owing to the Administrative Agent, Lender or a sub-agent or Related Party, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

10. Successors and Assigns

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that:

(i) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, in the case of any assignment in respect of a revolving facility, or $1,000,000, in the case of any assignment in respect of a term facility, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis;

(iii) any assignment of a Commitment relating to a credit under which Letters of Credit may be issued must be approved by any Issuing Bank (such approval not to be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself already a Lender with a Commitment under that credit;

(iv) any assignment must be approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed) unless:

(x) in the case of an assignment of a Commitment relating to a revolving credit, the proposed assignee is itself already a Lender with the same type of Commitment,

(y) no Event of Default has occurred and is continuing, and the assignment is of a Commitment relating to a non-revolving credit that is fully advanced, or

(z) the proposed assignee is a bank whose senior, unsecured, non-credit enhanced, long term debt is rated at least A3, A- or A low by at least two of Moody's Investor Services Inc., Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Dominion Bond Rating Service Limited, respectively;

(v) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed) unless the proposed assignee is itself already a Lender with the same type of Commitment or a Default has occurred and is continuing; and

(vi) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in an amount specified elsewhere in this Agreement[10] and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but

[10] Ensure that the Credit Agreement specifies the amount of this fee.

shall continue to be entitled to the benefits of Sections 3 and 9, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section. Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(c) Register. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario or Montréal, Québec a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor[11]) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4 as though it were a Lender, provided such Participant agrees to be subject to Section 5 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.1 and 3.2 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.2 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.2(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

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11 Consideration should be given to the percentage of Lenders required to permit the sale of a participation to an Obligor or any Affiliate or Subsidiary of an Obligor.

11. Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Province specified elsewhere in this Agreement[12] and the laws of Canada applicable in that Province.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province specified elsewhere in this Agreement, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

12. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13. Counterparts; Integration; Effectiveness; Electronic Execution

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of

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12 Ensure that the Credit Agreement identifies the Province referred to here and in paragraph (b) immediately below.

each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada), the Electronic Commerce Act, 2000 (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

14. Treatment of Certain Information: Confidentiality

(1) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "Information" means all information received in connection with this Agreement from any Obligor relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers

(3) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide the information described on Exhibit B concerning the Borrower and the credit facilities established herein to Loan Pricing Corporation and/or other recognized trade publishers of information for general circulation in tho loan market.

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: ______________________________

2. Assignee: ______________________________
[and is an Affiliate/Approved Fund of [*identify Lender*][1]]

3. Borrower(s): ______________________________

4. Administrative Agent: ______________________________, as the administrative agent under the Credit Agreement

5. Credit Agreement: [The [*amount*] Credit Agreement dated as of _______ among [*name of Borrower(s)*], the Lenders parties thereto, [*name of Administrative Agent*], as Administrative Agent, and the other agents parties thereto]

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1 Select as applicable.

6. Assigned Interest:

Facility Assigned[2]	Aggregate Amount of Commitment/Loans for all Lenders[3]	Amount of Commitment/Loans Assigned[3]	Percentage Assigned of Commitment/Loans[4]	CUSIP Number
	$	$	%	
	$	$	%	
	$	$	%	

[7. Trade Date: ____________________][5]

2 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Credit Commitment," "Term Loan Commitment," etc.)

3 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

4 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

5 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: ___________, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ______________________________
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ______________________________
Title:

[Consented to and][6] Accepted:

[NAME OF ADMINISTRATIVE AGENT], as Administrative Agent

By ______________________________
Title:

[Consented to:][7]

[NAME OF RELEVANT PARTY]

By ______________________________
Title:

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6 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

7 To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1 to Assignment and Assumption

[____________________][1]

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document[2], (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section ___ thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender[3], attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

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1 Describe Credit Agreement at option of Administrative Agent.

2 The term "Loan Document" should be conformed to the term used in the Credit Agreement.

3 The concept of "Foreign Lender" should be conformed to the section in the Credit Agreement governing withholding taxes and gross-up.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

EXHIBIT B

LOAN MARKET DATA TEMPLATE

Recommended Data Fields – At Close
The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

Company Level

- **Issuer Name**
- **Location**
- **SIC (Cdn)**
- Identification Number(s)
- **Revenue**
- ***Measurement of Risk**
  - **S&P Sr. Debt**
  - **S&P Issuer**
  - **Moody's Sr. Debt**
  - **Moody's Issuer**
  - **Fitch Sr. Debt**
  - **Fitch Issuer**
  - S&P Implied (internal assessment)
  - **DBRS**
- Other Ratings
- *Industry Classification
  - Moody's Industry
  - S&P Industry
- Parent
- Financial Ratios

Deal Specific

- **Currency/Amount**
- **Date**
- **Purpose**
- **Sponsor**
- **Financial Covenants**
- Target Company
- **Assignment Language**
- Law Firms
- MAC Clause
- Springing lien
- Cash Dominion
- Mandatory Prepays
- Restrct'd Payments (Neg Covs)
- Other Restrictions

Facility Specific

- **Currency/Amount**
- **Type**
- **Purpose**
- **Tenor**
- Term Out Option
- **Expiration Date**
- **Facility Signing Date**
- **Pricing**
  - **Base Rate(s)/Spread(s)/BA/LIBOR**
  - **Initial Pricing Level**
  - **Pricing Grid (tied to, levels)**
  - **Grid Effective Date**
- **Fees**
  - **Participation Fee (tiered also)**
  - **Commitment Fee**
- **Annual Fee**
  - **Utilization Fee**
  - **LC Fee(s)**
  - **BA Fee**
- Prepayment Fee
- Other Fees to Market
  - Security
  - **Secured/Unsecured**
  - Collateral and Seniority of Claim
  - Collateral Value
- **Guarantors**
- **Lenders Names/Titles**
- **Lender Commitment ($)**
- Commited/Uncommited
- Distribution method
- **Amortization Schedule**
- Borrowing Base/Advance Rates
- New Money Amount
- **Country of Syndication**
- Facility Rating (Loss given default)
  - **S&P Bank Loan**
  - **Moody's Bank Loan**
  - **Fitch Bank Loan**
  - **DBRS**
  - **Other Ratings**

* These items would be considered useful to capture from an analytical perspective

SCHEDULE E
APPLICABLE PERCENTAGES OF LENDERS

[see reference in Sections 1.1.88 and 1.1.125]

BNS	Credits A, B and C (overall) –37.94% - $32,668,582
	Credit A1 (adjusted in accordance with Section 8.2) – 100% - $4,500,000
	Credit A2 (adjusted in accordance with Section 8.2) – 23.95% - $4,790,000
	Credit B – 37.92% -$15,798,582
	Credit C – 38% - $7,600,000
BMO	Credits A, B and C (overall) – 24.33% - $20,964,212
	Credit A1 (adjusted in accordance with Section 8.2) – 0%
	Credit A2 (adjusted in accordance with Section 8.2) – 29.75% - $5,949,000
	Credit B – 24.28% - $10,115,212
	Credit C – 24.5% - $4,900,000
National	Credits A, B and C (overall) – 23.56% - $20,298,078
	Credit A1 (adjusted in accordance with Section 8.2) – 0%
	Credit A2 (adjusted in accordance with Section 8.2) – 28.88% - $5,776,000
	Credit B – 23.58% - $9,822,078
	Credit C – 23.5% - $4,700,000
FCC	Credits A, B and C (overall) – 14.17% -$12,211,176
	Credit A1 (adjusted in accordance with Section 8.2) – 0%
	Credit A2 (adjusted in accordance with Section 8.2) – 17.42% - $3,485,000
	Credit B – 14.22% - $5,926,176
	Credit C – 14% - $2,800,000

SCHEDULE F
DETAILS OF CAPITAL STOCK, PROPERTY ETC.

[see references in Sections 6.1.4(a) and 7.5.4(c)]

Big Sky Farms Inc.

Ownership of its Capital Stock:	see Appendix A attached
Capital Stock it owns:	- 100 Class "A" shares held beneficially and of record by Big Sky Farms Inc. . in each of the following wholly owned subsidiaries: • Drycast Systems Inc. • Big Sky Management Consulting Corp. • 101015902 Saskatchewan Ltd. - Fluctuating interests in SPI Marketing Group Inc. (being a co-operative marketing agency for Saskatchewan hog producers) - 2,740 common shares of Golden Sunrise Foods Inc. and 1,274,100 limited partnership units of Golden Sunrise Foods Limited Partnership (representing 27.40% of the outstanding shares and limited partnership units in each of these two entities)
Nature of Business:	ownership, development and operation of hog production facilities and the production and marketing of hogs
Head Office:	905 - 5th Avenue, P.O. Box 610, Humboldt, SK S0K 2A0 Address will change to the Office Project site in Humboldt, SK (civic address not yet assigned) following completion of the Office Project.
Chief Executive Office:	same as head office
Real Property:	
Owned:	see Appendix B attached
Leased:	see Appendix C attached

Jurisdictions in which its property other than accounts receivable and goods in transit to packing plants is located: Saskatchewan, Manitoba and Iowa

Drycast Systems Inc.

Ownership of its Capital Stock:	100 Class "A" shares held beneficially and of record by Big Sky Farms Inc.
Capital Stock it owns:	Nil.
Nature of Business:	manufacture of concrete products and other materials for hog barns
Head Office:	Same as Big Sky Farms Inc.

Chief Executive Office:	same as head office
Real Property:	
Owned:	None.
Leased:	None.

Jurisdiction in which its property other than accounts receivable is located: Saskatchewan

Big Sky Management Consulting Corp.

Ownership of its Capital Stock:	100 Class "A" shares held beneficially and of record by Big Sky Farms Inc.
Capital Stock it owns:	Nil
Nature of Business:	Management and business consulting services to other companies and entities in the hog and/or pork industries
Head Office and Chief Executive Office:	Same as Big Sky Farms Inc.
Property:	Currently holds no material real or personal property. This company was recently incorporated - January 3, 2006 and may still be considered to be in the start-up stage of development. Once operational it is expected that its property, other than accounts receivable, will be located only in Saskatchewan.

101015902 Saskatchewan Ltd.

Ownership of its Capital Stock:	100 Class "A" shares held beneficially and of record by Big Sky Farms Inc.
Capital Stock it owns:	Nil
Nature of Business:	The sole business of this company is to hold stock options and related rights granted, beneficially, to directors, officers, employees and/or consultants of the Borrower under its stock option and management incentive plans
Property:	This company does not beneficially own any property.

APPENDIX A
TO SCHEDULE F

BIG SKY FARMS INC. - CAPITAL STOCK

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES		% OF TOTAL
INSTITUTIONAL SHAREHOLDERS			
INVESTMENT SASKATCHEWAN INC. 400 - 2400 COLLEGE AVENUE REGINA, SK S4P 1C8	4,400,000		44.58%
CROWN LIFE INSURANCE COMPANY SUITE 1900, 1874 SCARTH STREET REGINA, SK S4P 4B3	2,325,000		23.56%
SASKATCHEWAN GOVERNMENT GROWTH FUND III LTD. SUITE 1210 1801 HAMILTON STREET REGINA, SK S4P 4B4	1,263,360		12.80%
SASKATCHEWAN INDIAN EQUITY FOUNDATION 224B 4TH AVENUE SOUTH SASKATOON SK S7K 5M5	443,703		4.50%
Sub-Total - Institutional Investors		**8,432,063**	**85.43%**
MANAGEMENT, EMPLOYEES AND RELEATED PARTIES			
B & F HOLDINGS LTD. BOX 2578 HUMBOLDT, SK S0K 2A0	645,718		
PORCAN DEVELOPMENTS INC. (Note 1) P.O. BOX 610 HUMBOLDT, SK S0K 2A0	52,056		

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES			% OF TOTAL
Sub-Total - Shares controlled by Florian Possberg and family		**669,144**		6.78%
UNION SECURITIES LTD. ITF MICHAEL DEUTSCHER RSP #06R-1484-5 PO BOX 10341 PACIFIC CENTRE 900 609 GRANVILLE STREET VANCOUVER BC V7Y 1H4	9,000			
NESBITT BURNS in trust for RRSP #6110016416 PATRICIA DEUTSCHER 306 - 123 2ND AVENUE SOUTH SASKATOON SK S7K 7E6	3,000			
FOOTHILL HOLDINGS LTD. 701 - 9TH STREET HUMBOLDT SK S0K 2A0	55,953			
Sub-Total - Shares controlled by Michael Deutscher		**80,967**	*(Note 1)*	0.82%
ANIMAL MANAGEMENT SERVICES AND PET CLINIC LTD.("AMSP") P.O. BOX 2439 HUMBOLDT, SK SOK 2A0	67,953	75,761	*(Note 1)*	0.77%
HARDING SWINE VETERINARY SERVICES INC.("HSVS") BOX 2922 HUMBOLDT, SK S0K 2A0	67,953	75,761	*(Note 1)*	0.77%
NESBITT BURNS INC. in trust for CASEY SMIT P.O. BOX 150 FIRST CANADIAN PLACE TORONTO ON M5X 1H3	9,622			

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES			% OF TOTAL
NESBITT BURNS INC. in trust for ACCOUNT NO. 816-01752-15 CASEY SMIT 306 - 123 2ND AVENUE SOUTH SASKATOON, SK S7K 7E6	3,278			
NESBITT BURNS INC. in trust for LAURIE ANNE SMIT RRSP A/C 816-01753-14 P.O. BOX 150 FIRST CANADIAN PLACE TORONTO ON M5X 1H3	17,100			
Sub-Total - Shares controlled by Casey Smit		**30,000**		0.30%
BIG SKY EMPLOYEE'S FUND INC. 905 5TH AVENUE P.O. BOX 610 HUMBOLDT SK S0K 2A0	340,702	**340,702**		3.45%
Sub-Total - Management, Employees and Related Parties			**1,272,335**	**12.89%**
OTHER				
BRIAN BANADYGA 514 LAKESIDE DRIVE KELVINGTON, SK S0A 1W0	3,000			
BRIAN GECK BOX 72 MCNUTT, SK S0A 2W0	1,365			
ALLAN GECK P.O. BOX 598 KELVINGTON, SK S0A 1W0	300			

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES	% OF TOTAL
BRUCE GIBB P.O. BOX 263 LINTLAW, SK S0A 2H0	1,500	
BILL GWILLIAM P.O. BOX 548 KELVINGTON, SK S0A 1W0	8,181	
ALLAN LEITCH P.O. BOX 67 HENDON, SK S0E 0X0	1,365	
SCOTIA CAPITAL INC. in trust for RRSP AC: 486-03223-14 SCOTIA PLAZA 40 KING STREET WEST P.O. BOX 4085, STATION "A" TORONTO, ON M5W 2X6	2,850	
SCOTIA CAPITAL INC. in trust for RRSP AC: 486-03224-13 SCOTIA PLAZA 40 KING STREET WEST P.O. BOX 4085, STATION "A" TORONTO, ON M5W 2X6	2,850	
LAURENTIAN TRUST OF CANADA INC. in trust for RRSP #B055383 130 ADELAIDE STREET WEST TORONTO, ON M5H 3P6	8,184	

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES		% OF TOTAL
LAURENTIAN TRUST OF CANADA INC. SDRRSP #B0526243 ITF 130 ADELAIDE STREET WEST TORONTO, ON M5H 3P6	6,819		
LAURENTIAN TRUST OF CANADA INC. SDRRSP #B055381 ITF 130 ADELAIDE STREET WEST TORONTO, ON M5H 3P6	2,814		
KELLY PATRICK P.O. BOX 365 KELVINGTON, SK S0A 1W0	4,005		
MICHAEL PATRICK P.O. BOX 784 KELVINGTON, SK S0A 1W0	5,457		
KEITH PLADSON 111 5TH AVENUE WEST KELVINGTON, SK S0A 1W0	3,000		
BILL SOWA P.O. BOX40 KELVINGTON, SK S0A 1W0	10,275		
DALE SWARTZ P.O. BOX 872 KELVINGTON, SK S0A 1WO	5,457		
Sub-Total - "KSS" Shareholders		**67,422**	0.68%

NAME AND ADDRESS OF HOLDER	NUMBER OF COMMON SHARES			% OF TOTAL
CLIFF WIEGERS 600 - 350 3RD AVENUE NORTH SASKATOON, SK S7K 5G7	90,000			
WIEGERS HOLDINGS LTD. 600 - 350 3RD AVENUE NORTH SASKATOON, SK S7K 6G7	8,280			
Sub-Total - Cliff Wiegers		**98,280**		1.00%
Sub-Total - Others			**165,702**	**1.68%**
TOTAL OUTSTANDING	**9,870,100**		**9,870,100**	**100.00%**
CONVERTIBLE SECURITIES				
Maple Leaf Convertible Debenture (Note 2)			615,764	
Employee Stock Options (Note 3)			826,900	
Sub-Total - Convertible Securities			1,442,664	
TOTAL - FULLY DILUTED			**11,312,764**	

Notes:
1. Porcan Developments Inc is controlled, indirectly, by Florian Possberg as to 45%, Michael Deutscher as to 25% and James Sawatsky and John Harding as to 15% each. Porcan holds a total of 52,056 shares which for the purpose of this shareholders list have been allocated as follows:

Florian Possberg	23,426
Michael Deutscher	13,014
AMSP (James Sawatsky)	7,808
HSVS (John Harding)	7,808
	52,056

2. Big Sky issued Mitchell's Gourmet Foods a $5,000,000 secured convertible debenture effective November 10, 1998, which was assigned to Maple Leaf Foods Inc. effective October 1, 2005. The debenture matures November 10, 2008 but may be redeemed at any prior time on 90 days notice. Maple Leaf may convert the whole or any part of the debenture into Common Shares at a conversion price of $8.12 per share at any time on or prior to the earlier of 30 days after the maturity date or within 60 days of its receipt of a notice from Big Sky that it intends to redeem the debenture.

3. The following summarizes all options currently outstanding under the Officers, Directors and Employee stock option plan that was adopted by the Borrower in June, 2001 (the "Stock Option Plan" or "Plan"):

Holder	Number	Date of Grant	Expiry Date	Exercise Price	Phantom Price
Florian Possberg	316,900	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Michael Deutscher	200,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Casey Smit	60,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Ed Weninger	25,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Richard Johnson	25,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Cliff Ehr	25,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Dean Possberg	10,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Daryl Possberg	10,000	June 19,2001	June 30,2010	$4.00 per share	$3.51 per share
Brian Griffin	10,000	June 30,2001	June 30,2011	$4.28 per share	$3.79 per share
Lorianne Earis	10,000	June 30,2001	June 30,2011	$4.28 per share	$3.79 per share
Daryl Possberg	10,000	June 30,2001	June 30,2011	$4.28 per share	$3.79 per share
Al Lanfermann	30,000	May .5,2006	June 30,2015	$• per share	$5.08 per share
Denys Robidoux	30,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Daryl Possberg	20,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Dean Possberg	5,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Ernie Patrick	5,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Lorianne Earis	5,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Brian Griffin	5,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Curtis Possberg	15,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
Colin Pratt	10,000	May 15,2006	June 30,2015	$• per share	$5.08 per share
	826,900				

Pursuant to the Plan, every individual who at the time an option is granted is a director, officer or employee of the Borrower or its affiliates (an "Eligible Participant") is eligible to receive options under the Plan, provided that the Borrower has the right in its sole discretion to determine which Eligible Participants are to be granted options and, subject to the terms of the Plan, the terms and conditions attaching to such options.

At the time the Stock Option Plan was adopted, the Borrower, together with a wholly owned subsidiary - 101015902 Saskatchewan Ltd. (the "Trustee") - and 101015904 Saskatchewan Ltd. ("PutCo"), entered into a series of agreements, including a stock option agreement and deed of trust (the "Deed of Trust') between the Borrower and the Trustee, a put agreement (the "Put Agreement") between PutCo, the Trustee and the Borrower, and a capital contribution and option agreement (the "Capital Contribution Agreement") between the Borrower, PutCo and Mr. Paul Grant (who is the sole shareholder, director and officer of PutCo). All of these agreements are dated June 19, 2001, as subsequently amended and restated, and were entered into in order to implement a Management Incentive Program (the "Incentive Program") that operates in conjunction with and ancillary to the Stock Option Plan. Pursuant to the Deed of Trust, all currently outstanding options under the Plan were granted (and future options may be granted) to the Trustee who holds such options as bare trustee and for the benefit of the relevant Eligible Participants to whom the options are beneficially granted (the "Beneficial Holders"). Pursuant to the Put Agreement, so long as the Common Shares of the Borrower are not listed on a recognized stock exchange, the Trustee has the right (the "Put Right") at its option (and shall if directed by the relevant Beneficial Holder) to sell the options on behalf of the Beneficial Holder to PutCo at a price equal to the difference between the Modified Book Value (as that term is defined in the Put Agreement) of the Borrower's Common Shares at the time the relevant option was granted by the Borrower and the Modified Book Value of the Borrower's Common Shares at the time the Put Right is exercised. For these purposes, the Modified Book Value of the Borrower's Common Shares on the dates the respective options were granted was the Phantom Prices referred to in the above table. Pursuant to the Capital Contribution Agreement, the Borrower has agreed to advance to PutCo up to the full purchase price for any options it purchases under the Put Agreement, which advances, unless otherwise agreed, will be advanced by the Borrower to PutCo as loans which are repayable, with interest at prime plus 2%, on demand and secured by all of the present and after acquired assets of PutCo. Also pursuant to this Capital Contribution Agreement, Mr. Grant has granted the Borrower an option to acquire all of the outstanding shares of PutCo and has agreed to cause the business and affairs of PutCo to be operated in accordance with various negative and positive covenants.

APPENDIX B
TO SCHEDULE F

BIG SKY FARMS INC.

INVENTORY OF REAL PROPERTY

Big Sky Hillsley Unit

Inv. # 1	*RM:* Wolverine #340	*Name:*	Hillsley
Use:	600 sow farrow to finish		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 113395361 Reference Land Description: NE Sec 19 Twp 35 Rge 23 W2 Extension 0 As described on Certificate of Title 90H09849		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky PPF 1 Unit

Inv. # 2	*RM:* Wolverine #340	*Name:*	PPF 1
Use:	600 sow farrow to finish		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel # 114461322 Reference Land Description: LSD 9 Sec 08 Twp 36 Rge 23 W2 Ext 2 As described on Certificate of Title 99H04362		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392939	CNV Caveat	05-May-1999	Her Majesty the Queen (Saskatchewan)
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii	Surface Parcel # 114461333 Reference Land Description: LSD 10 Sec 08 Twp 36 Rge 23 W2 Ext 3 As described on Certificate of Title 99H04362		
102392939	CNV Caveat	05-May-1999	Her Majesty the Queen (Saskatchewan)
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #1 – 2,500 Sow, 3 Site Facility

Inv. # 3	*RM:* Wolverine #340	*Name:*	Merkosky
Use:	Big Sky#1 breeder/farrow barn		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel # 113393820 Reference Land Description: NW Sec 11 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 97H09269		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392894	CNV Water Corp Notice	15-May- 1997	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17-November-1998	Maple Leaf Foods Inc
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. # 4	*RM:* Wolverine #340	*Name:*	Krysa
Use:	Big Sky#1 nursery barn		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel # 113393796 Reference Land Description: NW Sec 10 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 97H09268		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392928	CNV Water Corp Notice	15-May- 1997	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17-November-1998	Maple Leaf Foods Inc
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. 5#	*RM:* Stanley #215	*Name:*	Lang
Use:	Big Sky #1 Feeder Barn 1		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #143967910 Reference Land Description: NE Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09307		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961719	CNV Easement	03 December 1973	Saskatchewan Telecommunication
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #6	*RM:* Stanley #215	*Name:*	Star
Use:	Big Sky #1 Feeder Barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143967897 Reference Land Description: SW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09309		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #7	*RM:* Wolverine #340	*Name:*	
Use:	Big Sky #1 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113393932 Reference Land Description: SE Section 15 Twp 35 Rge 23 W2 Ext 0 As described on Certificate of Title 94H10634B		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392883	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #2: 2,500 sow, three site facility (Kelvington/Lintlaw)

Inv. #8	*RM:* Hazel Dell #335	*Name:*	Engdahl
Use:	Big Sky #2 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #114046017 Reference Land Description SW Section 03 Twp 35 Rge 09 W2 Ext 0 As described on Certificate of Title 97H08407		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #9	*RM:* Hazel Dell #335	*Name:*	Oryszczyn
Use:	Big Sky #2 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120386404 Reference Land Description LSD 11 Sec 23 Twp 35 Rge 09 W2 Ext 9 As described on Certificate of Title 97H08408, Description 9		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii.	Surface Parcel #120386426 Reference Land Description LSD 12 Sec 23 Twp 35 Rge 09 W2 Ext 10 As described on Certificate of Title 97H08408, Description 10		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	CNV Mortgage	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
iii.	Surface Parcel #120386448 Reference Land Description LSD 13 Sec 23 Twp 35 Rge 09 W2 Ext 11 As described on Certificate of Title 97H08408, Description 11		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
iv.	Surface Parcel #120386460 Reference Land Description LSD 14 Sec 23 Twp 35 Rge 09 W2 Ext 12 As described on Certificate of Title 97H08408, Description 12		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

v.	Surface Parcel #120386482 Reference Land Description NW LSD 14 Sec 23 Twp 35 Rge 09 W2 Ext 23 As described on Certificate of Title 97H08408, Description 23		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102438491	CNV Water Corporation Notice	06 October 1998	Saskatchewan Water Corporation
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #10	*RM:* Sasman #336	*Name:*	Clark
Use:	Big Sky #2 Feeder Barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113275650 Reference Land Description NW Sec 18 Twp 36 Rge 11 W3 Ext 0 As described on Certificate of Title 97H08410		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. 11#	*RM:* Sasman #336	*Name:*	Clearfield
Use:	Big Sky #2 Feeder Barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113311471 Reference Land Description SE Sec 13 Twp 36 Rge 12 W2 Ext 0 As described on Certificate of Title 97H08409		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #12	City of Humboldt	*Name:*	Slat Plant
Use:	Manufacture of concrete slats and other materials for hog barns		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113883453 Reference Land Description Lot 12 Blk/Par 90 Plan No. 00H08038 Ext 0 As described on Certificate of Title 00H08213		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392827	CNV Personal Property Security Interest	27-Nov-2000	The Bank of Nova Scotia
110191676	$100,000,000 Mortgage	03-Nov-2005	The Bank of Nova Scotia

Big Sky #3: 2,500 sow, three site facility (Preeceville/Sturgis)

Inv. #13	*RM:* Preeceville #334	*Name:*	Sawka
Use:	Big Sky #3 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143250263 Reference Land Description SW Sec 14 Twp 36 Rge 06 W2 Ext 0 As described on Certificate of Title 00Y04478		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961832	CNV Planning and Development Act Caveat	6 July 1998	RM of Preeceville #334
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #14	*RM:* Preeceville #334	*Name:*	North Prairie
Use:	Big Sky #3 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142430510 Reference Land Description SW 18 Twp 36 Rge 05 W2 Ext 0 As described on Certificate of Title 00Y04909		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961854	CNV Planning and Development Act Caveat	6 July 1998	RM of Preeceville #334
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #15	*RM:* Preeceville #334	*Name:*	Kopje
Use:	Big Sky #3 Feeder barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142104620 Reference Land Description SE Sec 02 Twp 35 Rge 04 W2 Ext 0 As described on Certificate of Title 00Y06422		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #16	*RM:* Preeceville #334	*Name:*	Peterson
Use:	Big Sky #3 Feeder barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #142104608 Reference Land Description SW Sec 01 Twp 35 Rge 04 W2 Ext 0 As described on Certificate of Title 00Y06406		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Big Sky #4: 6,000 sow, three site facility (Ogema)

Inv. #17	*RM:* Key West 070	*Name:*	Fohr
Use:	Big Sky #4 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #108467781 Reference Land Description SW Sec 05 Twp 08 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE15167		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102393154	$100,000,000 CNV Mortgage	01-Nov-2000	The Bank of Nova Scotia

Inv. #18	*RM:* Key West #070	*Name:*	Hudson
Use:	Big Sky #4 nursery barn		
Leased Property – See Appendix C			

Inv. #19	*RM: Key West #070*	*Name:*	Bacon
Use:	Big Sky #4 feeder barn 1		
Leased Property – See Appendix C			

Inv. #20	*RM: Key West #070*	*Name:*	Iversen
Use:	Big Sky #4 feeder barn 2		
Leased Property – See Appendix C			

Inv. #21	*RM: Key West #070*	*Name:*	Linton
Use:	Big Sky #4 feeder barn 3		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #108475735 Reference Land Description NE Sec 25 Twp 08 Rge 22 W2 Ext 0 As described on Certificate of Title 00SE30248		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #22	*RM: Key West #070*	*Name:*	Dunn
Use:	Big Sky #4 feeder barn 4		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #109100179 Reference Land Description NE Sec 09 Twp 09 Rge 22 W2 Ext 1 As described on Certificate of Title 00SE32505 which describes this parcel and other parcels with the same land description tied to this one		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
ii.	Surface Parcel #109110877 Reference Land Description NE Sec 09 Twp 09 Rge 22 W2 Ext 2 As described on Certificate of Title 00SE32505 which describes this parcel and other parcels with the same land description tied to this one		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #23	*RM: Key West 070*	*Name:*	
Use:	Big Sky #4 feedmill site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120383827 Reference Land Description Blk/Par A Plan No. 101342405 Ext 5 As described on Certificate of Title 00SE37642 description 5		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
108035120	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	12 May 2003	Saskatchewan Watershed Authority
108058585	Easement Non Mutual (Dominant)	20 May 2003	The Current Dominant Tenement
108129854	Easement Non Mutual	18 June 2003	The Current Dominant Tenement

Big Sky #5: 6,000 sow, three site facility (Rama)

Inv. #24	*RM: Invermay #305*	*Name:*	Korchewski
Use:	Big Sky #5 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143009232 Reference Land Description SW Sec 08 Twp 32 Rge 07 W2 Ext 0 As described on Certificate of Title 01Y05570		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104632343	$100,000,000 CNV Mortgage	08 November 2000	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	16 April 2003	Saskatchewan Watershed Authority

Inv. #25	*RM: Invermay #305*	*Name:*	Mainroad
Use:	Big Sky #5 nursery barn		
Leased Property – See Appendix C			

Inv. #26	*RM: Invermay #305*	*Name:*	Matsalla
Use:	Big Sky #5 feeder barn 1		
Leased Property – See Appendix C			

Inv. #27	*RM: Hazel Dell #335*	*Name:*	Stein
Use:	Big Sky #5 feeder barn 2		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #153953545 Reference Land Description SW Sec 26 Twp 34 Rge 08 W2 Ext 1 As shown on Plan 101428196		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #28	*RM: Hazel Dell #335*	*Name:*	Ashworth
Use:	Big Sky #5 feeder barn 3		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #114085807 Reference Land Description SE Sec 23 Twp 34 Rge 08 W2 Ext 0 As described on Certificate of Title 01H05353		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia
106380996	Saskatchewan Watershed Authority Act, 2005-Notice(s.64)	11 December 2002	Saskatchewan Watershed Authority
Inv. #29	*RM: Hazel Dell #335*	*Name:*	Brezinski
Use:	Big Sky #5 feeder barn 4		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #114067706 Reference Land Description SW Sec 10 Twp 34 Rge 08 W2 Ext 0 As described on Certificate of Title 01H04816		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #30	*RM: Invermay #305*	*Name:*	
Use:	Big Sky #5 Feedmill site		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #145221173 Reference Land Description LSD 13 Sec 07 Twp 33 Rge 07 W2 Ext 19 As described on Certificate of Title 00Y10959 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104563896	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

ii	Surface Parcel #145221184 Reference Land Description LSD 14 Sec 07 Twp 33 Rge 07 W2 Ext 20 As described on Certificate of Title 00Y10959 Description 20		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104563896	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

Inv. #31	*RM:*	*Name:*	Dam Site
Use:	Water supply for Big Sky #5		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143008927 Reference Land Description; Blk/Par APlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
ii.	Surface Parcel #143008916 Reference Land Description; Blk/Par APlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105898551	CNV Easement	28 Feb 1974	TransGas Limited
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority
iii.	Surface Parcel #147451406 Reference Land Description; NE Sec 17 Twp 32 Rge 07 W2 Plan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority

iv.	Surface Parcel #143008905 Reference Land Description; Blk/Par CPlan No AW1088 Ext 0 As described on Certificate of Title 01Y05600		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105898551	CNV Easement	28 Feb 1974	TransGas Limited
107832416	$100,000,000 CNV Mortgage	10 Apr 2003	The Bank of Nova Scotia
107887922	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16 Apr 2003	Saskatchewan Watershed Authority

Inv. #32	*RM: Invermay #305*	*Name:*	
Use:	Big Sky #5 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #145842925 Reference Land Description Blk/Par A Plan No. 101705037 Ext 1 As described on Certificate of Title 01Y05958 Description 1		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961821	$100,000,000 CNV Mortgage	12 July 2002	The Bank of Nova Scotia

Big Sky #6 6,000 sow, three site facility (Porcupine)

Inv. #33	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135489729 Reference Land Description NW Sec 20 Twp 42 Rge 06 W2 Ext 0 As described on Certificate of Title 01PA18130		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #34	*RM: Porcupine #395*	*Name:*	Lindenbach-Denham
Use:	Big Sky #6 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135518126 Reference Land Description NE Sec 33 Twp 41 Rge 06 W2 Ext 0 As described on Certificate of Title 01PA20010		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #35	*RM: Bjorkdale #426*	*Name:*	Martyn
Use:	Big Sky #6 feeder barn 1		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608540 Reference Land Description SW Sec 23 Twp 43 Rge 10 W2 Ext 0 As described on Certificate of Title 01PA21715		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #36	*RM: Bjorkdale #426*	*Name:*	Lenning
Use:	Big Sky #6 feeder barn 2		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608629 Reference Land Description NE Sec 25 Twp 43 Rge 10 Ext 0 As described on Certificate of Title 02PA00887(1)		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #37	*RM: Bjorkdale #426*	*Name:*	Hoffus
Use:	Big Sky #6 feeder barn 3		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133608753 Reference Land Description SE Sec 30 Twp 43 Rge 10 W2 Ext 0 As described on Certificate of Title 02PA06720		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Inv. #38	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 feedmill site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151103865 Reference Land Description Blk/Par A Plan No 101473590 Ext 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108089578	$100,000,000 CNV Mortgage	03 June 2003	The Bank of Nova Scotia
ii.	Surface Parcel #151103887 Reference Land Description Blk/Par B Plan No. 101473590 Ext 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Inv. #39	*RM: Porcupine #395*	*Name:*	
Use:	Big Sky #6 Manager's Residence		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #136191999 Reference Land Description Blk/Par A Plan No 101544443 Ext 41 As described on Certificate of Title 02PA05466 Description 41		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104414576	$100,000,000 CNV Mortgage	26 July 2002	The Bank of Nova Scotia

Artificial Insemination Stud Barn

Inv. #40	*RM: Lakeside #338*	*Name:*	
Use:	AI stud barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120387179 Reference Land Description Blk/Par A Plan No 101727817 Ext 14 As described on Certificate of Title 02H01550 Description 14		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104328446	$100,000,000 CNV Mortgage	22 July 2002	The Bank of Nova Scotia

Other

Inv. #41	*City of Humboldt*	*Name:*	
Use:	Head Office		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113881372 Reference Land Description Lot 15 Blk/Par 5 Plan No. 99H01872 Ext 0 As described on Certificate of Title 99H05930		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08 November 2000	The Bank of Nova Scotia

Inv. #42	*RM: Stanley #215*	*Name:*	
Use:	Extra quarter section leased for farming		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #143967909 Reference Land Description NW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09308		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	$5,000,000 CNV Mortgage (see Note 1)	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

ii.	Mineral Parcel #145842824 Reference Land Description NW Sec 07 Twp 23 Rge 09 W2 Ext 0 As described on Certificate of Title 97Y09308		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
104961641	CNV Mortgage	12 November 1998	Maple Leaf Foods Inc.
104632343	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #43	*RM:* Wolverine 340	*Name:*	Burr Truck Wash
Use:	truck wash		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113390681 Reference Land Description Blk/Par A Plan No 63H07892 Ext 0 As described on Certificate of Title 95H10734		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #44	*RM: City of Humboldt*	*Name:*	Humboldt Truck Wash
Use:	truck wash		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #113857375 Reference Land Description Lot 3 Blk/Par 91 Plan No. 84H08705 Ext 0 As described on Certificate of Title 96H10386		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392726	$5,000,000 CNV Mortgage (see Note 1)	17 November 1998	Maple Leaf Foods Inc.
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia
ii.	Surface Parcel #113857386 Reference Land Description Lot 4 Blk/Par 91 Plan No 84H08705 Ext 0 As described on Certificate of Title 00H06302		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102392748	$100,000,000 CNV Mortgage	08-Nov-2000	The Bank of Nova Scotia

Inv. #45	City of Saskatoon	*Name:*	
Use:	Saskatoon Truck Wash		
Leased Property – See Appendix C			

Big Sky #7 – Pelly Project – 6,000 sow, 2 site farrow to ween (Proposed, see Note 2)

Inv. #46	*RM:* St. Philips #301	*Name:*	
Use:	Big Sky #7 breeder/farrow barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #144412107 Reference Land Description NE Sec 33 Twp 32 Rge 31 W1 Ext 0 As described on Certificate of Title 75Y06319		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Inv. #47	*RM:* St. Philips #301	*Name:*	
Use:	Big Sky #7 nursery barn		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151573620 Reference Land Description NE Sec 11 Twp 33 Rge 32 W1 Ext 53 As described on Certificate of Title 97Y12033 Description 53		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Inv. #48	*RM:* St. Livingston # 331	*Name:*	Stilaeoff
Use:	Big Sky #7 (future) finisher site		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #144417269 Reference Land Description NW Sec 33 Twp 34 Rge 30 W1 Ext 0 As described on Certificate of Title 87Y00589B		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Distribution Centre

Inv. #49	City of Humboldt	*Name:*	
Use:	Distribution Centre		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #113866218 Reference Land Description Lot 4 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 00H05361		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103417376	CNV Easement	24 December 1990	Saskatchewan Power Corporation and Saskatchewan Telecommunications
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #113866195 Reference Land Description Lot 5 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 00H05361		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103417376	CNV Easement	24 December 1990	Saskatchewan Power Corporation and Saskatchewan Telecommunications
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

New Head Office Property (Proposed)

Inv. #50	City of Humboldt	*Name:*	
Use:	Site for proposed new head office		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #113866184 Reference Land Description Lot 2 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 87H11458		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		
ii.	Surface Parcel #113866207 Reference Land Description Lot 3 Blk/Par 210 Plan No. 85H11697 Ext 0 As described on Certificate of Title 87H11459		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

Inv. #51	*RM:* Porcupine #395	*Name:*	
Use:	Water well site for Big Sky #6		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #145311612 Reference Land Description Blk/Par APlan No. 02PA08075 Ext 1 As described on Certificate of Title PA100683969		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110042682	$100,000,000 Mortgage	01 Sep 2005	The Bank of Nova Scotia

Storage Site

Inv. #52	*UM:* City of Humboldt.	*Name:*	
Use:	Storage site for Environmental Management System Equipment		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #161579368 Reference Land Description Lot 5 Blk/Par 91Plan No 101886295 Extension 0		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
	Nil (see Note 2)		

CPV Acquisitions -Saskatchewan

Inv. #53	*RM:* Victory #. 226	*Name:*	Beechy
Use:	600 sow, single site farrow to finish unit		
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel #104593710 Reference Land Description Blk/Par A Plan No 101083441 Extension 19 As described on Certificate of Title 97MJ02537 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
100091124	CNV Caveat	09 May 1999	Coteau Hills Rural Water Pipeline Association
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #54	*RM:* Mountain View #318	*Name:*	Eagle Creek
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #131570692 Reference Land Description Blk/Par A Plan No 101473770 Extension 19 As described on Certificate of Title 99MW06117 Description 19		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103186706	CNV Caveat	29 July 1976	Her Majesty the Queen (Saskatchewan Conservation and Land Improvement Br, Dept of Agriculture
103186717	CNV Water Corporation Certificate	06 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #55	*RM:* Rudy No.284	*Name:*	Great West
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #119774830 Reference Land Description SE Sec 27 Twp 28 Rge 07 W3 Ext 0 As described on Certificate of Title 96S27546		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105192750	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #119811708 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 1 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

iii.	Surface Parcel #119821563 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 2 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
iv.	Surface Parcel #119821574 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 3 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice - South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
v.	Surface Parcel #119821585 Reference Land Description SW Sec 22 Twp 28 Rge 07 W3 Ext 4 As described on Certificate of Title 97S06542A which describes this parcel and other parcels with the same land description tied to this one		
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
vi.	Surface Parcel #119774818 Reference Land Description NW Sec 22 Twp 28 Rge 07 W3 Ext 1 As described on Certificate of Title 97S06542 which describes this parcel and other parcels with the same land description tied to this one		
105199511	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
105199522	CNV Common Law Easement Re: S ½ of 26-28-7 W3	14 January 2000	The Current Dominant Tenement
107703648	CNV Notice-South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

vii.	Surface Parcel #119825488 Reference Land Description NW Sec 22 Twp 28 Rge 07 W3 Ext 2 As described on Certificate of Title 97S06542 which describes this parcel and other parcels with the same land description tied to this one		
105199511	CNV Caveat	13-Feb-1997	Norman John Ballek and Natalie Jade Ballek
105199522	CNV Common Law Easement Re: S ½ of 26-28-7 W3	14 January 2000	The Current Dominant Tenement
107703648	CNV Notice - South Saskatchewan River Irrigation Act	26 March 2003	The Board of the Saskatchewan River Irrigation Act
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #56	*RM:* Rosemount #378	*Name:*	Hi-Point
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #118505190 Reference Land Description SW Sec 11 Twp 39 Rge 16 W3 Ext 0 As described on Certificate of Title 99MW04442		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105590022	CNV Water Corporation Notice	14 April 2000	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #57	*RM:* Star City #428	*Name:*	Kelsey
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #133557442 Reference Land Description NW Sec 36 Twp 45 Rge 17 W2 Ext 0 As described on Certificate of Title 99PA06413		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105866871	CNV Easement	25 June 1974	Saskatchewan Telecommunications
108211047	Saskatchewan Watershed Authority Act, 2005- Notice(s.64)	21 July 2003	Saskatchewan Watershed Authority
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #58	*RM:* Last Mountain Valley #250	*Name:*	Last Mountain
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #109990637 Reference Land Description NE Sec 02 Twp 25 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE08958		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
103509020	CNV Water Corporation Notice	5 October 1999	Saskatchewan Water Corporation
103509031	CNV Caveat	04 Apr 2001	The Bank of Nova Scotia
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #109990626 Reference Land Description SE Sec 02 Twp 25 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE08958A		
103509031	CNV Caveat	4 April 2001	Bank of Nova Scotia
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #59	*RM:* Arborfield #456	*Name:*	Pasquia
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #135201158 Reference Land Description NE Sec 04 Twp 46 Rge 12 W2 Ext 0 As described on Certificate of Title 00PA04564		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #60	*RM:* Bone Creek	*Name:*	Red Coat
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #151484564 Reference Land Description NW Sec 10 Twp 09 Rge 17 W3 Ext 33 As described on Certificate of Title 01SC02068 Description 33		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
107439194	CNV Easement	21 May 1958	SaskPower
107439161	CNV Easement	26 June 1972	Many Islands Pipe Lines (Canada) Limited
107439183	CNV Water Corporation Notice	28 June 2001	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #61	*RM: Maple Bush # 224*	*Name:*	River Lake
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #102636817 Reference Land Description NE Sec 08 Twp 24 Rge 05 W3 Ext 0 As described on Certificate of Title 97MJ02538		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
100497405	CNV Caveat	04-Feb-1997	Sandy Bay Farms Ltd.
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Mineral Parcel #105669131 Reference Land Description NE Sec 08 Twp 24 Rge 05 W3 Ext 0 As described on Certificate of Title 97MJ02538		
100497405	CNV Caveat	04-Feb-1997	Sandy Bay Farms Ltd.
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #62	*RM:* Rosthern #403	*Name:*	Sask Valley
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #145995733 Reference Land Description Blk/Par A Plan No 101549460 Ext 24 As described on Certificate of Title 00PA04563 Description 24		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105052126	CNV Common Law Easement (Dominant)	14 December 1995	The Current Dominant Tenement
105052137	CNV Water Corporation Notice	11 April 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #63	*RM:* Grass Lake #381	*Name:*	Sask West
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #120903320 Reference Land Description LSD 15 Sec 24 Twp 39 Rge 25 W3 Ext 20 As described on Certificate of Title 99MW04443 Description 20		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102997794	CNV Caveat	22 July 1992	SaskPower
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #153452099 Reference Land Description LSD 16 Sec 24 Twp 39 Rge 25 W3 Ext 22		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
102997794	CNV Caveat	22 July 1992	SaskPower
102997817	CNV Water Corporation Notice	26 November 1999	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
iii.	Surface Parcel #153452101 Reference Land Description LSD 16 Sec 24 Twp 39 Rge 25 W3 Ext 21		
102997794	CNV Caveat	22 July 1992	SaskPower
102997817	CNV Water Corporation	26 November 1999	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #64	*RM:* Grant #372	*Name:*	St. Denis
Use:			
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #152817802 Reference Land Description NW Sec 13 Twp 37 Rge 01 W3 Ext 23 As described on Certificate of Title 97H01783 Description 23		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108103272	CNV Common Law Easement (Dominant)	06 July 1995	The Current Dominant Tenement
108103294	CNV Water Corporation Notice	05 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia
ii.	Surface Parcel #152817813 Reference Land Description NW Sec 13 Twp 37 Rge 01 W3 Ext 81 As described on Certificate of Title 97H01783 Description 81		
108103272	CNV Common Law Easement (Dominant)	06 July 1995	The Current Dominant Tenement
108103294	CNV Water Corporation Notice	05 May 1997	Saskatchewan Water Corporation
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

Inv. #65	*RM:* Insinger #275	*Name:*	Yellowhead
Use:	1,200 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	Surface Parcel #141164546 Reference Land Description NE Sec 27 Twp 28 Rge 08 W2 Ext 0 As described on Certificate of Title 00Y10406		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105831615	Easement Mutual (Dominant)	30 October 2002	The Current Dominant Tenement
106220764	Easement Non-Mutual (Dominant)	28 November 2002	The Current Dominant Tenement
106777862	Easement Non-Mutual (Dominant)	13 January 2003	The Current Dominant Tenement
109053738	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	25 June 2004	Saskatchewan Watershed Authority
110060884	$100,000,000 Mortgage	09 Sep 2005	The Bank of Nova Scotia

CPV Acquisitions -Manitoba

Inv. #66	Morden LTO	*Name:*	Norfolk
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	SW ¼ 33-7-9 WPM		
#	*Summary Description*	*Registration Date*	*Holder*
1025246	Caveat MOR ACCEPTED Easement Agreement for lines and cables with pedestals	1999/11/17	MTS Communications Inc
38693C	Caveat MOR ACCEPTED ½ Interest in minerals	1969/08/30	Crown Trust Company
1090824	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

Inv. #67	Brandon LTO	*Name:*	Whitewater
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	NLY 2034 Feet Perp of the WLY 1713.30 Feet Perp of the SW ¼ 17-4-20 WPM EXC all mines and minerals as set forth in transfer no. 56141 BO DIV		
#	*Summary Description*	*Registration Date*	*Holder*
1054707	Caveat ACCEPTED Easement Agrt Dated 1998-06-15	1998/11/23	From/By: Wesley Arbram John Froese & Elaine Rosemarie Edie Froese To: John Michael Waldron as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia
1179912	Caveat ACCEPTED Right of First Refusal Agrt dated 3 February 2006		From/By: The Manitoba Hydro-Electric Board To: J. Quinn Menec as agent
1179914	Caveat ACCEPTED Wind Farm Agrt dated 3 February 2006	2006/04/05	From/By: The Manitoba Hydro-Electric Board To: J. Quinn Menec as agent

Inv. #68		*Name:*	Southwest
Use:	600 sow, single site farrow to finish unit		
Legal Description(s) and Registered Encumbrances			
i.	All that portion of WLY 1036.75 Feet Perp of NW ¼ 17-3-26 WPM which lies North of a line drawn ELY right angles to WLY limit of said quarter section through a point distant thereon 1420.60 feet from NW corner of said quarter section EXC mines and minerals as set forth in transfer no. 62878BO.		
#	*Summary Description*	*Registration Date*	*Holder*
1062339	Caveat ACCEPTED Right-of-way agreement dated 18 March 1999	1999/04/30	From/By: MTS Communications Inc. To: William F. Johnstone as agent
1082082	Caveat ACCEPTED Waterline Easement Agrt dated 4 Aug 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082087	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082088	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

ii.	All that portion of the ELY 1468.50 feet perp of the NE ¼ 18-3-26 WPM which lies to the North of a line drawn WLY at right angles to the ELY limit of said quarter section through a point distant thereon 1186.68 feet from the NE corner of said quarter section EXC all mines and minerals as set forth in transfer no. 91-11586		
1047869	Caveat ACCEPTED Agreement dated 1998-07-07	1998/07/21	From/By: MTS Communications Inc. To: William F. Johnstone, as agent
1082082	Caveat ACCEPTED Waterline Easement Agrt dated 4 Aug 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082087	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1082088	Caveat ACCEPTED Waterline Easement Agrt dated 17 Oct 1998	2000/07/05	From/By: Southwest Stock Farm Ltd. To: By Donald John Sheldon, as agent
1086876	Caveat ACCEPTED Right-of-way Agrt dated 13 Aug 1999	2000/10/23	From/By: MTS Communications Inc. To: William F. Johnstone, as agent
1168714	$100,000,000 Mortgage	2005/09/01	The Bank of Nova Scotia

Notes:

1. The Maple Leaf Foods Inc. Mortgage has been postponed to The Bank of Nova Scotia Mortgage.
2. Inventory #'s 38ii, 48i, 50i, 50ii and 52i are to be included in a Sixth Supplemental Debenture by the Borrower and a Mortgage collateral thereto will be registered on behalf of The Bank of Nova Scotia against these properties.

APPENDIX C
TO SCHEDULE F

BIG SKY FARMS INC.

INVENTORY OF LEASED REAL PROPERTY

PRAIRIE HOG NURSERY TRANSACTION LANDS

Inv. # 18	*RM:* Key West #070	*Name:*	Hudson
Use:	Big Sky #4 Nursery Barn	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 108467725 Reference Land Description: NE Sec 03 Twp 08 Rge 23 W2 Ext 0 As described on Certificate of Title 00SE20578		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105469308	$6,000,000 Mortgage (Note 1)	04-Oct-02	Canadian Imperial Bank of Commerce
105562234	Miscellaneous Interest	11-Oct-2002	Big Sky Farms Inc
105562278	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105469331	Lease-10 years or more	04-Oct-02	Big Sky Farms Inc.
105562290	$100,000,000 Mortgage	11-Oct-2002	The Bank of Nova Scotia
105469364	Miscellaneous Interest	04-Oct-2002	Big Sky Farms Inc
105562470	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105562256	CNV Personal Property Security Interest	11-Oct-2002	The Bank of Nova Scotia
105562267	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia

Inv. # 25	*RM:* Invermay #305	*Name:*	Mainroad
Use:	Big Sky #5 Nursery Barn	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 141639284 Reference Land Description: NW Sec 01 Twp 32 Rge 08 W2 Extension 0 As described on Certificate of Title 00Y07312		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
105469308	$6,000,000 Mortgage (Note 1)	04-Oct-02	Canadian Imperial Bank of Commerce
105562234	Miscellaneous Interest	11-Oct-2002	Big Sky Farms Inc
105562278	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105469331	Lease-10 years or more	04-Oct-02	Big Sky Farms Inc.
105562290	$100,000,000 Mortgage	11-Oct-2002	The Bank of Nova Scotia
105469364	Miscellaneous Interest	4-Oct-2002	Big Sky Farms Inc
105562470	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
105562256	CNV Personal Property Security Interest	11-Oct-2002	The Bank of Nova Scotia
105562267	Miscellaneous Interest	11-Oct-2002	The Bank of Nova Scotia
107887933	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	16-April-2003	Saskatchewan Watershed Authority

PRAIRIE HOG MATSALLA TRANSACTION LANDS

Inv. # 26	*RM:* Invermay # 305	*Name:*	Matsalla
Use:	Big Sky #5 Feeder Barn 1	*Registered Owner:*	Prairie Hog Production Inc.
Legal Description(s) and Registered Encumbrances			
.	Surface Parcel # 143031631 Reference Land Description: NW Sec 12 Twp 33 Rge 07 W2 Ext 0 As described on Certificate of Title 00Y07197		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108034310	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	12-May-2003	Saskatchewan Watershed Authority
108825576	$2,405,000 Mortgage (Note 1)	13-May-2004	Canadian Imperial Bank of Commerce
108911280	Miscellaneous Interest	31-May-2004	Big Sky Farms Inc
108911291	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108825891	Miscellaneous Interest	13-May-2004	Canadian Imperial Bank of Commerce
108825925	Lease-10 years or more	13-May-2004	Big Sky Farms Inc.
108911303	$100,000,000 Mortgage	31-May-2004	The Bank of Nova Scotia
108825947	Miscellaneous Interest	13-May-2004	Big Sky Farms Inc
108911358	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108911099	Miscellaneous Interest	31-May-2004	The Bank of Nova Scotia
108911224	CNV Personal Property Security Interest	31-May-2004	The Bank of Nova Scotia

FINISHER NO. 1 CONTRACT FINISHING TRANSACTION

Inv. # 19	*RM:* Key West #070	*Name:*	Bacon
Use:	Big Sky#4 Feeder Barn 1	*Registered Owner:*	Big Sky Finishers (No. 1) Inc.
Legal Description(s) and Registered Encumbrances			
	Surface Parcel # 108475454 Reference Land Description: SE Sec 18 Twp 08 Rge 22 W2 Ext 0 As described on Certificate of Title 00SE21467		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108031575	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	09-May-2003	Saskatchewan Watershed Authority
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

Inv. # 20	*RM:* Key West #070	*Name:*	Iversen
Use:	Big Sky#4 Feeder Barn 2	*Registered Owner:*	Big Sky Finishers (No. 1) Inc.
	Legal Description(s) and Registered Encumbrances		
i.	Surface Parcel # 108475230 Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Ext 1 As described on Certificate of Title 00SE21468		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108058585	Easement Non-Mutual (Dominant)	20-May-2003	
108129854	Easement Non-Mutual (Dominant)	18-June-2003	
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

ii.	Surface Parcel # 108461000 Reference Land Description: NW Sec 11 Twp 08 Rge 22 W2 Ext 2 As described on Certificate of Title 00SE21468		
108035120	Saskatchewan Watershed Authority Act, 2005 – Notice (s.64)	12-May-2003	Saskatchewan Watershed Authority
108058585	Easement Non-Mutual (Dominant)	20-May-2003	
108129854	Easement Non-Mutual (Dominant)	18-June-2003	
108129887	$7,950,000 Mortgage (Note 1)	18-June-2003	National Bank of Canada, Farm Credit Canada and Conexus Credit Union
108143164	Miscellaneous Interest	24-June-2003	Big Sky Farms Inc
108143175	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129933	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia
108129955	Miscellaneous Interest	18-June-2003	Big Sky Farms Inc
108143221	Miscellaneous Interest	24-June-2003	The Bank of Nova Scotia

SASKATOON TRUCK WASH PROPERTY

Inv. # 45	*UM:* Saskatoon	*Name:*	Saskatoon Truck Wash
Use:	Truck Wash	*Registered Owner:*	SKL Truck & Trailer Wash Inc.
Legal Description(s) and Registered Encumbrances			
.	Surface Parcel # 119989625 Reference Land Description: Lot13 Blk/Par 536Plan 66S18566 Ext 0 As described on Certificate of Title 99SA27805		
Int Reg #	*Summary Description*	*Registration Date*	*Holder*
108612356	Lease – less than 10 years	02-Feb-2004	Big Sky Farms Inc.
6 additional encumbrances not included in this Appendix as they affect the landlord's interest, not the interest of Big Sky.			

1. These mortgages, granted by Prairie Hog Production Inc in favour of Canadian Imperial Bank of Commerce and Big Sky Finishers (No. 1) Inc in favour of National Bank of Canada, Farm Credit Canada and Conexus Credit Union do not secure any obligations of the Obligors.

SCHEDULE G
OTHER SECURED OBLIGATIONS

[see reference in Section 3.1.5]

Present and future debts, liabilities and obligations under or in connection with The Bank of Nova Scotia Corporate Visa Agreement dated 31 October 2001 between the Borrower and BNS, as amended, supplemented, restated and replaced from time to time, including by a replacement agreement dated on or about 26 August 2005, as amended, supplemented, restated and replaced from time to time, and including by an anticipated replacement agreement to be entered into on or about July or August 2006, as amended, supplemented, restated and replaced from time to time.

Present and future debts, liabilities and obligations to BNS under or in connection with Swaps to provide for the exchange of floating interest rate obligations by the Borrower for fixed interest rate obligations and Swaps to exchange Canadian Dollars to US Dollars, or vice versa, or to exchange Canadian Dollars or US Dollars to the lawful currency of another country, or vice versa, whether pursuant to the ISDA Master Agreement and related Confirmation dated 28 November 2000 between the Borrower and BNS, as amended an amending agreement dated as of 30 August 2005 and as further amended, supplemented, restated and replaced from time to time or otherwise.

Present and future debts, liabilities and obligations to Bank of Montreal under or in connection with Swaps to provide for the exchange of floating interest rate obligations by the Borrower for fixed interest rate obligations and Swaps to exchange Canadian Dollars to US Dollars, or vice versa, or to exchange Canadian Dollars or US Dollars to the lawful currency of another country, or vice versa, whether pursuant to the ISDA Master Agreement dated as of 10 June 2002 between the Borrower and Bank of Montreal, as amended, supplemented, restated and replaced from time to time or otherwise.

SCHEDULE H
LITIGATION AND ENVIRONMENTAL MATTERS

[see reference in Section 6.1.3(a)]

Litigation

1. Parties: Big Sky Farms Inc. v. Koenders Mfg. (1997) Ltd.

   Date Issued: December 30, 2004

   Case/Court: Q.B. No. 2233 of 2004, Court of Queen's Bench for Saskatchewan - Judicial Centre of Saskatoon

   Summary of Claim: A claim relating to defective feeders installed by the Defendant at Big Sky's Ogema (Big Sky IV) hog barns including direct losses for replacement of feeders and consequential losses.

   Status: At discovery stage

2. Parties: KPMG Inc. (in its capacity as court appointed receiver of Community Pork Ventures Inc. and Eagle Creek Pork Producers Ltd.) and Big Sky Farms Inc. v. Lombard Canada Ltd., Red River Mutual Insurance Company, Allianz Canada, Ecclesiastical Insurance Group, The Boiler Inspection Insurance Company of Canada, and Lloyds, London as represented by Lochain Patrick Insurance Brokers Ltd. under registration No. 153365

   Date Issued: January 6, 2006

   Case/Court: Q.B. No. 21 of 2006, Court of Queen's Bench for Saskatchewan - Judicial Centre of Saskatoon

   Summary of Claim: The claim relates to a fire January 7, 2005 that destroyed a feedmill which formed part of the assets formerly owned by Eagle Creek Pork Producers Ltd. which were purchased by the Borrower in the CPV Acquisition. The Plaintiffs claim to be entitled to replacement cost (approximately $550,000) rather than cash value (approximately $260,000).

Status:	The Defendant insurers have not formally declined replacement cost coverage but may do so. The claim was issued prior to the expiration of the limitation period in order to preserve the claim, but the Statement of Claim has not yet been served on the Defendants.

Environmental Matters

NIL

SCHEDULE I
INTELLECTUAL PROPERTY

[see reference in Section 6.1.4(d)]

NIL

SCHEDULE J
BORROWING BASE CERTIFICATE

[see reference in Section 1.1.25]

[See attached]

13087 18 (5/96) (WP)

BORROWING BASE CALCULATION

TO:	THE LENDERS (as defined in the Credit Agreement referred to below)	DATE:
AND TO:	THE BANK OF NOVA SCOTIA, as Agent	

We refer to the Third Amended and Restated Credit Agreement dated as of 14 July 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and not defined herein have the meanings defined in the Credit Agreement. We hereby certify to you, as of the date first mentioned above, that the following is a true statement of property of the kinds described in assignment(s) or other security interest(s) given by the undersigned to the Agent and of current liabilities. The said property is owned by the undersigned and is in the place or places designated in the said assignment(s) or other security interest(s). There are no security interests or charges on the property, held by parties other than the Agent, or specific payables or other amounts which have or may have priority over the Agent's security, except as disclosed hereunder.

NAME AND BIG SKY FARMS INC.

AUTHORIZED SIGNATURE: ____________________

SPECIFIC PAYABLES AND OTHER ITEMS Without duplication, amounts which have or may have priority over the Agent's security	**DATE**
	(omit 000's)
Due to the Government of Canada for	
• Sales and Excise taxes (including G.S.T.)	$
• Employee Deductions (UIC, CPP and Income Tax)	$
Due to provincial governments for	
• Sales tax	$
• Workers' Compensation Board	$
Due to Employees (or accrued) for	
• Wages, Commissions, Vacation Pay	$
Due to the Company Pension Fund for	
• Deductions from Employees	$
• Due to the Fund by the Company	$
• Unfunded past service cost (as per Auditor's Note No.)	$
Overdue Rent, Property and Business Taxes	$
Encumbered Payables (other than listed above)	$
Due to farmers, fishermen and aquaculturists for inventory received within the past 15 days (applicable only if not otherwise included in Encumbered Payables)	$
Other Specific Payables and Other Items (includes Inventory not in the possession of the Borrower, unless arrangement satisfactory to the Agent have been put in place to preserve the priority of its Security over Inventory, or located outside of the jurisdictions where the Security over Inventory has been perfected in accordance with local laws)	
TOTAL SPECIFIC PAYABLES AND OTHER ITEMS	$ 0

Date Inventory Last Examined by the Agent	

BORROWING BASE CALCULATION	DATE
(As calculated on next page)	Net Value (omit 000's)
Eligible Receivables	$??
Eligible Inventory	$??
Sub-Total	$??
LESS	
• Total Specific Payables and Other Items†	$
† Amounts which have or may have priority over the Agent's security	
BORROWING BASE	$ 0
LESS Credit A Use	
• Prime Rate Loans	$
• Base Rate Loans	$
• Bankers' Acceptances (or L/Cs or Letters of Guarantee, if available)	$
• Net Overdrawn Account under Credit A1 if not otherwise accounted for above (Cash on hand less O/S cheques, if negative)	
TOTAL CREDIT A USE	$ 0
UNUSED BORROWING BASE	$ 0
ESTABLISHED CREDIT A	$

Fire Insurance payable to the Agent on Inventory	$

CALCULATION OF ELIGIBLE RECEIVABLES	
Accounts Receivable	$
LESS (without duplication)	
• Inter Company A/R	$
• Doubtful A/R	$
• Encumbered A/R	$
• Offsets to A/R	$
• Crown Debt A/R	$
• Extra-Jurisdictional A/R	$
ELIGIBLE RECEIVABLES (Amount must equal Total Eligible Value below)	$??

ACCOUNTS RECEIVABLE AGE ANALYSIS

TOTAL† $ 0

		Amount	% This Year	% Last Year
• Up to 30 Days	$		0	
• 31 to 60 Days	$		0	
• 61 to 90 Days	$		0	
Sub-Total	$	0	0	0
• Over 90 Days	$		0	
Total†	$	0	0	0

ACCOUNTS PAYABLE AGE ANALYSIS

TOTAL† $ 0

		Amount	% This Year	% Last Year
• Up to 30 Days	$		0	
• 31 to 60 Days	$		0	
• 61 to 90 Days	$		0	
Sub-Total	$	0	0	0
• Over 90 Days	$		0	
Total†	$	0	0	0

BORROWING BASE CALCULATION					
CATEGORY	VALUE (omit 000's)	LESS Unpaid Inventory Received Past 30 Days†	EQUALS Eligible Value (omit 000's)	TIMES %	EQUALS Net Value (omit 000's)
Eligible Receivables					
• Total Eligible Value			$	x 67 %	=$ 0
(Carried forward to first page) **Total Eligible Receivable**			$??		=$??
Inventory (without duplication)					
• Feed	$	$	=$ 0	x 67 %	=$ 0
• breeding stock hogs	$	$	=$ 0	x 67 %	=$ 0
• unhedged market hogs	$	$	=$ 0	x 67 %	=$ 0
• Hedged Market Hogs*	$	$	=$ 0	x 67 %	=$ 0
Total Eligible Inventory			$??		=$??
Inventory Cap - $					=$
Inventory Cap - % of Credit			$??	x %	=$ ERR
(Carried forward to first page) **Final Eligible Inventory**					=$??

†Exclude amounts owing to farmers, fishermen and aquaculturists reported under Specific Payables.
*Net Realizable Value cannot exceed cost by more than $10,000,000.

Definitions:

"Accounts Receivable" means the aggregate amount of the entries which would, in accordance with GAAP, be classified on a consolidated balance sheet as trade accounts receivable of the Borrower.

"Crown Debt A/R" means any amount included in Accounts Receivable that is a "Crown debt" as defined in the *Financial Administration Act* (Canada) or otherwise not assignable as part of the Security or not actually subject to the Security.

"Doubtful A/R" means any amount included in Accounts Receivable that has been outstanding for over 90 days, that is due from persons that are the subject of bankruptcy or insolvency proceedings or for which collection is otherwise doubtful.

"Encumbered A/R" means any amount included in Accounts Receivable that is subject to any Encumbrance, other than a Permitted Encumbrance which does not rank prior to or *pari passu* with the Security, or is subject to garnishment, execution, attachment or similar process.

"Encumbered Payables" means any amount included in Inventory that is subject to any Encumbrance (including a supplier's 30-day reclamation right and any other lien, claim or Encumbrance arising under the *Bankruptcy and Insolvency Act* (Canada)) other than a Permitted Encumbrance which does not rank prior to or *pari passu* with the Security, or is otherwise not subject to a first-ranking Encumbrance in favour of the Lenders as part of the Security.

"Extra-Jurisdictional A/R" means any amount included in Accounts Receivable that is owed by persons located in a jurisdiction where the Security over the Accounts Receivable has not been perfected in accordance with local laws.

"Hedged Market Hogs" means, in accordance with GAAP, market hogs with respect to which the Borrower has entered into(i) futures contracts, (ii) options to purchase futures contracts, (iii) agreements with Maple Leaf or other packers to guarantee a fixed price or (iv) such other arrangements from time to time as may be satisfactory to the Agent in its sole and absolute discretion.

"Inter Company A/R" means any amount included in Accounts Receivable that is due from "associates" (as defined in *The Business Corporations Act* (Saskatchewan)) of the Borrower, from shareholders of the Borrower (other than Maple Leaf), or from associates of shareholders of the Borrower.

"Inventory" means, at any time, without duplication, the aggregate of the entries which would, in accordance with GAAP, be classified on a balance sheet as inventory at that time, limited to feed (valued at cost only), breeding stock hogs and unhedged market hogs (valued at the lower of cost or Net Realizable Value) and Hedged Market Hogs (valued at Net Realizable Value).

"Net Realizable Value" means, in accordance with GAAP, the fair market value of an unhedged hog, or the selling price of a Hedged Market Hog, less the costs necessary to complete the sale of the unhedged hog or Hedged Market Hog.

"Offsets to A/R" means any amount included in Accounts Receivable that is subject to any reasonable claim for credit, set-off, allowance, adjustment, counterclaim or partial discharge (but only to the extent of the adverse claim thereon if it can be quantified on a reasonable basis).

SCHEDULE K
CERTAIN PERMITTED OBLIGATIONS

INCLUDING SUBORDINATED SECURITY

[see reference in Sections 1.1.113(k)(i), 1.1.113(m), 1.1.114(j) and 1.1.144]

Permitted Encumbrances and/or Permitted Obligations

A. Encumbrances against Real Property

Those Encumbrances specifically identified in Appendix B or Appendix C of SCHEDULE F, other than the Security.

B. Encumbrances against Personal Property

Those encumbrances registered in the Saskatchewan Personal Property Registry as summarized in Appendix A attached hereto.

C. Subordinated Security

1. Security with Maple Leaf Foods Inc. (previously Mitchell's Gourmet Foods Inc.):

   (a) Financing agreement dated November 10, 1998;

   (b) Secured convertible debenture dated November 10, 1998;

   (c) Real property mortgage dated November 10, 1998;

   (d) Long-term hog supply agreement dated November 10, 1998, as amended by letter dated February 22, 2000;

   (e) Amending agreement dated as of July 6, 2000; and

   (f) Second Amending Agreement to Financing Agreement dated as of October 2, 2005.

2. Security with the Saskatchewan Department of Agriculture and Foods:

   (a) Short-term Hog Loan Program – Loan Application dated 6 February 2002.

APPENDIX A
TO SCHEDULE K

PPR REGISTRATIONS

Secured Party	Registration No.	Date Reg'd	Summary Collateral Description
Registrations against Big Sky Farms Inc			
Depart. Of Agriculture & Food	118965922-1	8-Jan-03	All present and after acquired property
Discovery Ford Sales Ltd.	300042095-1	2-Jun-06	2003 Ford F350
Ford Credit Canada Leasing Co.	121221701-1	2-Sep-04	2005 Ford Escape
Ford Credit Canada Leasing Co.	121416615-1	29-Oct-04	2005 Ford Escape
Ford Credit Canada Leasing Co.	121617839-1	4-Jan-05	2004 Ford F150
Ford Credit Canada Leasing Co.	122347550-1	27-Jul-05	2005 Ford F250
Ford Credit Canada Leasing Co.	122347568-1	27-Jul-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122347576-1	27-Jul-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122347584-1	27-Jul-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122347592-1	27-Jul-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122347615-1	27-Jul-05	2006 Ford F250
Ford Credit Canada Leasing Co.	122503180-1	01-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122506293-1	02-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122506308-1	02-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122529403-1	09-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122533703-1	12-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122599149-1	28-Sep-05	2006 Ford Freestyle
Ford Credit Canada Leasing Co.	122603257-1	29-Sep-05	2005 Ford F150
Ford Credit Canada Leasing Co.	122853072-1	14-Dec-05	2006 Ford F150
Ford Credit Canada Leasing Co.	300039122-1	26-May-06	2006 Ford F150

Secured Party	Registration No.	Date Reg'd	Summary Collateral Description
Ford Credit Canada Leasing Co.	300034078-1	12-May-06	2006 Ford F150
Ford Credit Canada Limited	120453787-1	17-Feb-04	2004 Ford F250
	120453787-2 (Amendment)	19-Feb-04	
Golden West Trailer Sales & Rentals	300040318	30-May-06	00 Stoughton Van
Golden West Trailer Sales & Rentals	300003014	21-Feb-06	1992 Trail-Eze Trailer
John Deere Credit Inc.	118006029-1	3-May-02	John Deere 8220 Tractors (2)
John Deere Credit Inc.	300013491-1	27-Mar-06	John Deere 8230 Tractor (2)
John Deere Limited	300003406-1	23-Feb-06	John Deere 8230 Tractor
Maple Leaf Foods Inc. (previously Mitchell's Gourmet Foods Inc.)	112833868-1	13-Oct-98	All present and after acquired property
	112833868-2 (Amendment)	18-Dec-98	
	112833868-3 (Amendment)	05-Oct-05	
SKL Truck & Trailer Wash Inc.	120113971-1	30-Oct-03	Wash equipment etc located at 420 Melville St.,
	120113971-2 (Amendment)	31-Oct-03	Saskatoon, SK.

SCHEDULE L
FORM OF BORROWER'S DRAWDOWN CERTIFICATE

[see reference in Section 4.2.1(k).]

TO: THE LENDERS (as defined in the Credit Agreement referred to below)

AND TO: THE BANK OF NOVA SCOTIA, as Agent
Corporate Banking, Loan Syndications
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Managing Director
Fax No.: 416-866-3329

We refer to the Third Amended and Restated Credit Agreement dated as of 14 July 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

We also refer to the construction of the *[Big Sky VII/Office]* Project (the "Project") in accordance with the Construction Contracts.

We hereby certify that:

2. We last inspected the Project on ______________________________.

3. We attach a Construction Progress Report dated the date hereof.

4. Construction of the Project is being performed in accordance with the Construction Contracts and the Plans and Specifications for the Project provided to the Agent.

5. All construction completed to date has been done in a good and workmanlike manner, materials and fixtures customarily furnished and installed at the current stage of construction have been furnished and installed, and we have approved all of the work, materials and fixtures.

6. All construction completed to date complies with all applicable zoning and building laws and ordinances and other Approvals issued in respect of the Project.

7. All required Approvals covering the construction to date have been issued and are in force. There is no undischarged violation of applicable laws, regulations or orders of any governmental authority having jurisdiction of which we have notice as of the date hereof, nor have we received written notice of any Construction Lien and no Construction Lien is registered against the Project Lands.

8. We have complied with all requirements of *The Builders' Lien Act* (Saskatchewan) and we are maintaining all necessary holdbacks to satisfy any Construction Liens.

9. Project Completion can be achieved by 31 December 2006 within the Project Budget.

10. There are no approved, pending or proposed change orders or additions to the Construction Contracts other than those approved by the Agent in accordance with Section 7.5.1(a), those listed in our monthly Construction Progress Reports to the Lenders up to and including the report dated ________ and those listed in the Construction Progress Report attached hereto.

11. Attached hereto are copies of invoices related to the Project and a worksheet setting forth a full breakdown of the Project Costs for such invoices, the payment of which is requested by the Notice of Advance referred to below.

This Certificate is delivered by us in accordance with and pursuant to the provisions of the Credit Agreement and we acknowledge that the Agent and the Lenders are relying on this Certificate to make the Advance requested by our Notice of Advance dated ____.

DATED _______________.

BIG SKY FARMS INC.

By: ___________________________
Name:
Title:

By: ___________________________
Name:
Title:

SCHEDULE M
FORM OF BORROWER'S DRAWDOWN CERTIFICATE

[see reference in Section 4.3.1(j).]

TO: THE LENDERS (as defined in the Credit Agreement referred to below)

AND TO: THE BANK OF NOVA SCOTIA, as Agent
Corporate Banking, Loan Syndications
40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Managing Director
Fax No.: 416-866-3329

We refer to the Third Amended and Restated Credit Agreement dated as of 14 2006 between Big Sky Farms Inc. as Borrower, the other Obligors, The Bank of Nova Scotia as Administrative Agent and the Lenders named therein, as amended, supplemented, restated or replaced from time to time (the "Credit Agreement"). All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

We also refer to the Processing Investment.

We hereby certify that:

1. We last inspected the processing facility being constructed in Manitoba in connection with the Processing Investment on ________________.

2. The Manitoba processing facility is at *[describe stage of completion and stage of construction.]* We have [not] commenced supplying hogs to the Manitoba processing facility.

3. We have been actively monitoring the progress of, and have received and reviewed construction progress reports satisfactory to us with respect to, construction and financing of the processing facility in Manitoba in connection with the Processing Investment, and such construction is proceeding on schedule and in accordance with the Contracts relating thereto. We will provide copies of all such construction progress reports to you upon request.

4. We have received a report or certificate of the independent engineer or architect supervising construction of the Manitoba processing facility satisfactory to us *[or specify other evidence delivered to the Borrower]* certifying that a construction stage or milestone has been completed such that a payment by OlyWest MB

Limited Partnership (or its partners) is required to be made to the general contractor in connection with such construction.

5. Completion of the Processing Investment can be achieved on budget and we will be in compliance with the covenants contained in the Credit Agreement following completion of the Processing Investment. Attached hereto is a schedule demonstrating *pro forma* compliance with the financial covenants contained in the Credit Agreement following such completion.

6. Other through Advances under Tranche 2, we have provided all funds necessary to complete the Processing Investment from our own resources as and when required for the timely, due and proper completion of the Processing Investment.

7. Attached hereto is a schedule setting forth the sources and uses of our funds and Advances under Tranche 2 to date in connection with, and the costs and Advances under Tranche 2 required to complete, the Processing Investment.

This Certificate is delivered by us in accordance with and pursuant to the provisions of the Credit Agreement and we acknowledge that the Agent and the Lenders are relying on this Certificate to make the Advance requested by our Notice of Advance dated ____ .

DATED ______________.

BIG SKY FARMS INC.

By: ______________________
Name:
Title:

By: ______________________
Name:
Title: